

CONFLICT OF INTEREST POLICY

Approved by the Board of Trustees on November 18, 1981
Amended on October 5, 1995

I. Preamble

All employees, consultants, and members of the Board of Trustees (hereafter "Trustees") of Oakland University serve a public-interest role and must conduct all affairs of the university in a manner consistent with this concept. Decisions are to be made solely to promote the best interests of the university and the public good rather than to serve a personal interest.

This policy is designed to foster high ethical standards of performance by insuring that actual or apparent conflict-of-interest situations are avoided.

Nothing in this policy shall be considered to conflict with applicable state laws governing the conduct of public officers and public employees.

II. Definitions

A. Employee: As used hereafter, the term "employee" means an employee, regardless of classification or rank, or a consultant to the university.

B. Financial Interest: "Financial interest" means any interest, direct or indirect, in the financial success or failure of an organization or company with whom the university does business, regardless of how such interest was acquired. A "financial interest" includes owning stocks or bonds; being a partner, employee, or creditor; or any other arrangement that results in an interest in or claim upon the assets or income of the company or organization.

Excluded are immaterial interests, that is, interest of such a general or insignificant nature that university transactions with the organization or company will not result in direct benefit to the individual. A "financial interest" includes any interest of the employee, Trustee, or employee or Trustee spouse; and any interest of those who are related to any of the foregoing as parents, children, or siblings.

C. Gift: A "gift" means anything of value except as excluded below. A "gift" may be in the form of money, goods, entertainment, services, price concessions not available to all employees or to the public, use of property or facilities, loans (except loans upon normal terms from a lending institution), or in any other form. Specifically excluded from the term "gift" are nominal advertising items or promotional materials of token value, or food consumed at a business meeting.

III. Statement of Policy

University employees and the Trustees should not have a personal financial interest in transactions with the university. Recognizing, however, that such interests will be on occasion unavoidable, there should be full disclosure of any such interest in advance of university action, and special approval of the transaction is required as set forth herein to insure that university welfare is the paramount consideration. The specific terms of this policy are to be interpreted in light of the broad objectives set forth in the preamble.

- A. No employee or Trustee shall recommend or determine to enter into a transaction on behalf of the university when such transaction involves an organization in which the employee has a financial interest unless the provisions of Article IV are met in advance. If there is any question about whether this prohibition III.A should apply, the provisions of Article IV must be followed.
- B. The university shall not enter into any transaction for the purchase of any item or service (other than an employment or consulting contract) with any employee, Trustee, or employee or Trustee spouse, or with anyone who is related to any of the foregoing as parent, child, or sibling.
- C. Acceptance by an employee or a Trustee of a gift from an individual or organization that engages in commercial transactions with the university is prohibited. If a gift is received, it may be returned unless an acceptable statement is filed with the university President (or the Board of Trustees Finance and Personnel Advisory Committee, in the case of the President or a Trustee) describing the gift and justifying its retention in terms of the university's best interests.
- D. An employee or Trustee must inform the university of any outside interest, consulting service, or other relationship that might interfere with her/his internal duties or raise a question of conflict of interest. In cases in which an employee's outside relationship substantially interferes with the employee's ability to carry out her/his job responsibilities and/or act in the university's best interests, the employee must either end the outside relationship or sever employment with the university.
- E. A Trustee must abstain from voting on any matter when to do so would place or appear to place the Trustee in a conflict-of-interest situation. The minutes of Board meetings shall record such abstentions.

IV. Federal Grants and Contracts *

The university administration is authorized and directed to create, implement, and maintain current those regulations and procedures necessary to meet federal agency conflict of interest requirements related to grants and contracts.

V. Exceptions to this Policy

- A. No employee or Trustee of the university shall have the authority to authorize, approve, ratify, or confirm any transaction which is an exception to this policy, except as provided below.
- B. The President of the university or his designee may approve exceptions to this policy which involve university employees. Any such designation shall be made in writing. Exceptions involving the President or a Trustee may be approved by the Finance and Personnel Advisory Committee of the Board of Trustees. Any approved exceptions to this policy must be made in writing and the reasons therefore must be documented.
- C. Approval of an exception shall be based upon a finding that the transaction is fair, reasonable, and in the best interests of the university.

VI. Role of the Purchasing Department

The Purchasing Department is empowered to delay the processing of any requisition that appears to be in violation of this policy in order to investigate the circumstances surrounding the proposed transaction, If, following investigation, the transaction still appears to be a violation, the matter will be referred to the Vice President for Finance and Administration.

Any purchase order or contract issued by the university is subject to cancellation if any university employee involved has a relationship or history of activity with the vendor that is violative of this policy. All purchase orders and contracts shall contain a clause to this effect.

VII. Policy Dissemination

The university will communicate this policy to Trustees and the campus community at the time of its adoption and at least annually thereafter. The policy shall be included in the university Administrative Policies and Procedures Manual.