

DEPAUL UNIVERSITY



Conflict of Interest

Category: Financial Affairs

Responsible Department: Controllers Office

Responsible Officer: Controller

Effective Date: 3/22/2017

Policy Summary

The Conflict of Interest policy outlines the basic responsibilities for protecting the University's interests, assets, and resources held by employees with decision-making authority and/or influence.

Scope

This policy affects the following groups of the University:

- Entire University Community

This policy affects all members of the University Community.

Policy

I. STATEMENT OF POLICY

A. The purpose of this policy is to protect DePaul University's interests, assets, and resources. A conflict of interest occurs when an "Employee" (as defined in Section II) is involved in outside activities or relationships that may compromise or bias the Employee's decision-making regarding the Employee's personal interests and the interests of the University. Employees are required to act and make decisions that are in the best interest of the University. Prior to involvement in any situation in which a conflict exists or appears to exist, an Employee must: 1) disclose the conflict, 2) identify safeguards in place to prevent abuse, including recusal or written management plan, if appropriate, and 3) obtain approval from his/her supervisor.

Conflicts and the corresponding safeguards must be disclosed through the Certificate of Compliance (link to which is found in the appendices) managed by the Controller's Office. In addition, the Controller's Office facilitates an annual reporting process that requires all employees in a Management Function (defined in Section II) to complete a Certificate of Compliance. In addition, other employees are provided the policy to read and are directed to report any conflicts of interest or appearance of a conflict of interests.

B. An Employee is considered to have a conflict of interest when he or she or any "Related Individual" (as defined in Section II) (1) has an existing or potential "Business Relationship" (as defined in Section II) or "Financial or Other Interest" (as defined in Section II) or (2) receives a "Grant or Assistance" (as defined in Section II) provided by the University, regardless of amount, that impairs or might appear to impair the individual's independence of judgment in managing University financial resources and/or which may appear or may not be in the best interest of the University.

Examples of conflicts of interest may include:

- Purchasing decisions - accepting gifts from vendors, or purchasing goods or services from a relative or organization in which the Employee has a financial or management interest
- Outside work - working for another organization that interferes with DePaul work
- Use of DePaul's resources - excessive use of telephones, supplies, equipment, etc. for personal use or non-DePaul related work
- Receiving compensation or royalties for a publication which the Employee authored, used in a DePaul academic course.
- Awarding or disbursing financial aid funds to any student who is personally known to the Employee

C. Direct employment by the University of a Related Individual creates a potential conflict of interest per the Internal Revenue Code, for those in certain management positions. As such, Joint Council members are required to disclose any Related Individual who is or was an employee of the University at any time during the fiscal year for which the member is certifying.

D. Conflicts may exist in the normal course of business without negative effects, when properly disclosed and managed. In no case should personal interests of the Employee, or a conflict of interest, result in purchase terms which are less favorable than those from other suppliers, or use of assets or resources of the University solely for the personal or financial gain of the Employee or any other person, interest, or entity. In some cases, it may be determined that, after full disclosure, the University's interests are served despite an apparent conflict of interest. In addition, although students, alumni, or donors will not be given unfair advantage when competing with other vendors, if they demonstrate competitive quality, price and delivery, they may receive priority consideration.

E. An Employees' management, once informed of a conflict or appearance of a conflict, is responsible for managing the conflict properly so that the University's best interests are protected. In situations when the University's President has reported a conflict or appearance of a conflict, the Audit Committee Chair is informed and is responsible for managing the conflict.

II. DEFINITIONS

A. "Employee" includes full-time staff and faculty, part-time staff and faculty, employees covered by collective bargaining agreements, employees of University subsidiaries, or any other individual receiving compensation from the University in an employment relationship.

B. "Related Individual" includes an Employee's (1) spouse, (2) child, grandchild, great-grandchild (or spouse of same), (3) parent, sibling, grandparent (or spouse of same), or (4) any other relative or

individual (or spouse of the same) with whom an employee shares a residence or maintains a close, familial relationship. The terms in subsections (2) and (3) shall include the "step" relations of the same (e.g., stepchild or stepparent).

C. "Business Relationship" includes, but is not limited to, service as an officer, board member, director, employee, partner, or trustee at an organization that is known by the Employee to be doing business or seeking to have a business relationship with the University. Business Relationship also includes the direct employment by the University of a Related Individual.

D. "Financial or Other Interest" is (1) ownership, whether personally or indirectly through a Related Individual, of five percent or more of the voting stock or ownership interest of an organization that is known by the Employee to be doing business or seeking to have a business relationship with the University, or (2) other direct or indirect dealings with an organization that is known by the Employee to be doing business or seeking to have a business relationship with the University and such dealings result in more than nominal benefits to the Employee from cash or property receipts, or (3) direct or indirect dealings with an organization, other than a banking or other qualified lending institution, with which the Employee has significant indebtedness or obligations, or (4) direct or indirect dealings with an organization, which results in use of University assets or resources, including the services of its employees, for the benefit of the Employee or another entity. See the [Gifts to Employees Policy](#) for guidance on what gifts employees can receive from third parties.

E. "Grant or Assistance" includes goods, services, or use of facilities that are provided by the University regardless of amount for personal benefit. Examples of grants are awards, prizes, cash allocations, stipends, research grants, and similar payments and distributions made by the University during the fiscal year. Grant or Assistance also include, but are not limited to, the gift portion of any part-sale, part-gift transaction provided by the University to the Employee, or scholarships or fellowships that are awarded to an Employee or a Related Individual, where the Employee influences the scholarship or fellowship selection process. Grants or Assistance does not include employee compensation or benefits, including employee tuition waivers administered through the University benefit program or purchases under the salvage program.

F. "Management Function" includes an Employee who (1) serves as an officer or is a member of joint council, (2) is a budget manager, (3) reported a conflict in the prior year, (4) administers University international programs, including study abroad trips, or (5) is employed by Procurement Services, the Office of General Counsel, or Financial Aid.

Procedures

A. Information on this policy will be made available to all Employees. Employees are responsible for understanding and complying with the policy.

B. Prior to involvement in any situation in which a conflict exists or appears to exist, an Employee must: 1) disclose the conflict, 2) identify safeguards in place to prevent abuse, including recusal if appropriate, and 3) obtain approval from his/her supervisor.

Conflicts and the corresponding safeguards must be disclosed through the Certificate of Compliance (a link to which is found in the appendices) managed by the Controller's Office. In

addition, the Controller's Office facilitates an annual reporting process that requires all employees in a Management Function (defined in Section II) to complete a Certificate of Compliance. In addition, other employees are provided the policy to read and are directed to report any conflicts of interest or appearance of a conflict of interests.

- C. The Controller's Office will also notify the respective business manager and academic/administrative officer of any Employee conflicts, or appearance of conflicts, that are reported. Once informed, officers are responsible for ensuring a conflict is properly managed and the University's best interests are protected.

- E. Conducting new business, including but not limited to, bidding, vendor selection, negotiating, contracting, purchasing or requesting payment may generate a need for discloser(s) by an employee. In addition, certain vendors may be asked to report any conflicts that may exist with University employees.

- F. Employees should follow the [Gifts To Employees](#) policy regarding their receipt of gifts from third parties and any conflicts of interest that may arise from them.

- G. Employees seeking externally funded grants or contracts are also required to comply with the [Conflict of Interest in Externally Sponsored Projects](#) policy.

- H. In addition, those employees who have responsibility for financial aid or the administration of student loans must also comply with the [Financial Aid Code of Conduct](#), as administered by the Office of Financial Aid.

- I. Any Employee who is uncertain whether he or she has a conflict of interest, an appearance of a conflict, or who needs assistance in interpreting this policy should contact the Controller's Office.

Divisional Collaborations

The Office of the General Counsel
Office of Financial Aid

Contact Information

Controller
(312) 362-6727
ssidler@depaul.edu

Appendices

Appendix 1: [The Conflict of Interest Certificate of Compliance](#)

Appendix 2: [The Financial Aid Code of Conduct](#)

History/Revisions

Origination Date: 08/27/1990

Last Amended Date: 03/22/2017

Next Review Date: N/A