



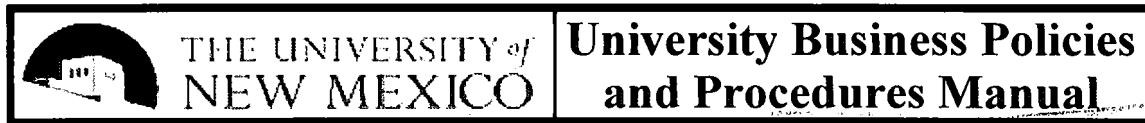
HLC Accreditation Evidence Document

Title: UAPPM Policy 3720: Conflicts of Interest

Office of Origin: University Administrative Policies and Procedures Manual

Description: The UAPPM policy concerning the general policies of conflicts of interest for employees that may find their impartiality affected by independent financial interests.

Date: 2010



3720
CONFLICTS OF INTEREST

Effective Date: July 30, 1982

Revised: 03/10/06, 08/01/06, 07/01/10

Subject to Change Without Notice

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Authorized by: UNM Regents' Policy 6.4 "Employee Code of Conduct and Conflicts of Interest"

Process Owner: University Counsel

1. General

Employees of the University shall maintain the highest standards of business ethics in transactions with the University, with state, federal, and local governments, and with the public. Employees are expected to perform their duties faithfully and efficiently and never to give rise to suspicion of improper conflict with interests of the University. Subject to specific University administrative policies, employees must avoid any conflict of interest that may affect their independent judgment in the impartial performance of their duties and may not use their positions to enhance their direct or indirect financial interest or use confidential information learned as employees for anyone's private gain. University employees as well as individuals and firms proposing business transactions with the University shall disclose in advance and in writing any direct or indirect financial interest employees may have in a transaction with the University. Normally employees with a direct or indirect financial interest in a transaction may not participate in any University decisions related to such transaction, except as specified in this policy. Transactions in which the University President has any financial interest must be approved by the Board of Regents. This policy applies to all employees (faculty and staff) of the University, to public and student members of University advisory boards and committees, and other volunteers serving in an official capacity. For the purposes of this policy, the term "employee" shall include all of these individuals. Members of the Board of Regents are governed by **Regents' Policy 1.8 "Regent Code of Conduct and Conflicts of Interest Policy."**

All employees shall comply with state conflict of interest laws (including primarily the Governmental Conduct Act, Section 10-16-1. et seq., NMSA 1978, and the Procurement Code, Sections 13-1-25, et seq., NMSA 1978), the requirements of which are incorporated in this policy, as well as other applicable University policies. No employee shall have any direct or indirect financial interest in any contract for building or improving or for furnishing of supplies or services to the University except as permitted pursuant to the University Research Park Act or unless such contract complies with the provisions of the New Mexico Governmental Conduct Act and the Procurement Code. Any employee who violates this policy or related administrative policies shall be subject to disciplinary action, up to and including dismissal. The purpose of this policy is to set principles for identifying potential conflicts and required procedures for reviewing and addressing those potential conflicts that occur to assure that they do not improperly affect the University's educational, research and public service missions, or violate state and federal laws.

2. Favors and Gratuities

Employees shall not directly or indirectly accept favors or gratuities from any firm, person, or corporation that is engaged in, or attempting to engage in, business transactions with the University. On occasion companies doing business with the University will send employees small items of appreciation,

e.g., coffee mugs with a company logo. Such gifts may be accepted if they do not have any significant economic value. If an employee has any question regarding the acceptance of a favor or gratuity, he or she should discuss the matter with a supervisor or other appropriate University official for a determination of the proper course of action. Deans, directors, or department heads may adopt more restrictive policies if appropriate for the department.

3. Disclosure of any Financial Interest

At the beginning of each fiscal year the University President, the executive vice presidents, and all other vice presidents must file a Financial Disclosure Statement with University Counsel and the Executive Vice President for Administration on the form promulgated by the Secretary of State under the Financial Disclosure Act, 10-16A-1, NMSA 1978. The form can be found at http://www.nmaging.state.nm.us/altsd/Human_Resources_pdf_files/HR_Form_4-001_Financial_Disclosure.pdf. The Financial Disclosure Statement form shall be supplemented to the extent necessary to set forth financial interests as defined in this policy.

All employees and all vendors or other contractors with the University must disclose any financial interest a University employee may have in a proposed contract or other business transaction with the University in advance and in writing to the employee's dean or director and the applicable office listed in **Section 3.1.** below. University units proposing a contract or other business transaction in which they know or reasonably believe that a University employee has a financial interest must also disclose that fact to the dean or director to whom the unit reports and to the applicable office listed in **Section 3.1.** below. In addition, any contractor proposing a contract or other business transaction with the University involving \$20,000 or more must fill out and sign the form attached to this policy as **Exhibit A.** and submit it to the office specified in **Section 3.1.** below, regardless of whether or not a University employee has a financial interest.

For the purposes of this policy, "financial interest" includes 1) any direct or indirect financial interest; 2) any transaction between the University and the employee or a member of the employee's immediate family (immediate family includes the employee's spouse, domestic partner, brother, sister, parent, child, or in-law); or 3) any transaction between the University and a business entity (business entity means corporation, sole proprietorship, partnership, LLC, or similar entity) if the employee or a member of the employee's immediate family meets one or more of the five criteria listed below:

- (1) has an ownership interest (other than as owner of less than one percent (1%) of the stock of a publicly traded corporation) in the business entity of a University vendor or contractor;
- (2) is an employee, partner, officer, director, trustee, or paid consultant to such business entity;
- (3) has received grant support or benefited from a donation from such business entity (when a procurement is being proposed refer to **Section 5.3.** herein for additional information);
- (4) has received support for travel expenses, honoraria, or similar forms of remuneration from such business entity; or
- (5) has a right to receive royalties from such business entity.

3.1. Approving Offices

Based on the nature of the transaction, full disclosure of the circumstances of the employee's financial interest should be sent to the applicable office listed below. That office will determine whether the transaction is one at "arm's length," as defined in **Section 4.** herein, whether there are other reasons the transaction should not go forward, and whether other reviews and approvals are necessary.

3.1.1. Purchasing Goods by or for the University

All proposed transactions in which the University would be purchasing goods and in which a University employee appears to have a financial interest must be approved by the University Purchasing Department or the University Hospital Purchasing Office.

3.1.2. Purchasing Services by or for the University

All proposed transactions in which the University would be purchasing services and in which a University employee appears to have a financial interest must be approved by the applicable accounting office before final approval by the Purchasing Department or Hospital Purchasing Office. In appropriate cases a **Service Provider Questionnaire (SPQ)** must be submitted in accordance with **"Purchasing Services from Independent Contractors" Policy 4325, UBP.**

3.1.3. Agreement for the Use of University Resources or Purchase of University Services

All proposed agreements for the use of University space, equipment, or personnel, or for the purchase of services from University personnel by an entity in which a University employee appears to have a financial interest must be approved by the dean or director responsible for the space, equipment, or personnel.

4. "Arm's Length" Transactions

The University may enter into a contract in which an employee has a financial interest if the transaction is one at "arm's length." Full disclosure as required by **Section 3.** herein, must have been made in advance of any such transaction. To qualify as an "arm's length" transaction, the employee with a financial interest must not be in a position to exert influence over the transaction because of his or her employment with the University. Moreover, the employee must not have participated directly nor indirectly in the University's decision with respect to the transaction (such as by influencing the decision to enter into the transaction, helping to prepare the specifications, or having input or influence in deciding to whom the contract is awarded). An example of an "arm's length" transaction might be a contract in which an employee has a week-end catering business and caters a reception for a college in which the employee is not employed.

As a matter of policy, transactions will not be considered "arm's length" where a University employee has a financial interest in the proposed transaction and that employee reports to the same dean or director as the University unit proposing the transaction. In addition, transactions involving technology created or developed at UNM will not be considered "arm's length."

5. Transaction not Qualifying as "Arm's Length"

Transactions in which employees have any financial interest that do not meet the narrow definition of "arm's length" transactions in **Section 4**.

above are not normally permissible. However, New Mexico law permits such transactions to be approved by the President in limited circumstances if all the factors listed below are considered. (These requirements are specified by the Research Park Act, Section 21-28-25, NMSA 1978, the Governmental Conduct Act, Section 10-16-4, NMSA 1978, and the Procurement Code, Section 13-1-196, NMSA 1978.)

5.1. Procedure for Reviewing Transactions not Qualifying as "Arm's Length"

Prior to entering into such a "non-arm's length" transaction with the University, the employee must send written documentation of compliance with all the following requirements to the employee's dean or director and the applicable office listed in **Section 3.1**, above, and receive written recommendations from the chair or unit manager, the dean or director, the applicable office listed in **Section 3.1**, above, the Provost/Executive Vice President for Academic Affairs, the Executive Vice President for Health Sciences or cognizant vice president, and final written approval by the President. To request approval the employee must:

- disclose any financial interest he or she may have in a proposed contract or other business transaction with the University;
- provide a detailed description of his or her financial interest in the proposed business transaction;
- describe fully the nature of the proposed undertaking;
- demonstrate to the satisfaction of the reviewing offices and the President that the proposed undertaking will be in the University's best interest and, in the case of a proposed transfer of University technology for economic development, may benefit the economy of this state;
- demonstrate to the satisfaction of the reviewing offices and the President that the proposed undertaking will not adversely affect research, public service, or instructional activities at the University;
- demonstrate that the employee's interest in the proposed contracting entity, or the employee's benefit from the interest, will not adversely affect any substantial state interest and that any procurement function of the employee can be carried out without favoritism or bias; and
- demonstrate that the employee has not and will not engage in any official act directly affecting the employee's financial interest.

5.2. Transactions not Qualifying as "Arm's Length" Related to a Sponsored Project

All proposed transactions involving an entity in which a University employee has a financial interest that do not qualify as "arm's length" and that are related to sponsored projects, must be approved by the Vice President for Research & Economic Development, who shall review for compliance with federal conflict of interest regulations, in addition to

the reviews and approvals specified above. Transactions related to sponsored projects include, but are not limited to, sponsored project agreements, including contracts and grants; contracts for the use of UNM research facilities; and contracts involving the expenditure of sponsored project funds such as procurements and leases. Pursuant to the "**Policy on Conflicts of Interest in Research,**" researchers must disclose certain significant financial interests prior to submitting a proposal for sponsored research and prior to applying for either internally allocated research funding or human and animal subject research approval. If required by University policy or requested by the Vice President for Research & Economic Development, the UNM Conflict of Interest Committee shall review and make a recommendation concerning the proposed transaction.

5.3. Transactions in which the Financial Interest is Gift or Grant Support

For transactions in which the financial interest is a donation or grant support, and the transaction is a procurement, pursuant to **Section 3.** above, this policy shall not be construed as preventing a competitive procurement in which the donor or grantor is entitled to participate on even terms with other potential vendors. The reviewing officials and the President shall review the transaction in order to structure an appropriate conflict of interest management plan, when necessary, in order to ensure the integrity of the procurement. The goal of the management plan shall be to ensure that the existing relationship between the University and the donor or grantor does not impact the procurement or the likelihood that the donor or grantor will be selected as the vendor.

6. University Employees Within the Preceding Twelve (12) Months

Contracts with firms or individuals, including sole proprietorships, in which individuals who were University employees within the preceding twelve (12) months have a financial interest are prohibited unless they are approved under the rules set forth in this policy, as if the individual were still employed by the University.

7. Attachments

Exhibit A. - Disclosure of Direct or Indirect Financial Interest

Comments may be sent to UBPPM@UNM.edu
<http://www.unm.edu/~ubppm>

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[UNM Homepage](#)

State of New Mexico
Office of the Secretary of State
2008

Ethics Administration
(800) 477-3632

325 Don Gaspar, Suite 300
www.sos.state.nm.us/

Santa Fe, New Mexico 87503
Fax (505) 827-4954

FINANCIAL DISCLOSURE STATEMENT

Introduction

Definition of “Financial Interest”

The term “financial interest” is defined as “interest held by an individual or his spouse that is (1) an ownership interest in business; or (2) any employment or prospective employment for which negotiations have already begun;”

The table below summarizes who is required to disclose a financial interest and the applicable filing dates. **A Statement of written disclosure due in January is timely filed if received by the filing officer on any regular working day in January. If the last day of the month falls on a weekend, it is timely filed if received by the filing officer on the next regular working day.**

Who Must Disclose	Filing Dates
Candidates for legislative and statewide offices	At the time a declaration of candidacy or nominating petition is filed
Incumbents in legislative and statewide offices	During the month of January
Heads of State agencies appointed to boards or commissions, subject to senate confirmation	Within 30 days of appointment and every January thereafter
Public officials appointed to boards or commissions, subject to senate confirmation	Within 30 days of appointment and every January thereafter
State employees and public officials with financial interest that may be affected by their employment or service	Before entering state employment or taking office and every January thereafter

Filing Officer

An FDS or other written disclosure, must be filed (received by the proper filing officer) by the statutory fixed filing date to avoid the imposition of sanctions or penalties.

Legislators and Candidates. An incumbent in or candidate for legislative office, whose district lies entirely within one county or is composed of only one county, shall file the Statement with the county clerk in his or her county of residence.

Statewide Officials and Others.

All other reporting persons are required to file the Statement or other written disclosure with the Office of the Secretary of State.

State of New Mexico
 Secretary of State
 Ethics Administration
 325 Don Gaspar, Suite 300
 Santa Fe, New Mexico 87503

2008 FINANCIAL DISCLOSURE STATEMENT

- Annual Filing
- Filing with Declaration of Candidacy
- Within 30 days of Appointment/Hire

1. REPORTING INDIVIDUAL			
FULL NAME	Last name	First name	Middle
RESIDENT ADDRESS	Address		
	City	State	Zip Phone #
MAILING ADDRESS	P.O. Box or Street Address		
	City	State	Zip
Filing Status (please check the appropriate box and fill in the requested information)			
<input type="checkbox"/> Candidate for	office	Date appointed, Assumed Office or Hired	
<input type="checkbox"/> Incumbent in	office		
<input type="checkbox"/> Appointed to	board or commission subject to Senate Confirmation		
<input type="checkbox"/> Public officer with	agency		
<input type="checkbox"/> Employee of	agency		
Employer Information			
Full name			Phone #
P.O. Box or Street Address		City	State Zip
Title or position held		Nature of business or occupation	

2. SPOUSE

FULL NAME	Last name		First name		Middle
EMPLOYER	Name				
	Address				
	City		State	Zip	
	Spouse's title or position held			Nature of business or occupation	

3. SOURCES OF GROSS INCOME OVER \$5,000 (actual dollar amount not required)

Category	Received by

4. LOBBYIST'S CLIENTS (of spouse or firm, if applicable)

Name	Address

5. REAL ESTATE IN NEW MEXICO (other than personal residence)

Owner	County	General Description

6. OTHER BUSINESS INTERESTS IN NEW MEXICO OF \$10,000 OR MORE

Name of Business	Position Held	By Whom	Purpose of Business

7. MEMBERSHIPS ON BOARD OF FOR-PROFIT BUSINESSES (if any)	
Name of Business	Member

8. PROFESSIONAL LICENSES IN NEW MEXICO (if any)	
Type	Licensee

9. BUSINESS WITH STATE AGENCIES OVER \$5,000 (if any)	
Agency	Seller

10. REPRESENTATION BEFORE STATE AGENCIES (other than a court)	
Agency	Representative

11. Additional Information

12. I hereby swear or affirm under penalty of perjury that the foregoing information is true, correct and complete to the best of my knowledge.

Signature: _____

 (Printed name)

Date: _____