

## CONFLICT OF INTEREST AND COMMITMENT

### Article I - Introduction

Trustees, senior administrative officers, deans, faculty and staff all serve the educational and public purposes to which the University is dedicated. Accordingly, all such members of the University community (hereinafter "members") have a clear obligation to conduct the affairs of the University in a manner consistent with those purposes and to make all decisions solely on the basis of a desire to promote the best interests of the institution.

This statement recognizes and affirms the settled tradition and expectation that members will conduct their relationships with each other and the University with candor and integrity.

These policies and procedures will permit members of the faculty, staff, administration and trustees to identify, evaluate and correct or remove real, apparent and potential conflicts of interest and commitment. The appearance that a conflict may be present may be as important as the reality. Accordingly, the first essential step in all of the procedures set forth below is disclosure and discussion.

#### A. All Members

A member is considered to have a conflict of interest when he or she or any of his or her family or associates (to his or her present knowledge) either (1) has an existing or potential financial or other material interest (including but not limited to, an investment, ownership or compensation interest or arrangement) which impairs or might appear to impair the individual's independence and objectivity of judgment in the discharge of responsibilities to the University, or (2) may receive a financial or other material benefit from knowledge of information confidential to the University.

The family of an individual includes his or her spouse, parents, siblings, children and any other blood relative if the latter resides in the same household. An associate of an individual includes any person, trust, organization or enterprise (of a business nature or otherwise) with respect to which the individual or any member of his or her family (1) is a director, officer, employee, member, partner, or trustee, or (2) has a significant financial interest or any other interest which enables him or her to exercise control or significantly influence policy.

#### B. Faculty

Faculty who accept full-time appointments have a primary commitment which includes meeting classes, being available to students and colleagues outside the classroom, serving departmental, college, and University committees, conducting research,

publishing scholarly works, and otherwise meeting the changing needs of the University.

Although a specific work week is not defined for faculty members, it is expected that such membership constitutes a full-time obligation and that, with the exceptions explicitly permitted by University policies on consulting and other related professional activities, they will not engage in other employment.

#### C. Staff

In the case of staff members, commitments of time and the expectations attached to such positions are more explicitly defined. The University expects that staff members also will recognize the possibility that their external activities, commitments and interests may have adverse effects on the performance of their University obligations.

#### D. Part-Time Appointees

Faculty and staff members who hold part-time appointments commonly will have major obligations and commitments, not only to the University, but to one or more outside agencies. The potential for conflict may be significant. Accordingly, part-time employees are expected to exercise special care in disclosing and fulfilling their multiple obligations.

#### E. Trustees and Senior Administrative Officers

Trustees and senior administrative officers of the University are fiduciaries and owe special duties of care and loyalty to the institution and must keep the University's interests paramount to all others.

### Article II - Categories of Conflicts

The University thrives when its trustees, faculty and staff pursue their individual responsibilities with vigor. Their activities must include interactions with many external agencies. Predictably, some external interactions will have the potential to create conflicts of interest or commitment, or the appearance thereof. In many situations these conflicts will be apparent only and can be resolved by disclosure. Actual conflicts fall into two categories.

#### A. Conflict of Interest

Typically, a conflict of interest may arise when a member has the opportunity to influence the University's business, administrative, academic or other decisions in ways that could lead to personal gain or advantage of any kind.

## B. Conflict of Commitment

A conflict of commitment arises when a member undertakes external commitments which burden or interfere with the member's primary obligations and commitments to Bucknell.

## C. Examples of Conflicts

It is difficult to specify precisely what constitutes a conflict in all situations. Illustrative examples are presented in Appendix A to this document to assist members in understanding where and how such conflicts may arise.

### Article III - Conflict Disclosure and Avoidance

Members are expected to evaluate and arrange their external interests and commitments in order to avoid compromising their ability to carry out their primary obligations to the University. In the first instance, conflicts should be avoided or resolved through the exercise of individual judgment or discretion.

Full disclosure of the circumstances surrounding a real or potential conflict should be made prior to making the commitment or initiating the activity which poses the possible conflict.

#### A. Disclosure Statements for Trustees and Officers of the University

The University's General Counsel shall obtain annual written disclosure statements (in the form attached to this policy as Appendix B) regarding external commitments and interests from all members of the Board of Trustees and all senior administrative officers of the University, and shall advise the Audit Committee of the Board of Trustees regarding all issues of conflict of interest.

#### B. Disclosure Statements for Faculty and Administrative and Professional Staff

All faculty and administrative and professional staff members must make disclosure to their dean or administrative unit head, both annually and ad hoc at any time during the year, regarding any potential or actual conflict of interest arising under the policy on conflict of interest set forth herein, using the form attached to this policy (Appendix B).

### Article IV - Resolution of Conflicts Involving:

#### A. Trustees and Senior Administrative Officers.

The University's General Counsel shall advise on matters involving external commitments or interests of trustees and senior administrative officers and, where appropriate, shall consult with the chair of the Board, the vice-chair, if any, the chair of

the Audit Committee and the President of the University, who shall resolve the matter or, where appropriate or necessary, refer it to the Board of Trustees for resolution consistent with law, University policy and the best interests of the University.

#### B. Faculty and Administrative and Professional Staff.

The dean or administrative unit head will review the disclosure information, determine whether an actual or potential conflict of interest exists, and determine what conditions or restrictions, if any, should be imposed by the institution to manage, reduce, or eliminate such conflict of interest. An actual or potential conflict of interest exists when the reviewer reasonably determines that a significant financial interest could affect the design, conduct, or reporting of the research or educational or professional activities in question.

Examples of conditions or restrictions that might be imposed to manage, reduce, or eliminate actual or potential conflicts of interest include:

- a. public disclosure of significant financial interests;
- b. modification of the research plan;
- c. disqualification from participation in that portion of the research or activity that would be affected by the significant financial interests;
- d. divestiture of the significant financial interests; or
- e. severance of relationships that create actual or potential conflicts.

Following review and approval of any proposed arrangements by the dean or the administrative unit head, the staff member's disclosure and the findings and recommendations shall be submitted to the Vice President for Administration for his or her review and approval.

C. Records of all financial disclosures and of all actions taken to resolve actual or potential conflicts of interest will be maintained in the appropriate dean's or administrative unit head's office until at least three years after the later of the termination or completion of the project to which they relate.

#### General Considerations

Members involved in business ventures as owner, operator, consultant or major investor must be alert to the possibility that a conflict may arise. If the enterprise does no business with the University, only the area of conflict of commitment is likely to be involved.

If the enterprise does business with the University, or might do business with the University, the member is expected to disclose that fact. Generally, there will be no conflict if the member is not in a position to influence the University with respect to the business of the enterprise in which the member holds an interest or may receive a financial or material benefit because of the transaction.

A member may not review, approve, or administratively control contracts when the contract is between the University and a company in which the member has a substantial financial interest or when the contract is with a member of the employee's immediate family or when a member of the employee's immediate family is an employee of the contractor and directly involved with activities included under the contract or has a substantial interest in the contractor.

No gifts or accommodations of any nature may be accepted by members when to do so could possibly place them or the University in a prejudicial or embarrassing position, interfere in any way with the impartial discharge of their duties to the University or reflect adversely on their integrity or that of the University. Subject to this restriction, members may accept modest gifts, meals, entertainment and other normal social amenities so long as such amenities are not extravagant under the circumstances.

Upon full disclosure, the University may approve a transaction or affiliation, provided no conflict of interest is involved and further provided that the member furnishes an annual statement indicating compliance with the University's Conflict of Interest and Commitment Policy. The University shall disapprove the transaction of affiliation, if a conflict of interest is involved with cannot be resolved or removed.

In appropriate cases the University may approve the use of a delegation of authority in order to separate conflicting interests. The form supporting an approved delegation would read as follows:

In those business relationships noted above, I will institute the following delegation of authority. In all matters with the (name of conflicting entity) corporation involving any business relating to Bucknell University, (name and title) will act in my stead should the occasion for action by me arise. I understand and acknowledge that, in my role as a ( state position) of Bucknell University, I will not participate in committee or general debate, discussion or decisions connected in any manner to the (name of conflicting entity) corporation, its subsidiaries, assigns or related business entities.

## Appendix A

### Apparent Conflicts Requiring Prior Disclosure and Resolution

The following activities have the potential to create conflicts of interest of commitment and should be reviewed and disclosed prior to being undertaken.

Example 1. A member may not directly or indirectly lease, rent, trade or sell real or personal property to the University without full disclosure of the relevant facts.

Example 2. A member may not possess a substantial interest in or participate in the profits of any organization that deals or seeks to deal with the University without full disclosure of the relevant facts. Participation through stockholdings, mutual funds and similar vehicles is not a conflict unless the stocks of the organization held by the individual constitute a substantial holding.

Example 3. A member may not accept appointment as an officer, director, serve in any management capacity in or have a compensation arrangement with an external commercial, industrial, business or financial organization or profit-making enterprise which deals or seeks to deal with the University without full disclosure of the relevant facts.

### Possible Conflicts

Conflict is possible, even if unlikely, in situations such as those listed in the following examples, and members should give careful consideration to that potential. In many cases the potential for conflict can be removed by disclosure.

Example 1. Relationships that might enable members to influence Bucknell's interactions with outside organizations in ways that may lead to personal gain, to the taking of improper advantage by anyone, or the improper diversion of University assets from the primary missions of the University, including the time and talents of its faculty and staff.

Example 2. Situations in which a member, while serving as a consultant to an external organization has access to unpublished, privileged information from a colleague that has potential commercial value and wishes to provide that information to the external organization.

Example 3. Situations where a member directs students into a research area or other activity from which the member intends to realize personal financial gain.

Example 4. Situations where the member is asked to assume executive or managerial positions with outside organizations that might seriously divert the member's attention from University duties, or create other conflicts of loyalty.

Example 5. Disclosure or use for personal profit of unpublished information coming from University research or other confidential University sources, or assisting outside organizations by giving them access to such information except as may be authorized by official University policies.

Example 6. Situations where a member is offered research support from an organization in which the member holds an equity position.

Example 7. Situations where the member occupies a position in an enterprise doing business in the area of the member's University responsibility of which is related to that field.

Example 8. Situations in which an individual can require others to purchase a product in which the individual has a proprietary interest and from which the individual will receive income.

#### Conflicts of Commitment

Assessment of a conflict of commitment is more difficult than assessment of a conflict of interest. Generally, such conflicts will be apparent in the failure of individuals to discharge fully the role and duties expected of them.

1. Commitments that involve frequent or prolonged absence from the University on non-University business.
2. Commitments that engage a substantial portion of the time a member is expected to spend in University related activities and which thereby dilutes the amount or quality of participation in the instructional, scholarly or administrative work of the University.

Appendix B

DISCLOSURE STATEMENT

I have read and fully understood the Conflict of Interest and Commitment Policy of Bucknell University as adopted at the November 15, 1997, meeting of the Board (copy attached). With the exception of the information noted below, neither I nor any member of my immediate family (1) has an existing or potential financial or other material interest which impairs or might appear to impair my independence and objectivity of judgment in the discharge of responsibilities to the University, (2) may receive a financial or other material benefit from knowledge or information confidential to the University, or (3) has any other actual or potential conflict within the meaning of the policy that should be disclosed.

Name and  
University title  
of individual

Name of  
Business

Position or  
Relationship with  
Business

Nature of Related  
Transaction with  
Bucknell

Print Name \_\_\_\_\_

\_\_\_\_\_  
Signature

Date \_\_\_\_\_

Please return this form to your dean or administrative unit head.