

Conflict of interest policy protects employees

The UM System Board of Curators adopted a conflict of interest policy covering all employees of the University of Missouri System in January, 1990. The policy was developed in response to a mandate by the Missouri General Assembly.

The policy covers the use of confidential information, grants and contracts, overlapping business activities, full-time employment with other employers, teaching courses not connected with the University, faculty-authored textbooks and other educational materials, faculty and staff consultation, and use of the University logo and stationery.

The goal of establishing the conflict of interest policy was to prevent employees from "having to make a choice between private and University objectives."

The board included a requirement that UM System administration review the policy after it had been in effect for one year.

Pending completion of the review, the policy remains in force. It is reprinted here for the benefit of University employees.

University of Missouri System Conflict of Interest Policy Adopted January 25, 1990

A CONFLICT OF INTEREST - GENERAL PROVISIONS

1. POLICY. University employees shall faithfully discharge their duties and shall refrain from knowingly engaging in any outside matters of financial interest incompatible with the impartial, objective and effective performance of their University duties. They shall not realize personal gain in any form which would influence improperly the conduct of their University duties. They shall not knowingly use University property, funds, position or power for personal or political gain. They shall inform their supervisors in writing of reasonably foreseen potential conflicts.

2. SANCTIONS. Conduct by an employee that violates the University's policies, regulations or rules pertaining to conflict of interest shall constitute a breach of employment contract and may lead to disciplinary action.

B USE OF CONFIDENTIAL INFORMATION.

Employees shall not use confidential information about the University obtained by reason of their employment with intent to cause financial gain to themselves or unfair advantage for another person.

C OUTSIDE BUSINESS INTERESTS OF UNIVERSITY PERSONNEL.

An employee's outside employment or business activities and interests must not interfere with the employee's regular duties nor represent a conflict of interest.

1. GRANTS AND CONTRACTS. When it is proposed that the University of Missouri enter into (1) contracts for the sale of goods or services, or (2) research contracts or grants, or (3) other contracts, including those for technological transfer, with private firms or corporations in which a University employee knows he or she has a direct or indirect financial interest, the following procedure shall be followed:

- a. Before the proposed contract is executed by the University, the University employee shall make a full disclosure of such financial interest, in writing, which disclosure shall be forwarded to the official having contract approval authority. This disclosure shall also be filed in a registry appropriately located for public scrutiny for a period of at least ten (10) days prior to the approval of the contract.
- b. If there is a change in the financial interests of a University

employee during the term of the contract, the change shall be reported immediately, in writing, and forwarded to the official having contract approval authority, and shall also be filed as required in Paragraph C 1 a above.

- c. If the financial interest of the University employee in the private firm or corporation is such that it could influence the decision-making process of the private firm or corporation, and the employee could also influence the decision-making process of the University in entering into or performing the contract:
 1. The University shall not enter into the contract, or shall cancel the contract, if the terms of the contract so permit; or
 2. The University employee shall take such action as is necessary to remove her or him from a relationship with the private firm or corporation that could influence the decision-making process of the private firm or corporation; or
 3. The University shall establish a procedure to remove any opportunity for the University employee to influence the entering into the contract by the University or the manner in which the contract is performed by the University.

2. OVERLAPPING BUSINESS ACTIVITIES. Before an employee enters into a business activity that overlaps with the University's teaching, research or service missions, the employee shall make full disclosure, in writing, to her or his immediate chairperson/supervisor, and such disclosure shall be filed as required in Paragraph C 1 a above. The chairperson/supervisor and her or his dean/director/supervisor must approve or disapprove in writing the proposed activity.

3. FULL-TIME EMPLOYMENT - FACULTY AND EXEMPT PERSONNEL. Full-time faculty and full-time exempt personnel may not be concurrently employed full-time with another employer. (Effective Sept. 1, 1983, an employee classified at least 75 percent full-time equivalence with an indicated appointment duration of at least six months and who is regularly scheduled to work a minimum of 30 hours per week is considered a full-time employee.)

4. TEACHING. An employee of the University who teaches either credit or non-credit courses not connected with the University may have a conflict of interest. To avoid conflicts of interest an employee must disclose the proposed teaching activity and secure written approval in advance from her or his department chairperson/supervisor and dean/director. Approval for such teaching shall be granted unless the proposed teaching is not in the best interest of the University. In reaching the decision, the department chairperson/supervisor and dean/director should consider all relevant matters including such concerns as duplication of University courses or programs and accreditation standards.

5. FACULTY-AUTHORED TEXTBOOKS AND OTHER EDUCATIONAL MATERIALS. Textbooks, tapes, software and other materials authored by the course instructor may be assigned to be purchased by students for a course taught by the author if the royalties arising from the purchase of the assigned materials are returned to the University of Missouri, another educational institution, a charitable organization, or a not-for-profit foundation. Any proceeds from other University uses of such materials, such as purchase by the library, shall be the property of the faculty member.

D FACULTY AND EXEMPT PERSONNEL CONSULTATION.

Consultation, whether income-producing or otherwise, is the application of professional and scholarly expertise in the external community. It is a significant means of professional improvement as well as a form of community service. However, consultation may, in

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some instances, also constitute a business interest requiring disclosure and approval when the entity for which the employee consults transacts business with the University or is in competition with the University, or where the consultation itself competes with the work of the University. In these instances the procedure in Paragraph C 1 a is applicable.

It is the policy of the University to permit consulting activities that:

1. are related to the professional interest and development of the faculty member or other exempt person,
2. do not interfere with regular duties,
3. do not utilize University materials, facilities or resources except as provided in the University Business Policy and Procedure Classification Code 01-21 dated May 1, 1979,
4. are in agreement with the American Association of University Professors/American Council on Education (AAU/ACE) Statement on Conflict of Interest and with the requirements of accreditation for the particular school or unit in question,
5. do not compete with the work of the University, and are not otherwise contrary to the best interest of the University,
6. do not violate federal or state law, and
7. do not represent a conflict of interest under other policies of the University.

Each division shall make an annual report to the Chancellor, or appropriate vice president, indicating the aggregate time and the nature of the service performed for each individual engaged in consulting, including the area of technological transfer. These reports shall be transmitted annually to the President.

E USE OF UNIVERSITY STATIONERY.

Official University stationery may not be used in outside business, personal and other private or political activities of employees. However, for use in such activities, faculty may have printed at their own expense personal business stationery carrying their

academic title, University address and phone number.

F USE OF UNIVERSITY LOGO.

It is a violation of University policy to employ the name of the University or any of its graphic identification symbols in printed materials intended to endorse or promote individual enterprises or to otherwise enhance private gain without the written permission of the University President.

G APPEALS.

Appeals of decisions made under these procedures should be brought to resolution informally and at the lowest possible administrative level. Should attempts to resolve appeals informally fail, procedures set forth in Collected Rules and Regulations, 370.010 and 380.010, shall be followed.

CAMPUS REGISTRIES

The conflict of interest policy requires each campus to establish a public registry for the disclosure of financial interests in specified cases.

Following is the location of each registry and its campus authority:

UM-Columbia: Judson D. Sheridan, vice provost for research and dean of the graduate school, 202 Jesse Hall, (314) 882-3841

UM-Kansas City: Marvin Querry, vice provost/executive dean for academic affairs, 300G Administrative Center, (816) 235-1107

UM-Rolla: Neil Smith, vice chancellor for administrative services, 212 Parker, (314) 341-4121

UM-St. Louis: Donald K. Driemeier, acting deputy to the chancellor, 401 Woods Hall, (314) 553-5253

UM System: Betty Roberts, director of UM business services, 225 University Hall, (314) 882-9311; Katie Markie, counsel, 227 University Hall, (314) 882-3211.

**Office of Academic Affairs
University of Missouri System
309 University Hall
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To UM System Employee:
