

In 2019, university policies related to university purchases (formerly FIN-PUR-01 through FIN-PUR-35) were updated and consolidated into FIN-PURCH-01 through FIN-PURCH-14. The History section of this policy contains complete information on where the topics covered by each FIN-PUR policy can be found in FIN-PURCH. A few FIN-PUR policies have been rescinded or converted into Standard Operating Procedures, and the History section contains that information as well.

## State Conflict of Interest for Procurement Transactions

FIN-PUR-18

### About This Policy

**Effective Dates:**

02-18-1992

**Responsible University Administrator:**

Vice President and Chief Financial Officer

**Policy Contact:**

Jill Schunk

Associate VP, Office of Procurement Services

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### Scope

1. This policy applies to all individuals responsible for University purchases, regardless of the procurement mechanism.
2. **Gifts & Gratuities**
  - a. All University employees, including faculty and staff.

### Policy Statement

1. State Statute #35-44-1.3, Section 2.50 - Conflicts of Interest; public servants:
  - a. "A public servant who knowingly or intentionally: (1) Has a pecuniary interest in; or (2) Derives a profit from; a contract or purchase connected with an action by the governmental entity served by the public servant commits conflict of interest, a Class D felony."
  - b. Purchasing professionals at Indiana University shall annually sign conflict of interest statements. Individual faculty and staff may be required to submit a conflict of interest statement related to a specific procurement transaction when circumstances warrant.
2. **Gifts & Gratuities**
  - a. Indiana University faculty and staff shall not engage in any activity paid for or provided by a supplier or potential supplier to the University, where the public perception of the activity may have the appearance of placing favor with the supplier, or where the employee sustains, or appears to sustain, personal gain by such participation.
  - b. When employee participation in activities provided by a supplier of the University provides a greater overall benefit to the University than to the employee, the University should pay for the employee's participation.
  - c. Exceptions to this policy are general advertising tokens (small dollar items bearing the suppliers name or logo), as well as exceptions listed in the [HR Conflict of Interest policy](#). Additionally, from time to time, a circumstance may warrant that an activity or meal would be an exception to this policy as a part of a typical business meeting.
  - d. The NAEP Code of Ethics, articulated in Policy FIN-PUR-10, states that personal gifts or gratuities should be declined.

## Reason For Policy

1. No University employee may use his or her purchasing authorities for personal gain. These steps are taken to ensure that all job related decisions are made on sound business principles.
2. **Gifts & Gratuities**
  - a. Gifts, paid invitations, entertainment, travel, room or housing, meals, transportation, and other such activity provided to an employee by a supplier may damage the reputation of the University. Activity of this nature may subvert the employee's judgment or create the perception that the employee, or the employee's family, is receiving personal gain by virtue of his or her position at the University and the relationship with a supplier.

## Procedure

1. Purchasing employees annually file Conflict of Interest Statements with the Associate Vice President, University Procurement Services. Prior to any transaction with the potential for a conflict of interest, complete disclosure shall be made to the Associate Vice President, University Procurement Services to allow sufficient opportunity for appropriate review.
2. **Gifts & Gratuities**
  - a. If an employee or an employee's family member receives a gift or supplier invitation which is contrary to this policy, the employee's immediate supervisor should be informed and the gift refused or returned to the sender, or the invitation declined with a letter indicating that the acceptance of such is contrary to University policy and practice. Should a questionable situation arise, the University employee shall contact his or her immediate supervisor or the Associate Vice President, University Procurement Services.

## Definitions

**Conflict of Interest:** When a person's private interests and his or her University responsibilities are at odds. This means an individual should not be in a position to gain personally as a result of procuring goods or services on behalf of the University. Employees engaged in any aspect of the purchasing process are expected to be free of interests or relationships which are actually or potentially detrimental to the best interests of Indiana University. For instance, employees should not conduct University business with a company he or she owns or with businesses owned by relatives until a state conflict of interest disclosure is approved by the trustees and the requirements of other University conflict of interest policies have been met.

### Gifts & Gratuities

**Gratuity:** Any gift, or invitation to entertainment venues, travel, room or housing, meals, transportation, and any other such action whereby the employee or family of the employee, sustain personal gain from its acceptance.

**Personal Gain:** Anything received and accepted, regardless of value, which is provided to an employee or family of the employee, by a supplier or potential supplier to Indiana University.

**Supplier:** any individual, company, corporation or other entity that provides goods or services to the University.

## Sanctions

1. **Gifts & Gratuities**
  - a. A University unit or the individual employee may be required to repay the vendor for the gift or gratuity. There may also be personal tax implications for the employee based on the value of the gratuity.
  - b. Engaging in or permitting unethical or illegal conduct constitutes grounds for disciplinary action that may include disciplinary action up to and including denied or restricted access to the review of solicitation responses and other purchasing information, termination of employment and/or criminal prosecution.

## Additional Contacts

General Questions	Purchasing Help Desk	812-856-5008	<a href="mailto:purhelp@iu.edu">purhelp@iu.edu</a>
Gifts and Gratuities	Rob Halter,	317-274-7746	<a href="mailto:rhalter@iu.edu">rhalter@iu.edu</a>

	Exec. Dir.		
Gifts and Gratuities	Tim Rice, Exec. Dir.	812-855-5646	<a href="mailto:trice@iu.edu">trice@iu.edu</a>

## History

The source to this policy is:

State Statute #35-44-1.3, Section 2.50, University Procurement Services, and University Human Resources Department.

Revised to add scope November 2016

### Gifts & Gratuities

Created on: February 18, 1992

Revised on: October 27, 2004; June 30, 2009; December 10, 2014

Last Reviewed: PLACEHOLDER

## Related Information

[State statute #35-44-1.3, Section 2.50 \(Appendix F\)](#)  
[Conflict of Interest and Disclosure Form](#)  
[Conflicts of Commitment, HR-07-30](#)