

# 3110 Employee Conflicts of Commitment and Interest

**SECTION:** HUMAN RESOURCE POLICIES  
**EFFECTIVE:** JULY 1, 2007  
**REVISED:**  
**RESPONSIBLE OFFICE:** VPAF  
**APPROVAL:** VPAF

## **PURPOSE**

The purpose of this policy is to protect the interests of the GTU when entering into any transaction by ensuring that such transactions will not be adversely affected by the conflicting interests of school employees responsible for the transaction. The GTU is committed to ensuring that all business affairs are conducted properly and in accordance with the principles of industry best practice.

The fundamental premise of this policy is that each member of the GTU community has an obligation to act in the best interest of the school and in furtherance of the GTU's mission, and must not let outside activities or outside financial interests interfere with those obligations. This policy is intended to increase the awareness of faculty, staff and students to the potential for conflicts of interest and commitment, and to establish procedures whereby such conflicts may be avoided or properly managed.

This policy establishes basic guidelines and controls to be followed. Some departments may impose more restrictive controls than required by this policy.

## **POLICY STATEMENT**

This policy establishes guidelines for employees who represent the GTU in business operations. Employees are expected to uphold the integrity of the GTU in the highest manner when conducting business operations of the school with outside organizations, vendors and individuals. Along with prudent business judgment, employees are expected not to compromise business transactions due to conflicts of interest.

In general, employees of the GTU are not allowed to have a conflict of interest as defined in this policy. All employees must carry out their responsibilities to the GTU in the best interests of the school. Further, all employees must disclose to the school any potential conflicting interests.

In particular, no arrangement involving purchase of goods or services by an employee or a department of the GTU from an organization, vendor or individual in which the employee or a member of the department has any personal interest may be entered into without the approval of the Vice President for Administration and Finance.

The provisions of this policy must be applied consistently to all GTU institutional activities.

## General Provisions

### Definitions

*Conflict of Commitment* A conflict of commitment occurs when the commitment to external activities of a faculty or staff member adversely affects his or her capacity to meet GTU responsibilities. This form of conflict is easily defined and recognized since it involves a perceptible reduction of the individual's time and energy devoted to school activities.

*Conflict of Interest* A potential or actual conflict of interest exists when commitments and obligations to the GTU are likely to be compromised by a person's other interests or commitments, especially financial. This includes, but is not limited to:

- 1) An existing or potential financial interest which may affect or appear to affect the individual's independent judgment while performing his or her duties for the school.
- 2) An existing or potential non-financial interest which may affect or appear to affect the individual's independent judgment while performing his or her duties for the school.
- 3) Receiving or the possibility of receiving a material, financial or other benefit from knowledge of confidential or proprietary school information.

*Employee* Any full or part time employee, staff and faculty.

In addition, a conflict may occur if situations 1-3 above exist concerning a member of the immediate family of the employee. Immediate family is defined as employee's spouse or domestic partner, children or children of spouse or domestic partner, siblings or siblings of spouse or domestic partner, parents or parents of spouse or domestic partner, or grandparents or grandchild.

## Policy Sections

### 3110.1 Conflict of Commitment

A conflict of commitment by GTU employees is generally not allowed. Most non-faculty hire letters preclude most instances of this type of conflict, since they forbid employment outside the GTU.

#### Faculty Conflict of Commitment

The GTU Rostered & In-Residence Faculty Handbook provides guidance about work load expectations for faculty members. It is important to recognize, however, that the obligations of GTU faculty move beyond the letter of these obligations to their spirit. The GTU requires that its faculty will not only meet their classes, but also that they will be available to students outside of the classroom, will carry their share of committee responsibilities, will remain productively involved in their research and other scholarly pursuits, and, where applicable, will meet their administrative obligations. The Handbook also outlines expectations for involvement in appropriate professional organizations, outside lectures, and publishing.

External activities that compromise or diminish a faculty member's capacity to meet these obligations represent a conflict of commitment.

Where a Conflict of Commitment exists, or appears to exist, the faculty member must resolve the conflict by working with the Academic Dean to come to a mutually acceptable work load.

### **Staff Conflict of Commitment**

Full-time non-faculty employees are expected to satisfy all of the requirements of their jobs, and should not permit outside activities to interfere with the performance of their GTU obligations. Most employment letters prohibit staff employees from consulting or engaging in other outside employment because of the likelihood of such interference.

In some cases, the GTU may permit certain outside employment. In such cases, the employee's supervisor must obtain written permission from the Vice President for Administration and Finance. Such permission will be granted only so long as outside commitments do not interfere with the employees' ability to complete the requirements of the his or her work.

## **3110.2 Conflict of Interest**

### **Fundamental Principles**

The following principles underlie the GTU's policy on conflicts of interest and commitment:

- 1) External activities should not compromise an individual's ability to perform all the activities expected of him or her as a GTU employee.
- 2) An individual should not receive remuneration for the conduct of his or her work activity at the GTU or other GTU activity except through GTU channels (such as salary).
- 3) An individual should not carry on GTU business under circumstances in which a reasonable person would infer that the GTU activity could have been distorted by the desire for or expectation of direct or indirect external economic advantage.
- 4) GTU facilities, equipment, and personnel should be used only for GTU activities and purposes, except when other uses are specifically authorized by the Vice President for Administration and Finance.
- 5) An individual should not participate directly in the negotiation of equipment purchases or other arrangements between the GTU and an organization, individual, or other entity in which the individual has a significant financial interest.

### **Determining Whether a Conflict of Interest Exists**

A conflict of interest exists when an individual has an external interest that affects or provides an incentive to affect the individual's conduct of his or her GTU activities. Conflicts of interest can arise naturally from an individual's engagement with the world outside the GTU, and the mere existence of a conflict of interest does not necessarily imply wrongdoing on anyone's part. When conflicts of interest do arise, however, they must be recognized, disclosed and either eliminated or properly managed.

Conflicts of interest may exist with respect to GTU financial decisions in which the individual is involved, for example, regarding investments, loans, purchases or sales of goods or services, and financial accounting decisions. They may also exist with respect to non-financial GTU matters,

including in particular the treatment of students and other employees. Conflicts may also exist with respect to matters with both financial and non-financial implications, such as decisions about the use of GTU equipment and facilities and the negotiation of agreements and contracts.

For purposes of this policy, an individual's economic interests include his or her interest in obtaining, maintaining or increasing the value of relationships such as employment, independent contractor or consultant work; management positions, board memberships and other fiduciary relationships with other organizations; ownership of stock or other securities and other financial interests such as loans or speaking fees; and any other activity from which the individual receives or expects to receive remuneration. They also include such interests on the part of the individual's immediate family as defined previously.

Some external economic interests do not create actual conflicts of interest because they do not affect GTU financial decisions or other activities. For example, there is not a conflict of interest with respect to a GTU financial decision by an employee where the external economic interest consists of a very small investment interest and the effect of the GTU decision on the organization is very small, e.g., ownership of shares of Dell stock in the context of a GTU decision to buy ten Dell personal computers.

There would also be no conflict of interest where the GTU employee who has the interest is not in a position to affect the GTU decision, e.g., an employee who does not in fact arrange or make recommendations for equipment purchases has no conflict of interest with respect to such purchases even if he or she has a significant economic interest in an equipment vendor.

As these examples indicate, external economic interests create conflicts of interest when they provide an incentive to the individual to affect a GTU decision or other activity (for example, because of the possibility of personal gain), and when the individual has the opportunity to affect the GTU decision or other activity (for example, because he or she is the decision-maker). In the first example cited above, there was opportunity but no significant incentive, while in the second example there was incentive but not opportunity.

### **3110.3 Procedure**

GTU employees must carry out their duties and responsibilities to the school in a manner which is both loyal to the best interests of the GTU and avoids the appearance or actual presence of a conflict of interest.

Where an employee reasonably believes that a conflict of interest may exist or appear to exist, the employee must promptly and fully disclose the conflict to the Vice President for Administration and Finance (for staff and consultants) or the Academic Dean (for faculty, students and visiting scholars), refrain from participation in the matter until the question is resolved, and follow any directions given by the GTU concerning the matter.

The Vice President for Administration and Finance or the Academic Dean, upon receiving a disclosure of a possible conflict of interest shall:

- 1) Review the conflict or potential conflict with the employee;

- 2) Determine whether the administrator's supervisor should review the gathered information on the conflict or potential conflict;
- 3) Recommend and initiate actions to manage, reduce, or eliminate the conflict; and
- 4) Report to the President how any significant conflicts of interest have been resolved.