

 UNIVERSITY of DENVER	UNIVERSITY OF DENVER POLICY MANUAL Conflict of Commitment and Interest	
Responsible Department: Internal Audit Recommended By: G. Kvistad, C. Woody Reviewed By: Paul Chan, University Counsel; Rick Packard, Compliance Manager; Joe Bogner, Business and Financial Analyst Approved By: Chancellor Coombe	<u>Policy Number</u> 3.20.060	<u>Effective Date</u> April 17, 2004 Updated: June 5, 2009 June 7, 2013 January 17, 2014

I. Introduction¹

When a University of Denver trustee, officer, faculty, staff, or a related party (as defined below) to any of the aforementioned has a significant financial interest in, or consulting or employment arrangement with, another business entity that supplies or receives funds, goods, services or proposes to so in the future, it is important to avoid actual or apparent conflicts of interest between the individual’s University obligations and their other outside interest(s). A related party for purposes of this Policy is defined as a spouse; a descendant; an ancestor; a sibling; the spouse or descendant of a sibling; an estate or trust in which a trustee, officer, faculty or staff of the University or a party related to a trustee, officer, faculty or staff of the University has a beneficial interest; or an entity in which a party related to a trustee, officer, faculty or staff of the University is a director, officer, or has a financial interest.

In addition to conflicts of interest, all full-time faculty and staff owe their primary professional allegiance to the University, including but not limited to their primary commitment of time and intellectual energies. While the specific responsibilities that constitute the primary commitment will vary by position, conflicts of commitment should be avoided that interfere with the faculty’s or staff’s primary obligations of time and energy to the University.

It is recognized, however, that not all potential conflicts will have an adverse effect on the University, and this Policy is intended to provide guidance to trustees, officers, faculty and staff who are presented with a situation resulting in a potential or actual conflict.

II. Policy

- A. Individual Disclosure** - Whenever a trustee, officer, faculty or staff, or a related party, is in a situation that represents a potential conflict of interest or commitment, it is the individual’s responsibility to disclose all material facts relating to the potential conflict promptly and completely to the University’s attention as described below. The factual

¹ The Conflicts of Commitment and Interest Policy incorporates several other private universities’ similar policies adapted to the particular circumstances of the University of Denver.

information shall include but not be limited to the individual's (or related party's) financial or other interest in the outside entity; the potential benefits that could flow to the individual (or the related party), the entity and/or the University; and whether, in absence of the relationship, the University would enter into the transaction, or whether such entry should include safeguards to protect the University from the potential conflict.

1. Trustees and Chancellor - The individual shall disclose the factual information to the Chair of the Board of Trustees who shall review the facts and attempt to resolve the conflict with the individual. If the Chair and the individual cannot resolve the conflict (or if the Chair is conflicted directly or indirectly) then the matter shall be referred to the Board of Trustees, which shall have final authority in the matter.

2. Provost, Vice Chancellors, and Deans – The individual shall disclose the factual information to the Chancellor who shall review the facts and attempt to resolve the conflict with the individual. If the Chancellor cannot resolve the conflict (or if the Chancellor is conflicted directly or indirectly) then the matter shall be referred to the Chair of the Board of Trustees. If the Chair and the individual cannot resolve the conflict (or if the Chair is conflicted directly or indirectly) then the matter shall be referred to the Board of Trustees, which shall have final authority in the matter.

3. Full-Time Faculty – The faculty shall disclose the factual information to their dean who shall review the facts and attempt to resolve the conflict with the faculty member. If the dean cannot resolve the conflict (or if the dean is conflicted directly or indirectly) then the matter shall be referred to the Provost, who shall have final authority in the matter. Nothing in this Policy is intended to limit or interfere with the reasonable and customary practices within each academic unit relating to faculty outside consulting or the rights of faculty derived under the University's Intellectual Property Policy.

4. Full-Time Staff – The staff member shall disclose the factual information to his or her immediate supervisor who shall review the facts and attempt to resolve the conflict with the staff member. If the immediate supervisor cannot resolve the conflict (or if the immediate supervisor is conflicted directly or indirectly) then the matter shall be referred to the Provost or the cognizant Vice Chancellor of the staff member's area, who shall have final authority in the matter.

B. Responsibility of Cognizant University Officials – University officials who review factual information relating to conflicts of commitment or interest and who grant exceptions under this Policy must promptly provide all relevant information to the Director of Internal Audit who will review such matters with the director of Risk Management to determine whether such conflict must be communicated with one or more of the University's insurance carriers. The Director will present a summary of all matters to the Chair of the Board of Trustees and the Chair of the Audit Committee on an annual basis.

C. Annual Disclosure – Each year, the Vice Chancellor for Business and Financial Affairs will forward to the Trustees, Chancellor, Provost, Vice Chancellors and equivalent, the

University's deans and directors, and key employees² and highest compensated employees³ a copy of the University's Conflicts of Commitment and Interest Policy and related disclosure questionnaire.

Each individual receiving the Policy will be asked to respond whether they have read the Policy and agree to abide by it. In addition, each individual will indicate whether they have responded either Yes or No to each of the questions incorporated in the disclosure questionnaire and provided additional descriptive information where appropriate.

² Key employee is an IRS defined term that reflects those individuals who meet each of 3 tests which address: 1) minimum level of compensation; 2) level of responsibility within the organization; and 3) among the top 20 individuals meeting criteria 1) and 2), after exclusion of trustees and officers.

³ Highest compensated employee is an IRS defined term that is applied after the designation of key employees as described above.