

**OFFICE OF THE VICE PRESIDENT AND GENERAL COUNSEL
POLICY ON CONFLICTS OF INTEREST
AND CONFLICTS OF COMMITMENT
Adopted July 2008, Modified August 2021**

Introduction

This implementation policy and its procedures apply to all staff members in the Office of the Vice President and General Counsel.

A. Statement of Principles

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

The University permits and encourages staff members to maintain outside activities and interests of a professional, civic, and personal nature. These outside activities cannot interfere with a staff member's obligation to act with honesty, integrity, and in the best interest of the University when performing duties, and to abide by the highest standards of research, educational, professional, and fiscal conduct.

Conflicts of interest or commitment may arise between a staff member's employment and outside activities. OGC staff must disclose actual or potential conflicts of interest so that they can be evaluated and, when appropriate, managed or eliminated.

B. Definitions

1. Conflict of Interest

A potential conflict of interest exists whenever personal, professional, commercial, or financial interests or activities outside of the University have the possibility (either in actuality or in appearance) of (1) compromising a staff member's judgment; (2) influencing a staff member's decisions or behavior with respect to matters of interest to the University; or (3) resulting in a personal or family member's gain or advancement at the expense of the University. For purposes of subsection (3), family members include parents, siblings, spouses, domestic partners, children, and dependent relatives.

2. Conflict of Commitment

A potential conflict of commitment exists when a staff member's external relationships or activities have the possibility (either in actuality or in appearance) of interfering or competing with the University's educational, research, or service missions, or with that individual's ability or willingness to perform the full range of responsibilities associated with the position.

3. Examples

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 a staff member's 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 (*e.g.*, recommending University legal work be referred to an outside firm in which a family member is employed or has a financial interest; overseeing litigation where a family member is a witness; or negotiating a research contract on behalf of the University where a family member is the principal investigator on the project). (Note: As stated in SPG 201.65-1, family members include parents, siblings, a spouse or partner, children, and dependent relatives.);
- Performing work for non-University parties, including, but not limited to, an attorney maintaining an outside practice, support staff working for an outside firm, and, unless approved in advance by the staff member's supervisor, performing legal work for friends and family. Notwithstanding the foregoing, attorneys are not required to disclose or seek approval for legal work if (i) the staff member is not compensated, (ii) the legal work is a short term project for a family member or a personal friend, and (iii) the interests of the University are not directly or indirectly implicated;
- Performing non-legal activities for non-University entities for pay;
- Accepting gifts, entertainment, or other items of value from University vendors or potential University vendors (see "Gifts" below);
- Accepting an incentive or benefit to gain access to a staff member's supervisor;
- Receiving referral fees on matters adverse to the University; or
- Representing parties on matters adverse to the University Serving as a paid or unpaid officer, director, or board member of an organization outside of the University.

4. Gifts

A potential conflict exists when a University vendor, current or potential, gives a gift to a staff member. Except as described below, staff members may not accept gifts or other items of value from vendors or potential vendors.

Notwithstanding the foregoing, a staff member may accept the following types of gifts: small, unsolicited promotional items such as calendars and pens; working lunches of minimal cost; and receptions that are widely attended by individuals not only associated with the University.

For the avoidance of doubt, the following are examples of items of value that are generally not considered appropriate: items specifically individualized to a staff member; paid recreational travel expenses; golf outings; event tickets and boxes; and expensive meals and entertainment. If a staff member is unsure whether a gift or other item of value may qualify as acceptable under this implementation policy (*e.g.*, whether a reception will be

widely attended), the staff member should request additional information from the vendor. If the staff member remains unsure whether a gift or other item of value would be acceptable under this implementation policy, the staff member should disclose the proposed gift or other item of value to the Vice President and General Counsel before accepting it.

Note: There may be circumstances in which a staff member has a personal relationship to an individual who also is a vendor or prospective vendor of the University. In this situation, the staff member may accept a gift from the vendor if the circumstances are such that it is clear that the gift is given in the vendor's and the staff member's personal capacities. The following are examples of when a gift or other item of personal value is given in the vendor's and staff member's personal capacities: a staff person, whose spouse is an attorney at a law firm that provides services to the University, is invited to a firm dinner for attorneys and their spouses; a staff member who is personal friends with an employee of a law firm that provides services to the University may accept a birthday gift from their friend, provided the gift is purchased with personal, rather than firm, resources. For the avoidance of doubt, it would generally be not considered appropriate to accept gifts from friends who work at University vendors, when the gifts are purchased with vendor resources.

Similarly, there may be circumstances in which a University client wants to occasionally pay for lunch or dinner for a staff member as a token of appreciation for the staff member's work. So long as it is an occasional occurrence, it is appropriate for a staff member to infrequently attend lunches or dinners with internal clients that are paid for by the clients.

If the staff member is unsure whether a gift or other item of value would be acceptable from a vendor, a potential vendor, or an internal client under this implementation policy, the staff member should disclose the proposed gift or other item of value to the Vice President and General Counsel prior to accepting it.

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

1. General

Whenever an actual or potential conflict of interest or conflict of commitment exists for a staff member, the staff member must promptly disclose it, in writing, to the Vice President and General Counsel (or his/her designee). (See SPG 201.65-1, Section III.A.3.)

The Vice President and General Counsel shall evaluate all disclosed actual or potential conflicts of interest or conflicts of commitment and may require the staff member to provide additional information or documentation that may be relevant to evaluating the actual or potential conflict of interest or conflict of commitment. To help evaluate the actual or potential conflicts the Vice President and General Counsel will consult with appropriate central administrative offices as needed (see "Involving other University individuals or offices, as required" below).

When the Vice President and General Counsel has determined that a conflict of interest or conflict of commitment exists that must be managed or eliminated, the Vice President and General Counsel must develop, in consultation with the staff member, a recommended plan for managing the conflict or eliminating it. If a plan is developed, the Vice President and General Counsel will provide a copy of the approved conflict management plan to the staff member and will discuss any related ambiguities or issues that arise.

2. Involving other University individuals or offices, as required

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

When a potential conflict involves work performed for a research project, the Vice President and General Counsel must inform the head of the research project. If the Vice President and General Counsel determines that a conflict exists that must be managed or eliminated, the Vice President and General Counsel will 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.

D. Resolving Disputes

When a staff member disputes any action or decision related to an actual or potential conflict of interest or conflict of commitment, the staff member should first ask that the action or decision be reconsidered by the Vice President and General Counsel. If, following that review, the staff member remains unsatisfied with the action or decision, the staff member may initiate existing University policies and procedures for handling disputes.

E. Record-Keeping and Issues of Confidentiality and Privacy

The Office of the General Counsel will retain documentation about disclosures made in connection with resolution of conflicts of interest and conflicts of commitment in the Office's secure personnel records, subject to the same restrictions of confidentiality.

F. Violations

Any violation of SPG 201.65-1 or this implementation policy may be a cause for disciplinary action. The staff member's direct supervisor shall evaluate the violation and take appropriate action, if needed, all in accordance with University policies and procedures. Consultation with the staff member'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 personnel file.

G. Education and Training

Upon hiring into the Office of Vice President and General Counsel, every staff member shall be provided a copy of this implementation policy. Annually, each staff member will receive a copy of this implementation policy and be required to review and submit a disclosure form, substantially in the form attached hereto, disclosing any actual or potential conflicts of interest or conflicts of commitment.

H. Other Governing Policies

This implementation 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 and General Counsel 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;
- Regents' Bylaw 5.13, regarding governmental elected or appointed service;
- Regents' Bylaw 5.14, regarding leaves of absence;
- 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;
- Michigan Compiled Laws § 15.321 et seq., regarding contracts of public employees with their employers;
- Michigan Rules of Professional Conduct; and
- Model Rules of Professional Conduct for Attorneys.

See attached disclosure form.