

**FULTON COUNTY
EMPLOYEES RETIREMENT SYSTEM
BOARD**

ETHICS POLICY

**APPROVED
FEBRUARY 11, 1998**

The statement of fiduciary responsibilities imposes upon trustees the obligations of acting solely in the interests of the participants and beneficiaries, of acting honestly and with undivided loyalty to the trust and of avoiding all situations and relations tending in the least to conflict with disinterested discharge of their duties.

Section 1. Definitions

As used herein:

- (a) **“ Immediate Family ”** means the spouse of a Board Member and their parents, children, brothers and sisters.
- (b) **“ Interest ”** means any direct or indirect pecuniary or material benefit held by or accruing to a Board Member as a result of a contract or transaction which is or may be the subject of an official act or action by or with the Pension Board. Unless otherwise provided, the term “interest” does not include any remote interest. For the purpose of this Policy, a Board Member shall be deemed to have an interest in transactions involving:
- (1) Any person in his or her immediate family;
 - (2) Any person with whom a contractual relationship (either written or implied) exists, whereby he or she may receive any payment or other benefit, including an agreement for employment; and
 - (3) Any business in which he or she is a director, officer, employee, prospective employee, or substantial shareholder.

Section 2. Impartiality

No Board Member shall by his or her conduct give reasonable basis for the impression that any person improperly can influence him or her or unduly enjoy his or her favor in the performance of official acts or actions, or that he or she is affected unduly by the kinship, rank, position of or association with any person.

Section 3. Campaign Contributions

The provisions of this Policy do not permit elected officials serving on the Pension Board to solicit or knowingly receive political contributions from vendors providing services directly to the Board or from a vendor seeking to do business with the Board.

Section 4. The Responsibilities of Board Members Regarding Conflicts of Interest

A conflict of interest may be defined as a situation in which a Board member is involved or has an interest, either directly or indirectly, in a matter coming before the Board. The members of the Pension Board have a duty of trust to the general public, participants and retirees and are not permitted to advance their personal interest in conflict with the exercise of this duty. No promise of forbearance, or waiver, by the affected Board member is sufficient to avoid a conflict. The conflict of interest arises from a circumstance or situation and not as an activity. The elements of the circumstance are the opportunity for enhancement of the member and control of the transaction.

Under this policy there are positive obligations imposed on each Board member. These are:

- (a) Each Board member will examine each matter coming before the Board to evaluate the potential of a conflict of interest or the appearance of a conflict of interest.
- (b) Those members of the Board who have, or believe they have, a personal or financial interest in a matter coming before the Board will declare the nature of the conflict. This includes any Board member having received or solicited a gift in excess of that permitted in Section 6, Item (a) or a political contribution in any amount from an existing vendor providing service directly to the Board or a vendor seeking to do business with the Board.
- (c) Those members shall abstain from participating in the matter before the Board, including making and seconding motions, participating in discussions, and voting and will be recorded as abstaining when votes are taken.
- (d) Each member will bring to the Board's attention any undeclared conflict of interest involving another Board member of which they may have knowledge.

Section 5. Board Activities Subject to Conflicts of Interest

It is not possible to enumerate all potential circumstances that would give rise to conflicts of interest. However, the range of activities undertaken by the Board is sufficiently narrow that a number of categories of potential conflict can be listed to guide the Board members. The activities and responsibilities of the Board in which questions of conflict of interest can arise include:

- (a) Awarding of pensions
- (b) Granting of refunds
- (c) Litigation, including whether to pursue litigation or the agreement of settlement terms.
- (d) Selection of vendors of services to the Board, including:

- Actuaries
- Attorneys
- Auditors
- Brokerage firms
- Consultants
- Custodial banks
- Insurance brokers
- Money managers
- Trainers

Each of these actions involve the granting of or allocation of money and /or other benefits. Further, these actions involve the exercise of the judgment of Board members and is under their control as trustees of the plan assets.

Section 6. Contributions, Gifts and Other Emoluments

The trustees of the Board, being mindful of the need to assure the proper discharge of their fiduciary responsibilities and to maintain the confidence of the participants, retirees, beneficiaries and the general public in the integrity of the decision-making process, will adhere to the following principles regarding contributions, gifts and other emoluments:

- (a) No Board member shall accept a gift from an existing vendor providing services directly to the Board or a vendor seeking to do business with the Board having a value exceeding \$50 annually, unless it can be consumed within a twenty-four hour period.
- (b) No Board Member shall directly or indirectly request, exact, receive or agree to receive from an existing vendor providing services directly to the Board or a vendor seeking to do business with the Board a loan, favor, promise, or thing of value for himself or herself or another person.

- (c) No Board member shall solicit or knowingly accept contributions or services from an existing vendor providing services directly to the Board or a vendor seeking to do business with the Board.
- (d) No Board member is permitted to accept an invitation to pay for travel, lodging or conference fees from an existing vendor providing services directly to the Board or a vendor seeking to do business with the Board.

Section 7. Responsibilities of Existing Vendors Providing Services Directly to the Board and Vendors Seeking to do Business with the Board.

Under this policy a positive obligation to inform the Board of any contribution, gifts or emoluments made to a Board member is imposed on each vendor providing services directly to the Board or a vendor seeking to do business with the Board. Accordingly the following provisions are applicable to them.

- (a) The scope of this policy is applicable to the making of a contribution, the pledging of contributions, the soliciting of contributions by Board members or their representatives or the steering of contributions to third parties.
- (b) The scope of this policy is applicable to contributions from principals, employees or agents of vendors providing services directly to the Board or a vendor seeking to do business with the Board.
- (c) All existing vendors providing services directly to the Board will be notified by certified mail of this policy. If possible, their contracts will be amended to incorporate these provisions.
- (d) All potential vendors of services to the Board will, at the time of Requests for Proposals, vendor searches and presentations to the Board be given a copy of this policy. They will make declarations of agreement not to make such contributions, gifts or emoluments exceeding \$50 in value a year unless it can be consumed within twenty-four hours as required by this policy.
- (e) All contracts negotiated with vendors will incorporate the provision and the strict adherence to this policy and will be considered as one of their responsibilities as fiduciaries.

Section 8. Confidential Information

No Pension Board member shall disclose or otherwise use confidential information acquired by virtue of his or her position on the Pension Board for his, her or another person's private gain.

Section 9. Acquiring an Interest

No Pension Board member shall acquire an interest in any contract or transaction at a time when he or she believes or has reason to believe that such an interest will be affected directly or indirectly by his or her official act or actions.

Section 10. Compliance with Applicable Laws

No Pension Board member shall engage in any activity or transaction that is prohibited by any law, now existing or hereafter enacted, which is applicable to actions of the Pension Board. When any provision of this Ethics Policy shall conflict with the laws of Georgia or the United States, such laws shall apply. If any section of this Ethics Policy shall be declared by any court to be invalid, the remaining sections shall remain applicable.

Section 11. Ethics Policy Violations

- (a) Any Board action having been taken with the participation of a Board member having an undeclared conflict of interest as defined in this policy shall be reviewed by the Board and shall require the positive reaffirmation of the Board without the participation of the conflicted member to be made valid.
- (b) Any vendor of services to the Board who, having been informed of the disclosure requirements of this policy, fails to disclose solicitations, contributions, gifts or emoluments, shall be deemed to have violated their fiduciary responsibilities to the Board and any contract with them shall be voided and that vendor shall be barred from future contracts with the Board for a period of two (2) years.
- (c) Any member of the Board who fails to disclose a conflict of interest as defined in this policy shall be subject to appropriate disciplinary action by the Board. Such disciplinary actions will be one or more of the following:
 - Warning or oral reprimand
 - Motion of censure
 - Replacement as officer of the Board
 - Referral to appointing authority for further action
 - Referral for prosecution, if a law has been violated

Section 12 Procedures for Handling and Investigating Allegations of Ethics Policy Violations

The following procedures are to be followed in instances of where violations are suspected or known or allegations of violations are made:

- (a) A formal, written signed allegation will be submitted to the Board by whomever is alleging a violation of the Ethics Policy. The statement must describe the nature of the violation with sufficient specificity to permit the Board to investigate the allegations. The person filing the complaint must be willing to appear before the Board to testify in support of the complaint. Written anonymous allegations will be accepted and processed in the manner as a signed allegation. A copy of the complaint shall be mailed by certified mail to the Board member against whom the allegation is filed within five (5) days after it is received.
- (b) The allegation document will be forwarded to the Board's Attorney for review.
- (c) The allegation will be brought before the Board at its next regular meeting and, with the assistance of the Board's Attorney, will make the decision whether to proceed with a further investigation into the facts of the case. This decision requires a majority vote of the Board.
- (d) If the Board decides that the allegation, even if true, does not violate the Ethics Policy or that the allegation lacks sufficient specificity to permit further investigation, then the Board will dismiss the allegations and will state the reasons for the action. This decision requires a majority vote of the Board.
- (e) If the Board decides to go forward with the allegation, the matter will be referred to the Board's Attorney who will conduct a private investigation into the facts of the matter and will issue a report of findings, with recommendations, to the Board for its consideration.. This will be done as expeditiously as possible and no later than two (2) regular Board meetings.
- (f) Any Board member who is the subject of the alleged Ethics Policy violation will be provided a copy of Board Attorney's report of findings at least 30 days prior to the scheduled hearing by the Board. The Board member will also be advised of the scheduled date and time of the Board's hearing on the matter. The Board member is permitted to have legal council representation at their expense during the hearing and will be permitted to cross examine witnesses, call witnesses and present evidence in their on behalf.

(g) The Board will make the final determination of the validity of the allegations. If the allegations are found to be invalid and unwarranted, the allegations will be dismissed. If the Board determines that the investigation reveals the allegations to be valid, will determine the appropriate sanction in accordance with provisions of Section F. No disciplinary action shall be taken against a Board member unless it is determined by a majority vote of the Board that a violation of the Ethics Policy has occurred.

Section 13 The Effective Date of These Provisions

The Ethics Policy shall be effective as of the adoption date. It shall be noted that these policy standards are not intended to serve as *ex post facto rules*. No contract here to fore adopted shall be voided solely because of the adoption of these policy standards and no Board member shall be sanctioned due to violating policy standards that were not thin in place.

FULTON COUNTY EMPLOYEES RETIREMENT SYSTEM BOARD
ETHICS POLICY
AMENDMENT # 1
April 14, 1999

Subject:

Amend the adopted Ethics Policy to permit political contribution to be solicited and received by elected officials serving on the Pension Board.

Proposed Changes:

Section 3. Campaign Contributions

OLD (to be deleted)

The provisions of this Policy do not permit elected officials serving on the Pension Board to solicit or knowingly receive political contributions from vendors providing services directly to the Board or from a vendor seeking to do business with the Board.

NEW (to be added)

The provisions of this Policy permit political contributions to be solicited and received by an elected official serving on the Pension Board. The contributions shall be in compliance with the Georgia Campaign and Financial Disclosure Act. However, the Pension Board member will not be permitted to vote on any matter related to the contributor as stated in Section 4, Items b and c for a three (3) year time period following the date the contribution is received.

Section 6. Item (c) Contributions, Gifts and Other Emoluments

OLD (to be deleted)

No Board member shall solicit or knowingly accept contributions or services from an existing vendor providing services directly to the Board or a vendor seeking to do business with the Board.

NEW (to be added)

No Board member shall solicit contributions or services from an existing vendor providing services directly to the Board or a vendor seeking to do business with the Board. This does not pertain to campaign contributions for elected officials serving on the Pension Board.