



Charles R. Drew University of Medicine and Science

"A Private University with a Public Mission"

CONFLICT OF INTEREST

CDU POLICY 201.5

Issuing Officer: Vice President of Finance and Chief Business Officer

Responsible Office: Department of Human Resources

Effective Date: January 1, 2019

Revised Date/Review Date: July 7, 2017

Supersedes: **Conflict of Interest**, CDU Policy I.E. 00370, Conflict of Interest, January 25, 2011

PURPOSE:

This conflict of interest policy is designed to help directors, officers, faculty and staff of Charles R. Drew University of Medicine and Science identify situations that present potential conflicts of interest and to provide the University with a procedure that allows for the analysis of the transaction to evaluate whether a conflict exists. In the event there is an inconsistency between the requirements and the procedures prescribed herein and those in federal or state law, the law shall control.

POLICY TEXT:

It is the University's policy to discourage employees from having a financial interest in any other business that competes with the University, except where such ownership consists of securities of a publicly owned corporation regularly traded on the public stock market. The University's policy also forbids engaging in, directing, managing, or consulting for a business or businesses that compete with the University without the express written consent of the President or his or her designate. If an employee thinks that there is a possibility that they may have a conflict of interest, it is the Employee's responsibility to notify the Department of Audit and Compliance and request approval before becoming engaged in outside activities or relationships that could violate this policy.

1. Employees are required to complete a conflict of interest statement at hire and annually thereafter and disclose any potential conflicts of interest from other employment or other sources, including holding a financial interest in companies doing business with the University. Failure to disclose a conflict of interest or falsification of this statement may be ground for disciplinary action up to and including termination.

2. Charles Drew University requires the highest standards of conduct and honesty of its directors, officers, faculty and staff. It is the obligation of Trustees, employees and all persons and organizations contracting to provide services to the University to avoid involvement in activities that might conflict or appear to conflict with their own personal, professional, financial or business interests and the interest of the University. University Trustees, management and staff must be aware that decision making in matters in which a conflict of interest may exist could create an appearance of impropriety.
3. Employees having an interest in suppliers of goods, services, and leases directly or through family, personal, or business connections must not undertake to act for the University in any transaction involving that interest.
4. Employees must not participate in the selection, award or administration of a contract if they are considering employment with a potential University contractor or supplier of goods or services.
5. Employees shall avoid outside employment involving obligations which may in any way conflict or appear to conflict with the University's interests. A conflict of time commitment is considered to exist if outside activities impact the employees' ability to fulfill his/her job responsibilities.
6. Employees shall provide full written disclosure of a business or a financial arrangement which might influence, or appear to have the capacity to influence, his/her official decisions or actions on University matters. Revised disclosures shall be made when significant changes occur.
7. Employees who have the authority to spend or commit University resources shall make disclosure a matter of record through the annual completion of a disclosure statement.
8. Failure to disclose actual or potential conflicts of interest may be cause for disciplinary action, up to and including termination of employment.
9. Employees are encouraged to seek advance consultation from the Department of Audit and Compliance on matters which may involve, or appear to involve, a conflict of interest. The employee should refrain from participating in any way in the matter until and unless it is determined that a conflict does not exist and participation is authorized.
10. Employees must refrain from personal and/or outside business activities in which they could use or might appear to have the opportunity to use their position for personal gain.

11. Employees must refrain from unauthorized disclosure of non-public information concerning the University's investment decisions; its property development, sale or acquisition; and its purchasing plans or its contracting activities.
12. Accepting personal gifts and favors from persons or organizations with which the University has a business relationship is discouraged. Personal gifts of more than nominal value (\$25.00) should be tactfully declined or returned to avoid the appearance or suggestion of improper influence. Employees involved in the awarding or administration of contracts using federal or other government funds must keep in mind that the law prohibits soliciting or accepting gratuities, favors or things of monetary value from contractors or potential contractors.
13. Employees shall not act or participate in University matters involving a member of his/her immediate or extended family, including but not limited to matters affecting such family members' employment, evaluation or advancement in the University, without first making full disclosure. Such disclosure shall be in writing and include the nature of the familial relationship and the impact or potential impact of the employee's action on such family member. The disclosure shall be made in advance of actions taken relevant to the family member.

BACKGROUND:

Conflict of interest is a situation in which an employee who is in a position of trust, has a competing professional or personal interest. A competing interest can make it difficult to fulfill his or her duties impartially. A conflict of interest can exist even if no unethical or improper act results. It can create an appearance of impropriety that can undermine confidence in the employee, their activity and the profession and impair an individual's ability to perform his or her duties and responsibilities objectively.

APPLICABILITY:

All Staff, Faculty Administrators, and Faculty Members

ROLES AND RESPONSIBILITIES:

All employees are responsible for understanding and adhering to this policy.

COMPLIANCE:

Breaches of this Policy will not be tolerated and can lead to disciplinary and other actions up to and including termination of employment.

APPROVING AUTHORITY:

The University President and Board of Trustees

DEFINITIONS:

The term “conflict of interest” applies not only to the personal interests of the individual but also to the interests of others with whom the individual has substantial common financial interests if these interests are relevant to the functions to be performed. Therefore, in assessing an individual’s potential conflicts of interest, consideration must be given not only to the interest of the individual but also to the interest of the individual’s employer, the individual’s business partner’s and others with whom the individual has substantial common financial interest.

PROCEDURES:

1. If an employee finds that he/she is faced with a possible conflict of commitment or conflict of interest, the employee shall complete the Conflict of Interest Disclosure Questionnaire and submit it to the Department of Audit and Compliance.
2. If an employee has knowledge of a possible or actual conflict involving another employee, the employee who has acquired the information has an affirmative duty to disclose such information to the Department of Audit and Compliance.
3. The Department of Human Resources will provide a copy of this policy to all new employees on the first day of employment during New Hire Orientation.
4. Designated employees shall be notified annually to complete and submit a Conflict of Interest Questionnaire and to update the questionnaire whenever material changes occur.
5. The Procurement Department will ensure that all vendors and independent contractors complete the Report of Gifts, Gratuities and Conflict of Interest Questionnaire. Continuing vendors shall complete the Conflict of Interest Questionnaire annually.

RELATED POLICIES:

CDU-APM Finance Section (Internal Control) 02-00-01 to 02-07-01