

HUMAN RESOURCES

Effective Date: January 2002

Date Revised: April 18, 2014

Supersedes:

Related Policies: Code of Ethical Conduct; Professional Standards and Business Conduct Policy; Faculty Conflict of Commitment and Interest Policy; Policy and Procedures on Financial Conflicts of Interest for Public Health Service Funded Research

Responsible Office/Department: Human Resources Management

Keywords:

Conflict; commitment; disclosure; gifts; financial interests; outside activities; supplemental employment

Policy on Conflict of Interest and Commitment

I. Purpose and Scope

Northeastern University recognizes that its employees lead complex lives with personal and professional relationships extending beyond the campus. Along with employment at the university come certain responsibilities. Central among these responsibilities is the shared obligation to ensure that all activities and transactions carried out on behalf of the university are conducted in the best interest of the university and in accordance with its policies. While specific expectations may vary by unit given the nature of the individual's position or function, this Policy sets standards for all faculty and staff. The Policy applies to all benefits-eligible employees.

II. Definitions

For purposes of this Policy,

Conflict of interest refers to a divergence between an individual's private interests and his or her professional obligations to the university such that an independent observer might reasonably question whether the individual's professional actions or decisions are determined by considerations of personal gain, financial or otherwise. A conflict of interest depends on the situation, and not on the character or actions of the individual.

Conflict of commitment means a situation where the individual employee's outside activity interferes with or compromises, or appears to compromise, the employee's ability to fulfill her or his obligations to the university.

Family refers to an employee's spouse, spousal equivalent, children, parents, siblings, grandparents, parents-in-law, brothers-in-law, sisters-in-law or member of one's household.

Gift means anything of value, whether an item, product, service, financial interest or discount. It includes but is not limited to cash; coupons and vouchers; meals, tickets, and other entertainment

expenses; honoraria; payment of hotels, transportation, and other travel expenses; stock, equity, and other ownership interests. It does not include merit-based awards or recognition, nor examination copies of textbooks and similar materials given to faculty, however individuals may not solicit examination copies of textbooks and other materials for the purpose of selling them.

Significant financial interest refers to holdings of at least 5% equity or at least \$10,000, and includes only that equity which is directly under the employee's control, not that which is managed by a third party such as a mutual fund.

III. Policy

A. Responsibility to Avoid Conflicts

Employees must adhere to a high standard of honest and fair dealing between themselves and the university, and refrain from activities that may give the appearance of impropriety in the performance of their duties or the perception that they may be using their positions or knowledge gained from their employment to inappropriately influence decisions to their advantage, or to the advantage of their family and friends.

Employees must exercise the utmost good faith in the fulfillment of their duties and avoid conflicts between personal interests and the interests of the university. Conflicts of interest involve situations in which financial or other personal considerations directly and significantly affect, or have the appearance of directly and significantly affecting, an employee's professional judgment in carrying out university duties and responsibilities.

An employee may be considered to have a conflict of interest when he or she or any member of that person's family possesses a significant financial interest in an activity that involves the employee's university responsibilities.

In addition, full-time employees have a primary work commitment to Northeastern University. Activities that interfere with that primary commitment must not be undertaken. In all outside activities unrelated to the individual's Northeastern University employment, the employee functions without the university's sponsorship and the university assumes no responsibility for such activities.

The burden is on the employee to disclose and resolve all questions before engaging in any activity that represents or has the potential to represent a conflict of interest or commitment.

B. Categories of Conflicts

Activities with a potential for conflict of interest or commitment fall into three general categories:

- Activities that are permissible because they do not compromise or appear to compromise the judgment of employees, the integrity of faculty and student interactions, the objectivity of research results, or other interests of the university, the sponsor, or the public.
- Activities that may be permissible following full disclosure, and that can be managed in accordance with appropriate university policies, to ensure institutional integrity, academic standards, and intellectual value.
- Activities that are prohibited because they are in conflict with university policy or the law.

C. Examples of Conflicts of Interest

- The potential for conflict of interest typically occurs when a third party offers an employee something of value or when an employee receives something of value from the third party who is seeking some benefit from the university.
 - Employees who receive, within a calendar year, a single gift or multiple gifts with a cumulative value in excess of \$100 from a current or prospective vendor, service provider or student, must notify their unit head.
 - Gifts with a cumulative value in excess of \$500 from a single source within a calendar year require the approval of the area senior vice president or the president.
- Employees must not allow third parties access to university property for personal use or gain.
- Employees must not propose or engage in a university business transaction with themselves or a related third party without the knowledge and authorization of the Senior Vice President responsible for the department/division. Employees must disclose to their department head significant financial interest in, control of, or consulting relationships with, any entity seeking to provide goods or services to the university.
- Full-time employees must not work for a competitor if such work is similar or related to the employee's current position at the university without their area vice president's approval. Allowable or authorized activities/collaborations with other educational institutions will not usually be viewed as working for a competitor.
- Employees must not divulge confidential university data or information, including confidential information submitted to the university by outside entities. (See the policy on Confidentiality of University Records and Information).

D. Conflict of Commitment and Supplemental Employment/Outside Activities

The potential for conflict of commitment occurs when an employee is engaged in supplemental activities that undermine his or her ability to perform their job at the university.

- Faculty members are subject to the policy on Faculty Outside Professional Activities contained in the *Faculty Handbook*, as it may change from time to time, which provides that such activities should not conflict or interfere with the faculty member's schedule of assignments and responsibilities at the university.
- Full-time, non-faculty employees are generally prohibited from earning additional compensation from the university for work performed during regular working hours. When

it is in the interest of the university, professional and administrative staff may teach a maximum of 1 course per year during working hours with the prior approval of their supervisor. If the teaching is for extra compensation, the employee must make up all work hours missed due to teaching. Conference hours, class preparation and other ancillary activities cannot be performed during regular working hours. Other teaching assignments must not conflict with the employee's regular work schedule.

- Benefits-eligible employees must obtain the approval of their area vice president before engaging in secondary employment within the university, regardless of when and where the secondary assignment is performed. Applicable laws and regulations regarding compensation, benefits, overtime, etc., must be properly adhered to.
- Employees are generally prohibited from earning additional compensation from any external source for work performed during their regular working hours. Faculty members, however, may conduct research and scholarship or write in their areas of expertise or interest for purposes of promoting knowledge in their respective fields, even if the effort results in a commercially published work.
- Supplemental employment performed outside the university, that does not require the use of university resources and that is performed outside regular working hours, does not require university approval, provided such employment does not compromise or conflict with the employee's commitment to the university.
- Employees may not use university property or facilities for any business or professional purpose not related to their position at the university, without the written approval of the Senior Vice President responsible for the department/division.

E. Disclosure/Review and Oversight

- All benefits-eligible employees are required to complete the on-line Conflict of Interest and Commitment Annual Disclosure Statement for each calendar year.
- If circumstances arise during the year regarding potential or actual conflict situations, or that affect previously disclosed situations, employees should consult with a supervisor or the Office of General Counsel. An updated disclosure form may be required at such time.
- Failure to complete or accurately complete a disclosure statement may subject the employee to disciplinary action up to and including immediate termination from the university.

IV. Additional Information

Faculty and staff with externally funded activity may be subject to additional conflict of interest policies and separate disclosure documents. Faculty should refer to the Faculty Handbook sections on Outside Professional Activities, and Conflict of Commitment and Interest, for policies directly applicable to their academic and professional activities. They should also consult and adhere to any applicable Research policies, including the Policy on Financial Conflicts of Interest in Public Health Service Funded Research.

V. Contact Information

Compliance Department: 617-373-5893

Human Resources Management: 617-373-2230

Office of Research Administration and Finance 617-373-5600

University Ombuds: 617-373-3362

EthicsPoint Compliance Hotline: 1-855-350-9390