

# Utah State University

## Administrative Code of Conduct

Utah State University (USU) is committed to maintaining high standards of integrity and ethical practice in the discharge of its three-fold mission in learning, discovery and engagement. In keeping with this commitment institutional officials' conduct should be characterized by integrity and dignity, and they should expect and encourage such conduct by others.

## Message from the President

Dear Colleagues:

Utah State University's success depends on our working together in an atmosphere of trust and respect. In the end, reaching our collective potential comes down to the actions and decisions made on an individual level. All of us have a responsibility to the institution, its stakeholders, our colleagues throughout USU and to ourselves to understand our roles and fulfill them competently and ethically.

This Ethics Guide is designed to provide USU administrators with a framework within which to conduct university business. It also contains resources and references to assist employees in making good decisions that will further USU's interests and enhance our academic environment.

We invite you to take the time to become familiar with this Guide. It is available both in print form and on the university's website at [www.usu.edu/xxxxxx](http://www.usu.edu/xxxxxx). Ethics training is also available to employees through the Human Resources Office and the Office of Compliance Assistance. We invite you to take advantage of these training opportunities.

Thank you for your service to USU and your efforts to safeguard its reputation for excellence and integrity.

Sincerely,

Stan Albrecht  
President

## Integrity at USU

### Representing the University

The actions of every member of the University Community reflect on the institution itself. Employees and students at USU are strongly encouraged to apply sound moral judgment when making decisions, especially when those decisions are made on behalf of the University.

There are many occasions when faculty and other employees act as representatives of the University. Examples include recruiting meetings, meetings with peers from other institutions, government agencies, companies or foundations; presenting at or attending professional conferences; interviewing prospective faculty and staff, or participating as a member of a performing arts group. It is important that each such representation be characterized by professionalism, honesty, and accuracy.

All faculty, staff, students and others acting on behalf of the University are expected to comply with relevant laws, grant and contract requirements, regulations, policies and practices and all applicable University and professional standards. Specific statutes, regulations and policies are enumerated in the section of this guide called "Regulations and Policies Related to the Administrative Code of Conduct."

Any faculty, staff member or student may be considered an agent of the University whenever he or she is acting on behalf of the University and within the scope of his or her assigned duties at USU. Individuals, when acting within their assigned roles at the University, will be indemnified under the Utah Governmental Immunities Act when applicable, unless damages are caused intentionally or result from dishonesty, fraud or criminal acts or negligence. The Office of Compliance Assistance and other University resources are available to assist institutional officials, employees and students to understand and comply with University policies, and procedures, and to establish a productive work environment.

To effectively advance USU's missions in learning, discovery and engagement, USU must maintain the public trust. The University relies on all members of its community to conduct themselves appropriately and in accordance with ethical principles and relevant regulations and policies.

### Responsibilities of Institutional Officials

In addition to the responsibilities all members of the USU community bear for representing the institution with integrity and professionalism, institutional officials have a special duty in their oversight of the University's administration. Under the direction of the Board of Trustees of the University, senior administrators are responsible for establishing and maintaining a climate of trust and respect, both through their personal conduct and through proper discharge of supervisory duties.

Institutional officials assume broad administrative responsibilities. They are expected to establish systems of operation that ensure appropriate accountability on matters of finance and resource utilization that are open and transparent, and that protect the rights of employees and students of the University. Institutional officials are stewards of resources that originate from governmental, student and other contributors, and should make decisions about the use of those resources impartially and in accordance with good business practices. Decisions should be made in an environment of open communication with university stakeholders and the public, helping to ensure that actions taken are in the best interest of the institution, and that they are not influenced by personal or institutional bias. In their deliberations institutional officials should exercise care to protect the rights and privacy of USU employees and provide a positive workplace environment.

Institutional officials and others in supervisory capacities in the University are expected to communicate clearly what is expected of those in the units they direct or manage. They should familiarize themselves with and communicate the principles of the Administrative Code of Conduct and other relevant material from statutes, policies, procedures and guidelines that have been adopted by the University. They are expected to communicate clear performance expectations to others under their supervision and to provide feedback to those they supervise through the formal evaluation process of the University and in other settings as necessary to allow employees and students to discharge their duties more effectively.

Institutional Officials have special responsibilities with regard to institutional and individual conflicts of interest that arise from time to time. Whenever Institutional Officials have the responsibility for making a decision on behalf of the University, they should carefully consider whether their actions would constitute, or appear to constitute, a conflict of interest due to personal circumstances or circumstances within their assigned duties at the University. Institutional Officials also play a key role in identifying, monitoring, and managing individual conflicts of interest that arise among those who are in their supervision. "Managing Conflicts of Interest" discusses this topic in more detail.

## Regulations and Policies Related to the Administrative Code of Conduct

### Federal and State Statutes

The Sarbanes-Oxley Act of 2002 was passed by the U.S. Congress in response to serious lapses in ethical standards at the highest levels of notable U.S. corporations. Even though the Act does not directly impact universities, many institutions of higher education have adopted concepts from the Act that provide greater transparency in operations and a higher level of accountability, especially among senior administrators. Based on the requirements of Sarbanes-Oxley, The National Association of College and University Business Officers (NACUBO) has issued recommendations that represent best practice among universities with regard to strengthening the ethical base for institutional operations. This Guide - along with the Administrative Code of Conduct, the establishment of the Internal Audit Services hotline and adherence to GAO guidelines for auditor independence - represents the implementation of the NACUBO recommendations at USU.

In addition to Sarbanes-Oxley, USU's policies and procedures comply with federal regulations including 42 CFR Part 50, "Dealing with and Reporting Misconduct in Science;" 45 CFR, Parts 46 & 94; and 21 CFR Parts 50 & 56 governing research involving human participants and institutional management of conflicts of interest arising from or related to that research. USU also adheres to cost and accounting principles as set forth in Circular A-21, published by the Office of Management and Budget.

The State of Utah has also enacted laws that require integrity in the conduct of the affairs of government institutions and their employees. These include the "Utah Public Officers' and Employees' Ethics Act" (67-16 Utah Code Annotated), and the "State Money Management Act" (51-7 Utah Code Annotated).

USU's Office of Compliance Assistance is charged with the responsibility, under the direction of the provost, to monitor changes in the regulatory environment within which the University operates; to assist in the campus-wide dissemination of information concerning ethics-based regulations and policies; and to implement appropriate management systems to ensure compliance.

### University Policies

The University Policy Manual provides USU employees with policies and procedures that act as an employment contract. All University employees are expected to be familiar with and abide by the policies set forth in the manual. Institutional officials have a responsibility to become familiar with university policies and communicate the principles espoused in them to employees and students who are under their supervision. Policies enumerated below are among those that are based on principles of sound ethical conduct.

**Policy # 306 – Research.** This overarching policy on research practices at USU explains USU research mission and provides guidance to institutional researchers on important issues including protection of human research participants, care and use of animals at USU, scientific misconduct, and administration of grants and contracts.

**Policy # 307 – Conflicts of Interest.** This policy sets forth the principles that guide the identification and proper management of conflicts that arise due to the activities of individuals in the University. The existence of a conflict of interest is not in itself a cause for concern. It is the avoidance of bias in decision-making that is the aim of this policy.

**Policy # 310 – Institutional Conflicts of Interest.** Institutional conflicts of interest differ from individual conflicts in that they reflect instances in which the University itself has conflicting interests with respect to safeguarding the public trust. University administrators should be especially aware of the circumstances under which institutional conflicts may arise, and how such conflicts can be managed.

**Policy # 327 – Intellectual Property and Creative Works.** This policy includes guidance concerning the development and licensing of technologies that are a product of university research. University technology licensing can lead to both individual and institutional conflicts of interest. This policy also establishes guidelines for assigning ownership of technologies developed by University employees.

**Policy # 377 – Consulting Services.** University employees are afforded the privilege of consulting so long as this activity does not impair their ability to fulfill their university roles. This policy discusses consulting activities and sets forth procedures to avoid having consulting activities interfere with institutional duties.

Policy # 392 – Employment of Relatives. University employees are restricted from hiring, terminating, or having direct supervision for members of their families. Administrators should exercise appropriate control over the hiring and assignment of individuals within their units who are related to other employees.

Policy # 407 – Academic Due Process: Sanctions and Hearing Procedures. This policy is an element of the faculty code. Scientific misconduct and other behaviors not in keeping with the high standards of the institution are discussed, and possible sanctions are set forth.

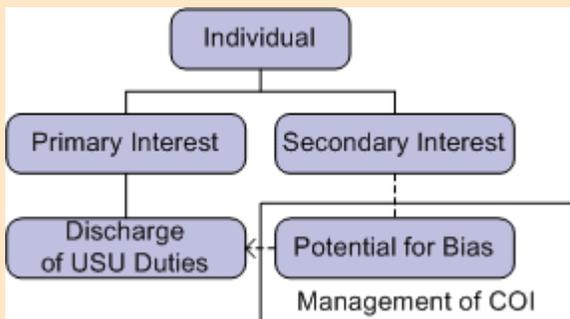
# Managing Conflicts of Interest

Conflicts of interest can have a chilling effect on the public's perception of an institution. USU has established policies for both individual and institutional conflicts of interest, along with the Office of Compliance Assistance, a unit within the Provost's Office. USU's approach to conflicts of interest rests on four pillars:

- Education of the University community concerning conflicts of interest
- Reporting of conflicts and potential conflicts by employees and the institution
- Management of identified conflicts
- Transparency of the conflict management process

## Individual Conflicts of Interest

Both federal regulations and state statutes require USU to report and manage the conflicts of interest of its employees. USU's policy states that a conflict of interest exists whenever "a University employee owes a professional obligation to the University, which is or can be compromised by the pursuit of outside interests." The diagram below illustrates how outside interests may impact university interests by introducing bias into the decision-making process.



This definition draws an important distinction between the existence of a conflict of interest and a potential negative outcome. USU does not take the view that a conflict of interest is inherently bad for the University. In fact, employees who are appropriately engaged in outreach to the community, industry and their professions will often have a conflict arise.

The key to USU's Conflict of Interest Policy ([USU Policy #307](#)) is to avoid allowing bias caused by any secondary interest to influence the discharge of the employee's university-related duties. This is accomplished by providing for appropriate management of conflicts of interest as they arise. Institutional officials of the University have a duty to

work with employees in their areas to provide oversight of conflicts of interest and to ensure that appropriate conflict management plans have been developed and submitted to the Conflict of Interest Committee of the University. USU's federal compliance manager in the Office of Compliance Assistance provides support to USU's administration and faculty as they eliminate or minimize the effects of individual conflicts of interest.

## Institutional Conflicts of Interest

Institutional conflicts of interest arise whenever the financial or other interests of the University or of an institutional official acting within his or her authority on behalf of the University, may introduce bias into the decision-making processes of the institution. An example might be choosing a specific vendor for a purchase when the individual making the decision will be financially advantaged because of the transaction. Other institutional conflicts can exist when the University owns equity in start-up companies that are based on its inventions.

When conflicts exist, it is in the interest of both the individual and the institution to separate responsibilities for operations from responsibilities for finances. USU's Institutional Conflict of Interest Policy, No. 310, provides for this separation. Institutional officials are uniquely affected by this policy because of their fiduciary responsibilities at the University - representing the interests of students, employees and the public at large. As with individual conflicts of interest, the University provides for proper disclosure, management and reporting of institutional conflicts of interest. These activities are overseen by the Office of Compliance Assistance.

## Following Good Business Practices

One of the responsibilities of senior management and department heads is the management of financial resources to accomplish the mission and objectives of the department and University. Management's attitudes should support ethical values and good business practices. A manager should promote compliance with University policies and procedures through his or her actions as well as through unit policies and procedures. He or she should ensure that employees also support ethical values and have the technical competence for the position. Policies and procedures should be written, provided to all staff and expectations for compliance communicated to staff. There should be no tolerance for fraud or conflicts of interest. Disciplinary action should be consistently applied to all employees.

Managers must support compliance with University policies and procedures if they expect employees to comply with University policies and procedures. Business activities should be designed so that no single employee will be responsible for all aspects of a transaction. This will limit opportunities to misappropriate assets or conceal other intentional misrepresentations in the department's accounts.

Employees such as department heads, business managers and principal investigators responsible for account accuracy should:

- Ensure that monthly reports of account activity are reviewed to determine that all transactions are accurate and complete, and that adequate supporting documentation exists to substantiate all transactions;
- Verify that all entries made to each account are appropriate; comply with University policy; and are allowable based on the restrictions, if any, of the funding source; and
- Take corrective action to resolve inappropriate transactions posted to the account.

### Ethical Use of University Resources

All University employees are entrusted with protecting the property, equipment and other assets of the University. Per USU policy # 344, Use and Security of University Property, "All University property should be safeguarded against possible loss or misuse. University employees must take reasonable precautions to ensure the security of people, facilities, property and vehicles." Responsibilities of this trust include actions ranging from locking doors and cabinets to reporting observed patterns of unusual behavior.

All property, supplies and services purchased with University funds should be used only in the operation of the business of the University. Misuse of assets takes on many forms and can involve some deception or misrepresentation of facts and information for personal gain as well as deliberate appropriation of property or funds for personal use.

A major factor in safeguarding assets and ensuring the ethical use of University resources is a departmental organization that establishes clear lines of authority and responsibility and segregates, where practical, the operating and reporting functions of the department. Deans, department heads and administrative personnel are responsible to administer this policy for employees within their departments and coordinate the use and security of University property.

### Internal Controls

An internal control system is the process that management uses to provide reasonable assurance that the University's goals and objectives will be achieved. It is the management of business risks and is a dynamic process that changes as personnel and circumstances change. The system includes organizational design, written policies and procedures, operating practices and physical barriers to protect assets and all personnel. The system should be designed to discourage occurrences of errors or irregularities and to identify, within a reasonable time frame, errors or irregularities that may occur.

The internal control system provides for safeguarding of assets, proper recording of transactions and the efficient and effective accomplishment of the University's goals and objectives including compliance with federal, state and University rules and regulations.

The manager, who is responsible for the accomplishment of goals and objectives, is also responsible for establishment, maintenance and monitoring of the internal control system that helps ensure the accomplishment of those goals and objectives. He or she is responsible for the sound financial condition of the unit, protection of the University's assets, including its human resources, and compliance with federal, state, and University rules, regulations and procedures. He or she must ensure that the funds entrusted to the unit are used appropriately.

The manager may delegate some of the related duties but cannot delegate accountability and responsibility.

## Confidentiality and the Health Insurance Portability and Accountability Act (HIPAA)

HIPAA is a federal act aimed at allowing individuals to maintain health insurance, even when they change employment. The act is complex and involves several separate rules. Two of them that affect activities at USU are the Privacy Rule and the Security Rule. The Privacy Rule has been codified in Title 45 of the Code of Federal Regulations (CFR), Parts 60 and 64. Compliance with the rule is overseen by the Office of Civil Rights. This new regulation became effective 14 April 2003, and was developed to ensure that an individual's Protected Health Information (PHI), including information about the individual's physical or mental health, will be protected from disclosure except as permitted by the individual, or as necessary for the delivery of medical treatment to the individual. HIPAA does not replace any existing federal, state, or other law that gives individuals superior privacy protections. This regulation affects any research performed by faculty, staff or students

at USU that creates and electronically transfers data, or that otherwise represents a research activity such as: clinical trials, chart reviews, epidemiological studies, behavioral and social science studies, and basic science research activities. Survey research is included among activities to which HIPAA applies.

The University is under obligation to comply with HIPAA's Privacy Rule in order to avoid criminal or civil liability, and to protect its research participants from harm.

## institutional Resources and Handling Complaints

### Office of Compliance Assistance

The Office of Compliance Assistance (OCA) is a unit within the Office of the Provost. The activities of OCA focus on federal compliance issues, including conflicts of interest, scientific misconduct, and other issues related to the responsible conduct of research. OCA assists in developing and implementing policies that establish and maintain a climate of integrity at the University

OCA's approach to compliance includes:

- Informing the USU Community about regulations that impact our activities
- Educating administrators, faculty and students about the responsible conduct of research
- Assisting in the implementation of ethics-related policies and procedures
- Investigating and reporting on potential conflicts of interest at USU

The Office of Compliance Assistance is managed by the Federal Compliance Manager at USU. OCA can be reached by calling (435) 797-8305, or e-mailing [russ.price@usu.edu](mailto:russ.price@usu.edu).

### Internal Audit Services

Internal Audit Service (IAS) has the responsibility for reviewing complaints and allegations of a fiscal or related compliance nature. This includes complaints and allegations made under the statutes of the State of Utah and University Policy.

IAS performs these duties through an investigative process designed to address the complaint issues and to provide guidance with internal control issues that may develop as a result of the investigation.

There is no specific venue or format limiting how complaints/concerns must be communicated, but there is a basic need/expectation that the information provided will establish sufficient predication for review. Complaints/concerns are received from a variety of sources

and venues:

- Direct from the complainant as a specific communication (in-person, through letter/email or phone call or established hotlines)
- Referral from colleges and University offices
- Audits or other Internal Audit Services engagements
- Through the news media

The Internal Audit Services hotline (435-755-7118) is a resource for all University faculty and staff to raise issues, seek advice and report concerns related to proper business conduct and ethical dilemmas. This telephone hotline has been designated to receive information about improprieties or other concerns. If calling after hours please leave a voice mail. Internal Audit Services will respond to your concern(s) in a timely and professional manner. The hotline has been designed to ensure anonymity unless the caller provides their name.

#### Overview of Investigation Process

The first step is generally a preliminary fact finding stage to determine if the complaint presents the predication needed for an investigative review. If the complaint may be more appropriately addressed by another area such as Human Resources for personnel issues, Student Services for student issues, Office of Affirmative Action/Equal Opportunity for affirmative action issues, USU Police Department for criminal issues, University Counsel for legal issues, it is referred to the appropriate area.

After the preliminary review, assistance may be requested from the unit head, the University's general counsel, or the University police department. For each investigation, assigned Internal Audit Service's personnel must document their independence from the issues presented.

Fact finding and evidence gathering procedures should be as objective as possible. Employee interviews are conducted as necessary. Evidence gathered should be from sources independent of the unit or subject employee when possible.

At the conclusion of the investigation, a report is issued to appropriate management and, if necessary, to prosecuting officials.

#### IAS Website

A University Internal Audit Services Website has been developed to provide a resource for University employees. The site contains useful links to other USU ethics-related websites, Control Awareness Training and additional information on reporting concerns. The site address is <http://www.usu.edu/intaud>.

**Internal Audit Services Hotline  
(435) 755-7118  
Available 24 hrs/day to confidentially report  
impropriety in university-related business**