

Staff Policy on Conflict of Commitment and Interest

- Authority** This Guide Memo was approved by the Executive Director of Human Resources.
- Applicability** Members of the Academic Council are covered by Research Policy Handbook Document 4.1: Faculty Policy on Conflict of Commitment and Interest, <http://www.stanford.edu/dept/DoR/rph/4-1.html>. This Guide Memo summarizes existing policies and practices applicable to other University employees. (Additional University policies are applicable to individual departments and units, e.g., SLAC, Sponsored Projects, and Procurement Services. Individuals in these departments and, if applicable, those who use the department's services must follow the department policies.)
- Purpose** When University staff members, or members of their immediate families (as defined below), have significant financial interests in, or consulting or employment arrangements with, other business concerns, it is important to avoid actual or apparent conflicts of interest between their University obligations and their outside interests.
- In addition to the conflict of interest concerns mentioned above – which apply to all University staff – Stanford staff members who are exempt from governmental regulations regarding compensation for overtime work owe their primary professional allegiance to the University. Care should be taken so that external activities do not result in inappropriate conflicts of commitment, i.e., conflicts regarding allocation of time and energies.
- In order to preclude inappropriate actual or apparent conflicts of interest or conflicts of commitment, this Guide Memo sets forth related University policies and procedures.
- Summary** Section headings for this Guide Memo are:
1. DEFINITIONS
 2. POLICY
 3. PROCEDURES FOR EXCEPTIONS

1. DEFINITIONS

- a. **Significant Financial Interest:** Current or pending ownership interest in an entity amounting to at least one-half percent (0.5%) of the company's equity or at least \$10,000 in ownership interest (except when the ownership is managed by a third party such as a mutual fund).
- b. **Immediate Family Member:** Spouse, dependent child as determined by the Internal Revenue Service, domestic partner.
- c. **Cognizant University Officer:** Vice President, Vice Provost, Dean, Director or equivalent.

2. POLICY

The following actions on the part of staff members are prohibited:

- a. **Personal Gain** – Transmitting to outsiders or otherwise using for personal gain University-funded or supported property, work products, results, materials, property records, or information developed with University funding or other support.
- b. **Confidential or Privileged Information** – Using for personal gain or other unauthorized purposes, confidential or privileged information acquired in connection with the individual's University-supported activities. Confidential or privileged information is non-public information pertaining to the operation of any part of the University including, but is not limited to, documents so designated, medical, personnel, or security records of individuals; anticipated material requirements or price actions; knowledge of possible new sites for University-supported operations; knowledge of forthcoming programs or of selections of contractors or subcontractors in advance of official announcements; and knowledge of investment decisions. Questions about confidential information may be referred to the University Privacy Officer at privacyofficer@stanford.edu.

- c. **Approvals** – Participation in negotiating or giving final approval to financial or other business transactions between the University and other organizations in which the individual or an immediate family member has a Significant Financial Interest or with which the individual or an Immediate Family Member has an employment or consulting arrangement.

All staff should also note that originating or approving financial or other business transactions between the University and other organizations with which the staff member has any financial or family ties (even those not rising to the level of Significant Financial Interest or constituting an Immediate Family Member) may create the appearance of a conflict of interest. It is strongly recommended that all such situations should be disclosed to the cognizant University officer or his/her designee in advance, and this disclosure should be documented and retained for the duration of the business relationship.

- d. **Gratuities and Special Favors** – Acceptance of gratuities, unsolicited gifts exceeding \$25 in value, solicited gifts in any amount or special favors from private or public organizations or individuals with which the University does or may conduct business or extending gratuities or special favors to employees of any sponsoring government or other agency or entity.
- e. **University Resources** – Use of University resources including, but not limited to, facilities, personnel or equipment, except in a purely incidental way, for any purposes other than the performance of the individual's University employment.
- f. **Business Relations** – Acceptance of or continuing in employment, an official relationship, or a consulting arrangement with another concern which has or seeks to have a business relationship with the University.
- g. **Commitment** – For staff members exempt from governmental regulations regarding compensation for overtime work: acceptance of employment, consulting, public service, or *pro bono* work which can result in conflicts with a staff member's primary commitment of time and energy to the University.

3. PROCEDURES FOR EXCEPTIONS

Because it may be in the interest of the University to grant exceptions to the above rules, the following procedure is established:

- a. **Disclosure** – Whenever a staff member anticipates a situation where he or she may be potentially in violation of the above policies, that staff member must immediately make full disclosure in writing of the details of the situation, through his or her supervisor, to the cognizant University officer (or his/her designee) and request an exception. Exceptions must be approved in advance. If a staff member finds that he or she has engaged in conduct that violates the above policies such situation must be reported immediately to the cognizant University officer (or his/her designee).
- b. **Responsibility of University Officers** – University officers may delegate the responsibility to review and approve exceptions to an appropriate senior University official. Any requests for exception shall be reviewed and all facts thoroughly examined for apparent conflicts. Exceptions may be granted at the sole discretion of the University. If the cognizant University officer (or his/her designee) determines that the University would best be served by the granting of the requested exception, he or she may do so in writing with justification for the granting and delineating any conditions placed on the approval.
- c. **Annual Reports** – University officers and their designees who receive and grant exceptions to the policies in this Guide Memo shall, at the end of each academic year, provide a detailed summary report to the Provost.
- d. **Other Reports** – In addition, cognizant University officers may establish, within their areas of responsibility, mandatory periodic conformance and compliance reporting procedures for all staff.