



The
UNIVERSITY
of **VERMONT**

Policy V. 2.0.4.1

Responsible Official: President

Effective Date: December 8, 2008

Conflict of Interest and Conflict of Commitment

Policy Statement

University faculty, staff, and administrators (“employees”) are employed by the institution in service to its mission. The mission includes the principle that institutions of higher education operate for the common good to ensure the preservation and advancement of knowledge through its creation and dissemination and not simply to further the interest of either individual employees or the institution as a whole. Advancement of this mission requires that employees avoid conflicts of interest that may impair the public trust and conflicts of commitment that may compromise the performance effectiveness of employees in carrying out their University responsibilities. Employees’ participation in professional, community service and other external activities may contribute both to their professional competence, and the prestige of the University, and the welfare of people in the state, country and world, and is therefore to be encouraged. In doing so, however, employees must avoid ethical, legal, and financial conflicts of interest and conflicts of commitment that may compromise their performance effectiveness in carrying out their University responsibilities.

This statement identifies the University’s policies in relation to conflicts of interest and commitment and contains its compliance requirements.

Reasons for the Policies

These policies establish standards of conduct designed to maintain academic, research, and business integrity. They are intended to heighten employee awareness of situations that present a conflict of interest or of commitment so that potential conflicts may be avoided, or disclosed and properly managed. These policies make every effort to balance the integrity and interests of the University with those of individual employees. They seek not only to help employees identify instances where conflicts might arise, but also to assist employees in eliminating or managing actual conflicts and when possible, to prevent the appearance of conflicts.

Strategic Direction

This policy supports the following goal in the University's Strategic Plan:

http://www.uvm.edu/president/strategic_planning/Strategic%20Plan%202009-2013.pdf

- Institutional Efficacy: As an institution, model the highest standard of ethical conduct, public service, and strong commitment to lifelong learning.

Applicability of the Policies

These policies apply to all faculty, staff, and administrators employed by the University, whether full-time or part-time (together referenced in this policy as "employee(s)"). For purposes of these policies, a full-time employee is one with a 1.0 FTE. Persons whose employment is governed by collective bargaining agreements may be subject to related provisions of those agreements, which will supersede inconsistent provisions of this policy. These policies are intended to supplement federal and state law requirements as to matters including sponsored research as well as professional ethics and other conduct standards that may apply to particular professions or disciplines. The policies are not intended to supersede the institutional policy governing research conflicts of interest, which governs as to all matters within its stated scope.

Policy Elaboration

CONFLICTS OF INTEREST POLICY

A conflict of interest arises with respect to activities that compromise, or appear to compromise, an employee's judgment in performing his or her University duties. These conflicts can arise when an employee, or a member of his/her family (as defined below) has an existing or potential personal, financial or other interest that: (a) impairs or may reasonably appear to impair his/her independence of judgment in the discharge of responsibilities to the University; or (b) may result in personal gain or advancement at the expense of the University. University employees serve the public trust and are required to fulfill their responsibilities with due care and loyalty to the best interests of the institution. The integrity of the University must be protected at all times, both in actuality and appearance. Conflicts of interest therefore must be: (1) disclosed, (2) eliminated or (3) properly managed.

Many outside activities in which an employee may wish to engage, such as certain outside employment, private activities, involvement in public organizations, public service, and political involvement, present no conflicts of interest and can enhance the reputation of the University. In undertaking such activities, employees retain their constitutional rights, including those of freedom of association and expression. When engaging in an otherwise permissible endeavor or activity, the employee must nonetheless make clear when she or he is acting as a private individual rather than as a representative of the University. In this regard, employees must abide by the terms of the University policies governing use of trademarks and use of the University name, symbols, letterhead and other proprietary indicia of affiliation.

It is not possible to provide an all-inclusive list of situations giving rise to a conflict of interest;

below are examples of situations giving rise to a conflict.

PROHIBITED CONFLICTS OF INTEREST

- Making a decision to employ, promote, or terminate a member of the employee's family (defined for this policy as spouse or civil union partner, member of same household, parent, grandparent, child or grandchild, sibling, aunt or uncle); or supervising, setting salary or wages, approving time cards or employment records, for, or evaluating the performance of, a member of the employee's family.

Where, by virtue of reporting lines, an employee would otherwise make these decisions regarding a family member, an appropriate alternative administrator must be designated by the responsible Vice President.

- Negotiating or authorizing on behalf of the University a contract or other business transaction for services, goods, or products, from a company or enterprise in which the employee or a member of the employee's family has an substantial financial interest or management position known to the employee.

Where, by virtue of position, an employee would otherwise make these decisions, an appropriate alternative administrator must be designated by the responsible Vice President.

- Approving forgiveness of a debt of the University to an external entity in which the employee or his/her family member has a known interest, or forgiveness of a debt of such entity to the University.

Where, by virtue of position, an employee would otherwise make these decisions, an appropriate alternative administrator must be designated by the responsible Vice President.

Accepting, soliciting, or offering bribes, kickbacks, payoffs, or other improper incentives or payments from a third party or another employee in the course of University employment. (This prohibition does not, however, include honoraria, meals, or reimbursement of reasonably incurred travel expenses in consideration of a speaking or comparable appearance made or given by an employee in his/her professional or official capacity, whether in relation to external or UVM activities).

- Accepting cash, or non-cash, gifts of any type having more than nominal value, including goods, services, travel, or entertainment, at no cost or discounted prices, from persons or entities doing business with the University, in consideration of the employee's UVM business or professional relationship with the person or entity.

Disclosing, or otherwise using on an unauthorized basis, University confidential or proprietary information to which the employee has access in the course of University duties.

POSSIBLE CONFLICTS OF INTEREST

Certain situations give rise to a possible conflict of interest and must therefore be disclosed so that they may be either ruled out as conflicts or handled under the conflicts management process:

Accepting external employment or consulting contracts during a period of UVM employment.

Employing University employees or students at UVM, over whom the employee has supervisory responsibility or authority, for non-University endeavors or activities.

Accepting any form of remuneration, financial or otherwise, for endorsement of the products or services of a business or individual where a UVM title or employment is an express or

implied aspect of the endorsement.

Acquiring or holding any financial interest in an entity that competes with the University, excluding interests held in publicly traded companies.

Serving as an executive officer or on the board of directors of a for-profit or non-profit entity, such as a corporation, association, or partnership, regardless of remuneration, that interacts with the University in ways that might result in undue benefit to the *other* organization.

Procedures

Conflicts of Interest Management Procedure

- I. Violation by an employee of prohibited conflicts may lead to serious disciplinary action, up to and including dismissal, as well as possible civil or criminal prosecution.
- II. Activities not prohibited but that may give rise to a conflict must be promptly, and in advance of the proposed activity, disclosed in writing by an employee to his or her immediate supervisor, under the procedures described below. Addressing conflicts and developing strategies to manage them may require steps such as:
 - (1) no action required beyond the disclosure;
 - (2) development of a conflicts management plan memorialized in writing;
 - (3) modification of University responsibilities, as mutually agreed, under applicable policies;
 - (4) prohibition of the activity in cases of irreconcilable conflicts.

Applicable Procedures

Officers of administration must annually file a conflicts disclosure form on a schedule established by the President. Forms must be updated during the reporting period as relevant circumstances change.

Faculty must disclose conflicts of interest as they arise to their department chairs or, in units with no chairs, to their deans.

Staff must disclose conflicts to their supervisors as conflicts arise.

Following an employee's disclosure of a proposed endeavor or activity that may create a conflict of interest, the supervisor will determine whether the proposal, in fact, presents a possible or actual conflict of interest. This determination shall be communicated to the employee in writing within fourteen (14) calendar days after the employee makes disclosure. If the employee is not so informed within this time period, she or he may justifiably conclude that no conflict of interest exists.

If, after discussion of the proposal with the employee, the supervisor identifies an actual or possible conflict, the supervisor will:

- (1) Develop with the employee a conflicts management plan which shall be reduced to writing;
- (2) In the case of an irreconcilable conflict, disallow the proposed activity. Employees whose

disclosures result in disallowance of the proposed activity may grieve the decision under otherwise applicable grievance procedures.

Reporting of Possible Policy Violations

Supervisors are required to investigate promptly possible violations of these policies. If a policy violation is proven, the supervisor must take appropriate responsive action, which may include disciplinary measures. Possible violations of the conflict of interest policy may be reported by third parties to the employee's supervisor or to the Office of the Associate Vice President for Institutional Risk Assessment and Audit Services (802 656-2662). No retaliatory action will be tolerated on the part of a University employee or official against persons making such a report in good faith.

CONFLICT OF COMMITMENT POLICY

The paramount work commitment of a full-time University employee is to his or her position at UVM. It is the responsibility of the employee to manage his/her external activities so that they do not interfere with his or her UVM obligations. A conflict of commitment occurs when external activities undertaken by a UVM employee will or reasonably can be expected to significantly interfere with his or her ability to perform obligations to University duties fully or effectively.

Employees who wish to engage in activities, including external employment, compensated independent consulting, and uncompensated activities, that will or reasonably can be expected to significantly interfere with their university responsibilities must inform their supervisors in writing of the proposed activity before making the commitment.

Within five (5) business days of receipt of the written disclosure, the supervisor will schedule a meeting with the employee to discuss how to manage the potential problem.

The supervisor and the employee must attempt to develop a written conflict management plan. The plan may include monitoring the activity to ensure that employees are able to complete their University obligations, modification of assignments, including any reduction in FTE commensurate compensation reduction, or a leave of absence arranged under otherwise applicable leave policies. If agreement cannot be reached on a plan, the supervisor will inform the employee that he or she must fulfill University responsibilities and inform him/her of the possible consequences of failing to fulfill these responsibilities.

Political Activity

In their capacity as citizens, employees are free to engage in political activity. In doing so, they must ensure they can perform their University assignments and otherwise meet their University obligations.

Many kinds of political activity (*e.g.*, holding part-time office in a political party, seeking election to any office under circumstances that do not require extensive campaigning, or serving by appointment or election in a part-time political office) are consistent with effective service as a University employee. Other kinds of political activity (*e.g.*, intensive campaigning for elective office, or serving a term that requires full-time commitment either continuously or periodically) may require that the employee seek a leave of absence from the University. In recognition of the legitimacy and social importance of political activity by its employees, the University will seek to

provide institutional arrangements to accommodate such activity, subject to otherwise applicable policies and procedures regarding workload adjustments and leaves of absence. Arrangements may include the reduction of workload or a leave of absence for the duration of an election campaign or a term of office, accompanied by commensurate adjustment of compensation. Employees seeking a leave of absence should recognize that they have a primary obligation to the University, and should be mindful of the impact that leaves of absence may create for colleagues and, as applicable, students. Such leaves will not be automatic, and must be governed by the priority needs and considerations of the department, school, college, or unit concerned. If adjustments in favor of an employee are made, they must be limited to a reasonable period of time.

Adapted from: American Association of University Professors' Statement on Professors and Political Activity.

See also applicable policies or contract provisions regarding leaves of absence; the University policy regarding Political Activities: Tax Exempt Organization Restrictions; University policy regarding Name, Symbols, Letterhead and other Proprietary Indicia of Affiliation; and the federal Hatch Act, which covers employees whose principal employment is connection with an activity financed in whole or in part by loans or grants made by the United States or a federal agency).

Additional General Rules Governing Conflicts of Interest or Commitment

Use of University Resources

Even when an endeavor or activity is otherwise permissible or approved, the employee must abide by University policies governing use of institutional resources and assets. An employee may not make more than incidental use of University work time, University resources (such as telephones, FAX or copy machines, vehicles, supplies, facilities, laboratories), or the services of University employees or students for unauthorized and/or non-University purposes. Use of personal computers for external activities is permissible, subject to institutional policies governing computer use and the use of the UVM letterhead.

Definitions

None

Forms

Conflict Disclosure Form – Officers

http://www.uvm.edu/policies/general_html/conflict_disclosure_form_officer.pdf

Conflict Disclosure Form – Non-Officers

http://www.uvm.edu/policies/general_html/conflict_disclosure_form_non_officer.pdf

Contacts

The President is the University official responsible for interpretation of this policy, in active consultation with the General Counsel.

Related Documents/policies

NOTE: All preexisting policies covering the same subject matter as these policies, whether contained in University handbooks or policy statements, are superseded as of the effective date of adoption of these policies. Questions regarding the status of other policies may be referred to the office of the General Counsel, 656-8585

Board of Trustees' conflict of interest policy

<http://www.uvm.edu/trustees/policymanual/IV%203A%20Conflict%20of%20Interest%20Policy.pdf>

Related Significant Financial Interest in Research and Scholarly Activity Policy

<http://www.uvm.edu/~uvmppg/ppg/grants/researchcoi.pdf>

Intellectual Property Policy

http://www.uvm.edu/~uvmppg/ppg/general_html/intellectualproperty.pdf

Campus Mails Policy

Computer and Email Use Policy

<http://www.uvm.edu/~uvmppg/ppg/cit/compose.pdf>

Facilities and Grounds Use Policy

<http://www.uvm.edu/~uvmppg/ppg/facil/facsched.pdf>

Loans Prohibited Policy

<http://www.uvm.edu/~uvmppg/ppg/otherdoc/botloans.pdf>

Name, Symbols, Letterhead and other Proprietary Indicia of Affiliation, Use of University Policy

http://www.uvm.edu/~uvmppg/ppg/general_html/letterhead.pdf

Political Activities: Tax Exempt Organization Restrictions Policy

http://www.uvm.edu/~uvmppg/ppg/general_html/political_activity.pdf

Trademarks Policy

http://www.uvm.edu/~uvmppg/ppg/general_html/trademark.pdf

Effective Date

Approved by the Chair of the Board and President on December 8th, 2008