1.5.2 Staff Policy on Conflict of Commitment and Interest

Last updated on: 08/30/2012

Formerly Known As Policy Number:
15.2

Authority:
Approved by the Vice President of Human Resources.

Applicability:
Members of the Academic Council are covered by Research Policy Handbook 4.1 [1]: Faculty Policy on Conflict of Commitment and Interest. Academic Staff are covered by Research Policy Handbook 4.4 [2]: Conflict of Commitment and Interest. This Guide Memo summarizes existing policies and practices applicable to other University employees. Additional University policies are applicable to employees in individual departments and units, e.g., SLAC, Sponsored Projects and Purchasing Services. Individuals who use the department's services must follow the department's policies.

Purpose:
When University staff members, or members of their immediate families (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.

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.
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 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 required that all such situations be disclosed in writing to the cognizant University officer 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 $50 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, departmental parking permits, personnel or equipment, except in a purely incidental way, for any purposes other than the performance of the individual's University employment. Note: Acceptable use of University vehicles is covered in Guide Memo 8.4.2 [3]: Vehicle Use.

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 or the appearance of 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 rules in Section 2, the following procedure has been established:

a. Disclosure
Whenever a staff member anticipates a situation where he/she may be potentially in violation of the policies in Section 2, that staff member must immediately make full disclosure in writing of the details of the situation, through his/her supervisor, to the cognizant University officer and request an exception. Exceptions must be approved in writing in advance. If a staff member finds that he/she has engaged in conduct that violates the policies in Section 2, such situation must be reported immediately to the cognizant University officer.

b. Responsibility of University Officers
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 determines that the University would best be served by the granting of the requested exception, he/she may do so in writing with justification for the granting and delineating any conditions placed on the approval. Except in rare instances, University officers may not delegate this responsibility and any delegation must be in writing. If the designee grants an exception, the designee must provide the University officer with a memorandum detailing the circumstances of the exception.

Copies of the approval must be retained throughout the period of employment.

c. Annual Reports
University officers 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 to Section 3.c, cognizant University officers may establish, within their areas of responsibility, mandatory periodic conformance and compliance reporting procedures for all staff.

e. Consequences
Failure to adhere to any aspect of the policy and procedures shall subject the involved employee(s) to disciplinary action, up to and including termination of employment.