



Delaware State University

University Area(s) Responsible: Associate Vice President of Human Resources, Provost and Vice President for Academic Affairs, Vice President for Finance and Administration

Policy Number & Name: 4:12 Conflict of Interest

Approval Date: 11/4/13

Revisions: _____

Reviewed: _____

Related Policies & Procedures: 4-08: Nepotism; 2-03: Conflict of Interest (COI) for Researchers; 1-0: Conflict of Interest (Foundation)

1. Purpose

The purpose of this policy is to protect Delaware State University's (DSU) interests when entering into transactions or arrangements that might benefit the private interest of a DSU employee. Further, the purpose of this policy is to: provide awareness of conflict of interest laws, rules and policies; ensure that personnel actions with regards to conflict of interest are in compliance with University policies; reduce conflicts of interest within DSU; enhance the ability of DSU to act ethically in accordance with the core values of the Institution and the law; and fulfill our obligation to be good stewards of the resources that have been entrusted to DSU. Conflicts of interest can have damaging effects—such as eroding the support of employees or reducing the quality and creativity of management. Conflicts of interest can lead to illegal and discriminatory practices and can result in negative outcomes to the University and its reputation.

2. Scope and Applicability

This policy applies to all Delaware State University professional and classified employees and faculty.

3. Definitions:

- 3.1. Bribe** – Money, favor or other inducement given or promised in order to influence the judgment or conduct of a person in a position of trust.
- 3.2. Conflict(s) of interest-** when a University employee or a person related to a University employee has two or more competing interest which could influence the employee, or be perceived as influencing the employee to choose a personal interest over carrying out duties of employment or when an employee receives a personal financial benefits from the employee’s University position in a manner which may inappropriately influence the employee’s judgment or compromise the employee’s ability to carry out University responsibilities or that could be a detriment to University integrity.
- 3.2.1 Direct Conflicts of Interest**
- 3.2.1.1** An employee’s personal financial interests are affected by the outcome of a contract, competition, etc.
- 3.2.1.2** An employee helps prepare an application or bid even if he or she has a financial interest in the outcome of that application.
- 3.2.1.3** An employee has agreed to serve as an employee or consultant, or otherwise provide assistant or advice, on any project for which funding is being sought in any contract, or has been offered the opportunity to do so, and has not yet accepted or declined.
- 3.2.2 Indirect Conflict of Interest**
- 3.2.2.1** A person related to an employee has financial interest(s) that are affected by the outcome of a contract.
- 3.2.2.2** An employee has served as: employee of an applicant within the last 12 months, a business partner, officer, director, or trustee within the last 12 months or as an active volunteer of the organization.
- 3.2.2.3** An employee is in negotiation for or has an arrangement concerning future employment.
- 3.2.2.4** Any professional associate – including any colleague, mentor or student with who the employee is currently conducting research or other professional activities, or with who the employee has conducted such activities within the last 12 months.
- 3.2.3 Appearance of a Conflict of Interest – An** employee worked for or provided services to an applicant more than 12 months ago, but within the last two years.
- 3.3 External activity** –involvement with any person, trust organization, enterprise, government agency, or other entity associated with or under the control of Delaware State University.
- 3.4 Financial Interest** – A person who directly or indirectly through business investment or family has:
- 3.4.1** An ownership or investment (more than 5%) in any entity with which the Foundation has a transaction or arrangement.

- 3.4.2 A compensation arrangement of or current services with any entity or individual with which DSU has a transaction or arrangement.
- 3.4.3 A potential ownership or investment interest in or compensation arrangement for current service with any entity or individual with which the University is negotiating a transaction or arrangement.
- 3.5 **Gift** – Anything of value including but not limited to tickets to entertainment or sporting events, expenses for a trip and food.
- 3.6 **Interested Person** – any director, principal officer, or member of a committee with Governing Board delegated powers, who has a direct or indirect financial interest as defined herein.
- 3.7 **Manage and managing** – an affirmative action by supervisors and managers to monitor and direct an employee with regards to specific expectations.
- 3.8 **Nepotism** is the practice of showing favoritism toward one's family members in economic or employment terms.
 - 3.8.1 **A person related to an employee** means a:
 - 3.8.1.1 Person related by blood (consanguinity):
 - 3.8.1.1.1 First degree is the employee's father, mother, son, or daughter.
 - 3.8.1.1.2 Second degree is the employee's brother, sister, grandfather, grandmother, grandson, or granddaughter.
 - 3.8.1.1.3 Third degree is the employees' uncle or aunt (who is a brother or sister of the employee's parent), nephew or niece) who is a child of the employee's brother or sister), great grandfather, great grandmother, great grandson or great granddaughter.
 - 3.8.1.1.4 An adopted child is considered to be a child of the adoptive parent for purpose of this definite.
 - 3.8.1.2 Or person related by marriage (affinity) as listed below:
 - 3.8.1.2.1 First degree is the employee's spouse, father-in-law, mother-in-law, son-in-law, daughter –in-law, stepparent or step child.
 - 3.8.1.2.2 Second degree is the employee's brother-in-law (sister's spouse or spouse's brother), employee's sister-in-law (brother's spouse or spouse's sister), spouse's grandfather, spouse's grandmother, spouse's grandson, spouse's granddaughter, spouse of the employee's grandparent, or spouse of the employee's grandchild.
- 3.9 **Personal Financial benefit** – anything of monetary value, including salary, commissions, fees, honoraria, equity interest, interests in real or personal property, dividends, royalty, rent, capital gains, intellectual property rights, and forgiveness of debt.

- 3.10 Token Gift** – presents or offerings of gratitude given without the intent to influence an employee.
- 3.11 Unit Head** – the applicable dean, department chair, provost, associate or assistant vice president or president who has executive management responsibilities for supervising the employee.
- 3.12 University responsibilities** – the responsibilities of a university employee to perform university activities as defined by university management, contract, or collective bargaining agreement.
- 3.13 Written notice** –paper request or electronic filings that can be printed.

4. Policy

- 4.1** Any effort to realize personal financial gain through Delaware State University other than compensation as provided by an employment agreement is a violation of this policy. Delaware State University employees shall avoid any transactions or acts which involve, or have the potential to involve, a conflict of interest (directly, or indirectly) unless such transactions or acts and the circumstances underlying the conflict or potential conflict of interest are fully and adequately disclosed to and approved by the appropriate persons.
- 4.2** Employees shall provide the Associate Vice President of Human resources with a written notice, setting forth the specific facts concerning an actual or potential conflict of interest, prior to the consummation of any transaction or act that may be a conflict of interest.
- 4.3** Employees shall also inform their immediate supervisor or the Associate Vice President of Human Resources of circumstances that might cause someone to question his or her ability or objectivity due to an appearance of a conflict of interest.
- 4.4** Employees who suspect that there are ethical concerns about their behavior should consult their supervisor and or the Associate Vice President of Human Resources.
- 4.5** If employees are uncertain whether a conflict exists, they should discuss the matter with their manager and attempt to resolve any conflicts of interest that may exist.
- 4.6** Employees must notify the appropriate Vice President if they believe they have been offered a bribe, or if they have been offered or received a favor or benefit that exceeds the limits of a token gift. Failure to give prompt notice will be a violation of this procedure.
- 4.7** Employees dealing with, or having access to, sensitive investigations or commercially sensitive information, should be particularly alert to inappropriate attempts to influence them.
- 4.8 Acceptance of Gifts of Benefits** - Employees should not accept a gift or benefit that is intended to, or is likely to cause them to act in a partial manner in the course of their duties.
 - 4.8.1** Employees are encouraged to inform those offering them gifts that we have a policy that restricts acceptance of gratuities.

- 4.9 Conflicts of Commitment** -Employees are expected to devote their university work activities to official functions of the University and to use University resources only in the interest of the University.
- 4.10 Use of Official Facilities and Equipment** - Employees are expected to be efficient and economical in their use and management of the University's resources, including their own work time. Employees should be scrupulous in their use of Delaware State University property and services. Short private local telephone calls and limited private use of facsimile or computer equipment that does not disrupt official work (as determined by their supervisor) is acceptable. However, facilities and equipment should only be used for private purposes when official permission has been given.
- 4.11 Purchasing** -Employees shall not use their purchasing authority for personal financial benefit(s).
- 4.12 Secondary Employment/External Activity** - Employees must inform their supervisor (or Dean in the case of faculty) of current or prospective employment outside of Delaware State University that occurs while the employee is still employed by DSU. Employees and supervisors must also carefully consider whether the organization offering them secondary employment may adversely affect the performance of their Delaware State University duties and responsibilities or give rise to a conflict of interest. External activity that reduces an employee's performance or creates a real or perceived conflict of interest is a violation of this policy.
- 4.13 Conflicts of Interest in Research** - Employees engaged in research programs are also subject to the University's policy regarding financial conflicts of interest, which policy is published on the University website. Employees should consult the campus Sponsored Research Office or the Academic Affairs office with questions.
- 4.14 Conflicts of Interest for University Development Officers-** Members of the University Development team have an extended obligation to avoid any financial Conflict of Interest. Officers and employees involved in financial matters play a key role in assuring that high standards of ethical practice attend to the custody and use of University resources.
- 4.14.1** As such financial officers and employees in the University development office shall:
 - 4.14.2** Agree to and sign the DSU Employee Confidentiality and Non-Disclosure Agreement
 - 4.14.3** Act with honesty and integrity including handling actual or apparent conflicts of interest between personal and professional relationships in an ethical manner.
 - 4.14.4** File a complete, accurate, timely and understandable disclosure statement annually and at the time of a reportable change. This statement should include any financial interest. The information reported may be compared to information provided by companies or the government.
 - 4.14.5** Respect the confidentiality of information acquired in the course of work made confidential by pay.

4.14.6 DSU reserves the right to request additional information as deemed necessary.

4.14.7 When there may be a conflict of interest the team member is required to report the conflict. A management plan must be developed and approved by the VP of Development or designee and then implemented by the individual and all involved parties.

5. Procedure

5.1 Disclosure of Conflicts of Interest (General) In connection with any actual or possible conflicts of interest, an interested person must disclose the existence of a Conflict of Interest and be give the opportunity to disclose all material facts to those individuals who are responsible for the proposed transaction or arrangement.

5.2 Resolving Conflict of Interest: To resolve any conflicts of interest that occur, or could occur, options available depending on the significance of the conflict, include but are not limited to the following:

5.2.1 Make written notes of the details of the disclosure and take no further action (because the potential for conflict is minimal),

5.2.2 The employee relinquishes the personal, conflicting interest(s),

5.2.3 The employee recuses him or herself from the task, activity or situation where the conflict could occur.

5.2.4 The employee is removed (if possible) from the task, activity or situation where the conflict could occur.

5.2.5 Disputes over alleged conflicts of interests may be resolved through the Associate Vice President of Human Resources.

5.3 Token Gifts - Supervisors, Deans and Department chairs may approve the acceptance of token gifts (those offerings of gratitude given without the intent to influence) or benefits under certain circumstances provided that there is no possibility that the recipient might be, or might appear to be compromised in the process.

5.4 Use of Official Facilities and Equipment Managers may approve the use of facilities over which they have direct oversight, such as meeting rooms and equipment, by non-profit professional and community organizations in which employees are volunteers, as long as there is no significant cost or potential liability to Delaware State University.

5.5 Nondisclosure - If there is reasonable cause to believe that a DSU employee has intentionally failed to disclose an actual conflict of interest the non-disclosure should be reported to Human Resources. If an investigation of the facts determines an actual conflict occurred and the employee intentional failed to disclose the conflict disciplinary measures will be implemented, including possible termination of employment.

6. Responsibility

It is the shared responsibility of all DSU employees to comply with the provision of this policy.

The Office of Human Resources in conjunction with the Provost and Vice President for Academic Affairs, Vice President for Finance and Administration, and the University General Counsel shall notify all employees this policy and work to resolve compliance issues.