



Conflict of Interest and Conflict of Commitment: Understanding Your Obligations

Princeton staff has a broad range of expertise, talents, interests, and knowledge, and many engage in various professional and/or other outside activities, including sitting on boards of various organizations.

As you complete your disclosure forms, this document is intended to provide guidance to:

- discern situations that might interfere with your obligation to avoid activities and/or situations which may result in a conflict of interest or conflict of commitment with your University duties
- make decisions objectively and ethically across a wide range of financial and non-financial activities
- clarify the University's expectations about disclosure of such situations and activities

Recognizing a Conflict of Commitment

A conflict of commitment or an appearance of conflict of commitment occurs when the commitment to external activities of a staff member adversely impacts, or appears to impact, his or her capacity to meet University responsibilities. This form of conflict is typically recognizable through a perceptible reduction of the individual's time, focus, and/or energy devoted to University activities.

Recognizing a Conflict of Interest

A conflict of interest or an appearance of conflict of interest exists when an individual has an external professional or personal interest that affects, or provides an incentive to affect, the individual's conduct of his or her University activities.

Conflicts of interest and/or commitment can arise naturally from an individual's engagement with the world outside the University, and the mere existence of a conflict does not necessarily imply wrong-doing on anyone's part. *When conflicts of interest and/or commitment do arise, however, they must be recognized, disclosed, and either properly managed or eliminated.*

Professional Activities and Consulting Days

When consulting with outside organizations, Princeton employees should discern which situations qualify for paid consulting leave and which do not. Additionally, employees should be careful to identify consulting arrangements where there is a risk for conflict of interest and/or commitment. In all cases, individuals should discuss the situation with and receive permission from their supervisor.

Professional activities that generally are related to one's University position typically do not present a conflict of interest and do not require the use of consulting leave. These

activities are considered part of the individual's job, carried out during normal working hours with full use of University resources. Examples include participation in work-related conferences, seminars, advisory panels, etc., as well as service as a trustee, director, or advisor of an external organization at the request of Princeton.

Individuals who need time off to participate in professional activities that are not considered to be part of one's job, including volunteering and outside business or professional interests, may use consulting leave. They may request one consulting leave day per month from their supervisor.

Serving on Advisory or Other Boards of Various Organizations

Princeton employees may be invited to serve on advisory or other boards of organizations as a direct result of their positions. Employees 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**.

Upfront discussions and approval between employees and their supervisors are the best means to avoid conflicts of interest. Also, employees and their supervisors should address who will be responsible for paying the costs associated with serving on the boards. In approving whether employees can participate, receive remuneration, and/or be reimbursed for expenses, supervisors should consider whether (1) board relationships provide a direct or indirect benefit to the employees in their current positions or to the University; (2) the work of the boards is consistent with the image of Princeton University, the current or potential relationship between the entity and the University; and (3) the cost of trips appears or may appear lavish, which should be avoided.

Examples of Conflict of Interest and Conflict of Commitment

The following examples illustrate situations where real or perceived conflicts of interest or commitment might occur and are intended to stimulate thinking about a variety of activities. Individuals should err on the side of disclosure when uncertain about whether the activity presents a real or perceived conflict of interest or commitment. Managers and employees should discuss the specific activities to make that determination. Senior HR managers are also available for consultation.

Policy 5.2.2 Nepotism or Personal Relationships in the Workplace:

www.princeton.edu/hr/policies/conditions/5.2/5.2.2

- A supervisor is considering hiring her daughter for a summer job in the department.
- A supervisor would like to transfer a close family friend from another department into a position which reports to her.
- An employee who oversees his department's website asks his manager if he can hire his nephew to design a new homepage.
- A shop manager owns an outside business. He wants to hire an employee from his company to work in a job that reports to him at Princeton.

Policy 5.2.3 Consulting or Other Outside Activities:

www.princeton.edu/hr/policies/conditions/5.2/5.2.3

- A manager, who is asked to serve on a board of an organization based on her position at Princeton. She was informed she would be reimbursed for travel expenses to attend quarterly meetings and would receive a small annual stipend for her participation. She, therefore, understands she would need to disclose the request to her manager.
- An employee would like to accept a volunteer position to sit on a board of a nonprofit organization that is not directly tied to Princeton University. Because the employee anticipates that his involvement with the organization could result in a significant amount of time spent away from the office and might affect his ability to complete work assignments on time, he realizes he needs to disclose the activity to his manager.
- A SCAD employee maintains her own technical consulting company outside of work. A faculty member in the SCAD's department asked to hire her to do some personal computer work in the faculty member's home during the regular work day. Because the employee would be consulting during the regular work day, she would be paid her salary by Princeton and also a stipend by the faculty member.
- A department manager owns various rental properties and wants to lease apartments to students from her department.

Policy 5.2.5 Use of University Resources:

www.princeton.edu/hr/policies/conditions/5.2/5.2.5

- An employee has a departmental cell phone and wants to know if he can utilize it for his personal calls, which might incur additional monthly charges.
- An employee is inquiring if she can take lumber and carpentry supplies left over from a University project for personal use.
- An event coordinator is responsible for budgeting and ordering catering service for various events that the department regularly holds. She wants to be able to take all leftover food and beverages home for her own consumption. Others in the department would not have an opportunity to consume or share the leftovers.

Policy 5.2.6 Gifts and Gratuities:

www.princeton.edu/hr/policies/conditions/5.2/5.2.6

- As a "thank you gesture" to a staff member who purchases supplies, a vendor sends the staff member four tickets to a golf outing at a local country club.
- A staff member provided some outstanding work for another department. The department was very pleased with the quality of the work and would like to thank the staff member by sending him a \$100 gift certificate to McCarter Theater.
- A group of individuals work with an external consulting firm. As a "thank you" the firm invites the group to a local spa for a "special" day, which includes a catered lunch and gift basket for each person.

Policy 5.2.4 Purchasing and Contracts:

www.princeton.edu/hr/policies/conditions/5.2/5.2.4

- An individual managing a design and construction project is asked to participate in the selection of an architectural firm in which her brother-in-law is a partner.
- An individual conducting research wants to be able to purchase lab supplies from his wife's company.
- A department maintains several apartments for visiting faculty. When the apartment is not in use, the manager wondered whether she could rent it to others not associated with the University. She thinks the best way to do so would be to collect a cash payment without a formal lease or contract.
- A manager hires an individual from the local community to clean an apartment maintained by the department. The manager wants to use "petty cash" to compensate the individual.
- An individual finds a local apartment for his department's use. He would like to keep the arrangement simple and rent it without a contract or lease. He is considering paying for it monthly by submitting a white invoice to obtain a check that would be mailed directly to the property manager.

Policy 5.2.7 Solicitation and Distribution:

www.princeton.edu/hr/policies/conditions/5.2/5.2.7

- An individual's family owns an electronics store. To increase business, he wants to distribute pamphlets to his colleagues to ask them to buy products. He offers to deliver the purchases directly to the office for free to provide them with a "convenient" shopping service.
- A supervisor's child is selling beautiful holiday gift wrap paper to raise money for his elementary school. The supervisor would like to ask his staff to help his son win a sales prize by purchasing as much as possible.

Other Related Policies

5.2.1 Conflict of Interest

5.1.1 Standards of Personal Conduct

2.1.5 Hiring Members of the Same Family or Household

Rights, Rules, Responsibilities