

## COLORADO STATE UNIVERSITY – PUEBLO

### FACULTY HANDBOOK

#### **2.7.1.1 Conflict of Interest**

The Board of Governors has declared that public employment is a public trust, and any effort to realize personal gain through official conduct, other than as compensation set through established processes, is a violation of that trust. All decisions of the Board of Governors, the University, and an individual faculty member in their role as faculty are to be made solely on the basis of a desire to promote the best interests of the institution.

##### **2.7.1.1.1 Disclosure Responsibilities**

In the event the faculty member shall be called upon to consider a transaction involving the University and an organization with which a member of the faculty is "affiliated," such faculty member upon receiving knowledge of the transaction shall:

- a. disclose fully the precise nature of interest or involvement in such transaction and/or such organization; and
- b. refrain from consideration of the proposed transaction if it is determined that a conflict of interest exists.

##### **2.7.1.1.2 Definitions**

A person covered by this conflict of interest policy is affiliated with an organization if he or she or a member of his or her immediate family:

- a. is an officer, director, trustee, partner, agent or employee of such non-governmental organization; or
- b. is either the actual or beneficial owner of more than 5% of the stock or controlling interest of such non-governmental organization; or
- c. has any other direct or indirect dealings with such non-governmental organization from which he or she knowingly is materially benefited. For purposes of this subparagraph, it shall be presumed that a person is "materially benefited" if he/she receives, directly or indirectly, cash or other property (exclusive of dividends and interest) in excess of \$1000 in any year in the aggregate.

##### **2.7.1.1.3 Examples**

The University possesses both tangible assets, such as buildings and equipment, and intangible assets, such as its reputation and prestige. Examples of potential conflict of interest include, but are not necessarily limited to:

- a. the initiation or orientation of a faculty member's research with use of University resources to serve the needs of a private firm or public agency without approval of the University;
- b. transmission to a private firm or use for personal gain of the information, records, results, materials, or products which have been acquired through University research or employment when such discoveries are not made generally available;
- c. failure to inform the appropriate officer of the University about licensing agreements and inventions in which the University might have an equity;
- d. the use of University resources in sponsored research or in consulting by an employee without referring to the appropriate administrative office the question whether appropriate costs should be defrayed by the outside agency;

- e. the use of students, without recompense from salary or academic credit, for work on behalf of an outside agency;
- f. the use of the University's name, facilities, or equipment for personal purposes, or for which the employee receives remuneration for private gain;
- g. personal use of University resources to support political candidates or non-profit organizations even though not for remuneration;
- h. the purchase of major equipment, instruments, or supplies for University teaching or research from a private firm with which the employee is affiliated;
- i. negotiation or influence upon the negotiation of contracts between the University and outside organizations with which an employee has consulting or other significant relations of material benefit to the employee;
- j. hiring of members of the immediate family by employees;
- k. adoption of one's own textbook or other teaching aids, which would entail acceptance of royalties as personal income (Section 2.6.1.4);
- l. certain types of outside employment as offers of employment involving assignments that have the potential to compromise the institutional position of the faculty member; For example teaching courses for another institution that directly compete with courses at Colorado State University – Pueblo.
- m. performing work for clients for pay when the work in question falls within the regular assignment of the faculty member;
- n. any outside relationships that conflict with the teaching, scholarly, and service responsibilities of the faculty member;
- o. consulting relationships involving activities with the potential to compromise the institutional position of the faculty member;
- p. financial interests in companies and other kinds of organizations doing business with the University; and
- q. financial gain to the individual that results from involvement in University decisions.

#### **2.7.1.1.4 Consulting and Outside Activities**

The University recognizes that consulting and conducting other outside activities such as seminars and presentations are proper and common features of academic employment and that the outside contacts provided through consultation by contracted faculty members are aids in their professional advancement. The amount of outside consulting work for remuneration in which a full-time faculty member may engage is limited to an average of one day per week in each semester of the academic year. Exceptions to this limitation are subject to review and approval by the Department Chair, Dean, and Provost on a case-by-case basis to determine that participation in outside consulting activities will not conflict or impinge on the University duties and obligations of the faculty member as set forth in this [Faculty Handbook](#).

#### **2.7.1.1.5 Sponsored Research**

Sponsored research shall be construed to include research grants funded by external agencies including government units and local, state, or national businesses or industry.

The University encourages faculty involvement in such activities when such involvement further develops the faculty member in a professional sense and is consistent with the objectives of the University. Released time and supplemental contracts for such activities may be granted by the provost upon recommendation of the Dean and Department Chair, in consultation with faculty in the degree or program area. Faculty members may not have salary from sponsored research added to their academic year

contracts. Summer work supported by sponsored research funds must be compensated by means of a term contract. Business or industrially sponsored projects may, as agency sponsored projects, qualify for being conducted on campus using University facilities and equipment. When such projects resulting in supplemental faculty contracts, the amount of work for remuneration in which a full-time faculty member may engage is limited to an average of one day per week in each semester of the academic year. Approval by the Provost, upon recommendation of the Department Chair and Dean, for conducting such projects will include a review of the proposed project, its budget, and a process for assuring acceptable accounting standards.

#### **2.7.1.1.6 Acceptable Use of University Resources**

The University allows use of its name, facilities, equipment, or resources in faculty pursuit of teaching, scholarly activities, or service within the limits approved by the Department Chair or Dean.

#### **2.7.1.1.7 Procedures for Disclosing of Conflict or Potential Conflict of Interest**

- a. On or before **October 1** of each academic year, each faculty member shall submit a disclosure form describing the particulars of potential conflicts of interest. The form shall indicate any and all activities or projects currently in progress or planned, which have the potential for interpretation as a conflict of interest (see Appendix D). In addition, a faculty member shall submit this disclosure form at any time during the year prior to engaging in activities that have the potential for interpretation as a conflict of interest.
- b. The Department Chair shall review the form for completeness and accuracy and may request supplemental information if necessary. The Department Chair shall render, on the form, an opinion indicating no conflict of interest exists or recommending further consideration. If the Department Chair judges that a potential conflict exists, a memorandum to that effect shall be attached to the disclosure statement and will include recommended action, which will eliminate that potential. The Department Chair shall submit the annual disclosure statements and attachments to the Dean on or before **October 15** for concurrence and/or modification of recommended action. At other times during the year the Department Chair will submit disclosure statements and attachments to the Dean within two weeks of receiving these statements and attachments.
- c. The Dean shall review the submitted materials and render on the form, an opinion. If necessary the Dean will discuss the activity with the faculty member to arrive at an agreement, which will eliminate and avoid any conflict. Such agreement shall be in writing and shall be signed by the Dean and the involved person. If agreement cannot be reached the issue will be referred to the Provost.
- d. The Provost shall review the submitted materials and may consult University Counsel regarding any perceived problem case(s). The Provost shall issue a written decision in instances where agreement has not been reached.
- e. Faculty members who disagree with the Provost's written decision may submit a grievance in accordance with the provisions of Section 2.16.
- f. Disclosure forms shall be permanently maintained in the official personnel files.
- g. If a known conflict of interest occurs, faculty members shall be governed in their responsibilities for disclosure by statute (Section 2.7.1.1.8).

#### **2.7.1.1.8 Sanctions by Statute**

Sanctions covering conflict of interest by the state of Colorado are cited in the 1973 Colorado Revised Statutes, Section 18-8-308, "Failing to disclose a conflict of interest":

- a. "A public servant commits failing to disclose a conflict of interest if he [or she] exercises any substantial discretionary function in connection with a government contract, purchase, payment, or other pecuniary transaction without having given seventy-two hours actual advance written

notice to the secretary of state and to the governing body of the government which employs the public servant of the existence of a known potential conflicting interest of the public servant in the transaction with reference to which he is about to act in his official capacity.

- b. A potential conflict of interest exists when the public servant is a director, president, general manager, or similar executive officer or owns or controls directly or indirectly a substantial interest in any nongovernmental entity participating in the transaction.
- c. Failing to disclose a conflict of interest is a class 2 misdemeanor."