

CHAPTER 14

CONFLICT OF INTEREST AND FINANCIAL DISCLOSURE

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14.010. Purpose. It is desirable that officers and employees of the University be well informed about, and carefully adhere to, all laws regarding conflict of interest. It also is desirable that officers and employees be alert to situations which may have the appearance of a conflict of interest. The purpose of this policy is to set forth the applicable provisions of law and to assist officers and employees in their efforts to avoid any actual or perceived conflict of interest.

Source: Resolution of the Board dated December 6, 1991

14.020. Definitions. Unless the context clearly requires otherwise, the following terms mean:

1. "Business with which he or she is associated":
 1. Any sole proprietorship owned by the person, his or her spouse, or any dependent child in his or her custody;

2. Any partnership or joint venture in which the person, or his or her spouse, is a partner, other than as a limited partner of a limited partnership, and any corporation or limited partnership in which he or she is an officer or director or of which the person, his or her spouse, or dependent child in his or her custody, whether singularly or collectively, owns in excess of ten percent of the outstanding shares of any class of stock or partnership units; or
 3. Any trust in which the person is a trustee or settler or in which the person, his or her spouse, or dependent child, whether singularly or collectively, is a beneficiary or holder of a reversionary interest of ten percent or more of the corpus of the trust.
2. "Decision-making public servant", an official, appointee or employee of the University who exercises supervisory authority over the negotiation of contracts, who has the legal authority to adopt or vote on the adoption of rules and regulations with the force of law, or who exercises primary supervisory responsibility over purchasing decisions, and who is designated by the Board of Governors, or the President of the University, as a decision-making public servant.
 3. "Dependent child", or "dependent child in his or her custody", all children, stepchildren, foster children, and wards, under the age of eighteen residing in his or her household and who receive in excess of fifty percent of their support from him or her.
 4. "Substantial interest", ownership by the individual, his or her spouse, or his or her dependent children, whether singularly or collectively, directly or indirectly, of ten percent or more of any business entity, or of an interest having a value of ten thousand dollars or more, or the receipt by an individual, his or her spouse, or his or her dependent children, whether singularly or collectively, of a salary, gratuity, or other compensation or remuneration of five thousand dollars, or more, per year from any individual, partnership, organization, or association within any calendar year.

5. "Substantial personal or private interest in any measure or action", any interest in a measure or action which results from a substantial interest in a business entity.

Source: Resolution of the Board dated December 6, 1991
Section 105.470, Revised Statutes of Missouri

14.030. Prohibitions for Officers and Employees. No officer or employee of the University shall:

1. Act or refrain from acting in any capacity in which he or she is lawfully empowered to act as such an official or employee by reason of any payment, offer to pay, promise to pay, or receipt of anything of actual pecuniary value paid or payable, or received or receivable, to himself or herself, or any third person, including any gift or campaign contribution, made or received in relationship to or as a condition of the performance of an official act, other than compensation to be paid by the University.
2. Use confidential information obtained in the course of or by reason of his or her employment or official capacity in any manner with intent to result in financial gain for himself or herself, his or her spouse, his or her dependent child in his or her custody, or any business with which he or she is associated.
3. Disclose confidential information obtained in the course of or by reason of his or her employment or official capacity in any manner with intent to result in financial gain for himself or herself or any other person.
4. Favorably act on any matter that is so specifically designed so as to provide a special monetary benefit to such official, or his or her spouse, or dependent children, including but not limited to increases in retirement benefits, whether received from the state of Missouri or any third party by reason of such act. For the purposes of this subdivision, special monetary benefit means being materially affected in a substantially different manner or degree than the manner or degree in which the public in general will be affected or, if the matter affects only a special class of persons, then affected in a substantially different manner or degree than the manner or

degree in which such class will be affected. In all such matters such officials must recuse themselves from acting as required by law.

5. Use his or her decision-making authority for the purpose of obtaining a financial gain which materially enriches himself or herself, his or her spouse, or dependent children, by acting or refraining from acting for the purpose of coercing or extorting from another anything of actual pecuniary value.

Source: Resolution of the Board dated December 6, 1991
Section 105.452, Revised Statutes of Missouri

14.040. Prohibitions for Officers and Employees in Executive or Administrative Capacities. No officer or employee, serving in an executive or administrative capacity, shall:

1. Perform any service for the University for receipt or payment of any compensation, other than of the compensation provided for the performance of his or her official duties, except on transactions made pursuant to an award on a contract let or sale made after public notice and competitive bidding, provided that the bid or offer is the lowest received.
2. Sell, rent or lease any property to the University unless the transaction is made pursuant to an award on a contract let or sale made after public notice, and in the case of property other than real property, competitive bidding, provided that the bid or offer accepted is the lowest received.
3. Participate in any matter, directly or indirectly, in which he or she attempts to influence any decision of the University, when he or she knows the result of such decision may be the acceptance of the performance of a service or the sale, rental, or lease of any property to the University for consideration in excess of five hundred dollars value per annum to him or her, to his or her spouse, to a dependent child in his or her custody, or to any business with which he or she is associated, unless the transaction is made pursuant to an award on a contract let or sale

made after public notice, and in the case of property other than real property, competitive bidding, provided that the bid or offer accepted is the lowest received.

4. Perform any services during the time of his or her office or employment for any consideration from any person, firm or corporation, other than the compensation provided for the performance of his official duties, by which service he attempts to influence a decision of the University.
5. Perform any service for consideration, during one year after termination of his or her office or employment, by which performance he or she attempts to influence a decision of the University, except that this provision shall not be construed to prohibit any person from performing such service, and receiving compensation therefore, in any adversary proceeding or in the preparation or filing of any public document or to prohibit an employee of the University from being employed by any other department, division or agency of the executive branch of state government.
6. Perform any service for any consideration for any person, firm or corporation after termination of his or her office or employment in relation to any case, decision, proceeding or application with respect to which he or she was directly concerned or in which he or she personally participated during the period of his or her service or employment.

Source: Resolution of the Board dated December 6, 1991
Section 105.454, Revised Statutes of Missouri

- 14.050. Disclosure by Officers. Any officer who has a substantial personal or private interest in any measure or action proposed or pending before the Board of Governors shall, before the Board of Governors passes on the measure or action, file a written report of the nature of the interest with the President of the University and such statement shall be recorded in the appropriate minutes or other record of proceedings of the Board of Governors. An officer shall be deemed to have complied with the requirements of this section if he or she has filed, at any time before the Board of

Governors passes on such measure or action, a financial interest statement which discloses the basis for his or her substantial personal or private interest or interests that he or she may have therein.

Any such person may amend his or her financial interest statement to disclose any subsequently acquired substantial interest at any time before the Board of Governors passes on any measure or action and shall be relieved of the provisions of the first sentence of this section.

Source: Resolution of the Board dated December 6, 1991
Section 105.460, Revised Statutes of Missouri

14.060. No Discrimination for Reports. The University shall not discharge, threaten, or otherwise discriminate against a person, or employee acting on behalf of a person, regarding compensation, terms, conditions, location, or privileges of employment because:

1. The person, or employee acting on behalf of the person, reports or is about to report, verbally or in writing, a violation or suspected violation of this policy or of law.
2. A person, or employee acting on behalf of the person, is requested by the Missouri Ethics Commission to participate in an investigation, hearing, or inquiry held by the commission or any related court action.

This section shall not apply to a person, or employee acting on behalf of a person, who knowingly or recklessly makes a false report.

Source: Resolution of the Board dated December 6, 1991
Section 105.467, Revised Statutes of Missouri

14.070. Financial Interest Statements. It is recognized that the members of the Board of Governors, the President of the University, the General Counsel, the person designated as the chief purchasing officer, and the persons identified by the Board of Governors or the President of the University as decision-making public servants, are required to file financial interest statements prescribed by Section 105.483 of the statutes. For such purpose, 1) the President of the University is designated as the chief purchasing officer, and 2) the officers of the University, as named in the Bylaws, are

identified as decision-making public servants. The President of the University may designate additional employees as decision-making public servants, and upon doing so, shall give notice both to the Board and to the employee or employees. The financial interest statements, as required by law, are to be filed with the Missouri Ethics Commission on an annual basis not later than the first day of May in each year, and it is hereby required that a duplicate copy of each required statement be filed with the President of the University by the same date each year. The President of the University, or his or her designee, shall maintain such statements available for public inspection and copying during normal business hours. It is further recognized that the Secretary of State is to fulfill the duties of the Missouri Ethics Commission for receipt of such reports until January 1, 1993. It is further recognized that the failure to file such reports may result in loss of pay or loss of office.

Source: Resolution of the Board dated December 6, 1991
Sections 105.485, 105.487, 105.491 and 105.492

14.080. Campaign Contributions. It is recognized that any officer or employee who contributes or causes to be contributed, directly or indirectly, the sum of three thousand dollars or more in the aggregate to any statewide elected official must disclose such contribution to the Missouri Ethics Commission under certain circumstances.

Source: Resolution of the Board dated December 6, 1991
Section 105.965, Revised Statutes of Missouri

14.090. Code of Conduct for State Employees. It is recognized that the Governor is directed by law to adopt by executive order a code of conduct applicable to state employees of the executive branch on or before February 1, 1992. Such code of conduct is to be distributed to employees of the University, and all employees will be expected to comply with its provisions. (A copy of this Executive Order follows this chapter.)

Source: Resolution of the Board dated December 6, 1991
Section 105.969, Revised Statutes of Missouri

- 14.100. Nepotism. No officer or employee shall participate, either directly or indirectly, in a decision to appoint or hire an employee of the University, either part-time or full-time, who is related to such officer or employee within the fourth degree by consanguinity (blood) or affinity (marriage). It also shall be violation of this policy for an employee to supervise, either directly or indirectly, the work of another employee who is related within such fourth degree, unless the supervisory role is specifically approved by the President of the University.

Source: Resolution of the Board dated December 6, 1991
Section 6, Article VII, Constitution of Missouri
Cross-reference: Section 10.030 of the Code

- 14.110. Disclosure of Relationship. No officer or employee shall actively participate in the selection of a prospective employee, a consultant, or a contractor to provide services to the University without disclosing any close personal friendship, business association, or family relationship which the officer or employee may have with the prospective employee, consultant, contractor, or any member of the consultant's firm or the contractor's company. Such disclosure shall be made prior to selection of the employee, consultant, or contractor.

Source: Resolution of the Board dated December 6, 1991
Cross-reference: Sections 9.060, 9.070 and 9.130 of the Code

- 14.120. Limitation of Gifts. No officer or employee should accept any gift or favor, exceeding twenty-five dollars in monetary value, from any person, company or firm which transacts, or wishes to transact, business with the University. This section is not intended to prohibit faculty from receiving examination textbooks or materials relating to possible adoption for class, provided that such textbooks are not to be sold or otherwise transferred for personal profit. Also this section does not prohibit the receipt of advertisement or promotional items on which the name of the advertiser is

clearly displayed. Further, this section does not prohibit the receipt of gifts or favors where (1) such gift or favor is for the substantial benefit of the University and not a personal benefit to the officer or employee and, (2) where such transaction is approved in writing and in advance by the officer's or employee's University supervisor, and (3) where such officer or employee does not influence or attempt to influence the award of any University business to such person, company or firm unless all University personnel involved in the award of that University business are advised of such transaction. Supervisors who grant such approval pursuant to this policy shall maintain a written record of such approval and shall share such record with the Business Office. An annual report for all approvals granted pursuant to this policy will be provided to the Board of Governors Audit Committee.

Source: Resolutions of the Board dated December 6, 1991 and June 14, 2014

- 14.130. Sale of Textbooks to Students. Officers and employees should not receive any financial benefit from the preparation and sale of textbooks or other class materials to students at the University. The selling of textbooks or class materials, which have been prepared by officers or employees for use by University students, may be conducted only if the method of such sales and the distribution of the proceeds has been approved by the Executive Vice President for Academic Affairs and Provost.

Source: Resolutions of the Board dated December 6, 1991, February 17, 2007, April 12, 2014 and October 10, 2014

- 14.140. Transactions with Students. Although commercial transactions between students and employees provide the potential for conflict of interest, they may be mutually beneficial; thus it is not the purpose of these rules to prohibit all commercial transactions between employees and students. The risk of a conflict of interest increases if an employee makes a material (that is, non-trivial) commercial transaction with a student for whom the employee has educational responsibility. (Examples of non-material transactions include buying candy from a student raising money for a

student organization, tipping a student who is a waiter or waitress, or selling to students in a retail store owned by an employee. Examples of material transactions include leases and ongoing employment.) An employee has educational responsibility for a student if he or she is that student's teacher, advisor, coach, or supervisor or if he or she has some substantial responsibility or control over that student's status or welfare at the University. It is unprofessional for an employee to make an educational judgment relating to a student if that judgment is affected by a commercial transaction with that student. (For example, a teacher assigns a grade to a student based on problems with a lease.) It also is unprofessional for an employee to make a judgment relating to a commercial transaction involving a student if that judgment is adversely and unreasonably affected by educational matters relating to that student. (For example, a teacher fails to return a lease deposit because of problems a student has caused in class.) When an employee who has educational responsibility for a student also makes a material commercial transaction with that student, a great potential for abuse exists, and the University generally discourages such interactions. Complaints raised by students about such interactions will be dealt with by the University with utmost seriousness. The University will appoint a committee to deal with and try to resolve complaints by students in situations where possible conflict of interest situations involve University employees. These rules are not intended to prohibit transactions between students and the University or between students and employees who are acting on behalf of the University.

Source: Resolution of the Board dated December 6, 1991

- 14.150. Other Commercial Transactions. Employees should not accept other employment or contracting which significantly interferes with the performance of their University duties. Similarly, they should not make use of University offices, equipment, or supplies to promote or conduct such outside employment or contracting if such use will cause increased expenses to the University of a non-trivial nature. This section is not intended to prohibit consulting by faculty or staff within these guidelines, and it is recognized that appropriate consulting and similar activities in regard to an

employee's area of expertise are beneficial both to the employee and to the University. Employees who have questions about what is reasonable under this section should consult with their supervisors.

Source: Resolution of the Board dated December 6, 1991

- 14.160. Sanctions for Violations. Officers and employees should be aware that many of the above provisions are restatements of Missouri law and that such provisions provide for sanctions if they are violated. The sanctions for violations of state law are set forth in Section 105.478, RSMo. In addition, any employee violating any of the above provisions may be subject to disciplinary action by the University according to normal University policies and procedures (see, for example, the Faculty Handbook). Complaints alleging violations of the law or this policy may be received and investigated by the Missouri Ethics Commission.

Source: Resolution of the Board dated December 6, 1991
Section 105.957, Revised Statutes of Missouri

- 14.170. Sponsored Projects. The University recognizes the requirement of an institutional conflict of interest policy for research or educational activities funded or proposed for funding by federal agencies, such as the National Science Foundation and the National Endowment for the Humanities. It is the policy of the University to comply with the financial disclosure requirements for funding of sponsored projects by federal agencies and to apply the same or similar rules to all research or educational activities funded, or proposed for funding, by an external sponsor. The President of the University is authorized to adopt and implement appropriate policies and procedures to fulfill the intent of this section, and the policy established by the President of the University for compliance with federal rules for financial disclosure requirements of sponsored projects by federal agencies shall be considered the institutional policy of the University as fully as if such policy was specifically adopted by the Board.

Source: Resolution of the Board dated April 7-8, 1995

14.180. Fiscal Misconduct. It is desirable that University employees observe high standards of business and personal ethics in the conduct of their duties and responsibilities. Employees have a responsibility to students, parents, donors and citizens of the State of Missouri to use University resources prudently, ethically and for the purposes for which they are intended and in full compliance with laws, regulations and policies. Every member of the faculty, staff and any other person acting on behalf of the University is responsible for ethical conduct consistent with University policies and procedures. Business activities undertaken on behalf of the University must reflect honesty, integrity and fairness. Even the appearance of impropriety should be avoided. The purpose of this policy is to provide an avenue for employees and others to raise concerns they may have about the subjects covered by this policy and to protect any employee or other member of the University community who makes a good faith disclosure of suspected Fiscal Misconduct. Additionally, this policy is intended to encourage the disclosure of violations of law or breaches of University policy pertaining to all forms of fiscal matters. This policy provides a process for reporting of Fiscal Misconduct; protects those who report violations from retaliation for making such a report and provides a process to investigate and mitigate any such retaliatory behavior.

1. Definitions Under this policy, the term Fiscal Misconduct is defined as follows:
 - a. an activity or series of activities that intentionally lead to the spending of University funds, which spending is not properly approved; or
 - b. inappropriate use of University resources including assets and personnel; or
 - c. violation of Board of Governors policies, state or federal laws or regulations, or University policies or procedures pertaining to fiscal matters; or
 - d. manipulation of University data and documentation to allow spending in circumstances where funds do not exist, or intentionally misreporting University transactions or intentionally misleading others with regard to University transactions; or
 - e. an activity which aids another in committing Fiscal Misconduct or conceals the

Fiscal Misconduct of another.

Employee For purposes of this policy, the term Employee is intended to include persons who are directly employed by the University as well as the broader University community such as outside contractors of the University upon whom the University relies for recommendations with regard to use and allocation of University funds and assets.

2. a. It is the policy of the Board of Governors that all members of the University community shall adhere to all of the University's policies and procedures pertaining to fiscal matters and to all state and federal laws and regulations in such matters, as well.
 - b. supervisors are responsible for fiscal integrity within their units. Supervisors are expected to provide leadership, oversight and management to ensure that all University funds are managed according to the goals, objectives and mission of the University and in accordance with all applicable University policies and rules and all applicable state and federal rules and regulations. This oversight includes an obligation to ensure that funds are budgeted and spent according to policies and that processes and internal controls are in place and that University assets and funds are safeguarded and that transactions are recorded and reported accurately. No supervisor or other University official may compel a University employee to violate any law or policy regarding fiscal matters.
3. The University business office is to provide up-to-date policies and procedures in the various fiscal areas and is to provide training to employees and contractors with regard to policy implementation. The business office is also responsible for maintaining information about this Fiscal Misconduct policy on its web site and to communicate the policy provisions to the campus community.
Additionally, the Comptroller will be responsible for reporting a summary of complaints received regarding Fiscal Misconduct, including the disposition of those complaints, to the President of the University and to the Board of Governors Audit Committee at least annually.

4. Violations of this policy may be reported to one of the officers listed below except that the report should not be made to the officer responsible for supervising the activity which is the matter of concern. (For example, possible misconduct by an employee under the supervision of the Executive Vice President for Academic Affairs and Provost should not be reported to the Executive Vice President for Academic Affairs and Provost but rather to another of the officials listed below.)

A report should be made in person, or in writing to the Executive Vice President for Academic Affairs and Provost; the Vice President for Administration, Finance and Planning or the Dean of Student Affairs. If the alleged misconduct implicates one of these officials, the report may be made to the President of the University. If the alleged misconduct implicates the President of the University, the report may be made to a member of the Board of Governors Audit Committee. The members of the Board of Governors Audit Committee are identified on the Board of Governors website.

The Comptroller shall serve as a central data collection officer for purposes of monitoring activity and investigations under this policy. Any report of Fiscal Misconduct shall be investigated thoroughly and in a timely manner. The person responsible for the investigation will advise the Comptroller of the report, the progress of the investigation and the final determination of the investigation. In the event that the Comptroller is the subject of an investigation under this policy, the President of the University shall fully inform the Audit Committee of the nature of the complaint, the progress of the investigation and the final determination on the matter.

5. An employee who engages in Fiscal Misconduct is subject to disciplinary action including dismissal from employment. A contractor whose agents or employees engage in Fiscal Misconduct is subject to cancellation of its contract with the University. The President of the University will determine what action will be taken in the event a finding of Fiscal Misconduct is reported.

6. Retaliation against an employee for making a report of Fiscal Misconduct is prohibited. Anyone who retaliates against one who acts in good faith when reporting a violation is subject to disciplinary action including termination of employment or termination of contractor status. Anyone who has been subjected to an adverse employment action in retaliation for reporting Fiscal Misconduct may contest the action by filing a written complaint with the Executive Director of Human Resources/EEO and Affirmative Action Officer who will investigate the matter and make appropriate recommendations for resolution of the complaint. Nothing in this policy is intended to interfere with legitimate employment decisions. Any employee who knowingly makes a false report under this policy is subject to disciplinary action including termination of employment status and such employee will have no right to bring a retaliation complaint under this policy. Any contractor who knowingly makes a false report under this policy is subject to cancellation of its contract.

Source: Resolutions of the Board dated December 5, 2009, April 12, 2014 and October 10, 2014