POLICY

ETHICS

Conflict of Interest Policy

RESPONSIBLE OFFICE
Office of the General Counsel

1. Scope

This policy applies to all Boston University trustees, officers, and employees, as well as other representatives.

2. Fiduciary Responsibilities

Trustees, officers, employees, and other representatives of Boston University serve the public and are required to fulfill their responsibilities with care and loyalty. All decisions and actions of board and the administration are to be made for the sole purpose of advancing the best interests of institution and the public good. The integrity of Boston University must be protected at all times, the fiduciary relationship of trustees, officers, employees, and other representatives to Boston must be respected in both actuality and appearance.
A conflict of interest exists when a University representative’s direct or indirect personal interests are inconsistent with or interfere in any way with the best interests of the University.

Through this policy, the Board of Trustees intends to implement the highest possible ethical standards and to establish that the University will not tolerate conflicts of interest. The Board, through its Audit Committee, will administer this policy strictly, with complete transparency, and in accordance the following principles:

- In general, it is the policy of the University that it will not engage in business or financial relationships with trustees or officers (for purposes of this policy, the president, vice presidents, provosts, and deans).
- No business or financial relationship between the University and any trustee or officer, or a member of his or her immediate family, or any entity with which a trustee or officer or a member of his or her immediate family is affiliated, will be permitted unless it has been thoroughly reviewed and considered by the Audit Committee and has been found to be of clear benefit to the University.
- No trustee or officer, or a member of his or her immediate family, may knowingly invest directly in any business, investment fund, limited partnership, separate account, commingled account, mutual fund, or other vehicle (“Investment Vehicle”) in which the University has a material financial interest. Except with the prior approval of the Audit Committee, the University will not knowingly invest directly in an Investment Vehicle in which a trustee or officer, or a member of his or her immediate family, has a material financial interest. For purposes of this provision, “material financial interest” means a role as general or managing partner, management-level employee, owner or sponsor of the investment firm, or an ownership interest of greater than 5% in the Investment Vehicle.
- Any proposed business or financial relationship between the University and an honorary trustee or overseer, or a member of his or her immediate family, or any entity with which the honorary trustee or overseer or a member of his or her immediate family is affiliated, is subject to the prior review and approval of the President.
- Any proposed business or financial relationship between the University and an employee or other representative, or a member of his or her immediate family, or any entity with which the employee or other representative or a member of his or her immediate family is affiliated, is subject to the prior review and approval of a Compliance Committee consisting of the University Provost; the Medical Campus Provost; the Vice President and General Counsel; the Senior Vice President, CFO, and Treasurer; the Senior Vice President for Operations; the Senior Vice President, Senior Counsel, and Board
Secretary; the Associate Vice President for Internal Audit, the Associate Vice President for Compliance; the Chief Human Resources Officer; and such other members as may be appointed by the President. The Compliance Committee shall report to and be subject to the oversight of the Audit Committee.

- Any offer of full-time employment to a member of the immediate family of a trustee or officer, or a selected employee or other representative, is subject to the prior review and approval of the President.
- Any trustee, officer, employee, or other representative who serves at the University’s request as a director, officer, employee, or other agent of another organization shall turn over to the University any compensation received from such other organization for such service.

### 3. Procedures

Effective implementation of this policy requires, first, the full disclosure of individual interests that might conflict with the best interests of the University. Second, the interested trustee, officer, employee or other representative must refrain from participating in University decision making with respect to any transaction or relationship in which he or she is interested. Finally, an independent determination must be made that the transaction or relationship meets the applicable standard and should be entered into or continued.

(a) Disclosure. All trustees, officers, and selected employees and other representatives are required to disclose on the Conflict of Interest Disclosure Form any business or financial relationship they or members of their immediate families have or propose to have with the University, either directly or through another entity in which they have a significant interest. The disclosure form is to be filed annually; an amended form must be filed promptly in the event of a material change in circumstances. A trustee or officer shall provide advance written disclosure of any proposed business or financial relationship covered by this policy to the Chairman of the Audit Committee, and an employee or other representative shall provide advance written disclosure of any such relationship to the Compliance Committee.

The following guidelines are provided to help trustees, officers, employees, and other representatives determine whether a relationship should be disclosed:

- A business or financial relationship includes the sale or acquisition of goods, property, or
services; the commitment of resources to a common venture; or, in the case of a member of one’s immediate family, an employment relationship. It does not include attending Boston University as a student.

- A member of one’s immediate family means (1) a spouse; (2) a child, grandchild, parent, grandparent, sibling, uncle, aunt, nephew, or niece, or the spouse of any such person; (3) a person having a step-relationship described in (2) above; (4) a parent-in-law or a brother- or sister-in-law; or (5) any other person who resides in the same household as the trustee, officer, or employee.

- A significant interest in another entity includes service as a trustee, director, partner, or management-level employee; the actual or beneficial ownership of more than 5% of the entity; or a compensation arrangement that is dependent upon a business or financial relationship with the University.

The foregoing guidelines are not intended to be exclusive; other relationships or interests that might conflict with the best interests of the University should also be disclosed. If a trustee, officer, employee, or other representative is uncertain whether to disclose a particular business or financial relationship, the Chairman of the Audit Committee or the University’s Vice President and General Counsel should be consulted.

(b) Restraint on Participation. Trustees, officers, employees, and other representatives who have disclosed a potential conflict of interest shall refrain from participating in the University’s consideration of any proposed business or financial relationship in which he or she is interested, except to respond to questions or to provide further information. If a transaction or relationship requires a vote, the interested party should not be present at the time of the vote.

(c) Approval of Business or Financial Relationship. The Audit Committee will determine whether a business or financial relationship involving a trustee or officer should be entered into or continued. In the case of any such relationship involving a trustee, such a determination shall be set forth in a written report of the Audit Committee signed by the Chairman and a majority of the Committee, and provided to the Board of Trustees. The Compliance Committee will determine whether a business or financial relationship involving an employee or other representative should be entered into or continued. The Compliance Committee shall provide such reports as may be requested by the Audit Committee and may request advice or direction from the Audit Committee.
Additional Resources Regarding This Policy

Related Policies and Procedures

- Code of Ethical Conduct
- Employee Handbook - Section 402 Conflict of Interest Policy
- Faculty Handbook section on Ethics and Activities.
- Research Conflict of Interest Policies
  - Investigator Financial Conflicts of Interest Policy for Research
  - Institutional Conflicts of Interest in Research Policy
  - Researcher Financial Conflicts of Interest (CRC IRB) Policy
  - IRB Member and Consultant Conflict of Interest Policy
- Supplier Code of Ethical Conduct

BU Websites and Information

- Where to Report a Concern
  - Office of the Ombuds
  - EthicsPoint - Boston University’s Anonymous Reporting Hotline
  - Compliance Services Office
- Compliance Services Office

Forms

- To report conflicts under the general Conflicts of Interest Policy: Conflict of Interest Disclosure Form -PDF Format, Word Format
  Managed by Compliance Services
- Licensing BU IP to a company in which a faculty member has an interest: Disclosure and Authorization Request Form (DARF)
- An application for faculty, staff, and other members of the BU community seeking to participate in commercial activity involving non-BU parties.
Managed by the Technology Development Office

Categories: Employment, Ethics, Ethics, Outside Activities, and Gifts, Faulty Handbook: Ethics and Activities

Keywords: advantage, benefit, claim, clash, coi, coi form, compete, competing, concern, conflict form, conflict of interest, connection, contest, disagreement, earnings, Employee Handbook, Faculty Handbook, fee, in-kind, kin, link, pay, payment, profit, reimburse, remunerate, remuneration, repay, report, reporting a conflict, reporting conflict, rival, salary, stake, struggle, substitute, wage

This Document is available at: https://www.bu.edu/policies/conflict-of-interest/