

OFFICE OF THE VICE PRESIDENT FOR COMMUNICATIONS

CONFLICTS OF INTEREST AND CONFLICTS OF COMMITMENT POLICY

Effective Date: June 2006

Introduction

Conflicts of Interest and Conflicts of Commitment are covered under SPG 201.65-1, which requires the deans of the schools or colleges and the directors of administrative units to articulate and disseminate implementation policies that apply to faculty and/or staff within those units. The implementation policy and procedures for the Office of the Vice President for Communications (OVPC) are provided below. This policy and its procedures apply to all full-time staff, whether permanent or temporary, and to all permanent part-time staff in the unit. The University expects all staff to be familiar with the contents of SPG 201.65-1 and with the applicable set of unit implementation procedures.

A. Statement of Principles for the Office of the Vice President for Communications Policy

The policy section of SPG 201.65-1 outlines a set of key principles relevant to conflicts of interest and conflicts of commitment, including the principles stated below.

All staff members are to act with honesty, integrity, and in the best interest of the University when performing their duties, and to abide by the highest standards of research, educational, professional, and fiscal conduct.

A core mission of the Office of the Vice President for Communications is to disseminate information and images about the University in such a way as to effectively advance the University's reputation and enhance positive, long term relationships with its stakeholders including faculty, staff, students, alumni, legislators and the general public.

Outside Activities

Staff must not use their official University positions or influence to further gain or advancement for themselves, parents, siblings, spouse or partner, children, dependent relatives, or other personal associates, at the expense of the University. In accordance with its mission, however, the University of Michigan allows and encourages staff to engage in outside activities and relationships that enhance the mission of the University. **As a result, potential conflicts of interest and commitment are inevitable, but these potential conflicts are not necessarily problematic.** Rather, the essential point is that faculty and staff must disclose these potential conflicts of interest so that they can be evaluated and, if necessary, managed or eliminated.

Outside activities should not interfere with an individual's University obligations, must be completed on the staff member's own time, and should not involve the use of University-owned equipment or supplies. Staff members may not engage in any activity that competes with the business of the division, including markets, products or services.

Staff members should not be paid by outside organizations for work which they would normally do in the course of their employment with the University. The decision as to whether a specific project should be undertaken by a department within OVPC, as a function of the office, should be made by the individual's supervisor.

If an outside freelance project is contemplated, the staff member should discuss the project in advance with his or her immediate supervisor and discuss any potential concerns. The activity must also be disclosed in writing using the **Office of the Vice President for Communications Outside Employment/Activity Disclosure form** (see Section B below).

* When implementing SPG 201.65-1, academic and administrative units must also consider both particular rules of conduct within the University and rules that govern outside activities applicable to the staff of OVPC. These include:

- Regents' Bylaw 5.13, related to governmental elective/appointed service <http://www.umich.edu/%7Eregents/bylaws/bylaws05b.html#4>;
- SPG 201.12, related to misconduct and discipline;
- SPG 201.23, related to hiring of relatives or those with a close personal relationship; and
- SPG 201.85, related to work performed for other University units.

The specific definitions for a *potential conflict of interest* and *potential conflict of commitment* in Section II.A of SPG 201.65-1 also apply to the procedures described in Section B below. Broadly defined, a potential conflict of interest encompasses external ties that may or may appear to improperly bias a staff member's judgment in performing his or her University job responsibilities. A potential conflict of commitment, broadly defined, encompasses situations in which a staff member's external relationships or activities may or may appear to interfere or compete with the University's mission, or with the staff member's ability or willingness to perform his or her job responsibilities.

Gifts

The following policy is meant to offer further definition and clarification to the existing language contained in Regents' Bylaw 2.16 (Gifts to Regents and University Employees) and the Gifts and Gratuities section of the University of Michigan Standard Practice Guide (Section 507.1: Purchasing - General Policy and Procedures). It is intended to clarify the limits of acceptable employee behavior and in no way exempts employees from conformance with specific Codes of Conduct for their respective professions.

Gifts, gratuities, and entertainment are defined as anything given directly to staff as a result of a business relationship for which the recipient does not pay fair market value. This includes such things as meals, material goods, travel and accommodations, tickets to sporting or cultural events, golf outings, and any other merchandise or services.

Typically, business gifts, services, gratuities, and entertainment are forms of courtesies designed to build and/or enhance teamwork, partnerships, and goodwill between various business entities. Ethical problems arise when these items compromise an individual's ability to make objective and fair business decisions. Unfortunately, even the perception of compromise to an outside observer can be very damaging to the University and is inconsistent with overall operating principles.

For these reasons, OVPC employees should not accept gifts, services or gratuities from vendors, donors, or any individual for any value or amount other than nominal value. Employees may accept invitations to business meals, provided that there is a clear business purpose. OVPC staff and their family members are prohibited from requesting gifts, services, gratuities, or access to entertainment activities from any vendors or donors for their personal benefit.

It is permissible to accept unsolicited promotional materials of a general nature and nominal value, such as imprinted pencils, memo pads, calendars or other similar items. These types of gifts are permitted, provided they are given as a gesture of a professional relationship, and do not involve a commitment having to do with the transaction of business. To the extent possible, these gifts should be shared within the office. If it is not the type of gift that can be shared, send it to the OVPC Fleming Business Office and it will be donated to a charity.

Due to the myriad of business situations encountered daily, one policy cannot cover every eventuality that an employee may encounter. The expectation is that all OVPC employees are professionals with the capacity to exercise sound business judgment. A decision to accept or decline invitations or gifts requires common sense and careful judgment. Employees must carefully weigh the business interest involved against the possible public perception. In difficult situations, the following guiding questions can be asked:

- *Is it clearly related to the conduct of business?*
- *Is it moderate, reasonable, of nominal value?*
- *Would I feel comfortable owning up to the giving or receipt of this gift in front of other vendors or donors? Other employees? My manager? My family? The media?*
- *Do I feel any pressure to reciprocate or grant special favors as a result of this gift?*
- *Am I certain the gift does not violate any law or business regulation?*

If employees are still uncertain about specific situations, they should consult their managers to obtain an objective perspective of the situation and should always choose the most cautious approach to avoid even perceptions of impropriety.

B. Disclosing, Evaluating, and Managing Potential Conflicts of Interest and Conflicts of Commitment

1. Disclosing potential conflicts of interest and conflicts of commitment

All outside activities must be disclosed on an annual basis, and during the year whenever a new activity may create a potential conflict, it should be promptly disclosed in writing, to the Chief of Staff and the employee's supervisor (SPG 201.65-1, Section III.A.3) using the **Office of the Vice President for Communications Outside Employment/Activity Disclosure form** (attached). If possible, disclosure should be made before the activity begins in order to effectively manage the potential conflict.

For new, proposed commitments for paid work, the employee shall disclose the potential conflict and await a determination from the Chief of Staff/unit director/supervisor regarding any necessary conflict management, before beginning the proposed activity.

Examples of potential conflicts include (**but are not limited to**):

- Performing work for other University departments or units for additional pay;
- Participating in decisions or deliberations where your own personal financial interests are or could be affected;
- Participating in decisions or deliberations where a family member is or could be affected, financially or otherwise (Note: As stated in SPG 201.65-1, family members include parents, siblings, a spouse or partner, children, and dependent relatives.);
- Performing activities for non-University entities for pay, such as:
 - Freelance projects in the areas of writing, photography, web design, graphic design, video services, marketing services, etc.;
 - Teaching in areas of expertise associated with your employment;
 - Public speaking in areas of expertise associated with your employment;
- Accepting gifts, entertainment, or other items of value from vendors or other third parties that do or have business with the University;
- Accepting an incentive or benefit to gain access to a staff member's supervisor.

2. Evaluating disclosures of potential conflicts of interest or conflicts of commitment

The Chief of Staff, unit director and staff member's supervisor shall evaluate all disclosed potential conflicts of interest or conflicts of commitment. The staff member

may be required to provide additional information or documentation that may be relevant to evaluating the potential conflict of interest or conflict of commitment.

As needed, the Chief of Staff and/or supervisor will consult with appropriate central administrative offices (e.g., Office of the Provost and Executive Vice President for Academic Affairs, Office of Human Resources and Affirmative Action, Office of the Vice President for Research, Office of the Vice President and General Counsel). (See also Section B.4, below.) As needed, the Chief of Staff will consult with the Vice President for Communications.

3. Developing plans to manage potential conflicts of interest and conflicts of commitment

When it has been determined that a potential conflict of interest or conflict of commitment exists that must be managed or eliminated, a recommended plan for managing the potential conflict will be developed by the Chief of Staff, the employee, and the employee's supervisor (page 2 of the **Office of the Vice President for Communications Outside Employment/Activity Disclosure form**). The supervisor will provide the employee with a copy of the approved conflict management plan and will discuss any related ambiguities or issues that arise.

4. Involving other University individuals or offices, as required

Purchasing

When a potential conflict involves a purchase of goods or services, the Chief of Staff must also disclose the conflict to the appropriate staff person in the University's Office of Purchasing Services, and also to the unit staff member responsible for handling unit purchases. If the Chief of Staff determines that a conflict exists that must be managed or eliminated, he or she will consult with these individuals in developing a plan to manage the conflict.

Research

When a potential conflict involves work performed for a research project, the Chief of Staff must inform the head of the research project. If the Chief of Staff determines that a conflict exists that must be managed or eliminated, it is his or her responsibility to ensure, in consultation with the head of the research project, that the conflict management plan does not conflict with requirements related to the research or to research funding.

C. Administering the Policy

1. Record-Keeping and Issues of Confidentiality and Privacy

When personal financial or associational documents are provided to the Chief of Staff, the documents shall be placed in a secure file accessible only to the Chief of Staff, Policy Coordinator, and the employee's supervisor. Where any other staff member has a

legitimate business reason to access the documentation, then either the Chief of Staff, Policy Coordinator, or the supervisor may authorize access to the file and provide either copies and/or information, as may be required for the stated business purpose. If the Chief of Staff, Policy Coordinator, supervisor or his or her designate provides copies of information in the files to a staff member, he or she must also ask that staff member to maintain the same level of confidentiality for the copied information as applies to the original information or documents. Except where University record retention policies require a longer period, the documentation related to a disclosure will be purged 3 years after the potential conflict no longer exists.

Documentation of the staff member's disclosure and action taken shall be included within the secure file. The documentation may be as simple as identifying the disclosure and, when no further action was required, including a notation to that effect on the disclosure description.

In some circumstances, the University is required to disclose potential conflicts to people within or outside the University. For example, if a conflict exists within the context of a federally sponsored project, the University *is required* both to disclose the existence of that conflict (without providing identifying information) to the federal government and to indicate whether it has managed the conflict. Also, the University may be legally required to disclose information in response to requests made under the Michigan Freedom of Information Act (FOIA) <http://www.umich.edu/~urel/foia.html>. In addition to the people listed above, should any other individual have a legitimate educational or business reason to access the confidential records, whether in the context of a federally sponsored project, a FOIA request, or otherwise, the Chief of Staff, Policy Coordinator, or the unit supervisor may authorize access to the file, provide copies, or provide oral or written summaries of the information in the file. Where possible, the individual to whom the Chief of Staff or unit supervisor authorizes disclosure shall be required to maintain at least the same level of confidentiality as applies to the original information.

Administrators of this policy will make every reasonable effort to preserve confidentiality and protect the privacy of all parties in the course of investigating a potential conflict of interest or commitment and, as applicable, in developing a plan to manage the conflict. (See Regents' Bylaw 14.07 *Privacy and Access to Information* and SPG 201.46 *Personnel Records – Collection, Retention and Release*.)

Any faculty or staff member who becomes aware of a Chief of Staff, Policy Coordinator, or supervisor who has provided or may have provided unwarranted access to conflict documentation or information, as defined in this policy, should inform the Vice President for Communications. To follow up, the Vice President for Communications will investigate the allegation and, where appropriate, take personnel action.

2. *Resolving Disputes*

When a staff member disputes any action or decision related to a potential conflict of interest or conflict of commitment, the staff member should first ask that the action or decision be reviewed by his or her supervisor.

If, following the above review, the staff member remains unsatisfied with the action or decision, the staff member may initiate existing University policies and procedures for handling disputes, when available.

3. Conducting Education and Training

Upon hiring into or transfer into the unit, every staff member shall be provided with the Office of the Vice President for Communications Conflicts of Interest and Conflicts of Commitment Policy.

Each year toward year-end, each unit of OVPC shall:

1. Conduct a meeting with all employees to review this and other OVPC policies;
2. Obtain annual paper certification of having reviewed the policies;
3. Obtain annual update of **Outside Employment/Activity Disclosure** forms;
4. Report to Chief of Staff that meeting has occurred and forward copies of completed forms.

4. Violations

Any violation of SPG 201.65-1 or this implementing policy may be a cause for disciplinary action. In the first instance, the employee's supervisor shall evaluate the violation and take appropriate action, if needed, all in accordance with existing University policies and procedures. Consultation with the employee's Human Resources representative may be appropriate. The outcome of the supervisor's review and any actions taken shall be documented and included within the secure file maintained by the Chief of Staff. If appropriate, all relevant documentation may also be included within the employee's personnel file maintained as provided under SPG 201.46.

5. Policy Review and Revision

The Chief of Staff shall regularly review all potential conflict disclosures and actions taken with the departmental directors and the Vice President for Communications to ensure a consistent approach to potential conflicts within the unit. The Chief of Staff, departmental directors and Vice President for Communications shall similarly regularly review potential conflict management issues, policy and procedures. If it is determined that any changes will be made to materially alter the policy, the Chief of Staff will follow the procedures used to adopt the original policy <http://www.umich.edu/%7Ehraa/procedures/spg201-65-1.htm>. In particular, the Chief of Staff will submit any materially revised policy to the Vice President for Communications

for further review and approval and then to the President for formal adoption. The Vice President for Communications shall keep a copy of the current policy on file at all times.

D. Other Governing Policies

This policy implements SPG 201.65-1, *Conflicts of Interest and Conflicts of Commitment*, incorporates SPG 201.65-1 in its entirety, and includes all elements required under that SPG. Implementation of SPG 201.65-1 within the Office of the Vice President for Communications requires compliance with other University policies and procedures, including all Regents' Bylaws and SPGs, as well as with any relevant external rules of professional conduct and applicable law. Relevant policies, procedures, rules, and law include (but are not limited to) the following:

- Regents' Bylaw 2.16, regarding gifts to University employees
<http://www.umich.edu/%7Eregents/bylaws/bylaws02.html#16>;
- Regents' Bylaw 5.13, regarding governmental elected or appointed service
<http://www.umich.edu/%7Eregents/bylaws/bylaws05b.html#4>;
- Regents' Bylaw 5.14, regarding leaves of absence
<http://www.umich.edu/%7Eregents/bylaws/bylaws05b.html#5>;
- SPG 201.12, regarding misconduct and discipline;
- SPG 201.23, regarding appointment of individuals with close personal or external business relationships;
- SPG 201.65, regarding employment outside the University;
- SPG 201.85, regarding special stipends for work performed for other University units, the payment of honoraria, and the payment of travel expenses;
- SPG 500.01, 601.03-2, and 601.11, in particular to the extent that they address appropriate use of University resources, such as the libraries, office space, computers, secretarial and administrative support staff, and supplies;
- Office of Vice President for Research (OVPR) Policy on Conflict of Interest in Sponsored Research and Technology Transfer Agreements
http://www.research.umich.edu/policies/um/conflict_ovpr_drda_tmo.html;
- Office of the Vice President for Communications Professional Conduct and Confidentiality Policy;
- Michigan Compiled Laws § 15.321 et seq., regarding contracts of public employees with their employers.