Conflict of Interest

Scope

This policy applies to all faculty, staff and administrators of St. John’s University.

Policy

St. John’s University expects all of its employees to perform their duties in a manner that is consistent with the University’s Mission and is professional and free of any actual or apparent conflict of interest. The purpose of this policy statement is to provide more detailed guidance as to the conduct expected of employees in these sensitive matters. No statement can address every situation. Where you have a question concerning your obligation to the University, or whether a circumstance may create an actual, potential or apparent conflict of interest, contact the University’s General Counsel for specific guidance.

- An “actual conflict of interest” arises when an employee has a financial or personal interest that conflicts with an interest of the University. It is a conflict that exists now, in the present. An example would be an employee who has received something of value from a vendor to influence a University decision with respect to that vendor.

- A “potential conflict of interest” arises when an employee has a financial or personal interest that may in the future conflict with an interest of the University. In these situations, the employee must exercise appropriate caution to ensure that the potential conflict does not become an actual conflict. As discussed below, this is done by making an appropriate disclosure and not being involved in the situation.

- An “apparent conflict of interest” arises when a reasonable person would question whether an employee’s own interests could improperly influence the performance of his or her duties – whether or not this is in fact the case.

Employees must refrain from any act and avoid any situation that may create an actual, potential or apparent conflict between self-interest and the University’s interest. Each employee should be free from any conflicting interest or influence that would make it difficult to render to the University his or her best efforts and undivided loyalty and attention. The following guidelines are provided:

1. Employees must treat information received from the University as confidential.

2. Transactions with outside firms must be conducted in a professional manner, on an arms-length basis, in accordance with established University procedures, and free of any conflict of interest. An actual or potential conflict of interest occurs when employees or their family members have a material financial interest or personal interest in the...
transaction or in an entity that proposes to do business or does business with the University.

In this situation, the employee must make full disclosure of all material facts concerning such interest to the Office of General Counsel as soon as he or she becomes aware of a potential transaction involving the University. A family member includes a spouse, children, parents, siblings, aunts, uncles, cousins, grandparents, grandchildren, nephews and nieces, whether by birth, marriage or legal process, or any other relative who resides in the household of an employee. A substantial economic interest includes: (1) the holding of more than 5% ownership interest in an entity which proposes to do business or does business with the University; or (2) a circumstance in which an employee or family members derives $10,000 or more annually from such entity.

Naturally, an actual conflict of interest arises whenever a person or entity seeking business or a business relationship with the University offers to compensate an employee for influencing the University’s decision on such matters, whether in the form of a “commission,” “significant gift” or otherwise.

Employees are required to disclose to the University in writing any actual, potential or apparent conflict of interest as soon as they become aware of the possibility of a conflict of interest. Any approval or resolution of a conflict situation must be in writing with a copy provided to the Office of General Counsel.

3. Gift Policy

Employees are prohibited from giving or receiving any gift that creates an actual, potential or apparent conflict of interest regardless of materiality. Employees with any questions concerning the permissibility of gifts, entertainment, or other payments should consult with the Office of General Counsel prior to accepting or providing such a gift.

Generally, employees and their family members are prohibited from accepting gifts or entertainment from persons or organizations doing business or seeking to do business with the University. When it is difficult or contrary to good public relations to refuse certain gifts or entertainment, they must be accepted only if they meet the standards described in this policy.

a. Vendor Gifts/Entertainment

No employee may request or accept anything of value for the purpose of directing University business or resources to an individual or entity. Employees are prohibited from accepting gifts or gratuities of any kind in excess of $100 in value from any organization or person doing business or seeking to do business with the University. Non-cash gifts, such as holiday gift baskets, of less than $100 in value are not deemed to violate this policy. Gift certificates or cash gifts of any value must be returned or donated.

Non-cash business entertainment, such as an invitation to dinner, to a sports event or to a golf outing is not prohibited; provided, however, the entertainment should not be excessive, extravagant or too frequent with the same party so as to give an appearance of a conflict of interest. Employees should have prior approval from their supervisor before accepting any entertainment.

b. Employee Gifts

Gifts to employees paid for by the University are generally not permitted. University
departments, however, are permitted to provide a gift on behalf of the University for sympathy expressions for illness or death of an employee or an employee’s immediate family member. Memorial gifts made on behalf of the University may include flowers or a donation to a charitable organization. A recommended limit for this type of gift is $100.00. All such gifts must be approved by a Vice President or Dean level administrator.

Gifts for life events such as weddings, engagements, birth of child, holidays, and birthday may not be paid for with University funds.

Cash, checks, gift cards, and gift certificates are prohibited as gifts to employees. Employees should consult with the Human Resources department if there is a situation where a department wishes to provide a nominal gift certificate or gift card as part of a program or in connection with an event.

Gifts in recognition of employee work-related achievement or years of service are only allowable as provided through official recognition programs authorized by the Human Resources department.

d. **Gifts Among Employees**

Employees are permitted to use personal funds to provide a gift to a fellow employee for life events. All gifts should be of a kind and value that is reasonable and customary for the type of occasion. If a gift exceeds $250.00 it must be disclosed to your supervisor in writing with a copy to the Office of General Counsel.

e. **Gifts to Non-Employees**

The presentation of a non-cash gift to an individual or organization on behalf of the University is allowed only for legitimate business purposes, which must be properly documented. Employees also should consult this policy before making such a gift. These gifts must be approved by a Vice President or Dean level administrator.

f. **Exceptions**

Exceptions to the Gift Policy may be authorized by the President, Provost, and Executive Vice President. Any exception to the gift policy must be approved in writing with a copy of the approval sent to the Office of General Counsel.

4. Employees must also avoid situations that may create an actual, potential or apparent conflict of interest between an employee and a member of the Board of Trustees. This includes business relationships, loans, gifts or other financial transactions involving a Trustee and an employee or a member of the employee’s family. Whenever this type of situation arises, or is about to arise, the employee must bring it to the attention of his or her supervisor and the General Counsel.
5. There are occasions where the University employs persons related by blood, marriage or otherwise. Whenever this occurs, or is about to occur, the employee should bring this fact to the attention of the University as soon as possible.

In circumstances where family members are employed at the University, they should follow certain common sense rules to avoid a conflict of interest, or a difficult work environment. One family member should never supervise another or take any part in matters relating to the hiring, promotion, compensation or retention or employment of another family member.

6. Where an employee attends or has a family member in attendance at the University, the employee must take special care never to have access to his or her own academic records or those of a family member, and never to be involved in academic matters of interest to himself or herself, or those of a family members, (such as the preparation or handling of exams). Where such a possibility exists, the employee must disclose it immediately.

7. Whenever an employee feels that a personal interest may be affected by his or her handling of a matter for the University, the employee should disclose the personal interest and seek guidance from the University as soon as possible to avoid the creation of either an avoidable conflict or the appearance of a conflict. This will serve to encourage confidence in, and respect for, the professional handling of the matter. Any approval or resolution of a conflict situation must be in writing with a copy provided to the Office of General Counsel.