

OAKLAND UNIVERSITY

ADMINISTRATIVE POLICIES AND PROCEDURES

406 CONFLICT OF INTEREST POLICY

SUBJECT: CONFLICT OF INTEREST POLICY

NUMBER: 406

AUTHORIZING BODY: BOARD OF TRUSTEES

RESPONSIBLE OFFICE: GENERAL COUNSEL'S OFFICE

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RATIONALE:

POLICY:

**OAKLAND UNIVERSITY BOARD OF TRUSTEES
CONFLICT OF INTEREST POLICY
Approved by the Board of Trustees on December 5, 2016**

Article I Purpose

The purpose of this policy is to express the Board of Trustee's intent that trustees, faculty, staff, and others serving Oakland University should not be personally involved in any arrangement that could create a conflict of interest with the university. Everyone who serves the university should promote the best interests of the university over their own personal and financial interests. Conflicts of interest occur in a complex society. Everyone who serves the university must report their own conflicts of interest and those of others to the university as soon as they become known so that the conflict of interest can be promptly and properly managed. This policy will be interpreted and applied broadly.

Article II Conflicts of Interest

Conflicts of interest are those personal and financial interests, whether actual, apparent or possible, that could lead someone to: (a) compromise or lose their own independence, impartiality or judgment in connection with an arrangement with the university; (b) propose or support an arrangement with the university that is not in the university's best interest; (c) results in personal or financial gain to that person; (d) involves preferential treatment to the person's family or business associates; or (e) would damage the university's reputation or erode the public's confidence in the university.

Article III Annual Written Disclosures

To maximize awareness of conflicts of interest, each year trustees, executives, deans and directors must submit a signed written disclosure that affirms they will comply with this policy, and informs the university of their personal, financial and business interests and those of their family and business associates that could involve an arrangement with the university. Trustees and the President will deliver their disclosures to the chairperson of the board, the chairperson of the board's audit or successor committee, or designee; and everyone else will deliver their disclosures to the Conflict of Interest Review Committee. The written disclosures will be maintained in confidence by the university to the fullest extent permitted by law.

Article IV Ethics Awareness Program

The Vice President for Finance and Administration, or designee, will publicize this policy to the university community and conduct an annual ethics awareness program that will inform people what a conflict of interest is and how to report them to the university. (See Appendix)

Article V Conflict of Interest Review Procedures

1. Conflict of Interest Review Committee

A Conflict of Interest Review Committee is hereby established whose members are the: (a) Internal Audit Director, (b) Purchasing Manager, and (c) Assistant Vice President for Human Resources, or the successors to those positions ("CRC").

2. Duty to Promptly Self-Disclose/Report/Inquire-About Conflicts of Interest

As soon as the conflict of interest becomes known, Trustees and the President will report their own conflicts of interest to the chairperson of the board, the chairperson of the board's audit or successor committee, or designee in writing; and everyone else will report their own conflicts of interest to the CRC in writing.

The university may also require that a person or entity being considered for an arrangement with the university disclose conflicts of interest.

3. The Conflict of Interest Review Process

- a) Who Conducts the Review. The Trustees without the conflict of interest will review conflicts of interest involving Trustees and the President. The CRC will review conflicts of interest involving everyone else. If a CRC member is the person with the conflict of interest, that CRC member will not participate and the Vice President for Finance and Administration will appoint a temporary replacement for that review.
- b) Participation. The person with the conflict of interest will be given an opportunity to disclose all material facts related to their conflict of interest, to explain why the arrangement may not be a conflict of interest or that the conflict of interest will bring a compelling benefit to the university. After that discussion, the person with the conflict of interest must leave the meeting while the matter is discussed and a decision is made.
- c) Analyzing the Conflict of Interest. To determine whether a conflict of interest exists, the Trustees and the CRC: (1) will apply the principles and definitions contained in MCL 15.301 and any other applicable State of Michigan and federal conflict of interest statutes as they are adopted and amended from time to time ("Laws"); (2) may apply the conflict of interest policy statements, principles and technical guidelines most recently published by the Association of Governing Boards of Universities and Colleges; (3) will apply the definitions commonly used to define and interpret the terms direct, indirect, apparent, actual and possible in the context of conflicts of interest; and (4) will apply the following definitions:
 - (1) Arrangements. Arrangements include the purchase of any good or service, gifts and nepotism in any aspect of university employment and teaching and advising of students.
 - (2) Business Associates. Business associates include those persons with whom the person is engaged in a commercial enterprise, by or through an entity described by the Laws (such as a corporation, trust, professional limited liability company, firm, partnership or unincorporated association), or otherwise.
 - (3) Family. Family includes those persons with whom the person has a personal relationship by blood, marriage, domestic partnership, adoption, or other personal relationship including but not limited to as a parent, step or foster parent, child, step or foster child, brother, sister, grandparent, grandchild, half-brother or half-sister, aunt, uncle, niece, nephew, other dependents and their respective spouses, and in-laws.

- (4) Gift. A gift is anything of value in any form including money, goods, entertainment, services, use of property or facilities, loans and price concessions. Nominal advertising items, promotional materials of token value and business meeting meals are not gifts.
- (5) Nepotism. Nepotism is the bestowal of patronage to family members through initiation, participation or influence of arrangements involving the family member.
- d) Decisions. The Trustees and the CRC will by majority vote of disinterested members decide whether a conflict of interest exists and whether the conflict of interest will be avoided entirely, or effectively and properly managed because the conflict of interest will bring a compelling benefit to the university such as by prohibiting the person with the conflict of interest from playing any role whatsoever on behalf of the university in the arrangement.
- e) Documentation. Conflict of interest meetings, deliberations and decisions will be documented to confirm the integrity of the process and the propriety of the decision by written minutes or memorandum that include the nature of the conflict of interest, the names of all persons involved, the due diligence conducted, the roll call vote and any management conditions established.

Article VI
Confidentiality and Appropriation of University Opportunities

No one may use confidential information acquired in service to the university for any purpose other than university business, or give confidential information to any person or entity without the prior written consent of the university. If a person becomes aware of a business, investment or other potentially valuable opportunity that rightfully belongs to the university, that person must bring the opportunity to the university.

Article VII
Actions Not Void or Voidable

No arrangement undertaken by the university is void or voidable or may be challenged by a third party under this policy.

Article VIII
Scope

This policy supplements but does not replace any applicable State of Michigan or federal law that governs conflicts of interest; and in all cases of federally sponsored grants and contracts, the regulations and procedures necessary to meet federal agency conflict of interest requirements will control. The Board of Trustees is

responsible for assuring compliance with this policy directly or through its appointed committee

SCOPE AND APPLICABILITY:

DEFINITIONS:

PROCEDURES:

RELATED POLICIES AND FORMS:

APPENDIX: