

**SUBPART 10-3**  
**CONFLICTS OF INTEREST**  
**INVOLVING OTHER OFFICERS AND EMPLOYEES OF THE UNIVERSITY**

**Sec. 10-301. Compliance with the Constitution and Laws.** It is the policy of the University that all officers and employees of the University comply with the constitution and laws of the State of Michigan pertaining to conflict of interest.

**Sec. 10-302. Law Pertaining to Conflict of Interest.** The officers and employees of the University (other than the President and the Trustees) are subject to the provisions of Act 317 of the Michigan Public Acts of 1968, as amended.

*Statutory Reference:*

MCL 15.321 *et seq.* (1968 PA 317, as amended)

**Sec. 10-303. Contracts Between the University and a Related Party.** No related person, as defined in Sec. 10-304, shall be a party, directly or indirectly, to any contract between himself or herself and the University (other than an employee's contract of employment by the University), nor directly or indirectly interested, as defined in Sec. 10-304, in any contract with the University, unless the contact meets all of the following requirements.

(1) The employee involved promptly discloses any pecuniary interest in the contract to the Board, and the details of such disclosure are included in the minutes.

(2) Unless the employee will directly benefit from the contract in an amount less than \$250.00 and less than 5% of the public cost of the contract and the employee files a sworn affidavit to that effect with the Board or the contract is for emergency repairs or services, the disclosure required by subsection (1) shall be made in one of the following ways:

(a) If the amount of the direct benefit to the employee is \$5,000.00 or less, the employee may promptly disclose in writing to the Board Chair the employee's pecuniary interest in the contract at least 7 days prior to the public formal session at which the Board will vote on the contract. A written disclosure made under this subsection (a) shall be made public in the same manner as the public notice of the formal session is given.

(b) If the amount of the direct benefit to the employee is over \$5,000.00, or if the amount of the direct benefit to the employee is \$5,000.00 or less but the employee has not complied with the disclosure requirements of subsection (a), the employee shall disclose the pecuniary interest at a public formal session of the Board. Any vote on the contract shall be taken at a public formal session of the Board held at least 7 days after the public formal session at which disclosure is made under this subsection (b).

(3) The contract is approved by a vote of not less than two-thirds (2/3) of the Trustees then in office in open session.

(4) The minutes include the following information:

- (a) The name of each party involved in the contract.
- (b) The terms of the contract, including the following:
  - (i) the duration;
  - (ii) financial consideration between parties;
  - (iii) facilities or services of the University included in the contract; the nature and degree of assignment of employees of the University for fulfillment of the contract.
- (c) The nature of any pecuniary interest of the employee.

**Sec. 10-304. Definition of “Related Person”.** As used in this subpart, the term “related person” means (a) an employee of the University (other than the President or a Trustee), or (b) a parent, spouse, sibling or child of an employee if the employee is directly or indirectly involved in soliciting, negotiating, authorizing, performing, or enforcing the contract, (c) any firm of which a related person is a partner, member, or employee; or (d) any private corporation in which a related person is a stockholder owning more than one percent (1%) of the total outstanding stock of any class where such stock is not listed on a stock exchange or stock with a present total market value in excess of Twenty-five thousand Dollars (\$25,000) where such stock is listed on a stock exchange, or of which he/she is a director, officer or employee; or (e) any trust of which a related person is a beneficiary or trustee.

**Sec. 10-305. Reporting and Investigation of Possible Conflict of Interest.** Persons having information concerning possible conflicts of interest may report such information to the Vice President for Administration and Finance. The Office of the Vice President for Administration and Finance shall have the authority to investigate the circumstances surrounding any alleged conflict of interest, and if upon such investigation a conflict appears to be present, the Vice President for Administration and Finance shall report the same to the President.

**Sec. 10-306. Annual Letter Regarding Conflict of Interest Policy.** The Vice President for Administration and Finance shall advise the Vice Presidents, Deans, Department Heads, and Directors of the terms of Subpart 10-3 by means of an annual letter.

*Cross Reference:*

Subpart 9-3. Conflicts of Interest Involving the President or a Trustee.

Business Policy, *Conflict of Interest*

*Prior Board Action:*

November 30, 2001.

November 15, 1991.

Entire Subpart 10-3 included in October 19, 2001 Codification, Phase I.

Entire Subpart 10-3 included in October 22, 2004 Codification, Phase II.