

University Policy: Ethics and Integrity Policy

Policy Category: AU Community

Subject: Identifying Requirements Related to Ethical Conduct by Employees

Responsible Executive: Vice President, General Counsel & Board Secretary

Responsible Office: Office of General Counsel; Office of Finance and Treasurer

Related University Policies: Foreign Corrupt Practices Act Policy; Procurement & Contracts Policy; AU Board Policy on Reporting Suspected Misconduct (Whistleblower Policy)

I. SCOPE

University officers, faculty, staff, student workers, graduate assistants, interns, volunteers and all persons who supply contracted services to the University community (University Community Members) must comply with the standards in this Policy.

II. POLICY STATEMENT

The purpose of this Policy is to ensure that all University Community Members apply the highest ethical principles and standards in the fulfillment of their professional duties and obligations to the University. This Policy helps guide University Community Members in identifying and resolving issues of ethical conduct that may arise in the course of their day-to-day work, including interactions with the broader community. This Policy includes a process for receiving, reviewing, resolving, and reporting on potential violations of this Policy, the Board Policy on Reporting Suspected Misconduct (Whistleblower), and the University Policy on Foreign Corrupt Practices.

This Policy is not intended to supplant, but rather to complement and supplement, existing University policies related to conflict of interest and conflict of commitment, such as those found in the Staff Personnel Policy Manual and Faculty Manual. All University Community Members who are subject to other University policies that contain greater restrictions on conflict of interest and conflict of commitment must follow the more restrictive requirements and seek clarification from their Supervisor. In addition, all University Community Members who are subject to codes of ethics or standards through their professional, credentialing or licensing governing bodies must also comply with those standards.

III. DEFINITIONS

- A. *Conflict of Interest*: means any or all situations that involve personal, familial, business, or financial relationships or interactions involving a University Community Member that may appear to present, or potentially present or actually does present a conflict between the University Community member's own personal, familial, business, or financial interests and the University's interests or the fulfillment of the University Community Member's work-related duties. University Community Members are also subject to any other definitions of conflict of interest which exist in other applicable University policies.
- B. *Employees*: All university staff and faculty members, whether full-time or part-time.
- C. *Foreign Corrupt Practices Act Policy (FCPA Policy)*: means the University Policy established to ensure the University's compliance with the Foreign Corrupt Practices Act of 1977 (FCPA), as amended. The FCPA makes it a criminal offense for an officer, director, employee, or agent acting on the University's behalf to make an offer, payment, or gift of money or other item of value, directly or indirectly, to i) a foreign official, (ii) a foreign political party, (iii) a party official or (iv) a candidate for foreign political office for the corrupt purpose of obtaining or retaining business for the University or for the purpose of directing business to another person.
- D. *Protected Disclosure*: means a communication about actual or suspected wrongful conduct engaged in by a University Community Member (who is not also the disclosing individual) based on a good faith and reasonable belief that the conduct has both occurred and is wrongful under University policies and/or applicable laws.
- E. *Supervisor*: means those individuals identified in the Human Resources system as Dean, Director, Department Chairperson, or Program Coordinator, as well as any other trustee, officer, employee, student worker, intern, volunteer or person supplying contracted services to the University whose responsibilities include direct oversight of an institutional budget or supervisory authority of other University Community Members.
- F. *University Community Member*: means University officers, faculty, staff, student workers, graduate assistants, interns, volunteers and all persons who supply contracted services to the University.

IV. POLICY

- A. Compliance with Laws, Rules, and Regulations

University community members must respect and comply with all city, state, federal and foreign laws, rules, and regulations which apply to the work they are performing for the University.

- B. Conflicts of Interest

1. University Community Members are required to act in an ethical manner consistent with their responsibilities to the university and avoid circumstances in which their personal interests and financial or other ties to outside entities or individuals could present an actual, potential, or apparent conflict of interest. Service (whether paid or unpaid) on boards of directors or advisory boards of financial institutions or other organizations that have business dealings with the University may be a conflict of interest. In such situations, an Employee must seek prior approval from their Supervisor before accepting such service. In all cases, Employees must recuse themselves from participating in any decisions regarding business between the University and the involved third-party organization, as well as any other decisions that could reasonably have a negative impact on the University's interests.
2. Employees are responsible for disclosing potential conflicts in which they are personally involved to their Supervisors, or to a more senior supervisor if the Employee's direct Supervisor is involved in the potential conflict. If it is not clear whether disclosure is needed, employees should err on the side of disclosing to avoid a violation of this Policy. Supervisors are responsible for determining whether a conflict of interest exists, and if so, whether it can be effectively managed. This management plan should be communicated in writing to all parties involved and any questions may be directed to the Office of General Counsel.

C. Competition and Fair Dealing

1. No gift or entertainment should ever be offered, given, provided or accepted by any Employee who directly manages or has any indirect influence over a current or potential vendor relationship, or anyone acting on behalf of such an Employee, from a supplier or contractor or from a potential supplier or contractor unless it meets **all** of the following requirements:
 - a. is not a cash gift; and
 - b. is consistent with customary business practices; and
 - c. is of reasonable value and is neither lavish nor excessive with regard to cost; and
 - d. cannot be construed as a bribe or payoff; and
 - e. does not violate any laws, regulations or applicable policies of the respective organizations.
2. An Employee should discuss any gift or proposed gift with their Supervisor prior to acceptance. All University Community Members who are subject to other University policies that contain greater restrictions on giving and accepting gifts from current or prospective suppliers or contractors, such as the Procurement & Contracts Policy, must follow the policy that imposes the higher restrictions.

D. Payments to Government Personnel and Political Contributions

1. Employees are not authorized to give anything of value on behalf of the University, directly or indirectly, to government officials or political candidates unless the gift or entertainment meets the standards set forth in C.1 (above).
 - a. Employees are obligated to follow local, state and federal rules regarding business gratuities to government personnel.
 - b. The University's Foreign Corrupt Practices Act (FCPA) policy further limits gifts and payments to foreign officials and prohibits conduct that constitutes a criminal offense under the United States Foreign Corrupt Practices Act of 1977. Violations of the University's FCPA policy are violations of this Policy, as well, and will be investigated as outlined in this Policy
 - c. Except as approved in advance by the President or Chief Financial Officer, the University prohibits political contributions (directly or through trade associations) by the University or any of its individual units. This includes: (a) any contributions of University funds or other assets for political purposes, (b) encouraging individual Employees to make any such contribution; or (c) reimbursing any Employee for any contribution.

V. Procedures for Reporting Violations

- A. This Policy contains procedures for addressing alleged violations of this Policy, the Board Policy on Reporting Suspected Misconduct and the Foreign Corrupt Practices Act Policy. This Policy is not intended to supplant, but rather to complement and supplement, existing University policies. It thus does not affect any rights, responsibilities, or procedures set forth in other University policies addressing misconduct. For example, complaints or grievances such as those regarding discrimination or harassment, other personnel and employment matters, academic and disciplinary matters, academic freedom, research misconduct, and other matters as to which there are specific University policies, should ordinarily be made and addressed in accordance with the University policies applicable to such matters and applicable law. In addition, the employment terms set out in this policy work in conjunction with, and do not replace, amend, or supplement any terms or conditions of employment stated in any collective bargaining agreement that a union has with the University.
- B. Reports of potential violations should be submitted either verbally or in writing as soon as practicable to any one of the following:
 1. The Provost or Vice President to whom the disclosing individual reports;
 2. The Office of General Counsel, 4400 Massachusetts Avenue, N.W., Washington, D.C. 20016; lawyers@american.edu or 202-885-3285.

3. The American University ethics hotline, available 24/7 at www.american.edu/trustees/ethics-hotline.cfm or 866-860-0004. The Vice President and General Counsel is responsible for receiving all questions and concerns filed with EthicsPoint.
- C. The University will accept reports of violations of this Policy on a confidential and, if desired, anonymous basis. The University will take prompt action to investigate reports of violations and take corrective action to address and correct the violation. However, this policy is not intended to preclude or dissuade employees from engaging in legally protected activities, including but not limited to discussing wages, benefits, or terms and conditions of employment; forming, joining, or supporting labor unions; or bargaining collectively through representatives of their choosing.
- D. It is the policy of the University that reports made in good faith under this Policy will be treated as a Protected Disclosure.
1. No individual who in good faith reports a violation or suspected violation under this Policy shall suffer harassment, retaliation or adverse employment and/or academic or educational consequence. A University Employee who retaliates against someone who has made a Protected Disclosure under this Policy is subject to disciplinary action, up to and including termination of employment.
 2. Reports made in bad faith or with knowledge of their falsity may subject individuals to disciplinary or other appropriate action. Making a report under this Policy shall not insulate an individual from personnel or other actions that are warranted based on performance or other factors and are not caused by the making of a report under this Policy.
- E. The Vice President and General Counsel shall be responsible for the general administration of this Policy.

VI. EFFECTIVE DATE(S)

This Policy is effective December 17, 2021.