



Wayne State University Board of Governors

Conflict of Interest Policy

Adopted: 11/28/07

The Constitution of the State of Michigan provides that members of the governing board of Wayne State University and their successors in office constitute a body corporate known as the Board of Governors of Wayne State University. The Board consists of eight members elected by the people of the State of Michigan for eight-year terms. Members of the Board serve without compensation but are entitled to necessary expenses incurred in connection with the duties of their office.

The Board of Governors elects the President of the University, has general supervision of Wayne State University, and exercises control of all expenditures of University funds. It enacts bylaws and regulations for the conduct of its business and for the governance of the University. It sets tuition and other fees and charges, establishes the annual budget, confers degrees and sets policy for the management of gifts, grants, bequests, agreements and contracts, and leases or disposes of property.

Board members have a range of professional and personal associations with and interests in other entities outside of the university, and no policy statement can address every conceivable situation that might present a conflict of interest. As a general principle, board members should avoid any actions or situations that might result in or create the appearance of using their association with the university for private gain, according unwarranted preferential treatment to any outside individual or organization, losing independence or impartiality, or adversely affecting the university's reputation or public confidence in its integrity. To this end, in carrying out the duties of the office as a member of the Board of Governors, the Board members understand the responsibility and trust placed in them by the people of the State of Michigan and shall act at all times in a manner consistent with their fiduciary responsibilities to the university.

I. Conflict of Interest

For purposes of this policy, a conflict of interest is presumed to occur when the board member, or a relative of a board member (defined to include a spouse, child, or household member), or an associate of a board member:

1. has an existing or potential financial or other interest which may impact or may appear to impact the Board member's independent judgment in the discharge of his or her responsibilities to the University, or
2. may receive a material, financial, or other benefit from knowledge of information confidential to the university.

An associate of a board member includes any person, trust, organization, or enterprise in or with which the Board member or any member of his or her family, with the actual knowledge of the Board member:

1. is a director officer, employee, member, partner, or trustee; or
2. has a financial interest that represents 5% or more of his or her assets or any interest that provides an opportunity for a significant influence on policy.

Board members shall exercise care that no detriment to the University results from conflicts between their interests and those of the University.

II. Contracts

No Board member shall have a pecuniary interest in any contract with the University that would induce or have the potential to induce action on the part of the Board member to promote the contract. It shall be a conflict of interest for a Board member to be employed by or associated with a professional service firm which directly or indirectly provides services to the University. In the event that a firm is providing services to the University prior to one of its employees becoming a Board member, it may complete all work in progress for the University provided that the work is of a nature that would not require the board to vote on or directly supervise its activities, but may not be engaged for any additional work until the Board member is no longer employed by or associated with the professional service firm.

III. Use of Authority/Information

Board members will not use their positions, or any privileges or information received by virtue of their positions as Board members, to receive or provide others with a benefit that is not consistent with the interests of Wayne State University. No Board member will accept gifts or loans from individuals outside the University

which may influence the manner in which the Board member carries out his/her responsibilities to the University.

IV. Non-Competition Policy

Board members will not knowingly compete with the University for property, assets or opportunities, or divert to others opportunities which may be of interest to the University, unless the University has been informed of the opportunity on a timely basis and has declined to act on it.

V. Disclosure of Conflicts

If a Board member believes that he or she may have a conflict of interest, the Board member shall promptly and fully disclose the conflict to the Secretary of the Board of Governors and shall refrain from participating in any way in the matter to which the conflict relates until the conflict question has been resolved. The Secretary to the Board of Governors shall inform the Chairperson of the Board, the President and the General Counsel of all conflict of interest questions which have been disclosed to the Secretary. If it is determined that a conflict of interest exists, the Chairperson of the Board and the President shall work with the affected Board member to address the conflict.

VI. Interpretation and Reference

This conflict of interest policy shall be interpreted and applied in a manner that will best serve the interests of the University. This policy is in addition to any obligations imposed on a Board member by the State law on conflicts of interest, P.A. 1968, No. 317, MCL 15:321 *et seq.* or by other State law.

VII. Distribution

The Secretary shall distribute a copy of this policy statement to each member of the Board of Governors on an annual basis. Each Board member shall thereupon be requested to sign an acknowledgement that he or she has read the current version of this policy and confirm his or her adherence to it.

Adopted: November 28, 2007

Julie H. Miller, Secretary to the Board of Governors