



EAST TENNESSEE STATE
UNIVERSITY

Conflict of Interest Policy for Board of Trustees

Policy Name: Conflict of Interest Policy for Board of Trustees

Policy Purpose

This policy specifies activities and situations that, either actually or potentially, constitute conflicts of interest for Board of Trustees members.

Applicability

This policy applies to the East Tennessee State University (ETSU) Board of Trustees

Responsible Official, Office, and Interpretation

The Audit Committee of the Board of Trustees is responsible for the review and revision of this policy. For questions about this policy, please contact the Secretary of the Board of Trustees. The Board of Trustees, in consultation with the Office of University Counsel, has the final authority to interpret this policy.

Defined Terms

A defined term has a specific meaning within the context of this policy.

[N/A](#)

Policy

1. Conflict of Interest

ETSU Board of Trustees members have a duty to avoid activities and situations that, either actually or potentially, place personal interests ahead of the professional obligations they owe to the University. Trustees are expected to arrange their outside obligations, financial interests and activities so as not to conflict with their commitment to the University. Trustees shall not use their official positions to secure unwarranted privileges or advantages for themselves or others and must always act in compliance with any applicable state and federal laws and regulations.

Conflicts that are both permitted by law and permitted under this Policy or other University policies do not violate this Policy. This Policy does not amend other University policies or procedures for reviewing, approving, managing, and monitoring conflicts.

Policy Effective Date: 09/17/21 • **Policy Revised:** Insert
Procedures Effective Date: N/A • **Procedures Revised:** Insert

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2. Prohibited Conduct

Trustees and their immediate family members are prohibited from holding financial interests in any contract or transaction affecting the interests of the University, or procuring, or being a party in any way to procuring the appointment of any relative to any position of financial trust or profit connected with the University. Trustees shall avoid external commitments which significantly interfere with their duties to the University. Trustees shall avoid situations where their self-interest diverges from the interest of the University.

The potential for a conflict of interest, or the appearance thereof, extends across a wide range of activities. Conflicts of interest include, but are not limited to:

- Employment by the University
- Outside Activities
- Purchasing and Contracts
- Fundraising
- Resolution of Possible Conflicts of Interest

2.1. Employment by the University

Employment by the University, either directly or as an independent consultant of the Trustee or a Trustee's immediate family member is prohibited. This includes applying for a position prior to resigning the Trustee's position on the Board. Faculty and Student Board of Trustee members are excluded from this provision.

2.2. Outside Activities

Prohibited outside activities include, but are not limited to:

- 2.2.1.** Outside activities which conflict with commitments to the University or imply that the University endorses an organization or activity or constitute an unauthorized use of the University's resources or name;
- 2.2.2.** Partisan political activity prohibited by federal and state law or regulations, when on university property, or using University resources or the University name; and
- 2.2.3.** Outside business in which the trustee has an ownership interest or serves as a paid employee or officer which compete with the University, sell goods or services to the University (applicable only if more than 5% of the business' sales are with the University), or receive funding from the University.

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2.3. Purchasing and Contracts

Negotiation, authorization, or execution of purchasing agreements or other types of contracts with the University in situations where the Trustee or the Trustee's immediate family member has a direct or indirect financial or other interest or the acceptance of gifts, favors or other things of value from vendors and contractors connected with the University.

2.4. Gifts

Trustees and their immediate family members shall not shall solicit or accept, directly or indirectly, 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: (1) has, or is seeking to obtain, contractual or other business or financial relations with ETSU; or (ii) has interests that may be substantially affected by the performance or nonperformance of the Trustee's official duties.

3. Conflict of Interest Disclosure

Trustees shall disclose any actual or perceived conflicts of interest for review. The Board or a duly appointed committee shall evaluate a conflict of interest and determine what, if any, action is necessary.

3.1. Trustees who have declared or who have been found to have a conflict of interest shall refrain from participation in consideration of matters in committees and the full board, unless for special reasons they are requested to provide specific information or an interpretation regarding the matter.

3.2. Trustees with conflicts shall not vote nor be present at the time of a vote on the matter for which they have a conflict of interest.

3.3. Upon appointment and annually thereafter, Trustees shall file a financial disclosure form with the Board Secretary.

4. Periodic Review

The Audit Committee shall review this Policy every five years and present any recommended updates to the full Board for its action.

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Procedures [N/A](#)

Applicable Forms and Websites

Insert links to websites and forms.

Authority and Revisions

Authority: TCA § 49-8-203, et seq.

Previous Policy: TBR Conflicts Of Interest Policy

The ETSU Board of Trustees is charged with policy making pursuant to TCA § 49-8-203, et seq. On March 24, 2017, the Board delegated its authority to ETSU's President to establish certain policies and procedures for educational program and other operations of the University, including this policy. The delegation of authority and required process for revision to this policy can be found on the [Policy Development and Rule Making Policy webpage](#).

To suggest a revision to this policy, please contact the responsible official indicated in this policy. Before a substantive change to the policy section may take effect, the requested changes must be: (1) approved by the responsible office; (2) reviewed by the Office of University Counsel for legal sufficiency; (3) posted for public comment; (4) approved by either Academic Council or University Council; and (5) approved by ETSU's President.