

Policies and Procedures

<i>SECTION:</i> Financial	<i>NO.</i> 3.1.12.		
<i>CHAPTER:</i> General	<i>ISSUED:</i> 8/23/00	<i>REV. A</i>	<i>REV. B</i>
<i>POLICY:</i> Conflict of Interest Policy for Officers and Senior Administrators	PAGE 1 OF 3		

I. PURPOSE

The purpose of this policy is to protect the best interests of Creighton University when entering into any transactions by ensuring that such transactions will not be adversely affected by conflicting interests of those University employees responsible for the transaction.

II. POLICY

It is the policy of the University that all officers and senior administrators must carry out their responsibilities to the University in the best interests of the University. Further, officers and senior administrators should, when acting on behalf of the University, act at all times in a manner which avoids even the appearance of a conflict of interest unless and until disclosure of the conflict is made in accord with Article IV.B.

All officers and senior administrators must disclose to the University, at least on an annual basis, any actual or potential conflicting interests.

III. DEFINITIONS

- A. **Conflicting Interest:** A potential or actual conflict of interest exists when commitments and obligations to the University are likely to be compromised by a person's other interests or commitments, especially financial. This includes:
1. An existing or potential ownership or investment interest in an entity with which the University has a transaction or arrangement.
 2. An existing or potential compensation arrangement with any entity or individual with which or with whom the University has a transaction or arrangement.
 3. An existing or potential ownership interest, investment interest or compensation arrangement with an entity or individual with which or with whom the University is negotiating a transaction or arrangement.
 4. Holding a position which involves a management function (director, officer, trustee, partner, or manager) for another entity or individual with which or with whom the University is negotiating a transaction or arrangement or has an existing transaction or arrangement.

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5. A non-financial interest which impairs or appears to impair the individual's judgment when performing University responsibilities.

An ownership or investment interest may be through equity, debt, or other means. Compensation includes any direct or indirect payment in cash or in kind, including gifts or favors that are substantial in nature (more than \$100) or forgiveness of debt.

In addition, a conflict may occur if situations 1-5 above exist concerning a member of the immediate family of the officer or senior administrator (spouse, child, parent, or parent-in-law).

- B. Officers: President, Vice Presidents, Secretary and Treasurer.
- C. Senior Administrators: As set forth on Exhibit A which shall be updated annually and kept on file in the President's Office.

IV. PROCEDURE

- A. University officers and senior administrators must carry out their duties and responsibilities to the University in a manner which is both loyal to the best interests of the University and avoids the appearance or actual presence of a conflict of interest unless and until disclosure of the conflict is made in accord with Article IV.B
- B. Where an officer or senior administrator reasonably believes that a conflict of interest may exist or appear to exist, the officer or senior administrator must promptly and fully disclose the conflict, refrain from participation in the matter until the question is resolved, and follow any directions given by the University concerning the matter.
 1. All officers (other than the President), and all senior administrators who normally report directly to the President must report potential conflicting interests to the President.
 2. The President must report potential conflicting interests to the Chair of the University's Board of Directors.
 3. A senior administrator must report potential conflicting interests to the Vice President of his/her division.

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- C. Officers and senior administrators are required to make annual disclosures to the University of any potential or actual conflicting interests as defined in Section III of this Policy. Annual disclosures are required to be made as of July 1 of each fiscal year and filed by July 15 of each year. Officers and senior administrators are responsible for providing notification to the administrative level as set out above of any instances of conflict of interest occurring in the interim period between annual reports.
- D. The President, Vice President, or Board Chair to whom conflicts are to be reported as set forth above in IV. B., shall be required to review the annual disclosures of each officer, senior administrator, and the President, as the case may be. Each shall determine whether a conflict exists and, if so, what action should be taken by the University to manage, reduce, or eliminate the conflict. The President, Vice President, or Board Chair may determine that disclosure of the conflict itself eliminates the need for further action other than monitoring. Not all conflicts of interest are impermissible. It is important for the University to determine that the conflict does not compromise the officer's or senior administrator's primary obligation to the University. Each person to whom conflicts are reported is encouraged to consult with University General Counsel in making his/her determination in less than clear cases.
- E. Violations of this policy may lead to disciplinary action including written warning, suspension or termination.