

**BUTLER UNIVERSITY
POLICY & PROCEDURES**

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| POLICY NAME: Conflict of Interest | POLICY NUMBER: |
| SCOPE: Faculty & Staff | DEPARTMENT: Human Resources Management & Development |
| EFFECTIVE DATE: July 1, 2007 APPROVED BY: Dr. Bobby Fong, President | REV. DATE: |

PURPOSE:

The educational mission of the University requires the highest standards of professionalism and ethical conduct. Adherence by faculty, staff, and others acting on behalf of the University to the standards of ethical conduct set forth in this policy is an integral part of the University's long-range goals of attracting quality students, faculty and staff; ensuring proper stewardship of its resources; and attracting gifts, grants, and other forms of support. The highest standards of honorable and ethical conduct must be observed at all times in dealings with or on behalf of the University.

The term "conflict of interest" cannot be defined in a manner that fits every situation. As a general rule, in determining whether certain action should be taken, an individual must consider not only whether a conflict of interest actually exists, but he/she should also consider the impression a situation or issue may make on other individuals who, for good reason, judge and interpret the situation or issue. Therefore, individuals must refrain from engaging in any activity that has the appearance of impropriety.

The University is a not-for-profit educational institution organized under the laws of the State of Indiana. As such, it is prohibited from engaging in any activity which primarily benefits any individual financially, directly or indirectly. Moreover, because of the University's tax-exempt status, the University prohibits institutional income from being used for the personal benefit of any individual or group of individuals. In connection with the above, this policy has been adopted in order to offer broad guidance to the University's faculty and staff.

POLICY STATEMENT:

Butler University expects all faculty and staff, when acting on behalf of the University, to maintain the highest standard of ethical conduct. Individuals employed by the University are expected to remain free of interests or relationships which are, or appear to be, detrimental to the best interests and reputation of the University. They must avoid circumstances that cast doubt on their ability to act objectively and fairly regarding the University's business and interests. They must not support the commission of such acts by others.

A practice will not be condoned on the grounds that it is customary, easy, or expedient if it does not meet the standards of ethical conduct. Condoning such practices compromises the integrity and reputation of the University. If an individual is asked to engage in any action that he/she reasonably believes may be in violation of this policy, it is acceptable (and, in fact, encouraged) to respond by making any of the following (or similar) statements: 1) "University policy does not allow me to do this"; or 2) "Please discuss this matter further with my supervisor because I have concerns about whether I can do this without violating University policy"; or 3) "I am uncomfortable with what you have asked me to do, and I would first like to discuss the matter with my supervisor (or Human Resources Management & Development)".

POLICY NAME: Conflict of Interest

DEFINITIONS:

“Conflict of interest” is a term that relates to matters that may inappropriately influence an individual within his/her area of responsibility. The following are examples of conflicts of interest that are prohibited by this policy:

1. When an individual or a member of his/her family has an existing or potential financial or other material interest that could or does impair the individual's independence or objectivity of judgment in the discharge of responsibilities to the University.
2. When an individual's interests outside his/her employment with the University, including but not limited to, his/her outside business, philanthropic, community, political or other interests, could or do adversely impact the University in any manner, including, without limitation, relative to the individual's time or use of University resources.
3. When an individual (or a member of his/her family) is an owner, principal, consultant or employee of an enterprise which does business with the University, and the faculty or staff member by virtue of University employment:
 - o Is in any position to control, impact or influence the University's business relationship with that enterprise; or
 - o May gain any personal benefit (financial or otherwise) if the University engages in a business relationship with that enterprise.
4. When, without prior approval of the University, an individual is associated (as an owner, principal, consultant or employee) with an organization whose business interests are in conflict with the interests of the University.
5. When an individual has a relationship with another organization or activity that reflects adversely on his/her integrity or the reputation of the University.
6. When an individual uses or threatens to use confidential or privileged information, equipment or other University resources for personal benefit, benefit of friends or relatives, or for other purposes unrelated to the University or not in its best interests.
7. When an individual receives gifts or entertainment of more than nominal value (more than \$250) annually from suppliers of goods or services, or from individuals or entities associated or seeking association with the University.
8. When an individual evaluates the work or performance of an individual who is a member of his/her family or when an individual is directly or indirectly under the authority of a family member.
9. When an individual evaluates or has control (directly or indirectly) over the work or performance of a person with whom he/she is engaged in a romantic or sexual relationship. This is true whether the parties involved in the relationship are faculty, staff, or students. (Refer to Policy on Consensual Relationships.)

The above examples are not inclusive of all situations that may give rise to a conflict of interest in violation of this policy. No list of examples could possibly be exhaustive.

PROCEDURE:

Seeking Clarification

If, after reading this policy and other applicable University policies, you believe additional clarification is needed about the propriety of any action or situation, contact your immediate supervisor, department chair, college dean or University vice president, or the Human Resources Management and Development Department (HRM&D).

POLICY NAME: Conflict of Interest

Disclosure of a Suspected or Potential Conflict of Interest

If a suspected or potential conflict of interest is created or becomes unavoidable, it is the responsibility of the faculty or staff member to notify his/her supervisor, department head and Dean or Provost/Vice President of the (potential) conflict of interest. For example, conflicts can arise due to business arrangements made by other University parties or relationships of University faculty and staff to personnel in other companies who do business with the University. The appropriate University administrator will determine what arrangements or changes, if any, are needed.

Reporting a Violation

Every faculty and staff person should immediately report a suspected, potential or actual violation of this policy. To report such matter:

1. Discuss the matter with your immediate supervisor. However, if the matter involves the conduct of your supervisor, the matter should be discussed with the person at the next supervisory level.
2. If you reasonably believe that the situation cannot be properly addressed as described in #1 above, you may contact the University office responsible for your area of concern (Provost or Vice President). The office of the Provost or Vice President will determine what is (or is not) in violation of this policy. HRM&D will serve in an advisory capacity to assist with uniformity and consistency of policy application across campus.

Failure of a supervisor to report a suspected, potential or actual violation of this policy may result in disciplinary action, up to and including termination of employment.

RETALIATION:

The University will not tolerate retaliation against any person who reports a suspected, potential or actual violation of this policy. Additionally, the identity of individuals providing information concerning possible violations, including fraud, will be protected to the extent appropriate and within legal limits. Any individual who threatens or engages in any retaliatory act will be subject to discipline, up to and including termination of employment.

ABUSE OF THIS POLICY:

The University is committed to the protection of both the accused and the accuser in connection with any report made pursuant to this policy. Therefore, any effort of an individual to discredit others through the inappropriate or bad faith use of this policy is prohibited and may result in disciplinary action, up to and including termination of employment.

EDUCATION AND DISTRIBUTION OF POLICY:

A copy of this policy is provided to all faculty and staff new hires during orientation. A copy of this policy is available in print in Human Resources and online at the HR website www.butler.edu/hr. A summary of this policy shall be provided in University faculty and staff handbooks and may appear in other publications prepared by Human Resources. If you have a question about this policy, please contact your immediate supervisor, department chair, college dean, University vice president, or a representative of Human Resources.