



**POLICY NAME (R\*)**

Conflict of Interest in Employment (COIE)

**POLICY NUMBER (O\*)**

PER-2.11

**INITIAL ADOPTION AND EFFECTIVE DATE (R\*)**

May 1, 1992

**POLICY APPLICABILITY (R\*)**

This policy applies to University of Louisville employees (Administrators, Faculty, and Staff) and the University of Louisville Board of Trustees.

**REASON FOR POLICY (O\*)**

The University of Louisville (University) has a responsibility to ensure that all activities are reflective of our Mission to educate and serve our community through teaching, research and service. Supervision of a Relative or maintaining the authority to render or influence Employment Actions affecting a Relative create an inherent Conflict of Interest in Employment (COIE), or at a minimum give the appearance of a COIE. The purpose of this policy is to instill confidence that the University is a place of diversity, excellence and inclusiveness, unencumbered by potential conflicts of interest that could reasonably be considered to affect the sound judgment of employees.

**POLICY STATEMENT (R\*)**

The basic criteria for appointment and promotion of all University employees shall be appropriate qualifications and performance. Relationship to another University employee by family, marriage, or domestic partnership shall constitute neither an advantage nor a deterrent to any individual in appointment, promotion, transfer, compensation, hours, or other conditions of employment, provided the individual meets and fulfills the appropriate University appointment requirements and standards.

No Relative of a Trustee may be employed by the University.



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No employee may participate in or influence any Employment Actions (see definitions) involving a Relative. No employee may recommend or enter into a personal services contract with a Relative (see definitions).

No employee may serve as the immediate supervisor for, or be in the chain of command of, a Relative. It is noted, in the case of existing employees, both parties to the COIE Management Plan may be considered Covered Persons for the purposes of the applicable COI Policy.

Employees must disclose names and relationships of their Relatives who are employed by the University on the University's Attestation and Disclosure Form (ADF) that will be submitted to and reviewed by the University's Conflict of Interest and Commitment (COIC) Office. If any potential conflict of interest in employment (COIE) exists, a COIE Management Plan will be developed by the COIC Office and submitted to the COIC Officer (VP for Risk, Audit, and Compliance) or designee for final approval.

If a COIE is occasional or irregular (e.g., a tenure or promotion vote), recusal is an acceptable and necessary mechanism for managing the conflict. In such cases, the employee of the Relative having the decision-making responsibility is recommended to provide a written statement that recusal will be used for any Employment Actions pertaining to their Relative. If the COIE is not occasional or irregular but is ongoing so that recusal is not a reasonable mechanism for managing the conflict, other mechanisms must be adopted as outlined in the "PROCEDURES" section of this policy.

### **VIOLATIONS**

Violations of this policy include but are not limited to willful failure to disclose a Conflict of Interest in Employment (COIE) relationship or willful failure or refusal to cooperate with an approved COIE Management Plan. Violations of this policy are deemed a serious violation of policies governing employment and may subject the employee to disciplinary action. Disciplinary action must consider the severity and frequency of the violation, its impact on the institution, and the extent to which the conduct in question deviates from standards of conduct, policies and procedures, or expectations. The University reserves the right to take appropriate actions that are commensurate with the nature of the violation and are consistent with the Redbook and other university policies and applicable laws.

### **RELATED INFORMATION (O\*)**



[Addressing Potential Individual Conflicts of Interest Policy COI-1.02](#)

[KRS 164.830\(1\)\(a\)](#)

[KRS 164.001](#)

[KRS 164.360](#)

[OAG97-027](#)

## DEFINITIONS (O\*)

- **Appropriate Authority.** The Covered Person’s direct supervisor. Board of Trustees serves as Appropriate Authority for the President.
- **Attestation and Disclosure Form.** A Covered Person’s annual attestation to the Standards of Conduct and disclosure of external activities and Interests to the University.
- **Conflict of Interest in Employment (COIE) (Nepotism):** Favoritism in Employment Actions, granted through authority or influence by someone in a position of power, toward Relatives or others for whom the employee has a familial relationship.
- **Covered Person:** All University employees (faculty, administrators, and staff), and any other individuals (full or part-time, paid or unpaid) participating in academic, business, clinical, or research or scholarly activities for the University.
- **Employment Action:** Hire, promote, reclassify, manage/supervise, direct, evaluate, make salary recommendations, assign work or resources, approve leave requests, travel or expenses, give any benefit, or terminate employment.
- **Relative:** For the purposes of this policy, the term relative includes: father, mother, brother, sister, husband, wife, son, daughter, aunt, uncle, son-in-law, or daughter-in-law

## PROCEDURES (O\*)

If the conflict of interest in employment (COIE) is not occasional or irregular but is ongoing so that recusal is not a reasonable mechanism for managing the conflict, other mechanisms must be adopted. The process to manage the COIE is initiated by disclosure of the relationship.



Both University employees must disclose the existence of the relationship in their ADF. As soon as one of the employees does so, the COIC Office shall begin to develop a COIE Management Plan. For relationships that develop between employees already in a supervisory relationship or when an organizational change results or would result in a supervisory relationship between two related employees, disclosure should be made at the earliest possible date and no later than 30 days after commencement of the potential conflict of interest situation.

To deal with situations in which a conflict of interest might arise through a hiring decision, a COIE Management Plan must be developed such that the hiring process itself is conducted free of any actual or apparent bias. In such cases, disclosure of the relationship should be made at the earliest possible point, in many cases even before the Relative of an employee applies for the position. The University's online application includes a section requiring the applicant to list all Relatives employed by the University.

As soon as notification of an actual or potential conflict of interest in employment (COIE) has been received, the COIC Office must develop a management plan by which the one related individual with the decision-making responsibility is removed from the decision-making processes that affect the employment status of the Relative.

### **The Conflict of Interest in Employment Management Plan must:**

- Include an outline of the supervision and evaluation procedures that will mitigate possible conflicts of interest.
- Address reporting relationships, supervision, and evaluation that will assure that there will be no decision making based upon relationships in promotion, compensation, hours, or other conditions of employment.
- Include the management of the approval and review process for expenditures and travel to eliminate any potential appearance of nepotism, conflict of interest, or conflict of commitment.
- Be resubmitted prior to any changes in reporting relationships for the affected employee.

The development of a management plan itself does not require the participation of the related individuals, but the COIC Office may reach out to the Appropriate Authority for assistance. The COIC Office will request review of the COIE Management Plan by the cognizant dean, director, or vice president. Following this review, the management plan will be submitted to the COIE Subcommittee of the Conflict Review Board and then to the COIC Officer or designee for final approval.



Approved COIE Management Plans will be sent to the affected employees and Appropriate Authority for implementation.

The implementation of a COIE Management Plan should proceed expeditiously. In the event that an acceptable management plan cannot be implemented, despite diligent efforts, within ninety (90) days of the notification of the approved management plan to the related employees, one of them must give up the position in the division/department (preferably through transfer) no later than 180 days after notification of the approved management plan.

### **RESPONSIBILITIES (O\*)**

All Appropriate Authorities are responsible for maintaining objectivity in their work relationships and avoiding situations which raise the question of Conflict of Interest in Employment prohibited by this policy.

The COIC Office is responsible for developing the COIE Management Plan.

The VP for Risk, Audit, and Compliance, or designee is responsible for approving the COIE Management Plan.

### **FORMS/ONLINE PROCESSES (O\*)**

[Conflict of Interest in Employment Management Plan](#)

### **RESPONSIBLE AUTHORITY (R\*)**

University of Louisville Board of Trustees; Vice President for Risk, Audit and Compliance

### **RESPONSIBLE UNIVERSITY DEPARTMENT/DIVISION (R\*)**

Conflict of Interest and Commitment Office  
300 E Market, Suite 300  
Phone: 502-852-7612  
Email: [coi@louisville.edu](mailto:coi@louisville.edu)

### **HISTORY (R\*)**

This policy replaces and supersedes the University's Nepotism Policy, PER-2.11. The University's Nepotism Policy, PER-2.11 was approved by the University of Louisville Board of Trustees on September 15, 2017 to be effective November 1, 2017.



# University of Louisville

## OFFICIAL UNIVERSITY ADMINISTRATIVE POLICY

Revision Date(s): February 24, 2022, January 25, 2022; September 23, 2020 (minor edits); May 8, 2020 (minor edits); September 15, 2017; March 8, 2016  
Reviewed Date(s): September 15, 2017

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