

Employee Conflict of Interest Policy

Policy number: 404
Policy owner: Vice President for Business Affairs

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SECTION I. PURPOSE

The University of St. Thomas is committed to protecting its interests in any situation where the University contemplates entering into a business transaction or arrangement that might benefit the private interest of a university officer, faculty, or staff person. Officers, faculty, and staff shall not engage in any business activity that adversely affects or is detrimental to the best interest of the University. In addition, an officer, faculty, staff, or a related person or entity shall not be disqualified from contracting with the University merely because of his or her relationship with the University.

This policy is intended to supplement, but not to replace, any state or federal law or legislation governing conflicts of interest that is or may become applicable to a nonprofit educational corporation.

SECTION II. SCOPE AND APPLICABILITY

This policy applies to all University officers, faculty, and staff. Conflicts of interest relating to University trustees will be governed by St. Thomas's Board of Trustees Conflict of Interest Policy.

SECTION III. DEFINITIONS

- a. **Interested Person** is an officer, faculty, or staff member who has a direct or indirect financial or other conflict of interest as defined below.
- b. **Trustee** is a voting member of the University of St. Thomas Board of Trustees.
- c. **Officer** is a Board of Trustees-appointed individual who acts for or on behalf of the University. Officers generally include the President, Secretary, and Treasurer.
- d. **Employee** is an officer, faculty or staff member employed by the University, whether appointed to a full- or part-time, regular, temporary, or interim position.
- e. **Financial or other Conflict of Interest** is that situation in which an officer, faculty, staff member, or his or her family member:
 - has a relationship with any entity or individual with which the University has or is negotiating a transaction or arrangement, or
 - is a director, officer or legal representative of an entity with which the University has or is negotiating a transaction or arrangement, or
 - has or may have an interest that could be found to be adverse to the University.
- f. **Family Members** mean the person's spouse and the person's descendants, ancestors, siblings and all of their respective spouses.

SECTION IV. AVOIDING REAL OR PERCEIVED CONFLICTS OF INTEREST

Conflict of interest arises whenever the personal or professional interests of an officer, faculty or staff member is or could be perceived to be at odds with the best interests of the University. This policy restricts or prohibits certain business transactions. It also requires full and prompt disclosure of all real or perceived conflicts of interest. Because public confidence is important to all institutions of higher education, officers, faculty, and staff must take appropriate steps to avoid even the appearance of impropriety. The following expectations will assist in that effort.

- In situations where an officer, faculty or staff member determines that he or she is an interested person, that individual shall notify the Vice President for Business Affairs (or designee) of the real or potential conflict of interest. The Vice President for Business Affairs (or designee) shall notify the Executive Vice President when a faculty member is the interested person.
- The Vice President for Business Affairs (or designee), when presented with the facts of a given situation and based on the provisions of this policy, will determine in consultation with the Office of General Counsel whether a proposed transaction or arrangement poses for the University a potential or real conflict of interest.
- Unless the Vice President for Business Affairs (or designee) determines no real or potential conflict of interest exists, after disclosing the conflict of interest, the interested person shall recuse him or herself from the decision-making process, including removing him or herself from any discussions or meetings regarding the potential transaction or arrangement. As specified in Section V below, those without an interest in the matter shall decide whether a transaction or arrangement is fair and reasonable and is in the best interest of the University.
- No interested person shall participate in any way in the review, approval, or administration of a transaction or arrangement.

SECTION V. REVIEW AND APPROVAL PROCESS

All transactions or arrangements that have the potential for a financial or other type of conflict of interest shall be reviewed and approved in the following way:

- The Executive Committee of the Board of Trustees shall determine whether to approve a transaction or arrangement concerning real or potential conflicts involving University officers.
- The Vice President of Business Affairs (or designee) shall determine whether to approve all transactions or arrangements that concern a real or potential conflict of interest involving faculty or staff.
- A member of the President's Senior Staff may elevate, where appropriate, any situation concerning a real or potential conflict of interest to the Executive Committee of the Board of Trustees. This includes a proposed transaction or arrangement that
 - has an unusually significant financial impact on the University,
 - raises policy issues, or

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- has a significant public impact on the mission and reputation of the University.
- In order to protect the University, trustees, officers, faculty, and staff, the minutes of any relevant Executive Committee meeting shall document the conflict of interest. Likewise, the Vice President of Business Affairs (or designee) shall document such information pertaining to the conflict of interest of a faculty or staff member and attach it to pertinent financial records.

SECTION VI. DISCLOSURE

All officers and key employees (as defined by IRS Form 990) and all members of the President's cabinet shall file an Annual Disclosure Statement for Trustees, Officers and Key Employees and report any known conflicts of interest as required by this policy. In addition, the five highest compensated employees of the University who are not officers, directors, trustees or key employees shall complete this annual disclosure statement as requested in connection with filing the University's annual tax return, Form 990. This disclosure statement must be completed at the time of appointment and annually thereafter. Officers and key employees shall also notify the Vice President for Business Affairs immediately if a change in his or her disclosure statement occurs during the year.

All faculty and staff shall complete and file a Financial Conflict of Interest Disclosure Statement and report conflicts of interest as required by this policy. This disclosure statement will be presented to new faculty and staff at the time of employment. Faculty or staff may be requested to file an updated disclosure statement periodically.

SECTION VII. OTHER RESPONSIBILITIES

1. The Controller's Office provides officers, key employees, and the "Five Highest Compensated Employees" with a copy of the Annual Disclosure Statement for Trustee, Officers, and Other Key Employees annually.
2. The Department of Human Resources shall provide all new faculty and staff a copy of the Financial Conflict of Interest Disclosure Statement during new employee onboarding. A copy of the initial form and any updated forms shall be placed in the official personnel file of new faculty and staff.
3. All officers, faculty and staff are responsible for familiarizing themselves with this policy and complying with it when reviewing or proposing any type of transaction or arrangement, other than their own employment, with the University.
4. Based on information provided on disclosure statements, the Purchasing and Payables Department shall confirm that all proposed transactions or arrangements do not create or pose a perceived or real conflict of interest for the University.

SECTION VIII. CONFLICTS IN THE CARRYING OUT OF THIS POLICY

Where a University official (e.g., the Vice President of Business Affairs) is charged with carrying out this policy but is an interested person with respect to the matter at hand, the official shall recuse themselves and the President shall appoint a designee to serve in their place. Where the President is also an interested person, the Executive Committee of the Board shall review the conflict.