

# CONFLICT OF INTEREST POLICY FOR NON-ACADEMIC STAFF AND ACADEMIC ADMINISTRATORS

**Policy Number** (if applicable):

**Approved by:** The President

**Date of Most Recent Approval:** May 20, 1997

**Revision Date(s):**

**Position Responsible for Developing and Maintaining the Policy:** Assistant Vice-President, Human Resources Services

**Contact Department:** Human Resources Services

## DEFINITIONS

For the purpose of this policy, the terms defined herein shall have the meaning set forth in the definitions below:

"Employee" means any Officer, Director or other member of the non-academic staff of the University and, for purposes of their administrative roles only, academic administrators such as Vice-presidents, Deans, Directors and Chairs.

"Immediate Family" includes an employee's spouse or partner and any children, parents, brothers and sisters of both the employee and the spouse/partner; as well as other relatives who share the employee's home or otherwise are dependent on the employee or the spouse/partner for support.

"Confidential Information" means any information concerning the affairs of the University which has not been publicly disclosed by the University.

"Concern" means any type of business entity, regardless of its form (e.g., corporations, partnerships, sole proprietorships, trusts and joint ventures).

"Substantial financial interest" means the direct or indirect ownership of a beneficial interest having a value of such magnitude that (a) it represents a substantial part of the equity in the concern; or (b) for other reasons the interest would be regarded as significant to the employee. No interest in a mutual fund or in the securities of any publicly held corporation regularly traded on the open market shall be deemed to constitute a substantial financial interest if the market value of such interest is less than \$25,000.00.

"Indirect ownership" includes beneficial interests in a concern held either (a) by a trust, corporation, partnership, or other venture in which the employee holds an interest; or (b) by or through a nominee, agent, option or other device, as well as beneficial interests derived from loan agreements or other contractual arrangements.

## PREAMBLE

This policy deals with the fiduciary responsibility for the management of University resources. All employees have a clear duty in conducting University business or making recommendations which could influence subsequent actions of the University, to place the interests of the University ahead of their personal interests. Only by adhering to this policy can the integrity of the University's business relationships be preserved and the reputation, financial and other interests of the University be protected.

## PERSONNEL SUBJECT TO THIS POLICY

All non-academic staff and academic administrators of the University are subject to the policy.

## STATEMENT OF POLICY

McMaster University respects the right of employees to privacy in their personal activities and financial affairs. No employee shall engage in activities which create for the individual a conflict of interest as defined in this policy. The prime purpose of the Conflict of Interest Policy is to provide guidance to employees to enable them to avoid situations in their personal activities and financial affairs which are, or may appear to be, in conflict with their responsibility to act in the best interests of the University. Notwithstanding the foregoing, employees are required to disclose all potential conflict of interest situations.

## ILLUSTRATIONS OF POTENTIAL CONFLICTS OF INTEREST

The following are not considered to be an exhaustive list of those matters constituting a conflict of interest, but rather reflect illustrative examples: Interest in any Concern: Ownership by an employee or by any member of his or her immediate family of a substantial financial interest in any concern with which the University does business, directly or indirectly, or which is seeking to do business with the University.

Interest in Transaction: Representation of the University by an employee in any transaction which such employee or any relative of the employee or his or her spouse has a substantial financial interest.

Representation by Relative: Representation of the University by an employee in any transaction where the other concern is represented by a relative of the employee or his or her spouse.

Use of Confidential Information: Use of or disclosure to outsiders of confidential information for the personal profit or advantage of any person.

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**Gifts or Gratuities:** Acceptance by an employee or any members of his or her immediate family, from any concern with which the University does business or which is seeking to do business with the University, of gifts or merchandise, cash or gift certificates in any amount whatsoever, loans, excessive entertainment or other substantial gifts of goods or services. It does not include loans from financial institutions on customary terms; articles of nominal value normally used for sales promotion purposes, ordinary business meals or reasonable entertainment consistent with local social or business customs.

**Rendering of Services to Other Concerns:** Rendering of managerial, consultant or any other substantial services to any concern including services as a director where not specifically authorized by the University; and in particular, where said services are provided on a fee for service or contractual basis. (See also the policy on Consulting)

**Full Time Service:** Engaging in outside business or employment incompatible with the University's right to full time and efficient service from its employees. Situations with respect to part-time employees will be dealt with according to their specific circumstances and within the spirit and intent of this policy.

**Use of Position to Influence Others:** Use of one's position with the University to influence any other concern in its dealings with other parties for the personal profit or advantage of any person.

### **DISCLOSURE TO THE UNIVERSITY**

Where a staff member is concerned that they may be placing themselves in a potential conflict of interest situation they should immediately discuss the situation with their direct supervisor. Where such a conflict or potential conflict is confirmed then clause 2 shall be applied.

A conflict or potential conflict of interest must be disclosed in writing to the President and/or the appropriate Vice-President along with recommended procedures to remove the employee from the conflict or potential conflict of interest. Approval of appropriate procedures by the President and/or Vice-President shall also be provided in writing.

### **COMPLIANCE**

Failure to comply with the terms of this policy may result in the employee being subject to the appropriate disciplinary procedures of the University.