

Hofstra University

Conflict of Interest and Commitment Policy

1. **Statement of Policy.** The University, including its trustees, officers and employees, have a clear obligation and commitment to conduct all affairs of the University in accordance with the highest standards of integrity and ethics, and in compliance with applicable federal and state laws and with the standards set forth below related to conflict of interest and commitment to the best interests of the University.

All employees of the University must avoid conflicts of interest or any appearance of conflicts between their own personal interests and the interests of the University. All employees are obligated to avoid any situation in which an actual or potential conflict of interest could arise. Any situation or activity involving a potential conflict of interest must be disclosed in advance in accordance with the policy and procedures set forth below.

2. **Scope of Policy.** This policy applies to all officers and employees of the University, including full and part-time employees (hereafter "Employees"), including students who are employed by the University.
3. **No Compensation Except as Employee.** No Employee or any affiliate of such Employee, as defined in paragraph (a) below, may serve as a paid consultant or enter into a paid employment or contractual relationship with the University, or otherwise provide services to the University for payment, except in his or her capacity as an Employee of the University.

1. **Definition of Affiliate.** An affiliate is defined to include (i) an organization of which an Employee is an officer, director, trustee, partner, Employee or agent and from which an Employee would materially benefit directly or indirectly if such organization were to provide goods or services to the University; (ii) an organization in which the Employee is either an actual or beneficial owner of more than five (5%) percent of the voting stock or controlling interest of such an organization; (iii) an organization with which the Employee has any other direct or indirect dealings from which he or she knowingly or materially benefits, e.g., through receipt directly or indirectly of cash or other property for services rendered; (iv) any spouse, parent, child, sibling or in-law of a Employee or an in-law of any such spouse, parent, child or sibling; or (v) any parent, child or sibling of an Employee's spouse or an in-law of any such parent, child or sibling.
 2. An Employee must disclose in advance (see Section 6 below) any proposed business relationship between the University and the Employee or an affiliate of such Employee, such as those described in paragraph (a) above, and obtain written approval before the Employee or the Employee's affiliate is permitted to do business with the University in any capacity. In any instance in which such written approval is obtained, the Employee shall not participate on behalf of the University in any transaction involving the University.
4. **Conflict of Interest in Employment and Business Practices.** University Employees must not allow a personal or outside interest to interfere with their duties and responsibilities to the University. Even the appearance of a conflict of interest should be avoided. Any

situation or activity which could give rise to an actual or apparent conflict of interest should be disclosed in advance in accordance with Section 6 below.

While it is not possible to provide an all-inclusive list of examples of situations giving rise to a conflict of interest or the appearance of a conflict of interest, the following is a list of situations which, unless disclosed and approved in advance, present conflicts of interest in violation of University policy:

1. Doing business with the University through an affiliate, as defined in Section 3(a) above;
2. Conducting business on behalf of the University with an affiliate, as defined in Section 3(a) above;
3. Having a private business relationship with any person or entity doing business with the University;
4. Assisting anyone seeking to do business with the University by providing confidential University information to such person or entity ;
5. Having a personal business relationship with a competitor of the University;
6. Accepting cash gifts of any amount from any person or entity doing business with the University;
7. Accepting non-cash gifts of any type, including materials, services or entertainment, at no cost or at unreasonably discounted prices, from persons or entities doing business with the University, particularly in situations in which a reasonable person would infer that the intention of such gift was to influence your decisions and actions on behalf of the University. (An occasional lunch or dinner is not prohibited by this paragraph, nor is the receipt of an occasional holiday (or other) gift or attendance at a charitable event as a guest. Acceptance of a personal gift having more than a nominal value is prohibited by this paragraph (g));
8. Engaging in the unauthorized use or dissemination of confidential, privileged or proprietary information obtained as a result of your employment at the University, and/or using or disseminating such information for personal benefit or for the benefit of some other person or entity, absent the University's consent to such use or dissemination;
9. Soliciting personal gifts or special favors from any person or entity doing business, or seeking to do business, with the University;
10. Supervising or evaluating the work of a relative or of any person defined as an affiliate pursuant to Section 3(a) above;
11. Participating in any decision that involves either a direct benefit or detriment to a person defined as an affiliate in Section 3(a) above;
12. Conditioning any actual or potential business relationship with the University on a charitable gift or contribution to the University;
13. Involvement in any other situation or activity in which an actual or the potential for a conflict of interest exists.

The purpose of the above examples is to ensure that the Employee discloses and discusses in advance any questionable situation that may arise. The failure to disclose any questionable situation suggests that a conflict of interest exists. Accordingly, the Employee should bring to his or her Supervisor's attention any situation that may

potentially create a conflict of interest or the appearance of one in accordance with Section 6 below.

5. **Commitment to University.** Every Employee owes a duty of loyalty and trust to the University and shall be alert to the possibility that outside obligations, financial interests or other employment can affect the Employee's commitment to the University. Any involvement by a University Employee in personal business ventures shall be conducted solely outside the University work environment and not during times when he or she is required or expected to perform the duties and responsibilities of his or her University employment. An Employee may not use University resources, including but not limited to office equipment, supplies or support staff in furtherance of any personal business venture.

The University is generally supportive of the professional, charitable and philanthropic outside interests of its Employees. Thus, an Employee's outside interests falling into these categories may be supported by the University in appropriate circumstances. In all instances, however, the Employee is required to obtain permission before pursuing such professional, charitable or philanthropic activities within the University work environment.

6. **Disclosure Responsibilities.** It is the responsibility of every Employee to discuss with his or her supervisor any situation or activity that might result in a conflict of interest or a violation of this policy before participating in that situation or activity. An Employee must refrain from participating in any questionable activity unless and until the Employee is expressly permitted to do so by his or her Supervisor.

Any Supervisor to whom a disclosure is made shall determine whether the questionable situation or activity presents a potential conflict of interest. Unless the Supervisor is able to determine that no such potential conflict of interest exists, the Supervisor shall require the Employee to disclose the activity in writing, and the disclosure and entire situation shall be reviewed with the appropriate Director before determining whether the Employee should be permitted to participate in the particular situation. The Director, in turn, shall not permit any Employee to participate in any questionable activity unless and until the Director has reviewed, discussed and disclosed the activity to the appropriate Vice President. The Vice President may determine that the proposed activity or situation may continue provided that the Vice President determines that sufficient safeguards exist to protect fully the University's interests. Such a determination shall be set forth in writing.

Any Director or Vice President may seek a determination from the University's General Counsel as to whether a potential conflict of interest is presented. Even if a potential conflict of interest is presented, the Vice President may determine that the activity or situation may continue because the Vice President has determined, and General Counsel agrees, that there are sufficient safeguards in place to ensure that the University's interests are fully protected.

An Employee who disagrees with a determination made pursuant to this Policy may seek review by the President, whose decision shall be final.

7. Non-Compliance With This Policy. Any failure to comply with this policy, including the failure to disclose possible conflicts of interest or the refusal to cease activities that are determined to be in conflict with the University's best interests, may be grounds for disciplinary action and may lead to termination.
8. Annual Disclosure and Compliance Affirmation Statement. Employees shall be required to file on an annual basis a Disclosure and Compliance Statement disclosing their personal interest, direct or indirect, in any University transaction during the previous year and affirming that (i) the Employee has read the University's Conflict of Interest and Commitment Policy, (ii) the Employee will avoid participating in any University decision in which the Employee or any affiliate could be said to have any personal financial or other stake in the decision or where other outside influences could influence the Employee's independent judgment. Copies of all Disclosure and Compliance Statements shall be kept as a matter of record in the Human Resources Department.
9. Any questions concerning this Policy may be addressed to the University's Office of General Counsel.

ADDENDUM TO CONFLICT OF INTEREST AND COMMITMENT POLICY (THE POLICY)

In addition to the University's general rules governing conflict of interest and commitment as set forth in the Policy, there are additional, more detailed rules and standards applicable to employees who interact with vendors who provide goods or services to our students, including lenders or any other entity seeking to provide goods or services to our students. To avoid any appearance of conflict of interest, in such situations no employee is permitted to accept any item of value, including any meal or other form of entertainment opportunity (i.e., such as tickets), or any personal gift of any nature or type.

If any gift is sent to a general University office (i.e., holiday gift baskets), the gift must be placed in a common area and made available to all. Non-food items (writing pads, pens, or other token items), must also be placed in a common area. Any other type of gift having more than nominal value must be returned to the vendor.

Employees are also prohibited from receiving any compensation or reimbursement of expenses for serving as a member of or participating on an advisory board of a lending institution or any other institution providing services to University students. An employee invited to serve on an advisory board may only do so after receiving permission of the University pursuant to this policy. Pursuant to applicable laws pertaining to financial aid, the University does not permit employees or agents of any such institution to staff its financial aid office at any time, nor allow any institution to use the University's name, emblem, mascot, logo, or any other words, pictures or symbols associated with the University, to imply endorsement of private educational loans offered by a lending institution.

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