

STANDARDS OF OFFICIAL CONDUCT
FOR DEANS, SEPARATELY REPORTING DIRECTORS,
AND EXECUTIVE MANAGERS SENIOR UNIVERSITY
ADMINISTRATORS

I. PRINCIPLES

Administrators at Michigan State University are expected to abide by the highest ethical standards in discharging their responsibilities for the University, to act in the best interests of the University, to accord the University their primary professional loyalty, and to arrange their other obligations, financial interests, and activities in a manner consistent with these commitments to the University. These Standards of Official Conduct for ~~Deans, Separately Reporting Directors, and Executive Managers~~ Senior University Administrators ("the Policy") are adopted to implement these principles.

II. SCOPE

This Policy applies to all individuals who hold positions as deans, separately reporting directors, ~~or executive managers, including the President, school directors, department chairpersons, or executive managers, including the President.~~ This Policy also applies to individuals whose employment duties require significant responsibility and oversight for University entertainment, hospitality, or development activities, intercollegiate athletics, procurement, software/computer system development, and vendors. In this Policy, these individuals are referred to as "Administrators."

III. CONFLICTS OF INTEREST

A "conflict of interest" exists when an Administrator's financial interests or other opportunities for personal benefit may compromise, or reasonably appear to compromise, the independence of judgment with which the Administrator performs his/her responsibilities at the University.

Administrators should be sensitive to potential conflicts of interest. Though Administrators may seek to avoid conflicts of interest, circumstances may arise in which it proves impractical for an Administrator to do so. In those situations, the Administrator must promptly identify and disclose the conflict of interest and comply with the plan for its management or elimination.

IV. RULES

In addition to their obligations with respect to conflicts of interest, Administrators shall abide by the following rules.

A. Confidential Information. Administrators shall exercise care regarding confidential and proprietary information acquired in the course of their employment at the University. Administrators shall not use or disclose

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such information for personal gain or benefit.



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B. B. — Outside Influence. No Administrator shall solicit any gift for personal gain or benefit. No Administrator shall accept any unsolicited gift from anyone outside the University, if the gift would tend to influence improperly the manner in which the Administrator performs his/her duties at the University.

C. C. — Use of Authority, University Resources.

~~1. 1.~~ No Administrator shall use University property or resources, or his/her authority or title at the University, to obtain or provide others with a private benefit which is inconsistent with the University's interests, nor shall any Administrator personally profit, or cause others to profit, by trading on his/her University position or authority.

~~2. 2.~~ Administrators shall not represent their personal opinions as those of the University.

D. D. — Conflicting or Incompatible Service. No Administrator shall render paid or voluntary services on behalf of any individual or entity, whether public or private, for-profit or not-for-profit, other than the University, when those services: (1) would be incompatible or in conflict with the discharge of that Administrator's duties at the University; or (2) would require that Administrator to disclose, to the University's detriment, confidential or proprietary information acquired in the course of his/her employment at the University.

E. E. — Competition with University. No Administrator shall knowingly compete with the University for any property, asset, or opportunity needed by the University.

F. F. — Diversion of Opportunities. No Administrator shall divert an opportunity which may be of interest to the University to another individual or entity for the Administrator's personal gain or benefit or for the gain or benefit of any relative of the Administrator unless the University has been informed of the opportunity on a timely basis and has declined to act on it.

V. V. — CONTRACTS WITH THE UNIVERSITY

A. A. — Prohibitions. An Administrator shall not directly or indirectly solicit, take any part in approving, take any part in negotiating, renegotiating, or amending, or in any other way represent any party to, any contract between the University and

~~1. 1.~~ the Administrator; or

~~2. 2.~~ a relative of the Administrator; or

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~~3.~~
3. any corporation, partnership, unincorporated association, trust, or estate in which the Administrator has a significant financial interest; or

~~4.~~
4. any corporation, partnership, unincorporated association, trust, or estate in which the Administrator knows or reasonably should know that a relative of the Administrator has a significant financial interest.

B. B. Board Approval. Administrators shall take all steps necessary to assist the University to comply with the State law requiring Board approval of contracts between the University and the Administrator or between the University and entities in which the Administrator has a financial interest specified by the State law.

VI. VI. REPORTING

A. A. Disclosure of Significant Financial Interests. Each year a questionnaire shall be distributed to each Administrator asking the Administrator to provide information about organizations that do business, or intend to do business, with the University and in which the Administrator or members of the Administrator's immediate family have a financial interest prescribed in the questionnaire. Each Administrator shall provide the requested information.

B. B. Disclosing Conflicts of Interest.

~~1.~~
1. Disclosure of conflicts of interest is the responsibility of the Administrator who becomes involved in activities that may be in conflict. The Administrator shall make disclosure to the Administrator to whom he/she reports as soon as he/she becomes aware of the situation that gives rise to the conflict of interest, except that the President shall make such disclosure to the Chairperson of the Board of Trustees. An Administrator who has questions about a possible conflict of interest, or about compliance with other parts of this Policy, should direct them to the same individual.

~~2.~~
2. In considering possible conflicts of interest, Administrators should err on the side of disclosure. It is the role of the University, not the Administrator, to decide whether the disclosed interest constitutes a conflict of interest and, if it does, how best to address it.

C. C. Complaints. The University shall establish a process for receiving reports, including anonymous reports, of undisclosed conflicts of interest and other violations of this Policy by Administrators.

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VII. VII. IMPLEMENTATION

A. A. Authority. The President shall be responsible for implementing this Policy for all other Administrators, and thus has authority with respect to such Administrators to:

- 1. ~~1.~~ determine whether a conflict of interest exists and, if it does, establish a plan for its management or elimination;
- 2. ~~2.~~ designate appropriate individuals to investigate alleged violations of this Policy and report back to him/her;
- 3. ~~3.~~ decide whether an Administrator has violated this Policy;
- 4. ~~4.~~ institute disciplinary action for any such violation; and
- 5. ~~5.~~ delegate any of these tasks to the Provost or the Executive Vice President for Administrative Services on a case-by-case basis.

The Chairperson of the Board shall review any issues relating to the implementation of this Policy with respect to the President and report to the Board about the results of such review.

B. B. Handbook. A handbook explaining and interpreting this Policy shall be prepared and made available to Administrators.

C. C. Annual Certification. Each Administrator will affirm annually that he/she has complied with this Policy during the previous year and will comply with this Policy during the next year.

D. D. Annual Report. The President shall make an annual report to the Audit Committee of the Board of Trustees on the implementation of this Policy during the previous year.

VIII. VIII. SANCTIONS

Administrators who violate this Policy are subject to disciplinary action, up to and including discharge.

IX. POLICY HISTORY

This Policy was approved by the Board of Trustees on June 18, 2004 and revised on April 15, 2016.

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