



Policy Title: Conflict of Interest

Policy Number: BU-PP 800

Date Issued: 1997

Responsible Executive: Chief Audit Officer

Date Last Revised: August 20, 2021

Responsible Office: Internal Audit

Conflict of Interest Policy BU-PP 800

Policy Statement

It is Baylor University (the “University”) policy to avoid conflicts of interest and conflicts of commitment when possible and to manage and monitor any existing conflicts appropriately. Employees must submit a dual interest disclosure upon commencing employment, upon any material change to their disclosure, and annually thereafter. Upon submission, the University will review each disclosure and determine whether conflicts exist.

Additionally, if an individual becomes aware of a University employee engaging in potential conflicts of interest or conflicts of commitment, the individual should report such situations to the Chief Audit Officer or anonymously via [EthicsPoint](#).

Reason for the Policy

Baylor University is committed to providing enduring Christian values in a changing world, to include fostering mutual accountability and good stewardship. To this end, each employee at the University has a duty to exercise the utmost good faith in each transaction touching upon his/her duties to the University and its property. In dealing with and on behalf of the institution, each employee is held to a strict rule of honest and fair dealing between him/herself and the University. Employees should conduct their affairs in such a manner as to avoid or minimize conflicts of commitments and conflicts of interests. The University should be prepared to respond appropriately when an actual or perceived conflict arises.

The purposes of this policy are to (i) educate employees about situations that generate conflicts; (ii) provide means for employees and the University to manage real or apparent conflicts; and (iii) promote the best interests of the University. Each employee has an obligation to become familiar with, and to abide by, the provisions of this policy.

Individuals/Entities Affected by this Policy

All full-time faculty and staff, and some part-time employees as required by the University through an evaluation of position duties on a case by case basis

Exclusions

NONE

Related Documents and Forms

University Policies and Documents

[Standards of Personal Conduct](#)

[Code of Ethics](#)

Policy for Conflicts of Interest in Research and Technology Transfer (OVPR)

Other Documents

[Texas Penal Code Article 32.43](#)

Forms and Tools

The Dual Interest Disclosure form is located in the Career and Performance module in Ignite. You may access the form by logging into Ignite using your Baylor credentials.

Definitions

These definitions apply to terms as they are used in this policy.

Dual Interest	A dual interest represents an actual or perceived shared interest, loyalty, nepotism, or other situation where there is a personal interest between a Baylor University employee and Baylor University.
Conflict of Interest	A conflict of interest exists when an employee has a dual interest which may potentially oppose the best interests of the University. A conflict of interest occurs when there is a divergence between an individual's private personal economic relationships or interests and his/her employment obligations to the University such that an independent observer might reasonably question whether the individual's actions or decisions are determined by considerations of personal benefit, gain, or advantage, rather than those of Baylor University.
Conflict of Commitment	Whenever an employee's external activities exceed reasonable time limits, or whenever an employee's primary responsibility is not to the institution, a conflict of time commitment could exist.
Immediate Family	Spouse, parents, siblings, children, and any other relative if he/she resides in the same household as the employee

Financial Interest	A person has a financial interest if the person has, directly or indirectly, through business, investment, or family, an ownership or investment interest, a potential ownership or investment interest, or a compensation arrangement with an entity.
Material Personal Interest	Ownership interest that when aggregated for the employee, spouse, and dependent children exceeds \$10,000 and represents more than 1% of the equity of the company (in those cases in which the company is not listed on a stock exchange)
Compensation	Direct and indirect remuneration as well as gifts or favors that are substantial (in the aggregate) in nature

Contacts

Subject	Contact	Telephone	Office email/web site
Internal Audit	Chief Audit Officer	254-710-3867	http://www.baylor.edu/ia/
General Counsel	Office of General Counsel	254-710-3821	http://www.baylor.edu/ogc/
Research	Vice Provost for Research	254-710-3763	https://www.baylor.edu/research/

Responsibilities

Internal Audit	Ensures the policy remains current; ensures applicable employees submit a dual interest disclosure when required; reviews dual interest disclosures; facilitates committee review of actual or perceived conflicts when necessary
Office of General Counsel	Reviews and approves significant revisions to the policy; reviews dual interest disclosures when necessary; serves on the conflict of interest review committee
Conflict of Interest Review Committee	Reviews actual or perceived conflicts of interest brought forth by Internal Audit; determines whether actual or perceived conflicts exist; develops management plans of action for conflicts
Deans/Department Heads	Enforce requirements and expectations of this policy with their employees; assist with determination of whether actual or perceived conflicts exist; assist with development and subsequent monitoring of management plans for conflicts that relate to their employees
Office of the Vice Provost for Research	Ensures the research policy remains current; ensures researchers submit a research COI disclosure when required; screens research disclosures and forwards to Internal Audit as necessary; ensures appropriate reporting of COIs to applicable research sponsors; monitors research COI management plans; serves on the conflict of interest review committee

Principles

It is the policy of Baylor University that its faculty and staff conduct the affairs of the University in accordance with the highest ethical and legal standards. To avoid a conflict between personal or professional interests and University interests, individuals must not

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be in a position to act on behalf of or make decisions for the University if their personal economic gain or interest may directly or indirectly influence, or have the appearance of influencing, the performance of their University duties.

Good judgment of faculty and staff is essential, and no list of rules can provide direction for all the varied circumstances that may arise. If a situation raising questions of conflict of interest or conflict of commitment arises, faculty and staff are urged to discuss the situation with their school dean, supervisor, or Internal Audit.

A. Conflict of Commitment

University faculty and staff owe their primary responsibility to the University. Thus, their primary commitment of time should be to the fulfillment of the mission of the University. University employees are expected to demonstrate their dedication to the University, which, if they work full time, leaves little time for outside work. The specific responsibilities, position requirements, employment obligations, and professional activities that constitute an appropriate and primary commitment of time will differ across departments. However, these responsibilities, requirements, obligations, and activities should be initially premised on a general understanding of full-time commitment for full-time employees. Exceptions must be justified and shown to enhance the institutional mission.

Conflicts of commitment usually involve issues of time allocation. Attempts to balance University responsibilities with external activities, such as, but not limited to, business interests, public service, or pro bono work, can result in actual or perceived conflicts regarding commitment of time and effort. Whenever an employee's external activities exceed reasonable time limits, or whenever an employee's primary responsibility is not to the institution, a conflict of time commitment exists.

An employee may not involve University students or other employees in their external activities if such involvement is in any way coerced or if it in any way conflicts with the involved participants' required commitment of time to the University. A student's grades or progress toward a degree may not be conditioned on participation in external activities not reasonably related to the student's academic program. Considerations of personal gain must not influence the decisions or actions of individuals in discharging their University responsibilities. Such incentives might create a perception of impropriety and, therefore, require that such conflicts be identified, and then managed, reduced, or eliminated.

B. Conflict of Interest

A conflict of interest exists when an employee of the University has an outside personal and/or economic interest, which may potentially oppose the best interests of the

University. A conflict of interest occurs when there is a divergence between an individual's private, personal economic relationships or interests and his/her employment obligations to the University such that an independent observer might reasonably question whether the individual's actions or decisions are determined by considerations of personal benefit, gain, or advantage, rather than those of the University.

The appearance of a conflict of interest can be as damaging or detrimental as an actual conflict of interest. Thus, individuals are asked to report dual interests so that appearances can be separated from reality. An employee may not use his/her position, or knowledge gained therefrom, in such a way that a material conflict may arise between the interests of the University and those of the individual. It is wrong for an individual's actions or decisions made in the course of his/her University activities to be determined by considerations of personal financial gain.

C. Examples of Conflicts of Interest/Commitment

The following activities are examples of situations that could lead to an actual or perceived conflict of interest or commitment (this is not an exhaustive list):

1. Employment outside the University, even on a part-time basis;
2. Regular instructional service to other educational institutions while performing under annual or summer contract with the University;
3. Significant managerial responsibilities in business enterprises outside the University;
4. Serving as principal investigator on sponsored projects that could be conducted at Baylor University but instead are managed through another organization, public or private;
5. Entering into research contracts with entities, public or private, other than Baylor University, that employ a faculty member or a member of his/her immediate family;
6. Directing research toward developments of potential benefit to private firms in which the researcher has an interest;
7. Influencing the purchase of equipment, materials, or services from a supplier in which the employee or a member of his/her immediate family has a material personal interest;
8. Undue personal gain from University funds or resources;
9. Excessive or unauthorized use of University time or resources for professional, charitable, or community activities;
10. Utilization of students for private gain (for instance, students performing research, writing book chapters, etc.);
11. Compromise of University priorities due to personal financial considerations;
12. Unfair access by an outside party to University programs, services, information, or technology;
13. Participating in the review or hiring process when the University employee has a marital, familial, or intimate relationship with the person being hired;

14. Use of privileged information acquired as a result of University-supported activities for private gain (for instance, in obtaining a contract for a company in which one has a financial interest);
15. When carrying out private, non-University business, utilizing the name of the University when presenting ideas, implying that the ideas represent the University's position, or identifying publicly with the University; or
16. Acceptance of a gift or favor from an entity (or representative of an entity) conducting (or seeking to conduct) business with the University, when a faculty or staff member is in a position to influence or inform decision-making relative to engaging the entity on behalf of the University.

Note: Extreme care must be used in acceptance of any gratuities even of a nominal amount and the frequency and collective impact of such actions to ensure that one is abiding by the letter and spirit of this Conflict of Interest Policy. While the favors, entertainment, and/or gifts may initially seem insignificant, in the aggregate and at the end of the year if they total \$250 or more, they must be reported. Employees should provide a good faith estimate in the event they cannot document actual value(s) of \$250 or more.

The University will exercise oversight and care in eliminating or managing conflicts of interest that do or may arise because of an individual's personal interest in activities related to their University responsibilities. The University will not accept or enter into agreements, contracts, gifts, or purchases that give rise to a conflict of interest unless the conflict can be eliminated or appropriately managed through administrative oversight to protect the interests of the individual and the University.

Procedures

I. Intent of Policy

A. Submitting a Dual Interest Disclosure

Each full-time employee must complete and submit their Dual Interest Disclosure at commencement of employment and annually thereafter. Each full-time employee has a continuing obligation to supplement, modify, or amend his/her annual disclosure as circumstances may require. Employees can access the Dual Interest Disclosure Form as required by this policy by logging into Ignite using their BearID and password.

Upon completion of the form, employees must click submit to ensure their disclosure is recorded.

In order to ensure the University is adhering to research regulations, the Office of the Vice Provost for Research will follow up as needed with faculty who reference research or technology transfer in their dual interest disclosure.

Access to information collected in connection with this policy will be limited to those with a need to know and will be shared in accordance with University policy and federal regulations.

B. Review of Dual Interest Disclosures

Dual interest disclosures are initially reviewed by Internal Audit (IA). If an actual or perceived conflict exists, the statement will be reviewed by the Conflict of Interest Review Committee, hereinafter referred to as the “review committee”. The review committee is made up of the Chief Business Officer, the Vice President & Chief Human Resources Officer, the Vice Provost for Academic Affairs and Policy, a designated attorney from the Office of General Counsel, the Chief Compliance Officer, the Vice Provost of Research (or designees), and the Chief Audit Officer. The review committee shall take such action as reasonably may be necessary to eliminate any actual or perceived conflict of interest or otherwise safeguard the interests of the University through a management plan (see C below).

Conflicts of Interest related to research and technology transfer will be managed according to this policy as well as the Policy for Conflicts of Interest in Research and Technology Transfer (OVPR).

An employee may appeal a determination made by the review committee by providing a written request that the review committee reconsider the decision. The request should include the employee’s justification or argument for their case. If the employee remains unsatisfied with the decision, he/she may access standard employee grievance procedures to the extent that they are otherwise applicable.

In the case of an actual or perceived conflict involving a member of the review committee, the President shall appoint another person to sit with the committee in place of the committee member with whom a conflict may exist.

IA shall report to the President the number of employees who have reported actual or perceived conflicts since IA’s last report to the President, the number and nature of the conflicts found to exist, and how the committee recommends that each conflict be resolved.

C. Management Plans

In consultation with deans/department heads, the review committee will evaluate disclosed dual interests to determine whether an actual or perceived conflict exists. If an actual or perceived conflict does exist, the review committee, in conjunction with the dean/department head and the employee, will establish a written management plan, which is to be reviewed and approved by the review committee.

The dean/department head will then be required to monitor the conflict in accordance with the established management plan.

If the review committee determines that imposing conditions or restrictions in a management plan would be either ineffective or inequitable, and the potential negative consequences that might arise from the conflict are outweighed by interests of scientific progress, technology transfer, or the public health and welfare, the review committee may recommend that the research or other institutional activity be permitted to go forward without the imposition of any conditions or restrictions.

All management plans will be reevaluated at least annually in order to ensure plans are still appropriate based on current information.

D. Required Pre-Approval of Outside Professional Activity (for faculty) or Acceptance of Personal Benefit

1. The University approves of faculty consulting and pursuing research funded from sources outside the University on a project basis on the professional or policy level as long as it supports the mission of the University and does not unreasonably interfere with the duties and responsibilities of the faculty member to the University. In these cases, the faculty member is expected to submit a written request for off-campus consulting employment to the dean of the particular school and to the Provost or designee.

In cases of approved consulting or research funded from outside sources, it is permissible for a reasonable amount of University resources to be used to support these activities. The faculty member is expected to monitor the usage of resources and to reimburse the University from fees or royalties earned from these activities.

A faculty member may never use proprietary or other information confidential to Baylor University unless he/she obtains written approval in advance from the appropriate officials.

2. Personal benefit value over \$250 (single transaction or reasonably foreseeable multiple transactions):

An employee must obtain written approval, according to the following process, of his/her first-level supervisor before accepting such a personal benefit. The employee shall submit the request for pre-approval to his/her first-level supervisor, who may seek assistance from Internal Audit in making a determination. The employee's first-level supervisor shall retain the pre-approval request and the written approval for one year after the next annual dual interest disclosure is due.

3. Personal benefit value over \$1,000 (single transaction or reasonably foreseeable multiple transactions):

An employee must obtain written approval, according to the following process, of the conflict of interest review committee before accepting such a personal benefit. The employee shall submit the request for pre-approval to the Chief Audit Officer, who will convene the review committee. The review committee shall take such action as reasonably may be necessary to eliminate the conflict of interest or otherwise safeguard the interests of the University and will submit the result in writing to the employee and the employee's supervisor.

In any case in which the personal benefit is combined with a business-related purpose, the combined value of the personal benefit and the business-related purpose shall be considered to determine the value of the personal benefit for the purposes of pre-approval.

An employee seeking pre-approval shall submit the following to his/her first-level supervisor (over \$250 in accordance with I.C.2. above) or the Chief Audit Officer (over \$1,000 in accordance with I.C.3. above):

1. Estimated value of the personal benefit, if it can be segregated from the value of the business-related purpose;
2. Estimated value of the personal benefit and business-related purpose combined;
3. Description of the personal benefit (such as travel, entertainment, goods, or services);
4. Information about the business-related purpose, including itinerary of trips, meetings, and conferences;
5. Identification of alternative means to accomplish the business-related purpose without the personal benefit;
6. Evaluation of whether the business-related purpose outweighs the personal benefit;
7. The employee's responsibilities relating to the vendor (if applicable);
8. The employee's assessment of the effect or perceived effect of the personal benefit on the employee's judgment; and
9. Other information considered relevant under the circumstances.

E. Report to Board of Regents Audit Committee

Internal Audit will report annually to the Board of Regents Audit Committee the results of the dual interest disclosure review. To ensure the University operates in a manner consistent with its charitable purposes and that it does not engage in activities that could jeopardize its status as an organization exempt from federal income tax, the Board of Regents Audit Committee, or designee, shall conduct

periodic reviews of dual interests. In conducting these reviews, the board may, but need not, engage outside advisors.

II. Regulations

A. Consequences of Failure to Submit Dual Interest Disclosure

Employees who deliberately or repeatedly fail to disclose fully and truthfully dual interest situations or fail to comply with any stipulated management plan for managing the disclosed conflicts will be subject to the applicable University disciplinary processes.

Sanctions may include disciplinary action ranging from a letter of reprimand to termination of employment. Additionally, instances of a deliberate breach of policy related to a federally sponsored research program will be reported to the appropriate federal funding agency and may result in the suspension of privileges to submit future grant proposals.

In addition to University sanctions, violations of full and prompt disclosure may result in the loss of grant funding and in sanctions regarding future funding from federal agencies. Employees may also be subject to criminal sanctions or civil liability under federal or state law.

B. Records Retention

Records pertaining to the dual interest disclosure process will be retained in accordance with the University's Records Retention and Archival Policy.

C. Texas Penal Code Article 32.43

It is important for employees of the University to understand that Texas Penal Code Article 32.43 provides that it is a criminal offense ("Commercial Bribery") for an employee or agent of the University "to intentionally or knowingly solicit, accept or agree to accept any benefit from another person on agreement or understanding that the benefit will influence the conduct of the employee or agent in relation to the affairs of [Baylor University]." It is likewise a criminal offense "to offer, confer, or agree to confer such benefit on agreement or understanding that the benefit will influence the conduct of the recipient in relation to the affairs of the recipient's employer." The criminal offense is a state jail felony. Additionally, the court may impose a fine not to exceed double the value of the benefit gained.