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Policy Information

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Definitions

"Employees and Relatives": Employees are all persons who are employed by the Board and universities on a full-time, part-time, or contract basis. Relatives are defined to include spouse, children, grandchildren, parents, grandparents, brothers and sisters (including half-brothers and half-sisters), brothers- and sisters-in-law, parents-in-law, and children-in-law of the employee. If any substantial interest is present in a relative, that interest will be considered to be that of the employee.

"Substantial Interest": A substantial interest is any interest which cannot be defined as a remote interest and which confers a pecuniary or proprietary interest, either direct or indirect. A **remote interest** means:

1. That of a nonsalaried officer of a nonprofit corporation.
2. That of a landlord or tenant of the contracting party.
3. That of an attorney of a contracting party.
4. That of a member of a nonprofit cooperative marketing association.
5. Ownership of less than three (3) percent of the shares of a corporation for profit, provided the total annual income from dividends, including dividends payable in stock, received from that corporation does not exceed five (5) percent of the total annual income of the employee and

further providing that any other payments from that corporation do not exceed five (5) percent of the total annual income of the employee.

6. That of an employee in being reimbursed for expenses incurred in performance of official duty.
7. That of a recipient of services generally provided by the Board or University on the same basis as if to any member of the public. (Example: An employee whose spouse, son, or daughter attends a state university would have a remote interest in the setting of fees and tuition. If that employee were receiving a staff or faculty waiver for the spouse, son, or daughter, the employee would have a substantial interest in any Board decision to modify the waiver policy.)
8. That of a member of the hearing board established to review orders of the state banking department. (ARS 6-635)
9. That of a public school board member provided the relative involved is not a spouse or a dependent as defined by state income tax laws. (ARS 43-127)
10. That of a public officer or employee of any other public agency unless the action of that agency would confer a direct economic benefit or detriment upon a Board member or employee.
11. That of a member of trade, business, occupation, profession, or class of persons which is no greater than the interest of the other members of that or similar groups.

Policy

It is in the best interest of the University and its employees to remove or limit the possibility of conflict of interest or personal influence that might bear upon a University employee's decision in her or his capacity as a public employee.

An employee who has or whose relative has a substantial interest in any contract, sale, purchase, or service by or to the Arizona Board of Regents or the universities, must disclose said interest in the official records of the Board. If such an interest exists, the employee shall refrain from participating in the decision, contract, sale, or purchase in any manner.

Employee Responsibilities under This Policy

Affirmative Responsibilities of Employee

Any employee who has or whose relative has a substantial interest shall make known that interest in a special file open to the public and kept by the University. He or she shall thereafter refrain from voting or participating in any manner in the contract, sale, purchase, or decision. It will be the responsibility of each employee to keep the disclosure current. Disclosure forms may be obtained from, and two original copies shall be filed with the Procurement and Contracting Services, which shall forward one copy to Human Resources for placement into the employee's University Personnel file.

An employee who has or whose relative has a substantial interest may supply equipment, material, supplies, or services to the Board and the universities, provided: (1) the interest is disclosed in the special file or in the minutes of the Board, (2) the contract is awarded after public competitive bidding, and (3) the employee refrains from voting or participating in any manner in the contract, sale, purchase, or decision.

Remedies in the Event of Violation of This Policy

Any contract entered into in violation of the statute is voidable or subject to cancellation at the option of the Board and the University. Any persons affected by Board or University action may commence a civil suit to enforce the provisions of the statute. The court may order appropriate

relief, including reasonable costs and attorney's fees to the prevailing party.

Penalties in the Event of Violation of This Policy

Penalties are provided for two classes of persons. Persons who intentionally or knowingly violate the statute may be guilty of a class 6 felony. Those who recklessly or negligently violate the statute may be guilty of a class 1 misdemeanor. A person who violates this policy shall be subject to disciplinary action up to discharge.

Reference: Arizona Revised Statutes 38-501 (*et seq.*)

Related Information*

[Arizona Revised Statutes Title 38 Article 8 \[2\]](#)

Source URL: <http://policy.arizona.edu/employment-human-resources/conflict-interest>

Links

[1] <mailto:hradmin@email.arizona.edu>

[2] <https://www.azleg.gov/arsDetail/?title=38>