

## **I. INTRODUCTION**

The University of Denver expects the highest standards of conduct and honesty from all of its University Representatives. University Representatives must fulfill their institutional responsibilities with care and loyalty and must avoid involvement in activities that conflict with, or appear to conflict with, those responsibilities. The term “University Representatives” includes trustees, officers, faculty members, and employees of the University of Denver.

## **II. POLICY OVERVIEW**

### **A. General Rule**

University Representatives should use good judgment and professional commitment to protect themselves and the University from conflicts of interest. This includes avoiding situations or activities that could interfere with a University Representative’s unfettered exercise of judgment in the best interests of the University. University Representatives should make decisions and take actions on behalf of the University for the sole purpose of advancing the best interests of the University. While the University encourages participation in professional, community service, and other external activities, University Representatives must avoid ethical, legal, and financial conflicts of interest arising out of those activities that may compromise their effectiveness in carrying out their University responsibilities.<sup>1</sup>

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<sup>1</sup> See also University Policy FINA 3.20.070 - *Code of Business Conduct*, Section G, page 3 of 5: “University Personnel are responsible for performing their duties in good faith and in the best interests of the University. University Personnel should be sensitive to situations that could raise questions of potential or apparent conflicts between personal interests and the University’s interests. Generally, a conflict of interest exists when an individual acting on behalf of the University obtains

## **B. Conflict of Interest Defined**

A conflict of interest exists in situations when a University Representative has a significant financial, personal, or professional interest that is directly or indirectly at odds, or inconsistent with the University's interests. It is not possible to define all situations that might be considered conflicts of interest, and ultimately, the University relies on each University Representative's sound judgment and common sense. The most likely conflict situation is one in which a University Representative has a financial interest, direct or indirect, in the business dealings of the University. Conflicts of interest occur in situations such as when:

1. An individual's ability to act independently or objectively in the University's best interests may be impaired, or might appear to be impaired,<sup>2</sup> by an existing or potential financial, personal, or professional benefit received by the individual;
2. An individual has a significant financial interest<sup>3</sup> in another entity that supplies, or proposes to supply in the future, funds, goods, or services to the University;
3. An individual has a relationship with a third party, such as a vendor of goods or services to the University, that results in, or has the potential to result in, personal gain to the individual because of the third party's relationship with the University; or
4. An individual derives, or appears to derive, a financial or other material benefit from confidential information learned in the course of work or service on behalf of the University.

University Representatives' individual interests include the interests of their family members, who are defined as a University Representative's spouse, domestic partner, and dependent children.

## **C. Conflicts of Interest and Gifts**

The potential exists for a conflict of interest, or the appearance of a conflict of interest, when a University Representative accepts a gift from a third party in conjunction with the third party's work on behalf of the University or the third party's interest in developing a relationship with the University. University Representatives may accept ordinary courtesies of business from a third party -- such as gifts of nominal value (including meals and entertainment) incidental to a business relationship -- but University Representatives should s, --0/F2 12 g0 Gp1(t)runB201(f 612 72 reW\*nBT/F5 12 Tf1 0 0

party.

University Representatives are responsible for using good judgment to avoid even the appearance that acceptance of a gift could result in favorable treatment or obligate the University in any way. When determining whether it is appropriate to accept a gift, University

decision-maker identified in Section VII below determines that an actual conflict of interest is not present. Recusal in this manner is the typical approach for addressing potential or actual conflicts of interest that are identified before the University Representative actually participates in a transaction.

Recusal bars the University Representative from any participation in the matter that relates to the University Representative's financial or personal interest, and the University Representative must promptly inform others involved in the transaction of the recusal. Recusal specifically requires that the University Representative exclude himself or herself from participating in any discussions (whether orally or in writing) or votes on the matter.

### **C. Evaluation of Conflict of Interest Concerns**

For all University Representatives except trustees, the Senior Vice Chancellor of Legal Affairs & General Counsel and the Executive Director of Enterprise Risk Management will confer to determine whether a reported concern amounts to an actual or apparent conflict of interest. The Senior Vice Chancellor of Legal Affairs & General Counsel and the Executive Director of Enterprise Risk Management have the discretion to review and discuss, as needed, conflict of interest concerns with the Senior Vice Chancellor of Business and Financial Affairs and/or the Director of Internal Audit.

For trustees, the Chair of the Audit Committee determines whether a reported concern amounts to an actual or apparent conflict of interest. The Chair of the Board of Trustees must make the determination if the conflict of interest concern involves the Audit Committee Chair. The person making the determination has the discretion to review and discuss, as needed, conflict of interest concerns with the full Audit Committee, the Chair of the Board of Trustees, the Chair of the Nominating & Governance Committee, and/or the Senior Vice Chancellor of Legal Affairs & General Counsel.

### **D. Annual Questionnaire and Reporting Process**

Each fiscal year, the University's Executive Director of Enterprise Risk Management will forward to the following University Representatives a Conflict of Interest Questionnaire concerning the preceding fiscal year, along with a copy of the University's Conflict of Interest Policy:

Trustees;  
Chancellor;  
Provost & Executive Vice Chancellor;



questionnaire; (b) disclosures made; (c) conflict determinations and remedial action; and (d) conflict concerns arising throughout the previous fiscal year, outside of the annual disclosure process. The Executive Director of Enterprise Risk Management will provide the following persons with copies of the report: the Senior Vice Chancellor for Business and Financial Affairs; the Senior Vice Chancellor of Legal Affairs & General Counsel; the Controller; and the Director of Internal Audit. The Executive Director of Enterprise Risk Management will also present the report to the members of the Audit Committee on an annual basis.

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