

Shawnee State University

POLICY TITLE:	ETHICS: CONFLICTS OF INTEREST & NEPOTISM
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RESPONSIBLE OFFICER:	GENERAL COUNSEL
APPROVED BY:	BOARD OF TRUSTEES

1.0 PURPOSE

This policy serves to promote compliance with Ohio's ethics laws that address conflicts of interest for public officials and employees. It is the policy that Shawnee State University officials and employees will conduct themselves in a manner that fosters public confidence in the integrity of the University, its processes, decisions and its accomplishments.

2.0 POLICY APPLICATION

This policy, except where specifically noted below, applies to all Shawnee State University employees and to the members of the Board of Trustees.

3.0 DEFINITIONS

- 3.1 University employees and officials. Unless the context indicates otherwise, means trustees, faculty, administrators, and all full-time and part-time employees, including adjunct faculty.
- 3.2 Senior Management or Senior Manager. Includes University President, all vice presidents, deans, General Counsel, and employees at a director level or equivalent.
- 3.3 Honorarium. Any payment made in consideration for any speech given, article published, or attendance at any public or private conference, convention, meeting, social event, meal, or similar gathering. "Honorarium" does not include ceremonial gifts or awards that have insignificant or nominal monetary value.
- 3.4 Anything of Value. Includes anything of substantial value, including, but not limited to, money, gifts, promises of future employment, travel and lodging expenses, meals, and entertainment activities, such as golf outings or tickets to a professional or major sporting event.
- 3.5 Family Member. Means spouse; parent or step-parent; child or step-child; grandparent; grandchild; sibling or step-sibling; father or mother-in-law; or brother or sister-in-law.
- 3.6 Public Contract. For purposes of this policy a public contract is broadly defined to include formal and informal agreements, including:

3.6.1 The purchase or acquisition of property or services by or for the use of the University, including the employment of an individual by the University; and

3.6.2 The design, construction, alteration, repair, or maintenance of any University property.

3.7 For-Profit Board. As used in this policy and accompanying procedures, for-profit board shall mean the governing body of a business association operated for profit, whether based in Ohio or another state, and whether such board is called a board of trustees, board of directors, advisory board, or any similar name.

3.8 Business Associate. Means a person with whom a Trustee, official, or employee of the University is undertaking or has undertaken a financial transaction.

4.0 GENERAL DUTY TO AVOID CONFLICTS OF INTEREST

4.1 A conflict of interest exists when a University employee or official's financial or personal considerations compromise or have the appearance of compromising his or her objectivity in meeting University responsibilities.

4.2 University employees and officials may not use their respective University position for their personal benefit or for the benefit of a family member or business associate.

4.3 University employees and officials are expected to avoid circumstances that reasonably give the appearance that the individual acted for personal gain rather than the best interest of the University.

4.4 University employees and officials are prohibited from taking any action, participating in any decision, or approving any action or decision on behalf of the University that will directly result in a benefit to themselves, family members or non-university business associates.

5.0 SOLICITING, ACCEPTING OR USING AUTHORITY FOR ANYTHING OF VALUE

5.1 General Prohibitions

5.1.1 University employees and officials may not solicit or accept "anything of value" (as defined by this policy) from anyone who does business with the University or is seeking to do business with the University.

5.1.2 University employees and officials may not use the authority of their

University position to secure “anything of value” (as defined by this policy) from anyone who does business with the University or is seeking to do business with the University.

5.2 Honorarium

University employees, except for non-administrative faculty and as expressly authorized in O.R.C. 102.03(H), are prohibited from accepting an honorarium as defined by this policy.

5.3 Exceptions

5.3.1 The prohibitions described in this section do not apply to items of nominal value, which are typically items that are less than \$25 in value. Examples include conference trinkets, a meal at a fast food or family restaurant, a promotional item, or inexpensive entertainment activity, so long as they are not viewed as having a substantial or improper influence over the University official or employee.

5.3.2 However, nominal items that are provided frequently or with regularity, such as a weekly or monthly lunch, or multiple smaller items may rise to something of substantial value and are prohibited.

5.3.3 University officials and employees may accept travel, meals and lodging or expenses in connection with conferences or meetings that are organized by an SSU associated organization, so long as the employee receives prior approval from the division vice president.

5.4 For examples and further discussion of the topic, see the following Ohio Ethics Commission bulletins:

<http://www.ethics.ohio.gov/education/factsheets/InfoSheet7-Gifts.pdf>

http://www.ethics.ohio.gov/education/factsheets/Bulletin_gifts_and_entertainment.pdf

6.0 PUBLIC CONTRACTS

6.1 University employees and officials are prohibited from authorizing, approving or in any manner influencing others to secure a University contract in which the employee or official or family member or non-university business associate would have a financial or personal interest. In order to avoid even the appearance of impropriety, such individuals may not participate in any University decision-making process, formally or informally, regarding a University contract that could benefit the individual.

6.2 University officials and employees are prohibited from having an interest in the profits or benefits of a University contract that is not awarded by competitive bid.

6.3 Exception:

6.3.1 University officials and employees do not violate this section if their interest (or family's or business associate's interest) is limited to owning shares of a corporate contractor that do not exceed five percent (5%) of the outstanding shares, and the employee files an affidavit with the General Counsel of the University giving his/her exact status with the corporation at the time the contract is entered into.

6.3.2 An exception may also be recognized when a four-part statutory test is met as determined by the Vice President for Finance and Administration or their designee, in consultation with the General Counsel. The four-part test is as follows:

6.3.2.1 The supplies or services that are the subject of the University contract are necessary for the University; and

6.3.2.2 The supplies or services are not obtainable elsewhere for the same or lower cost, or the supplies or services are being furnished as a part of a continuing contract; and

6.3.2.3 The treatment of the University is either preferential to or the same as the treatment of other customers or clients in similar transactions; and

6.3.2.4 The entire transaction is conducted at arm's length, with full knowledge of University administrators who are evaluating the transaction of the individual official or employee's conflict and such official or employee takes no part in the deliberations or decision with respect to the contract.

7.0 NEPOTISM

No University official or employee may use their University position or influence to hire, promote or give preferential treatment to any family member, as defined by this policy.

8.0 SENIOR MANAGEMENT PARTICIPATION ON FOR-PROFIT BOARDS

8.1 Active participation on for-profit boards by senior management can benefit the University by strengthening economic development, fostering a more complete understanding of the needs and challenges of the University and private business, and familiarizing University officials in areas of business efficiencies. Such participation can also enhance the outreach of the University with business leaders and other benefactors. Senior management shall be permitted to serve as a member of a for-profit board when such service:

- 8.1.1 would not pose a conflict of commitment to the University,
 - 8.1.2 would not pose a conflict of interest or appearance of conflict of interest, and
 - 8.1.3 is not otherwise incompatible with senior management member's duties to the University.
- 8.2 Any compensation paid in connection with membership on a for-profit board shall be reasonable and commensurate with the time and responsibilities required. Senior management's primary commitment must be to the University, and service on an outside board and any fiduciary duty to the outside entity must never conflict with the individual's duties and responsibilities to the University.
- 8.3 Members of senior management are individually responsible for ensuring that service on for-profit boards does not violate Ohio Ethics law, Chapters 102 and 2921 of the Ohio Revised Code, or diminish the reputation of the University.
- 8.4 The use of personal time is required to engage in for-profit board work either by performing such activities outside usual work hours or using accrued vacation time. The use of the University's name, logo, seal or letterhead in the conduct of the for-profit board activity is prohibited. Senior management engaging in for-profit board work must not use other University employees during designated work time. Incidental and occasional personal use of University computers, equipment and supplies is permitted so long as the use is consistent with other University policies and does not distract from University business (e.g., due to volume or frequency).

9.0 SANCTIONS

Failure of any employee to abide by this policy and/or Ohio's ethics laws may result in discipline up to and including termination, as well as potential civil and criminal sanctions. Any disciplinary action will be in accordance with applicable University policies or collective bargaining agreements.

10.0 ETHICS OFFICER AND COMPLIANCE EFFORTS

- 10.1 The General Counsel will serve as the University's Ethics Officer and will coordinate efforts with other University officers to promote compliance with this policy and Ohio's Ethics laws. Such compliance efforts include education and training as well pro-active measures to identify potential employee conflicts of interest.

- 10.2 All employees shall receive a copy of this policy and a copy of Ohio's Ethics laws upon hire.

[Ref: Ethics Guidelines](#)

History

Effective: 06/15/2007

Revised: 02/09/2018; 05/06/2018

Reviewed: 01/12/2023 with minor revisions

Applicable Procedure: 5.32:1 Senior Management Participation on For-Profit Boards