

**You must read the City's Business Ethics Policy and Code of Ethics below and complete the on-line acknowledgement using the link at the end of this document in order to complete your mandatory 2012 ethics training.**

## **City of Colorado Springs Policy and Procedures Manual #41 BUSINESS CODE OF ETHICS**

**Policy Statement:** The purpose of this policy is to uphold, promote and demand the highest standards of ethical behavior from all employees. This Business Code of Ethics will provide further direction to the City of Colorado Springs Code of Ethics. The policy applies to all employees, appointees and volunteers.

### **Policy**

The City is committed to complete honesty, utmost integrity, fair dealing and ethical behavior as the basis of its business operations and services to the community. The City is committed to strictly observing all laws, and employees are expected to uphold this commitment to legal compliance. Employees should avoid any conduct creating the appearance of impropriety even if those actions do not violate specific policies, standards, regulations or laws.

The City Code of Ethics and this Business Code of Ethics cannot cover all situations where legal or ethical issues may arise and it does not provide all of the information that may be necessary to make informed legal or ethical decisions. Employees should consult with their immediate supervisor. If the immediate supervisor is not the appropriate source of help, employees should contact the next level manager, the City Attorney's Office or Human Resources.

### **Conflict of Interest**

Employees are expected to conduct their activities with the organization's best interest in mind. Behavior is required that does not bring harm or discredit to themselves or the organization. Employees should abide by Section 1.3.106 Conflicts of Interest, City Code of Ethics and all applicable provisions of the City Policies and Procedures Manual.

Employees must disclose promptly any circumstance that might constitute a conflict of interest or appear to be a conflict of interest. For example, an employee must declare to their supervisor any direct or indirect financial interest in the following:

- Any city-wide contract
- Any matter before the City Council or its Boards and Commissions
- Any sale of land to the City
- Any material supplies
- Any services to the City
- Any contractor supplying services to the City

The above list is not all inclusive; Section 1.3.106 Conflict of Interest, City Code of Ethics is the governing document. A philosophical or professional difference of opinion does not constitute a conflict of interest.

### **Business Courtesies**

Employees shall not solicit for or accept any gift or thing of value when a personal or financial relationship exists that could influence or be perceived to influence objectivity when interacting with, representing, or conducting business for or on behalf of the organization. A gift or thing of value may be defined as inappropriate hospitality, accommodations, tours, event tickets, recreation, entertainment, meals or other similar personal benefits. Any activity that could be considered a bribe or a means of improper influence on a direct official action is prohibited.

Provided that a gift could not be construed or perceived as an attempt to secure favorable treatment, the following items may be accepted:

- Food and refreshment of nominal value (under \$50.00) on infrequent occasions in the ordinary course of a breakfast, luncheon or dinner meeting or other meeting where arrangements are consistent with the transaction of official business. Such occasions shall be documented using the reporting form available on the City Intranet (Human Resources; Ethics Policy Resources; Gift Reporting Form). No employee is allowed to accept gifts from any single source with a cumulative value of \$50.00 per vendor per calendar year per City Code of Ethics, Section 1.3.104.
- Transportation, lodging, meals or refreshments, in connection with attendance at widely attended gatherings sponsored by industrial, technical or professional organizations; or in connection with attendance at public ceremonies or similar activities financed by non-governmental sources where the employee's attendance is the result of an invitation to him/her in his/her official capacity.
- Purchasing of articles or admissions at advantageous rates where such rates are offered to all employees with no financial or otherwise beneficial gain to the organization.
- Unsolicited advertising or promotional material, such as pens, pencils, note pads, calendars, informational materials, or other items of nominal value (\$25.00 or less). Items received at conferences for advertising purposes may be used at the workplace, but may not be taken home for personal use.
- Commendations, certificates or plaques for outstanding individual or group performance.

- Hosting networking conferences for industry/informational groups provided there is no financial relationship with attendees.
- A gift or gratuity, the receipt of which is prohibited under this section, shall be returned to the donor within 30 calendar days. All employees should anticipate situations in which they may be offered an unacceptable item of value, and to take positive steps to avoid such situations before they actually arise.

### **Vendor Relations/Contracting**

Employees must conduct the highest ethical practices in source selection, negotiation, determination of awards and administration of all procurement activities. The organization will compete fairly and ethically for all business opportunities. Situations where employees or members of the employee's immediate family have a financial interest are required to reveal their relationship immediately. Employees are committed to meeting all contractual obligations.

### **Customer Interaction**

Employees will serve customers with integrity and honesty. Customer response will be conducted with a sense of urgency and will ensure that communication with customers is accurate and timely. Employees will avoid any form of unethical activity or discussion with customers that offers false promises or exaggerated guarantees to customers. Our duty is to deal with customers with integrity, diligence and impartiality and with courtesy, consideration, fairness and promptness. Employees will respect the principle of non-discrimination and equal treatment for all customers.

### **Political Activity**

City employees will not do anything related to their official City capacity or while engaged in their official City duties to influence the outcome of the political process. An employee shall not use or permit to use the authority of their position to actively support either a candidate for City Council, a City issue, or any other political candidate or issue. Employees shall not make contributions from City funds or property to any political parties or candidates. Further, no employee shall, on behalf of the organization, attempt to influence another employee's decision to make, or refrain from making, a personal political contribution to a candidate or a party. Reference Section 1.3.105, City Code of Ethics.

### **Truth and Accuracy in Reporting**

Employees are required to be truthful and accurate when communicating and reporting all activities. No employees shall engage in fraud, deceit, departure from the truth, or failure to report in any oral or written communication. The organization is committed to financial integrity and proper internal controls. No employee shall falsify any document, record or request, or fail to record proper entries in any book or record for any reason. Organization funds and assets will not be used for any unethical or illegal purpose.

### **Confidential information**

Employees must safeguard confidential and proprietary information by not transferring, publishing, using or disclosing it unless authorized by the City. Employees must not access or attempt to access systems or physical areas unless properly authorized to do so.

Confidential information is any information or knowledge created, acquired, or controlled by the organization that the organization has determined should be safeguarded from improper disclosure.

### **Use of Resources**

Employees must demonstrate concern for proper use of assets including personnel, time, property, equipment and funds. The City provides appropriate office equipment, telephones, computers, vehicles and tools for employees to conduct business. These assets must be used for proper purposes during employment with the City. Equipment and tools may not be sold, loaned, given away, or disposed of without proper authorization.

### **Reporting Requirements**

- Employees must report any conduct that they believe in good faith to be a violation of this policy or the City Code of Ethics. No action shall be taken against any employee who reports a potential violation which they believe is true and accurate. Employees are encouraged to work with their supervisor in making such reports. If there is a reason that reporting a violation to the immediate supervisor is not appropriate, employees should contact their next-level manager, the City Attorney's Office or Human Resources.
- Employees may file a written complaint or an inquiry for consideration by the Independent Ethics Commission through the City Attorney regarding a matter involving an elected official, an appointee including members of boards, committees and commissions appointed by City Council or the Mayor, or an independent contractor. Additional information about the Independent Ethics Commission can be referenced in Section 1.3.103, City Code of Ethics.

- Employees may also report any suspected fraud and abuse to the City Auditor directly or through the City Auditor Hotline, 719-385-2387.

**Disciplinary Rights**

The City may take disciplinary or corrective action against an employee, up to and including termination, for violation of this policy, the City Code of Ethics, or any state or federal criminal laws which, in its sole judgment, may render the employee unfit to perform their job, may bring discredit upon, and/or may compromise the integrity of the City

Nothing in this policy alleviates an employee’s responsibilities under other sections of the Policies and Procedures Manual, including “Employment Restrictions” and “Other Employment.”

\*\*\*\*\*

**Article 3  
CODE OF ETHICS<sup>1</sup>**

**1.3.101: LEGISLATIVE PURPOSE:**

- A. There is hereby adopted by the City Council "The City of Colorado Springs<sup>2</sup> Code of Ethics" which shall apply to the Mayor and Council Members, all their appointed boards, committees and commissions, the Utilities Chief Executive Officer, City Attorney, City Clerk, City Auditor, Municipal Court Judges, department, division, office and agency heads appointed by the Mayor and all employees of the City's municipal government and its enterprises, including Colorado Springs Utilities.
- B. The City of Colorado Springs shall conduct its businesses, operations and services in accord with the law and the highest standards of business practices and ethics. The City of Colorado Springs is committed to complete honesty, utmost integrity, fair dealing and ethical behavior as the basis of its businesses, operations and services to the community.
- C. Public service and public employment is a public trust. The Mayor and Council Members, all their appointed boards, committees and commissions, the Utilities Chief Executive Officer, City Attorney, City Clerk, City Auditor, Municipal Court Judges, department, division, office and agency heads appointed by the Mayor and all employees of the City's municipal government and its enterprises, including Colorado Springs Utilities should employ independent objective judgment in performing their duties and should assure that businesses, operations and services are conducted openly to safeguard public confidence in the integrity of the City by avoiding any conduct creating the appearance of impropriety.

- D. The City of Colorado Springs, through its municipal government and all its enterprises including Colorado Springs Utilities, exists for the purpose of serving the community through its businesses, operations and services.
- E. The City of Colorado Springs Code of Ethics is hereby deemed to be a matter of City Council's exclusive home rule authority and supersedes any other applicable Colorado statutes. Moreover, this Code of Ethics is in compliance with, and therefore supersedes by its own terms, Colorado Constitution, article XXIX, "Ethics In Government". (Ord. 11-18)

**1.3.102: DEFINITIONS:**

The following definitions are applicable to the City Code of Ethics:

**ADMINISTRATIVE OFFICERS<sup>3</sup>:** All heads of departments appointed by the Mayor.

**APPOINTEES:** Are "administrative officers"<sup>4</sup> and shall mean and include all persons appointed by the Mayor and/or members of City Council pursuant to the City Charter and this City Code, to include the City Attorney, City Auditor, City Clerk, Municipal Court Judges and Utilities Chief Executive Officer and all members of boards, committees and commissions appointed by the Mayor and/or City Council.

**CITY:** The municipal government and all its enterprises as defined by the Colorado Constitution, article X, section 20 and City Charter article VII, section 7-90, including, but not limited to, Colorado Springs Utilities. The City's municipal government and the municipal enterprises are subject to the management and control of the Mayor. The City's Colorado Springs Utilities enterprise is subject to the management and control of City Council's appointed Chief Executive Officer.

**COVERED PERSONS:** Elected officials, appointees, administrative officers, employees, independent contractors and volunteers in connection with their work for the City.

DIRECT OFFICIAL ACTION: Any action that involves:

- A. Negotiating, approving, disapproving, administering, enforcing or recommending for or against a contract, purchase order, lease, concession, franchise, grant, vendor, concessionaire, land use or any other matter to which the City is a party. "Recommending" shall mean someone in the formal line of decision making for the matter.
- B. Enforcing laws or regulations or issuing, enforcing or regulating permits and licenses.
- C. Appointing and terminating employees, temporary workers, volunteers and independent contractors as defined by the Internal Revenue Code.
- D. Doing research for, representing, or scheduling appointments for an officer, official, or employee, provided that these activities are conducted in connection with that person's job performance.
- E. "Direct official action" does not include acts that are purely ministerial. It also does not include signatures by the Mayor, City Council, City Auditor, City Attorney, City Clerk or Utilities Chief Executive Officer unless these individuals initiate the contract or are involved in the selection of the contractor or the negotiation or administration of the contract. A person who abstains from a vote is not exercising direct official action.

ELECTED OFFICIALS: The Mayor and Council Members.

EMPLOYEE: Any person in the employ of the City or any of its enterprises, agencies, departments, or organizations.

GIFT: A payment, subscription, advance, forbearance, acceptance, rendering or deposit of money, services, or anything of value given, to include food, lodging, transportation, golf or other recreation or entertainment, and reimbursement for other than necessary expenses for official business on behalf of the City, unless consideration of equal or greater value is received.

IMMEDIATE FAMILY: The employee's spouse and his or her dependents.

INDEPENDENT CONTRACTORS: Those persons as defined by the Internal Revenue Code in their work for the City.

VOLUNTEERS: Those persons who contribute their services to the City without compensation. (Ord. 11-18)

### **1.3.103: INDEPENDENT ETHICS COMMISSION:**

- A. Creation And Purpose: There is hereby created an Independent Ethics Commission. The purpose of this Commission shall be to render recommendations and advisory opinions on ethical issues.
- B. Members: City Council shall appoint five (5) members to the Independent Ethics Commission to serve staggered terms, who shall have expertise in ethical matters, acquired through education or experience. An alternate may be appointed pursuant to this City Code. Each member of the initial Independent Ethics Commission shall serve at least one term and those initial terms shall be one, two (2) and three (3) years.
- C. Term Of Appointment: The term of a Commission member following the initial terms shall be three (3) years.
- D. Compensation: Members of the Independent Ethics Commission shall be "volunteers" as defined by this Code and serve without compensation. Members may be reimbursed for reasonable expenses.
- E. At Will: Each member of the Independent Ethics Commission shall serve at the pleasure of City Council and shall be subject to City Charter, particularly City Charter subsection 3-60(d) and section 9-10, this City Code and the rules and procedures of City Council.
- F. Majority Vote: The Independent Ethics Commission shall make recommendations based upon a majority vote.
- G. City Attorney: The City Attorney, or a designee of the City Attorney, shall be the chief liaison and legal advisor to the Independent Ethics Commission, but shall have no vote.
- H. Disqualification: Any member of the Independent Ethics Commission shall disqualify himself or herself from participating in any matter before the Commission in which his or her impartiality might reasonably be questioned, including, but not limited to, instances where he or she has a personal bias or prejudice concerning a party or personal knowledge of or involvement in disputed evidentiary facts concerning the matter. In that case, the alternate may sit in place of the disqualified member.
- I. Subpoena And Recommendations: The Independent Ethics Commission shall have the power to subpoena documents and witnesses. The determination of a recommendation by the Independent Ethics Commission shall be made based upon the preponderance of evidence before it.



- J. Rules Of Procedure: The Independent Ethics Commission shall promulgate its own rules of procedure to be approved by City Council.
- K. Complaints; Inquiries: Any person may file a written complaint or an inquiry for consideration by the Independent Ethics Commission through the City Attorney regarding a matter involving an elected official, an appointee including members of boards, committees and commissions appointed by City Council, the President of Council or the Mayor, or an independent contractor. Any written complaint or inquiry shall be filed confidentially and processed in accord with the Independent Ethics Commission Rules of Procedure. The written complaint or inquiry may only be considered for matters occurring within the last twelve (12) months. Any person may file a written complaint or inquiry for consideration directly with the Mayor, Utilities Chief Executive Officer, City Attorney, City Auditor, City Clerk or Presiding Municipal Judge for covered persons within those organizations or for covered persons who work for the City in a volunteer capacity, not including members of boards, committees and commissions appointed by City Council or the Mayor.
- L. Frivolous Complaints; Inquiries: The Independent Ethics Commission may dismiss frivolous complaints or inquiries without further action. A record of dismissal as deemed frivolous shall be maintained as confidential by the Independent Ethics Commission.
- M. Nonfrivolous, Formal Complaints; Inquiries: The Independent Ethics Commission shall take such steps as necessary pursuant to its rules to investigate nonfrivolous, formal complaints. Within ten (10) days of the conclusion of its investigation and deliberations, the Commission shall issue a confidential written recommendation to City Council containing findings of fact and conclusions of law.
- N. Penalty: Any individual who is found to have breached the public trust and has been found to have done so for private gain, and any person or entity inducing such breach, shall be liable to the City for double the amount of financial equivalent of any benefits obtained by such actions. The manner of recovery and any additional penalties may be as provided by law.
- O. Final Action: Any decision of the City Council made upon confidential written recommendation of the Independent Ethics Commission may be deemed to be a final action, subject to any appeal to a court with proper jurisdiction.  
(Ord. 11-18)

### **1.3.104: GIFTS:**

- A. Hospitality And Gifts: No covered person shall solicit for, accept or give any gift or thing of value related solely to the covered person's duties and responsibilities on behalf of the City.
- B. Exceptions: Providing that a gift could not be considered a bribe or a means of improper influence on a direct official action, no violation of this Code of Ethics shall be found to apply to the following:
  - 1. A campaign contribution as defined by law.
  - 2. An unsolicited item or items of value less than fifty dollars (\$50.00) per vendor or third party per year (adjusted for inflation using the U.S. Bureau of Labor Statistics Consumer Price Index for Denver-Boulder-Greeley).
    - a. The item or items shall not be cash or cash equivalent such as gift cards, checks or money orders.
    - b. The cost of the gift is the retail value of the item unless the receiver has knowledge that the giver paid more than the retail value, in which case the cost is the amount actually paid.
    - c. For a charity event, the cost of the event is the fair market value of the activity received as opposed to the full amount of the ticket.
    - d. It is not permissible to pay part of the cost of a gift that is offered with a value exceeding fifty dollars (\$50.00) (as adjusted) to reduce the value to less than fifty dollars (\$50.00) (as adjusted) and then accept the gift.
  - 3. An unsolicited token or award of appreciation that is reasonable in value and purpose, such as plaques and professional awards.
  - 4. A component of compensation paid or other recognition given in the normal course of employment, appointment or volunteer services or business.
  - 5. Any scholarship or grant or other financial aid for education given to any covered person or immediate family member for any reason so long as the award is not based upon the influence of the covered person.
  - 6. Any charity event benefiting the City and any of its affiliated organizations.
  - 7. Any gift solicitation for a charitable purpose as determined appropriate by the City or its affiliated organization.

8. Any gift, whether solicited or not, to benefit a public safety or community purpose. However, covered persons must not solicit or receive gifts that will directly or indirectly benefit themselves.
  9. Any gift provided as a result of the recipient's outside business or employment activities that do not pertain to the City.
  10. Awards or prizes given at competitions or drawings at events open to the public, so long as there is not an appearance of impropriety.
  11. Reasonable cost and frequency of vendor sponsored or other professional educational conferences, seminars or meetings, so long as the conferences, seminars or meetings are documented.
  12. Reasonable cost and frequency of City sponsored educational events, so long as the events are documented.
  13. Reasonable cost and frequency of business meals for covered persons, so long as the meals are documented.
  14. Perishable or consumable gifts given to a City department or group.
  15. Gifts accepted in a covered person's official capacity that will become property of the City.
  16. For elected officials, reasonable cost and frequency of meals and event tickets pertaining to their official duties as Mayor or members of Council so long as the gift is documented and is not intended, and does not affect, a direct official action.
  17. Any exemption granted or exception recognized pursuant to Federal or State law.
  18. Any other exceptions as may be approved by the City Council.
- C. Inappropriate Hospitality And Gifts: Inappropriate hospitality or gifts involves offering or receiving accommodations, tours, event tickets, recreation, entertainment, meals or other similar personal benefits when a personal or financial relationship exists that could influence or be perceived to influence objectivity when interacting with, representing, or conducting business for or on behalf of the City. (Ord. 11-18)

### **1.3.105: LOBBYING ACTIVITIES:**

Any covered person who performs lobbying services for the City, and any paid lobbyist who acts on behalf of the City shall abide by all applicable State and Federal laws. (Ord. 11-18)

### **1.3.106: CONFLICTS OF INTEREST:**

Every covered person owes a duty of loyalty to the City. A conflict of interest exists when there is any personal or financial relationship that could influence or be perceived to influence the representation or conduct of business for, or on behalf of, the City. A conflict of interest also exists when any improper and undue influence can be exercised, or be perceived to be exercised, concerning a direct action involving the City. A conflict of interest may exist when there is an appearance of impropriety. No conflict of interest is allowed.

- A. No covered person shall hold financial interests that conflict with the conscientious performance of duty.
- B. No covered person shall engage in business activities including financial transactions using nonpublic government or enterprise private information, or allow the improper use of that information to further any private interest or gain.
- C. No covered person shall knowingly make unauthorized commitments or promises of any kind purporting to bind the City.
- D. No covered person shall give preferential treatment to any private organization or individual.
- E. No covered person shall directly or indirectly participate in any matter involving the City where they or a member of their family has a direct or indirect substantial financial interest. If a direct or indirect substantial financial interest exists, the covered person shall make known that interest to the appropriate persons and shall refrain from participating in the matter as it is dealt with by the City.
- F. No covered person shall engage in outside employment or activities, including seeking or negotiating for employment that conflicts with their official duties and responsibilities.
- G. No covered person shall tolerate waste, fraud, abuse and corruption in government or any of its businesses, operations or services.
- H. No covered person shall engage in any actions that may create, or do create, the appearance that they are violating the law or ethical standards.

I. No covered persons shall engage in any activity that may create, or does create, the appearance of impropriety. (Ord. 11-18)

**1.3.107: ETHICS EDUCATION:**

Ethics education using this Ethics Code and other ethics training shall be given annually to every covered person. (Ord. 11-18)

**1.3.108: FURTHER ETHICS RULES AND REGULATIONS:**

Nothing in this Code of Ethics shall prohibit the Mayor, City Attorney, City Auditor, City Clerk, Utilities Chief Executive Officer or Presiding Judge of the Municipal Court from enacting further ethics rules and regulations pertaining to those who report to them that may be as strict or more strict than this Code of Ethics. (Ord. 11-18)

**Footnotes**

[Footnote 1](#): Prior ordinance history: Ord. 94-160; Ord. 98-185; Ord. 01-42; Ord. 07-59; Ord. 10-30.

[Footnote 2](#): The "City" is the sole legal entity pursuant to City Charter, article I, sections 1-10, 1-20, and owns all its enterprises as defined by Colorado Constitution, art. X, §20 and City Charter, article VII, section 7-90.

[Footnote 3](#): See City Charter, article XIII, section 13-10.

[Footnote 4](#): See City Charter, article XIII, section 13-10.

**Click on the link below to document your completion of the 2012 mandatory ethics training:**

<http://www.surveymonkey.com/s/V9S9GDH>