



Complying with the SMU Conflict of Interest Policy

FAQs for Faculty and Staff

Conflicts of Interest – Definitions, Purpose, and Application

Q1. What is a Conflict of Interest for purposes of this policy?

A1.

mother-in-law, daughter-in-law, son-in-law, aunt, uncle, niece, or nephew and any person who resides in the same household with the University Representative.

Q6. What is meant by “Associated Entity?”

A6.

University Representative or Immediate Family Member of a University Representative is a director, employee, officer, partner or trustee or holds another position in management or (ii) in which a University Representative or Immediate Family Member of a University

Q7. What constitutes a “Significant Interest?”

A7. Under the Policy, someone

in conjunction with an Immediate Family Member, owns a direct or indirect equity or other beneficial interest in a corporation, partnership, trust or other entity where the interest or interests has/have an aggregate value in excess of \$5,000 or when that interest or interests, alone or combined, represent more than a 5% ownership interest in the entity; or (ii) when the salary, royalties, and other forms of economic benefits received from a corporation, partnership, trust, or other entity by the individual and his or her Immediate Family Member exceeds \$5,000 in the aggregate.

Q8. What if I and/or an Immediate Family Member own more than \$5,000 or a 5% interest in a publicly-traded entity through a mutual fund or other publicly-traded entity?

A8. Provided neither you nor your Immediate Family directly or indirectly influence investment decisions, then owning more than these limits in a publicly-traded entity by reason of investment in that entity through a mutual fund or other publicly-

A11. You should disclose your service on the board of any other organization, whether non-profit or for-profit, if you have knowledge that the other organization has an existing, pending, or proposed transaction or business arrangement involving SMU.

Q12. I notified the General Counsel as soon as I became aware of a proposed Conflict of Interest. Do I have any other reporting requirements?

A12. Yes. Every January, each Faculty member or Staff employee must complete an Annual Disclosure Form. Once filed, the Annual Disclosure Form should be updated as soon as possible after any change in the facts reflected in the form.

Q13. Must I fill out an Annual Disclosure Form even if I have no conflicts to report?

A13. Yes. You are required to fill out the Annual Disclosure Form even if the General

Q17. Does the University maintain any records of decisions regarding Conflicts of Interest?

A17. Yes. When a decision is made to approve or disapprove a Conflict of Interest, the

Q23. May I do business with the University through a company I own or that is owned by an Immediate Family Member?

A23. Doing business with the University through a company owned by you or an Immediate Family Member is a potential Conflict of Interest. You must follow the procedures for reporting the potential Conflict so that a determination can be made whether to approve or disapprove it.

Q24. Am I permitted to have employment or financial interests outside the University?

A24. You are not automatically prohibited from having outside employment or other financial interests. However, your participation in these ventures has the potential to create a Conflict of Interest if such participation could result in your placing personal interests above the interests of the University. Therefore, you should examine your other activities in light of their possible impact on your work for the University. When in doubt, you should report the material facts to ensure that no Conflict of Interest exists or, if one does exist, that it is approved and managed.

Q25. Are there typical situations where an outside employment or financial interest would be impermissible?

A25. While there is no exhaustive list of such situations, examples may include the following:

- using your University position or information derived from your University employment for personal gain through your outside entity;
- simultaneously receiving University remuneration and outside remuneration for the same services or activities;
- making a decision on behalf of the University so as to obtain personal gain through your outside activity; and
- requiring individuals over whom you have academic or supervisory authority or influence to participate in your outside activities without full prior disclosure.

Q26. I serve on the board of a non-profit organization. Is such service a Conflict of Interest that must be reported under the Conflict of Interest Policy?

A26. Service on the board of another non-profit can benefit SMU by providing a University Representative with valuable experience and insights into governance and by fostering relationships between the University and a larger community. In most situations, service on a non-profit board does not involve financial remuneration or other tangible benefits that could cause an individual to place personal interests above those of the University. Therefore, as a general rule, such service does not constitute a Conflict of Interest, and reporting it is not required except in situations described in A.11, above.

Q27. Despite the general rule, are there circumstances in which service on a non-profit board might conflict with my SMU duties/responsibilities such that I should report my participation? If so, what are some examples of situations when I should consider reporting my service on a non-profit board?

