

## Employee Interest in a Contract with the University

KRS 164.821(7) prohibits university employees from having an interest in a contract to provide goods or services to the University of Louisville (UofL) apart from compensation to the employee unless reviewed and approved by the Board of Trustees. As per current Institutional interpretation of KRS 164.821(7), interest includes an indirect interest, such as the ownership interest of a Relative of the Covered Person. Current interpretation also includes the University of Louisville Research Foundation (ULRF) and the University of Louisville Athletic Association (ULAA) under the prohibition. Accordingly, Covered Person may not have an ownership interest in an entity with a contract to provide goods or services to UofL, ULRF, or ULAA. If such an ownership interest exists, the Covered Person would need to submit a request for KRS Reconsideration. This request requires several levels of review and approval is not guaranteed.

### Examples of Prohibited Transactions\*



**Prohibited:** UofL subcontracting or proposing to contract to an employee controlled/managed entity.

Example: UofL submits a proposal with an employee controlled/managed entity as a subaward.

Example: Employee requests personal service/sole source contract with an employee controlled/managed entity.



**Prohibited:** UofL purchasing goods or services from an employee controlled/managed entity.

Example: UofL Department purchases services/goods for their award from an employee controlled/managed entity.

Example: UofL Department purchases services/goods for their event from an employee controlled/managed entity.

Policy reference: Section 1.2 of *Addressing Potential Conflicts of Interest Policy*

### Examples of Permitted Transactions



**Permitted:** Employee controlled/managed entities subcontracting to UofL.

Example: An employee controlled/managed entity receives a STTR award and subcontracts to UofL.



**Permitted:** Employee controlled/managed entities purchasing goods or services from the university.

Example: Employee controlled/managed entity obtains a facilities use agreement to utilize university lab equipment.

### What is KRS?

KRS are Kentucky Revised Statutes which are the laws that govern the Commonwealth of Kentucky. As a public University operating in Kentucky, UofL is required to comply with these regulations. Information on COI prohibited activities is available at: <http://louisville.edu/conflictinterest/policies>.

*Do you have general questions regarding vendors? Additional information on contracting and vendors is available through the Controller's Office at 852-7072.*