UNIVERSITY POLICY

SUBJECT:	ADMINISTRATION	**TITLE:**	CODE OF ETHICS: GENERAL CONDUCT		
CODING:	00-01-10-05:00	**ADOPTED:**	07/01/87	**AMENDED:**	02/23/06
				LAST REVIEWED:	02/23/06

I. PURPOSE

To set policy determining a Code of Ethics to govern and guide the conduct of the University's trustees, officers, faculty, staff members and students.

II. ACCOUNTABILITY

Under the direction of the President, the Vice President for Legal Management is to ensure compliance with this policy.

III. POLICY

A. Requirements:

1. This Code of Ethics shall be applicable to all trustees, officers (President, Senior Vice Presidents, Deans, Vice Presidents, President/CEOs of the Healthcare Units), Academic Department Chairs, Administration Department Heads, faculty and staff members (including residents enrolled in graduate medical education programs) and for students when performing functions under the authority of or acting on behalf of the University.

2. Whenever a question arises concerning the implementation and applicability of this Code of Ethics, it is recommended that, prior to active participation, counsel be obtained from the Senior Administrative Officer of your school or operating unit and that continuing questions be referred to the Vice President for Legal Management, who shall determine whether questions should be referred to the State's Executive Commission on Ethical Standards. If such questions concern a member of the Board of Trustees, then the Vice President for Legal Management shall confer with the Chair of the Ethics Committee of the Board of Trustees to determine if the matter should be referred to the Board of Trustees Ethics Committee with notice to the Chairperson of the UMDNJ Board of Trustees.

3. All Trustees, officers, faculty and staff members of the University of Medicine and Dentistry of New Jersey and students when performing functions under the authority of or acting on behalf of the University shall conform to the following general standards:

a. No University trustee, officer, faculty or staff member shall have any interest, financial or otherwise, direct or indirect, or engage in any business or transaction, or professional activity which is in substantial conflict with the proper discharge of his or her duties in the public interest.

b. No University trustee, officer, faculty or staff member shall engage in any particular business, profession, trade, or occupation which is subject to licensing or regulation by a specific agency of the State Government without promptly filing notice of such activity for officers, faculty or staff members with the Office of the Vice President for Legal Management (in that officer's capacity as liaison officer to the Executive Commission on Ethical Standards), and for trustees with the Board of Trustees Ethics Committee and the Executive Commission on Ethical Standards.

c. No University trustee, officer, faculty or staff member shall use or attempt to use his or her position at the University to secure unwarranted privileges or advantages for himself, or others.

d. No University trustee, officer, faculty or staff member shall act in his or her official capacity in any matter wherein he or she has a direct or indirect personal financial interest which might reasonably be expected to impair his or her objectivity or independence of judgement.

e. No University trustee, officer, faculty or staff member shall accept any gift, favors, services or other things of value under the circumstances from which it might be reasonably inferred that such gifts, services, or other thing of value was given or offered for the purpose of influencing him or her in the discharge of his or her official duties.

f. No University trustee, officer, faculty or staff member shall undertake any employment of service, whether compensated or not, which might reasonably be expected to impair his or her objectivity and independence of judgement in exercise of official duties.

g. No University trustee, officer, faculty or staff member shall knowingly act in any way that might reasonably be expected to create the impression or suspicion among the public having knowledge of his or her acts that he or she might be or may be engaged in conduct violative of his or her trust as a University officer, faculty or staff member.

h. All University Trustees shall be responsible for promptly disclosing to the University any conflicts or potential conflicts of interest arising from the exercise of his/her official duties. Trustees shall be requested to sign a statement indicating their understanding that when a conflict or potential conflict arises they will not a) participate in any action or decision involving such matter(s); b) be present during any discussion or voting of such matter(s); nor c) use any information gained through their positions as Trustees in any way which conflicts with their duties and obligations as a Trustee.

i. <u>As required by State of New Jersey Executive Order #65:</u>

(a.) <u>No President or member of the Board of Trustees of the University, nor any member of the immediate family of such official, shall do business directly or indirectly, with the University. The term “member of the immediate family” means the official’s spouse, child, parent or sibling residing in the same household.</u>

(b.) <u>This prohibition shall also apply to any firm, association or partnership by which the President or member of the board is employed, from which the President or member receives compensation, or of which the President or member owns or controls more than one percent of the</u>

profits or assets of that firm, association or partnership. Such prohibitions shall also apply to shareholders, associates or professional employees of a professional service corporation regardless of the extent or amount of their shareholder interest in such a corporation.

(c.) The phrase "directly or indirectly" has been interpreted by the Executive Commission on Ethical Standards in the context of the Conflicts of Interest Law at N.J.S.A. 52:13D-14 and the Commission rules, N.J.A.C. 19:61-7.4, to mean that a public official cannot accept a thing of value indirectly, i.e., through a family member or business associate, and cannot have an indirect interest, focusing on the interest of a family member, business associate or professional organization that may inure to the financial or professional benefit of the official.

(d.) The term "doing business, directly or indirectly", includes business conducted by the official him/herself; business conducted by a company in which the official is employed, receives compensation or holds an "interest"; business conducted by a family member of the official; business conducted by a company in which the family member is employed, receives compensation or holds an "interest"; and business conducted by an affiliate of a company in which the official or the family member is employed, receives compensation, or holds an "interest".

(e.) The Executive Director of the Executive Commission on Ethical Standards is authorized to grant an exception from the terms of this policy and the Executive Order if, in the judgment of the Executive Director, the entity that employs, provides compensation or is owned in part by the Board member is one with which the University may contract with pursuant to N.J.S.A. 52:13D-19 (competitive bidding) and N.J.S.A 52:34-10, (circumstances under which advertising is unnecessary) or where the public interest required that an exception be made.

4. In addition to the above general statements, faculty or staff members may find themselves involved in specific situations which relate to their role as healthcare personnel and health professions educators. In such situations individuals may be called upon to give testimony, opinion, or counsel in special areas. The following guidelines are applicable to such situations:

a. Nothing contained in these guidelines shall prevent an individual from providing testimony, opinion or counsel when called upon as an eye witness to an occurrence.

b. In private cases, the individual faculty or staff member must make decisions that depends on his or her own personal desires and involvement with the situation as indicated and based upon availability and expertise.

c. When asked to serve as an expert witness in favor of the State, the individual must make his or her decision based upon personal desires, expertise, and availability.

d. When the individual is requested to provide expert testimony, opinion, or counsel, and the State would have an adverse interest, the following guidelines must be followed:

i. Involvement by individuals must not assume aspects that would be in contradiction to New Jersey, Conflicts of Interest Law, N.J.S.A. 52:13D-12 et. seq., as amended. Copies are available in the libraries at each of the campuses, Office of Legal Management and Office of the President.

ii. Any faculty or staff member who shall be providing expert testimony, opinion or counsel in which the State would have an adverse interest shall give prior notice thereof to the Vice President for Legal Management.

iii. Reimbursement may be provided to the individual faculty or staff member.

iv. In any case, the faculty or staff member may seek, through the Vice President for Legal Management, an advisory opinion from the Executive Commission on Ethical Standards.

5. No University trustee, officer, faculty or staff member shall knowingly himself/herself, or by his/her partners or through any corporation which he/she controls or in which he/she owns or controls more than 1% of the stock, or by any other person for his/her use or benefit or on his/her account, undertake or execute, in whole or in part, any contract, agreement, sale or purchase of the value of $25.00 or more, made, entered into, awarded or granted by any State agency, except:

a. Any contract, agreement, sale or purchase which is permitted pursuant to the provisions of N.J.S.A. 52:13D-19 or N.J.S.A. 52:13D-19.2, as amended; or

b. Any faculty member or his/her partners or any corporation or firm in which he/she owns or controls more than 1% of the stock, assets or profits may enter into a contract or agreement with the University where the contract or agreement is for the development of scientific or technological discoveries or innovations in which the University has a property right, if the contract or agreement receives approval in accordance with the procedures set forth in Exhibit A to this Code of Ethics.

6. All individuals governed by this Code of Ethics are required to comply with all of the provisions and requirements of the New Jersey Conflicts of Interest Law, N.J.S.A. 52:13D-12 et. seq., as amended.

7. These guidelines have been promulgated in recognition that under our democratic form of government, public officials and employees should be drawn from all of our society, that citizens who serve in government cannot and should not be expected to be without any personal interest in the decisions and policies of government; that citizens who are government officials and employees have a right to private interests of a personal, financial, and economic nature; that standards of conduct should separate those conflicts of interest which are unavoidable in a free society from those conflicts of interest which are substantial and material, or which bring government into disrepute.

8. Individuals for whom the Code of Ethics apply, who are newly hired/appointed, shall receive a copy of the Code of Ethics during personnel processing/upon appointment and shall sign a Receipt of Code of Ethics: General Conduct Form which will be maintained in his/her personnel folder within the offices that provided the Receipt. For Board of Trustees members, the receipt shall be kept on file by the staff secretary to the Board of Trustees. The completion of this form will serve as acknowledgment of receipt of the Code of Ethics and that he/she is responsible for reading the policy and is bound by it.

The following offices shall provide the Receipt of Code of Ethics: General Conduct Form: the campus Human Resources Office for staff forms; the appropriate Office of the Dean for faculty forms; the appropriate Office of Medical Education for housestaff; and the Office of Legal Management for Board of Trustees members.

9. This Code of Ethics is provided as a mandatory guideline and to call attention to all trustees, officers, faculty, staff members and students of the University of potential conflict of interests and legal jeopardy involved.

IV. EXHIBITS

A. Faculty Involvement with Commercial Enterprise - Contracts with the University

B. Receipt of Code of Ethics: General Conduct

C. Receipt of Code of Ethics: Conduct for Board of Trustees Members

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Interim President

EXHIBIT A

FACULTY INVOLVEMENT WITH COMMERCIAL ENTERPRISE CONTRACTS WITH THE UNIVERSITY

A. Introduction

There are times when a faculty member's involvement with commercial enterprise may exceed the usual relationships developed as part of normal duties, in professional affiliations, or in a consulting role, and thus may not be covered by other sections of this Code of Ethics, or by the University's policies on Patents (00-01-90-45:00) and on Educational Use of Copyrighted Works (00-01-90-50:05). The propensity for such involvement has increased as the potential to develop commercial enterprises to market university research-based technology has increased. The University recognizes that such involvement can be and has been of significant benefit to the University, the faculty member, the commercial entity, the general public, and the economy of the State of New Jersey and encourages worthwhile technology transfer.

Involvement with commercial enterprise also offers the potential for conflicts of interest and time, for inhibition of free exchange of information, and for interference with the faculty member's primary allegiance to the University and its mission. An essential part of the University's commitment to encouraging worthwhile technology transfer is protection of the University's integrity and its primary goals of education and open inquiry. Toward this end, this attachment to the University's Code of Ethics prescribes a disclosure and approval process for faculty involvement in any contracts or agreements governed by Section III.A.5 of the University's Code of Ethics. The policy recognizes the need for flexibility and the difficulty of anticipating all situations which may arise by leaving discretion to the University's administration to interpret the policy and weigh the potential risks of conflict of interest against the potential benefits to the University.

1. In order for the University to have an opportunity to evaluate carefully the benefits and burdens of a faculty member's equity interest in a commercial enterprise which seeks to enter into an agreement with the University, all faculty members must request prior approval, in writing, from their Department Chairperson when such an agreement is contemplated. Contracts or agreements for which approval must be sought include:

    a. Ownership of substantial equity (greater than 1%) in a commercial enterprise that carries on business activities with the University, and particularly when closely related to the faculty member's area of academic work;

    b. Ownership of substantial equity (greater than 1%) in commercial enterprise by a member of a faculty member's immediate family, that wishes to carry on business activities with the University.

2. Faculty requests for approval of such contracts or agreements shall disclose fully to the Department Chairperson the following aspects of the affiliation:

    a. Nature of the relationship;

    b. Short and long-term commitment of time and effort by the faculty member in the operations of the commercial enterprise;

    c. Financial aspects, including the extent of compensation, equity, and indirect and/or potential economic value;

    d. Expected benefit to the enterprise;

e. Expected benefits to the faculty member, the University, the public and the State of New Jersey;

f. The names of all other individuals who have an interest in the commercial enterprise.

3. Department Chairpersons should consider the following major issues when evaluating such requests from faculty members:

a. There should be prospective benefits to the faculty member and the University.

b. The relationship shall not interfere with the faculty member's primary obligation to his or her University appointment, nor shall it undermine the morale or academic integrity of the University.

c. There must be no anticipated distortion of academic programs or student direction. Special attention must be given to protecting the intellectual property of students and in protecting students from performing work under any such contract or agreement which is out of proportion to the educational and other benefits received by the student for their performance of the work.

d. There should be free access to the results of all research conducted at the University, subject only to reasonable restrictions related to protection of intellectual property.

e. Except under extraordinary circumstances, holding of a line management position or participation in day-to-day operations within a commercial enterprise with which the University does or will do business with should not be approved. Any approvals granted because of extraordinary circumstances shall be in compliance with Paragraph 3(b) of this Attachment.

f. Alternative arrangements, in which a conflict of interest does not exist, should be explored.

g. Contracts and agreements covered under this Attachment shall not be negotiated by the subject faculty member on behalf of the commercial enterprise nor shall the subject faculty member negotiate or administer such contracts or agreements on behalf of the University.

h. In considering requests for approval of these contracts or agreements by chairpersons, the Dean may consult with representative faculty within the department to ensure that the request is consistent with departmental goals. Such contracts or agreements shall not be negotiated by the subject faculty member on behalf of the commercial enterprise.

4. The information disclosed by the faculty member and a record of the department chairperson's recommendation on the faculty member's request shall be submitted to the Dean who shall forward with his/her recommendation, to the Senior Vice President for Academic Affairs for final decision. The Senior Vice President for Academic Affairs may seek the advice of legal counsel and/or the Executive Commission on Ethical Standards as warranted.

EXHIBIT A (continued)

B. Exceptions

1. The following activities are exempt from the provisions of this Section unless they represent a potential conflict of interest, time, or allegiance with the faculty member's University position. Such activities, however, remain subject to the applicable provisions of the New Jersey Conflict of Interest Law and the University's Code of Ethics:

   a. Minor stock holdings (Less than 1%).

   b. Uncompensated service on boards of directors. The Department Chair may also exempt compensated service on company boards if he or she finds that it does not conflict with the faculty member's University position.

   c. Ownership of or equity in a corporation used solely for the faculty member's consulting activities reported under the University policy on Outside Employment.

2. Faculty members on leave without pay or during unpaid summer months continue to represent the University of Medicine and Dentistry of New Jersey in the eyes of the public. The provisions of the University's Code of Ethics are applicable during these periods. During these times, therefore, faculty members are still required to request approval for any contracts or agreements covered by this Section.

C. Reports to University Board of Trustees

All contracts and agreements approved under this procedure shall be reported to the University's Board of Trustees at the first meeting of the Board following such approval and notice of each such contract or agreement shall be provided to the Executive Commission on Ethical Standards immediately following the report to the Board of Trustees.

D. Annual Review

1. Each faculty member who has received approval for any arrangement under this section of the Code of Ethics during the preceding year shall submit a summary of activities undertaken to his/her Department Chairperson by January 15th of the next year following such approval, with a copy to the Dean and the Senior Vice President for Academic Affairs. Department Chairmen should closely monitor on-going relationships to ensure the minimizing of detrimental conflicts.

2. At the end of each calendar year, the Deans shall review the arrangements approved under this Section of faculty members in their schools and prepare a report for the Senior Vice President for Academic Affairs. The report shall be submitted to the University's Board of Trustees and to the Executive Commission on Ethical Standards.

3. The annual summary of faculty involvements with commercial enterprise under this section shall be made available by the University's Board of Trustees to the Executive Commission on Ethical Standards, and to the Legislature as required by law.

E. <u>Executive Order #65</u>

<u>As required by State of New Jersey Executive Order #65 issued by Acting Governor Richard J. Codey:</u>

(a.) <u>No President or member of the Board of Trustees of the University, nor any member of the immediate family of such official, shall do business directly or indirectly, with the</u>

University. The term "member of the immediate family" means the official's spouse, child, parent or sibling residing in the same household.

(b.) This prohibition shall also apply to any firm, association or partnership by which the President or member of the board is employed, from which the President or member receives compensation, or of which the President or member owns or controls more than one percent of the profits or assets of that firm, association or partnership. Such prohibitions shall also apply to shareholders, associates or professional employees of a professional service corporation regardless of the extent or amount of their shareholder interest in such a corporation.

(c.) The phrase "directly or indirectly" has been interpreted by the Executive Commission on Ethical Standards in the context of the Conflicts of Interest Law at N.J.S.A. 52:13D-14 and the Commission rules, N.J.A.C. 19:61-7.4, to mean that a public official cannot accept a thing of value indirectly, i.e., through a family member or business associate, and cannot have an indirect interest, focusing on the interest of a family member, business associate or professional organization that may inure to the financial or professional benefit of the official.

(d.) The term "doing business, directly or indirectly", includes business conducted by the official him/herself; business conducted by a company in which the official is employed, receives compensation or holds an "interest"; business conducted by a family member of the official; business conducted by a company in which the family member is employed, receives compensation or holds an "interest"; and business conducted by an affiliate of a company in which the official or the family member is employed, receives compensation, or holds an "interest".

(e.) The Executive Director of the Executive Commission on Ethical Standards is authorized to grant an exception from the terms of this policy and the Executive Order if, in the judgment of the Executive Director, the entity that employs, provides compensation or is owned in part by the Board member is one with which the University may contract with pursuant to N.J.S.A. 52:13D-19 (competitive bidding) and N.J.S.A 52:34-10, (circumstances under which advertising is unnecessary) or where the public interest required that an exception be made.

EXHIBIT B

RECEIPT OF CODE OF ETHICS: GENERAL CONDUCT

This is to certify that I have received a copy of the University's policy on Code of Ethics: General Conduct. I understand that I am responsible for reading the policy and that I am subject to its provisions and restrictions.

Signature: _____

Name: _____
(please print)

School/Unit: _____

Date: _____

EXHIBIT C

RECEIPT OF CODE OF ETHICS: CONDUCT FOR BOARD OF TRUSTEES MEMBERS

This is to certify that I have received a copy of the University's policy on Code of Ethics: General Conduct. I understand that I am responsible for reading the policy and that I am subject to its provisions and restrictions.

I also understand that I am responsible for promptly disclosing to the University any conflicts or potential conflicts of interest arising from the exercise of my official duties. I further understand that when a conflict or potential conflict arises, I will not a) participate in any action or decision involving such matter(s); b) be present during the discussion or voting of such matter(s); nor c) use any information gained through my position as a board member in any way which conflicts with my duties and obligations as a Trustee.

Signature: _____

Name: _____
(please print)

Date: _____