JACKSON COUNTY TOURISM DEVELOPMENT AUTHORITY CONFLICTS OF INTEREST POLICY

ARTICLE I. PURPOSE

The purpose of this Policy is to protect the integrity of the Jackson County Tourism Development Authority ("JCTDA") when a transaction, arrangement, vendor selection, or other official action could benefit the private interests of a JCTDA board member, employee, committee member, or related person. This Policy supplements, but does not replace, applicable North Carolina law, the JCTDA's enabling legislation, or other applicable county, state, or federal laws.

ARTICLE II. DEFINITIONS

Section 1. Board. "Board" means the governing board of the JCTDA.

Section 2. Interested Person. An "Interested Person" is any JCTDA Board member, employee, or committee member exercising authority delegated by the JCTDA Board who has an actual or potential Financial Interest in a matter before the JCTDA or administered on its behalf.

Section 3. Financial Interest. An Interested Person has a "Financial Interest" if the person, directly or indirectly through a business, employment or compensation arrangement, or through an Immediate Family Member: (a) holds an ownership or investment interest in an entity involved in a JCTDA transaction or arrangement; (b) receives or may receive compensation, income, a commission, or another economic benefit from the transaction or arrangement; or (c) is negotiating to obtain an ownership or investment interest in, or enter into an employment or compensation arrangement with, the entity. For disclosure and recusal purposes, a Financial Interest also includes an Interested Person's service as a director, officer, or governing board member of a nonprofit organization seeking a contract, grant, or other financial award from the JCTDA.

Section 4. Immediate Family Member. "Immediate Family Member" means a spouse, domestic partner, parent, child, sibling, or any person residing in the Interested Person's household.

Section 5. Independent Service Provider. "Independent Service Provider" means a public-relations firm, marketing firm, destination-marketing contractor, travel-media coordinator, or other independent contractor retained by the JCTDA to arrange lodging, guiding, transportation, attractions, or related tourism services.

ARTICLE III. DISCLOSURE, DETERMINATION, AND RESOLUTION OF CONFLICTS

Section 1. Disclosure of Financial Interest. In connection with any actual or possible conflict of interest, an Interested Person shall disclose the existence and nature of the Financial Interest and all material facts to the Board or committee considering or administering the proposed transaction or arrangement, or for an administrative selection under Article IV, to the Executive Director. For an administrative selection under Article IV, if the Executive Director is the Interested Person, disclosure shall be made to the Board Chair or another disinterested person designated by the Board.

Section 2. Determination of Conflict. If the transaction, arrangement, or matter requires action by the Board or a committee, then, after disclosure of the Financial Interest and all material facts by the Interested Person, the Interested Person shall leave the meeting while the existence of a conflict is discussed and determined. The remaining disinterested members shall determine whether a conflict exists. Administrative selections governed by Article IV shall be handled in accordance with that Article without participation or influence by the Interested Person.

Section 3. Participation and Influence. If the Board or committee determines that a conflict exists, the Interested Person shall not participate in selecting a provider or recipient, developing or negotiating the terms, approving the transaction or reimbursement, overseeing performance, or otherwise making or administering the transaction.

Section 4. Alternatives and Fairness. If the Board or committee determines that a conflict exists, the disinterested members shall determine whether the JCTDA can obtain a more advantageous transaction through reasonable efforts from a provider that would not create a conflict. If no such alternative is reasonably available, the disinterested members may approve the transaction only if they determine that it serves the JCTDA's interests, furthers a lawful public tourism purpose, and is fair and reasonable. No transaction may be approved under this Section if it is prohibited by applicable law, and compliance with this Policy does not substitute for any requirement imposed by law.

ARTICLE IV. SELECTION OF TOURISM PROVIDERS

Section 1. Application of Article. This Article governs the Executive Director's or an Independent Service Provider's administrative selection of lodging, guides, transportation, and related tourism services. It applies only to selections that do not require Board approval under applicable law, the JCTDA's enabling legislation, the approved budget, or the JCTDA's financial controls.

Section 2. General Rule. The JCTDA may use providers affiliated with an Interested Person only when the arrangement is lawful, serves a documented tourism purpose, is selected through a neutral process administered without participation or influence by the Interested Person, and is fair and reasonable to the JCTDA.

Section 3. Selection Method. The Executive Director or Independent Service Provider shall use objective, assignment-specific criteria, which may include location, availability, capacity, accessibility, visitor profile, media value, quality and type of experience, seasonality, rate, cancellation terms, prior hosting frequency, and the goal of distributing opportunities among qualified providers over time.

Section 4. Rotation and Documentation. For recurring media visits, the JCTDA shall maintain a provider roster and selection log. When multiple providers satisfy the criteria, the selector should use a documented rotation or another neutral method. The log should identify the assignment, criteria applied, providers considered, provider selected, rate or complimentary value, prior recent placements, and any disclosed affiliation with a JCTDA official. Rotation does not require selection of a provider that does not reasonably satisfy the assignment-specific criteria.

Section 5. Board-Affiliated Providers. A provider affiliated with an Interested Person may be considered on the same terms as other qualified providers, provided that the Interested Person

does not participate in or attempt to influence the selection, negotiation, approval, or administration of the engagement. The selection shall be made by the Executive Director or an Independent Service Provider under the objective criteria established by this Policy. If the proposed engagement requires Board action and would provide a financial benefit to an Interested Person or an Immediate Family Member, the engagement may proceed only if permitted by law. Legal counsel should be consulted when the legal authority for the engagement is uncertain.

Section 6. Rates and Complimentary Services. The selector shall seek commercially reasonable, arm's-length terms. Complimentary or discounted services may be accepted only if lawful, offered for a legitimate tourism purpose, documented, and not conditioned on favorable treatment. When reimbursement is required, the administrative record shall include the invoice, available rate support, the business and tourism purpose, and approval by an authorized JCTDA representative. If an Interested Person is affiliated with the selected provider, the record shall also confirm that the Interested Person did not participate in or influence the selection, administration, or payment.

Section 7. Single Qualified Provider. If only one provider reasonably satisfies an assignment's documented needs, the administrative record shall explain the operational basis for the selection and identify the alternatives considered. The lack of another suitable provider does not permit a transaction otherwise prohibited by law.

ARTICLE V. RECORDS, PAYMENT CONTROLS, AND VIOLATIONS

Section 1. Minutes and Administrative Record. When a conflict is considered by the Board or committee, the minutes shall identify the Interested Person, the nature of the disclosed interest, the person's departure and nonparticipation, the determination regarding the conflict, alternatives considered, findings made, and the vote. Administrative selections not requiring Board action shall be documented and retained with invoices and reimbursement records pursuant to the applicable records-retention schedule.

Section 2. Payment Approval. No Interested Person may approve or sign a check, reimbursement, invoice, or payment authorization that would benefit that Interested Person, an Immediate Family Member, or an entity in which the Interested Person has a Financial Interest. Payment shall be reviewed and approved by a disinterested official with authority under the JCTDA's financial controls.

Section 3. Violations. If there is reasonable cause to believe that a required disclosure was omitted or that an Interested Person participated improperly, the JCTDA shall provide notice and an opportunity to respond, investigate as appropriate, suspend payment when warranted, and take corrective action consistent with law. Corrective action may include rescission, recovery of funds, removal from a selection roster, referral to the appointing authority, or other lawful action.

ARTICLE VI. ANNUAL ACKNOWLEDGMENT

Annual Statement. Each Board member shall annually acknowledge that the member has received, read, understands, and agrees to comply with this Policy.

ARTICLE VII. EFFECTIVE DATE

This Policy shall become effective immediately upon adoption. This Policy supersedes and replaces all prior JCTDA conflict-of-interest policies.

Adopted by the Board of the Jackson County Tourism Development Authority the __ day of _____ 2026.

_____
Chair, Jackson County Tourism Development Authority

Attest: _____
Secretary

ANNUAL CONFLICTS OF INTEREST STATEMENT

I acknowledge that I have received and read the Jackson County Tourism Development Authority Conflicts of Interest Policy, understand its requirements, and agree to comply with the Policy. I further agree to promptly disclose any actual or potential Financial Interest as required by the Policy and to refrain from participating in or influencing any matter when prohibited by the Policy or applicable law.

Board Member: _____

Signature: _____

Date: _____