

Conflict of Interest Policy

Date Issued: December 6, 2007
Subject: Conflict of Interest
Applies to: All Employees
Issued By: Vice President of Finance

Policy

It is the responsibility of all USP employees to conduct the fiscal business of the University without even the appearance of impropriety.

Scope

This policy applies to all employees as they perform their duties or while acting as a representative for the University. The policy is not intended to narrowly define a conflict of interest to only those situations that are defined below but to provide a broad framework for the identification and reporting requirements of potential conflicts of interest that are universally applicable. This policy is in addition to any other conflict of interest policies in the Employee Handbook.

Procedures and Regulations

General Guidelines

Individuals are to avoid all circumstance that are or may appear to be a conflict of interest or engage with businesses or persons whereby either party or a related party obtains a benefit that directly or indirectly impacts the University from conducting business at the highest ethical level. All employee decisions are to be made on the basis of a desire to advance the best interests of the institution. All assets of the University, including its integrity, must be protected at all times. Deviations from this policy must be reviewed and approved by the Vice President of Finance in advance of any action being taken, while actions involving the Vice President of Finance must be approved by the President and the President's actions must be reviewed with the Finance and Audit Committee of the Board of Trustees.

Approvals

An individual may not approve any expenditure for which s/he does not have budgetary oversight. All chairs and managers who have fiduciary responsibilities for specific general ledger accounts must still have a supervisor approval for 100% of all departmental salary and wage adjustments along with any personal business reimbursements in excess of \$100. All expenditures in excess of \$100 must be approved by a supervisor who is not also a family member. (Family is defined for this policy as a spouse, domestic partner, child, including adopted and step child, parent, parent-in-law, sibling or legal guardian.) If a family relationship exists, then any reimbursement in excess of \$100 must be submitted to the next level of authority for approval. Furthermore, a subordinate should not be requested to approve a supervisor's reimbursement directly or indirectly.

Appointments

All Executive Leadership and Senior Leadership Team members must receive permission from his/her supervisor in writing prior to holding any positions or Board appointments with any outside entities that involve individuals or entities that are associated with USP or any of its affiliates.

An individual must disclose on the annual Conflict of Interest Statement the names of any family members and the positions they hold at the University, its affiliates or any entity that is associated, does business, or competes with the University. Any compensation, honoraria, travel reimbursements, intellectual property rights, royalties, commissions or other payments that a USP employee receives must be disclosed to supervisor and in the annual Conflict of Interest statement.

Employment

No employee or former employee having official responsibility for procurement transactions should accept employment with any bidder or contractor with whom s/he has dealt in an official capacity concerning procurement transactions for a period of one year after termination of the employee's employment with the University unless specifically waived by the Vice President of Finance.

Gifts

No employee shall request or accept any compensation, gift or loan to himself/herself or a family member that could be perceived by a disaffected third-party as attempting to influence the decision-making process. In situations whereby the services or gift being offered appears to have beneficial value to the University, the individual must first obtain written approval from the Vice President of Finance before any vendor-provided prize, remuneration or trip with a fair market value in excess of \$150 is accepted.

Purchasing

An employee may not purchase or influence the purchase of goods or services if the employee or his/her family would receive financial gain without disclosing such interest in writing to his/her supervisor and to the Manager of Purchasing and the Vice President of Finance.

Loans

All employees involved in banking services and procurement must disclose in writing any loans that they have with third parties that have a relationship with the University, its employees or its Board.

Note: This policy is not intended to restrict an employee from borrowing from a specific financial institution or disclose one's debt level or net worth. The information will be used in evaluating potential conflicts of interest.

Ownership

All employees must disclose in writing any profit-sharing contracts, stocks or other equity instruments that they have with third parties that do business with the University, its employees and its Board. If the relationship is determined to be or appears to be a conflict of interest, then the employee will be required to remedy the situation in consultation with the supervisor and the Internal Auditor in accordance with all University procedures.

This policy is not intended to restrict ownership in or require disclosure of any shares in a mutual fund if the employee has no influence on investment decisions.

Contracts

All contracts should require that a vendor may not provide any gifts or remuneration to any employee or family member in excess of \$150 as a result of the association with USP.

Contracts should also require vendors to notify the Vice President of Finance or the Compliance Hotline (See *Disclosure* below) if any member of the University requests favors or services that are inconsistent with the best interest of the University.

RFP

All USP requests for proposal (RFP) should state that no gift or remuneration should be given to any USP employee or employee's family member by a vendor during the request for proposal process and that any action to the contrary is grounds for disqualification of that vendor.

Disclosure

All USP Board members and employees must disclose on the applicable Conflict of Interest Statement any relationship that they, their family or their business has with USP, its staff or any business that does business or competes with USP. The Vice President of Finance must provide to the Board on an annual basis a listing of the top 5 vendors who provide services to the University to facilitate a Board member's

completion of the Conflicts of Interest Statement.

Any individual who identifies a compliance concern and is unable to directly report that concern to appropriate authorities or wishes to remain anonymous about this disclosure may contact the USP Compliance Hotline which is operated by EthicsPoint through the web at www.ethicspoint.com or by phone at 888-266-0218 (toll-free.)

Documentation

Information submitted to a supervisor about possible conflicts of interest should be forwarded to the Vice President of Finance and the Internal Audit department for consideration.

Other Reference Material

The aforementioned policy outlines USP's general guidelines regarding potential conflicts of interest. The University may also have more narrowly defined conflict of interest policies for specific units, work or classification of workers (*i.e.* Intellectual Property policy, Research Conflict of Interest Policy and Procedures or the Faculty Service Information manual– FSI). In those situation, the employee should comply with the most conservative and restrictive terms of the policies that apply to them.