

# UNIVERSITY OF DETROIT MERCY

## Conflict of Interest and Code of Ethics

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### INTRODUCTION

This policy covers all full-time and part-time employees of the University. The policy specifically excludes contractors, adjunct faculty, and individuals that receive 1099 forms for their compensation reporting by UDM as opposed to W-2 forms. Individuals covered under this policy are required to complete the attached disclosure statement.

#### Conflict of Interest

UDM is committed to avoiding employee conflicts of interest. Conflicts of interest arise when an employee's personal economic activities, or those of the employee's family, conflict with the employee's responsibilities, loyalty and actions in his or her capacity as an employee of the University. UDM employees are compensated for devoting full business time and attention to the success and growth of the University. The private business activities or interests of the employee, or employee's family, may in some cases conflict with the best interests of the University.

A conflict of interest may arise, for example, through:

- Holding, either directly or indirectly, a position of financial interest in an outside concern that provides services competitive with services rendered by UDM, or an outside concern from which the University secures goods or services if the employee is involved in or may influence the ordering of such goods and services.
- Any activity which interferes with the full performance of the employee's professional or institutional responsibilities or obligations.
- Using University resources to benefit an outside concern (this could include employee time, University space, equipment, supplies, etc.)
- Disclosing confidential or proprietary information obtained through UDM employment for personal profit or gain, or for the profit or gain of a family member.
- Accepting gratuities or special favors such as meals, airline tickets, hotel accommodations, entertainment, sporting event tickets, etc. from any outside concern that does, or is seeking to do business with UDM, or extending gratuities or special favors to employees of the University, under circumstances which might reasonably be interpreted as an attempt to influence employees in the performance of their duties. This does not include the acceptance of items of nominal or minor value (\$100 or less) that are clearly tokens of respect or friendship and are not related to any particular

transaction of the University, nor does it include business-related social events where the employee is representing the University's interests.

- Engaging in outside activities from which employees, their families, or their businesses will gain financially because of the employee's position at UDM.

**The University requires that employees voluntarily disclose to UDM whenever a potential conflict issue arises, including any financial or personal interests which may give rise to conflicts, on a form prescribed by the Senior Attorney and approved by the President. A sample of this form is included as an attachment to this policy. The form shall be filed with the Senior Attorney, who shall prepare an annual report to the President and the Finance Committee of the Board of Trustees of the University summarizing the conflict or potential conflict issues. Failure to voluntarily disclose a potential conflict of interest to the University by the employee will be grounds for disciplinary action, up to and including termination. All applicants for employment and, all employees on an annual basis, will be required to certify that no situation giving rise to possible conflicts of interest exists, except as specifically disclosed.**

The individual disclosure statements and the annual reports compiled by the Senior Attorney shall be confidential but shall be open for inspection by the Trustees and the President. The statements and reports or the information contained therein shall be open for inspection by the public only: (a) by official action of the President upon showing of good cause; (b) with the consent of the person who submitted the data which is to be disclosed; (c) by court order; or (d) as otherwise required by Michigan or federal law regulation.

### **Organizational Code of Ethics**

The University and its employees must, at all times, comply with all applicable laws and regulations. The University will not condone the activities of employees who achieve results through violation of the law or unethical business dealings. This includes any payments for illegal acts, indirect contributions, rebates, and bribery. The University does not permit any activity that fails to stand the closest possible scrutiny.

All business conduct should be well above the minimum standards required by law. Accordingly, employees must ensure that their actions cannot be interpreted as being, in any way, in contravention of the laws and regulations governing the University's activities.

Employees uncertain about the application or interpretation of any legal requirements should refer the matter to their supervisor, who, if necessary, should seek the advice of the Human Resources Department.

### **Kickbacks and Secret Commissions**

Regarding the University's business activities, employees may not receive payment or compensation of any kind, except as authorized under UDM's remuneration policies. In particular, the University strictly prohibits the acceptance of kickbacks and secret commissions from suppliers or others. Any breach of this rule will result in immediate termination and prosecution to the fullest extent of the law.

### University Funds and Other Assets

Employees who have access to University funds in any form must follow the prescribed procedures for recording, handling, and protecting money as detailed in the University's instructional manuals or other explanatory materials, or both. UDM imposes strict standards to prevent fraud and dishonesty. If employees become aware of any evidence of fraud and dishonesty, they should immediately advise their supervisor or the Human Resource Department so that UDM can promptly investigate further.

When an employee's position requires spending University funds or incurring any reimbursable personal expenses, that individual must use good judgment on the University's behalf to ensure that good value is received for every expenditure.

**University funds and all other assets of UDM are for University purposes only and not for personal benefit. An employee engaging in outside activity shall not use the facilities, equipment, supplies or services of UDM in connection with such outside activity. Approval of the use of UDM facilities, equipment, supplies or services may be conditioned upon reimbursement to the UDM for such use.**

### Organization Records and Communications

Accurate and reliable records of many kinds are necessary to meet the University's legal and financial obligations and to manage the affairs of UDM. The University's books and records must reflect in an accurate and timely manner all business transactions. The employees responsible for accounting and record keeping must fully disclose and record all assets, liabilities, or both, and must exercise diligence in enforcing these requirements.

Employees must not make or engage in any false record or communication of any kind, whether internal or external, including but not limited to:

- False expense, attendance, financial, or similar reports and statements
- False advertising, deceptive marketing practices, or other misleading representations

**If an employee becomes aware of a situation that involves inaccurate accounting or record keeping, the employee is encouraged to directly contact the Finance Committee of the Board of Trustees or the outside audit firm to disclose the irregularity.**

### Dealing With Outside People and Organizations

Employees must take care to separate their personal roles from their University positions when communicating on matters not involving UDM business. Employees must not use organization identification, stationery, supplies, and equipment for personal or political matters.

When communicating publicly on matters that involve UDM business, employees must not presume to speak for the University on any topic, unless they are certain that the views they express are those of the University, and it is the University's desire that such views be publicly disseminated.

When dealing with anyone outside UDM, including public officials, employees must take care not to compromise the integrity or damage the reputation of either the University, or any outside individual, business, or government body.

### Prompt Communications

In all matters relevant to students, suppliers, government authorities, the public and others in the University, all employees must make every effort to achieve complete, accurate, and timely communications—responding promptly and courteously to all proper requests for information and to all complaints.

### Privacy and Confidentiality

When handling financial and personal information about students or others with whom the University has dealings, observe the following principles:

1. Collect, use, and retain only the personal information necessary for the University's business. Whenever possible, obtain any relevant information directly from the person concerned. Use only reputable and reliable sources to supplement this information.
2. Retain information only for as long as necessary or as required by law. Protect the physical security of this information.
3. Limit internal access to personal information to those with a legitimate business reason for seeking that information. Use only personal information for the purposes for which it was originally obtained. Obtain the consent of the person concerned before externally disclosing any personal information, unless legal process or contractual obligation provides otherwise.

