5.2.3 Consulting & Other Outside Activities

Policy Section: Conditions of Employment

Policy Number and Title: 5.2.3 Consulting & Other Outside Activities

Applicable to: All Regular Employees

Effective Date: January 12, 2009

Policy Description

Princeton University recognizes that many nonfaculty employees have expertise, talents, and knowledge which have value to outside organizations — public and private. Association with outside organizations can benefit the client or organization served, contribute to the professional growth and/or reputation of the employee as well as bring credit and goodwill to the University.

Application of This Policy

The following is intended to provide guidance concerning the appropriateness of such activities.

**Professional Activities**

1. There is a large area of professional activities, generally related to the individual's position at the University that does not present a conflict of interest. These activities serve to increase job-related skills and expertise and/or provide direct benefit to Princeton University. These activities include:
   a. participation in work-related conferences, seminars, professional associations, advisory panels, visiting committees, and the like; and
   b. service as a trustee, director or advisor of an external organization at the request of Princeton University.

   Generally, these activities are part of the individual's job, carried out during normal working hours with full use of University resources, such as office supplies and secretarial support. If these activities require a substantial time commitment, the employee should discuss the situation with and receive permission from his or her supervisor.

   Employees who are invited to serve on advisory or other boards of organizations as a direct result of their positions may serve on these boards and also may receive remuneration or reimbursement for related travel or other expenses provided they have disclosed the
relationship to their supervisors and obtained prior approval.

### Outside Volunteer Activities

2. Outside volunteer activities in connection with nonpartisan public service can also contribute to University goals as well as provide valuable public and personal benefit. Primary commitment belongs to the University, however, and these activities should be scheduled so as not to interfere with one's regular University work commitments.

Employees should refrain from any actions on behalf of these outside organizations where the interests of the University and the organizations are, or could appear to be, in conflict. Even in connection with the most worthy activities, employees should take care not to imply that they are speaking for the University.

In general, activities on behalf of non-partisan public service are not considered to be part of one's job and therefore should not, except on an occasional basis, be carried out during normal working hours or involve the use of University resources, such as secretarial support or office supplies.

### Outside Income Sources or Activities or Interests

3. Employees may also have outside income sources or be involved in outside activities or interests that do not affect, either directly or by appearance, the University. These activities are not considered part of one's job and may not be carried out during normal working hours, interfere with employees performing their jobs or involve the use of any University resources.

### Outside Professional and Other Activities

4. There are also outside professional and other activities that do not fall neatly into the categories described above (strictly work-related, non-partisan public service and strictly non–work–related). An employee may decide to participate in some outside professional or business activities primarily because the activity provides financial or personal benefits to the employee (even though there are some recognizable benefits to the University.)

   In these situations, an employee's primary obligation is to the University and he or she must be sensitive to and avoid any situation where either the extent or type of activity could, either directly or by appearance, limit the employee's impartiality or effectiveness in the conduct of his or her University position.

### Risk or Appearance

Consulting arrangements (with or without pay) or other outside business arrangements are also prohibited. These arrangements are not considered to be part of one's job, and while they may provide financial benefits to the employee, they may limit the employee's impartiality or effectiveness in the performance of one's University position.

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1 The following are guidelines on the use of University resources for employees who have outside businesses or other non-work related activities.

a. Employees should avoid using their offices, staff (including their own time during normal working hours), specialized office equipment, copiers, office supplies, facsimile machines, PCs, telephone or computer systems for non-University-related activities. While there may be some occasional instances when business related correspondence or the like is received at the University office, employees should not routinely use that office for the conduct of outside business.

b. Employees should avoid inappropriate use of their University positions. For example, employees should not distribute or use for personal gain, information not generally available to members of the public which is acquired by reason of the employee's official duties. Similarly, employees should not receive compensation for distributing University information which is generally available.
of Conflict of Interest

interests where there is a risk of conflict of interest or serious appearance of conflict must be disclosed to one's supervisor.

Other personal or outside business relationships that may affect one's decision-making and/or have the potential for dividing loyalty must be reviewed with one's supervisor. For example, disclosure is required when an employee has an ownership interest in or is receiving a second income from a company whose product or service is used by the University and the use of this product or service can be directly or indirectly influenced by the employee's responsibilities at Princeton.

Further, the employee should be aware that if there is financial benefit or reward for themselves or others with whom there is a personal relationship, the potential for conflict of interest or divided loyalty increases substantially.2

Paid Consulting Leave

Employees with outside consulting activities may request from their supervisor a paid consulting leave of one day per month. Consulting leave which exceeds one day per month must be approved by the Vice President of Human Resources on the recommendation of the supervisor.

Supervisor Responsibility

To ensure that employees understand the importance and requirements of this policy and complete the annual staff disclosure form and that there is adequate and timely review, supervisors should:

• at the end of each calendar year review the policies related to 5.2.1 Conflict of Interest and, specifically, 5.2.2 Nepotism and Personal Relationships in the Workplace, 5.2.3 Consulting and Outside Activities, 5.2.4 Purchasing and Contracts and 5.2.6 Gifts and Gratuities with all staff who report to them;
• establish procedures for collecting and reviewing disclosure forms from those who need to complete them;
• review forms for completeness and sign and document, where necessary, any follow up action taken; and
• retain disclosure forms in a department file for six rolling years, seven after termination.

Nonadherence

Not adhering to this policy is considered a serious matter and may result

2 It is not possible to define a precise and comprehensive test on conflict of interest. The following questions highlight certain situations where conflict of interest may occur. If you answer affirmatively to any of these questions or if your situation raises other concerns that you are uncomfortable with, you should review the particulars with your supervisor.

a. Will the decisions made by the person in the consulting or business position influence or appear to influence action taken by the University and vice versa?
b. Are there individuals, organizations, or entities that can reasonably be expected to deal with the employee in both positions?
c. Does the department in which the employee works provide any funding directly or indirectly to the outside position?
d. Does your business and/or consulting services compete or appear to compete with similar services normally provided by Princeton University?

If no conflict of interest exists, a determination may still need to be made concerning conflict of time commitment.
Confidentiality

All materials will be kept confidential by the supervisor. In the event of exceptional circumstances, material will be made available to the Office of Human Resources, the Office of General Counsel and the Office of Internal Audit.

Annual Disclosure Form

Conditions for Disclosure

To protect the employee as well as the University should future allegations of conflict of interest arise, an annual disclosure is required of all administrative and support staff in administrative and academic departments to disclose any of the following conditions:

1. The employee has worked as an employee, independent contractor or consultant (paid or unpaid) for any organization other than Princeton University.
2. The employee has a management or other fiduciary role in any organization other than Princeton that includes, but is not limited to service as an officer, board of director or supervisor or manager. It also includes any type of scientific, technical, advisory or other board appointment.
3. The employee or persons related to the employee by blood, marriage or civil union, or members of the same household, including domestic partners, or persons with whom the employee has a personal relationship has a significant financial interest in an organization or enterprise, other than Princeton University. A significant financial interest includes but is defined as greater than one percent of such organization’s stock, profits, or assets.
4. The supervisor considers it appropriate, given the nature of the work of the section or department, to require all staff members in positions where the possibility for conflict of or the appearance of conflict exists to complete a disclosure form.
5. The employee perceives any risk of conflict of interest or a serious appearance of conflict of interest in performing the University job duties, due to any consulting, employment or other outside activities.

Disclosure Form

All circumstances as described above must be reported to the employee’s immediate supervisor using the Conflict of Interest & Conflict of Commitment — Annual Disclosure Form.

Clearly, reaching some arbitrary threshold does not imply that a conflict (or even a potential conflict) of interest exists, but requiring disclosure under these conditions can be viewed as a type of safety net, a cost effective "insurance policy" for both the employee and the supervisor. The supervisor should review the disclosure form with the employee and confirm that no potential for conflict exists.

Resolving the Situation

If there is a potential conflict, the supervisor should decide how best to resolve the situation. If the employee disagrees with the supervisor’s judgment or if the supervisor needs additional guidance, the relevant party or both parties should state the reasons for their concern and refer
the situation to the department head.

If the situation warrants, the department head will refer the situation to the Vice President for Human Resources.

Related Documents

**Other Policies**

- Conflict of Interest & Conflict of Commitment — Annual Disclosure Form
- 2.1.5 Employment of Members of the Same Family or Household
- 5.2.2 Nepotism and Personal Relationships in the Workplace
- 5.2.4 Purchasing and Contracts
- 5.2.5 Use of University Resources
- 5.2.6 Gifts and Gratuities
- 5.2.7 Solicitation and Distribution
- Guidelines for Understanding Your Obligations

Contacts

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