

## **12:05:01:00 Conflict of Interest**

### **Purpose:**

All employees of DSCC serve the interests of the State of Tennessee and its citizens, and have a duty to avoid activities and situations that, either actually or potentially, put personal interests before the professional obligations that they owe to the State and its citizens. This policy is intended to establish standards of integrity and objectivity that should guide the actions of all employees of DSCC.

### **Scope:**

Administrative staff and faculty members of Dyersburg State Community College (DSCC) are required to fulfill their responsibilities with care and loyalty. All decisions and actions are to be made for the sole purpose of advancing the best interests of the institution and the public good. Therefore, this policy applies to all persons employed (either as full-time, part-time, or temporary employees) at DSCC.

### **Policy:**

#### **General Principles**

- A. *Conflict of Commitment*: Employees of Dyersburg State Community College should avoid external commitments that significantly interfere with the employee's duties to the institution. Disclosures of outside employment shall be made as required under TBR Policy 5.01.05.00 and DSCC Policy 6:08:04:00 and evaluated as indicated in that policy.
- B. *Conflict of Interest*: Employees should avoid situations where the self-interests of the employee diverge from the best interests of the institution.
- C. *Management of Conflict of Interest*: The mere existence of either a potential or actual conflict of interest does not mean that such conflict must necessarily be eliminated.

- Where the potential detriment to DSCC is at most minor and inconsequential, and the conflict does not indicate violation of Federal or State law, regulation, or policy, those persons charged with evaluating disclosures should allow the activity to proceed without interference after documenting the evaluation process.
- For those situations which do not implicate Federal or State law, regulation or policy, the standard for determination of whether a conflict of interest should be managed, reduced, or eliminated is whether that conflict would appear to a reasonable person to call into question the integrity or judgment of the affected employee.

## **Situations and Activities Creating a Conflict of Interest**

In the following situations and activities, there is at least the appearance, and possibly the actuality, of an employee allowing his or her personal interests, and not the best interests of DSCC, to affect that employee's judgments. This list is illustrative and not exhaustive.

### **Self-Dealing**

Situations in which an employee can appear to influence or actually influence an institutionally-related decision from which that person or a member of that person's immediate family stands to realize a personal financial benefit is self-dealing and a conflict of interest. Examples of self-dealing activities include the following:

- Purchase of state-owned property by an employee absent fair and open bidding.
- Institutional purchases from businesses in which an employee or family member has a financial interest.
- Use of educational materials from which a faculty member derives financial benefit in that faculty member's teaching activities.

-Any faculty member who wishes to use in his or her teaching activities educational materials (e.g. a textbook) which he or she has authored, or in which he or she otherwise stands to benefit financially from such use, a conflict of interest disclosure shall be made.

-Whether the use of such materials shall be permitted shall be evaluated by the DSCC Conflict of Interest Disclosure Review Committee.

-Such evaluation shall include consideration of suitable substitute materials and ensure that the needs of students are best served by use of the materials in which the faculty member has an interest.

### **Acceptance of Gifts, Gratuities, or Favors**

- Gifts: No employee shall knowingly solicit or accept, directly, or indirectly, on behalf of himself or herself or any member of the employee's household, for personal use or consumption any gift including but not limited to any gratuity, service, favor, food, entertainment, lodging, transportation, loan, loan guarantee or any other thing of monetary value, from any person or entity that:
  - Has, or is seeking to obtain, contractual or other business or financial relations with the institution in which the individual is employed; or
  - Has interests that may be substantially affected by the performance or nonperformance of the employee.

### **Exceptions**

- The prohibition on accepting gifts does not apply to:
  - A gift given by a member of the employee's immediate family, or by an individual, if the gift is given for a non-business purpose and is motivated by a close personal friendship and not by the position of the employee.
  - Informational materials in the form of books, articles, periodicals, other written materials, audiotapes, videotapes, or other forms of communication.
  - Sample merchandise, promotional items, and appreciation tokens, if they are

routinely given to customers, suppliers or potential customers or suppliers in the ordinary course of business, including items distributed at tradeshow and professional meetings where vendors display and promote their services and products.

- Food, refreshments, foodstuffs, entertainment, or beverages provided as part of a meal or other event, including tradeshow and professional meetings, if the value of such items does not exceed fifty dollars (\$50.00) per occasion and that the value of a gift made pursuant to this subsection may not be reduced below the monetary limit by dividing the cost of the gift among two or more persons or entities.

- There may be circumstances where refusal or reimbursement of a gift (such as a lunch or dinner) may be awkward and contrary to the larger interests of the institution. In such circumstances, the employee is to use his or her best judgment and disclose the gift including a description, estimated value, the person or entity providing the gift, and any explanation necessary within fourteen (14) days to their immediate supervisor.

- Food, refreshments, meals, foodstuffs, entertainment, beverages or intrastate travel expenses that are provided in connection with an event where the employee is a speaker or part of a panel discussion at a scheduled meeting of an established or recognized membership organization which has regular meetings.

- Participation in institution or foundation fundraising and public relations activities, i.e. golf tournaments and banquets, for which conflicting parties provide sponsorships.

- Loans from established financial institutions made in the ordinary course of business on usual and customary terms so long as there are no guarantees or collateral provided by any conflicting party.

### **Inappropriate use of students or support staff**

- Employees shall ensure that the activities of students or support staff are not exploited for the benefit of any external activity of the employee.
- Prior to assigning any such non-institutionally related task that is more than incidental or de minimis in nature to a student or member of the support staff, an employee shall disclose such proposed activities and obtain approval from the President.

### **Inappropriate use of State-owned resources**

- Employees may not make significant use of state-owned facilities, equipment, materials or other resources, not otherwise available to the public, in the course of activities which are not related to the institution and which are intended for personal benefit, without prior disclosure and approval of the President.

### **Failure to disclose intellectual property**

- DSCC Policy 11:04:03:00 and TBR Policy 5.01.06.00 govern the rights and responsibilities which persons affiliated with the institution have regarding intellectual property developed during the term of their affiliation with DSCC.
- Among the responsibilities enumerated in the policy is that of disclosure of inventions

and those copyrightable works, which may be reasonably expected to have commercial value, which they have jointly or solely developed or created during their affiliation with DSCC and the Tennessee Board of Regents (TBR).

### **General Disclosure Requirements**

- Employees who believe that a conflict of interest may exist either personally or with respect to another person covered by this policy shall make a written disclosure of the facts and circumstances surrounding the situation.
- No particular format is required, but the disclosure should adequately describe the pertinent facts and circumstances.
- Disclosures shall be submitted to the Director of Human Resources.
- Disclosures made by a President shall be submitted online to the Tennessee Ethics Commission.
- Employees required to file a Conflict of Interest Disclosure form should do so upon employment and annually thereafter in January. The form, available in the MyDSCC Employee tab in the HR Info channel under DSCC Employee Forms, should be submitted to the Director of Human Resources by January 31st.

### **Employees Required to Disclose**

1. President
2. Members of the President's Staff
3. Coaches and Assistant Coaches
4. Athletic department employees who are exempt from the provisions of the Fair Labor Standards Act
5. All Business Office personnel
6. All Financial Aid Office personnel

Additionally, the President must annually file disclosures regarding financial and business interests to the Registry of Election Finance. These disclosures are made on the Statement of Interests – Non General Assembly Members form and is due by January 31st.

### **Review Committee**

DSCC has established a Conflict of Interest Disclosure Review Committee (hereafter, Committee) to receive and evaluate disclosures. The Committee is selected by the President and is comprised of no fewer than three persons. All disclosure forms received by the Director of Human Resources will be forwarded to the Committee chairperson who will convene a meeting for Committee review.

The Committee will meet in person at least once per semester. At the meeting of the Committee, members will review the Conflict of Interest forms submitted by the employees who are required to disclose, as well as any additional disclosures. Minutes of these meetings will be circulated during the week that follows the meeting to the President and Committee members.

Following an evaluation of a disclosure, the Committee shall render a decision regarding the issue(s) presented

by the disclosure.

- a. Where the potential detriment to the institution is at most minor and inconsequential, and the conflict does not indicate a violation of Federal or State law, regulation, or policy, the Committee should allow the activity to proceed without interference.
- b. Where the potential detriment to the institution is deemed consequential, the Committee shall notify the employee of their evaluation and recommendation. The employee shall be given an opportunity to appear before that Committee.
- c. Any disclosure, which indicates an actual violation of law, shall be forwarded to the President along with the Committee's findings.
- d. Decisions made by the Committee may be appealed to the DSCC President. Decisions of the President shall be final and binding.

### **Federal and State Laws on Conflict of Interest**

In addition to this policy, there are state and federal laws regarding conflict of interest that apply to employees of the Tennessee Board of Regents and DSCC. All employees are required to comply with all applicable laws. If there is a conflict between this policy and a state or federal law, the most restrictive requirements will control.

### **Compliance:**

All DSCC employees are responsible for adhering to this policy. Failure to observe any restrictions imposed as a result of Committee review or a knowing failure to disclose a conflict of interest may result in disciplinary proceedings under DSCC and TBR policy.

### **Definitions:**

**Conflict of interest** – occurs when the personal interests, financial or otherwise, of a person who owes a duty to the Tennessee Board of Regents and its constituent institutions actually or potentially diverge with the person's professional obligations to and the best interests of the TBR and its institutions.

**Conflict of commitment** – occurs when the personal or other non-work related activities of an employee of the TBR and its constituent institutions impair the ability of that employee to meet their commitments of time and energy to the TBR and its institutions.

**Conflicting Party** – A person or entity that has or is seeking to obtain contractual or other business or financial relations with the institution in which the individual is employed or has interests that may be substantially affected by the performance or nonperformance of the employee.

**Immediate family** – for purposes of this policy means spouse or minor child living with the employee

### **Revision History:**

Policy created March 2007. Policy revised November 2012; approved by Administrative Council on 11/30/2012.  
Revised and approved by Administrative Council on November 8, 2019.

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**Dyersburg State Community College**

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