

CONTRACTING AND PURCHASING SERVICES POLICY MANUAL

 NORTHERN ARIZONA UNIVERSITY	POLICY PUR 102-00
	Section: 100 Ethical Considerations
	Page 1 of 3
	Responsible office: Purchasing
	Origination date: 07/01/1996
Subject: Conflict of Interest	Effective date: 07/01/1996
Source: University policy Arizona Revised Statutes § 38-501 - § 38-511	Revision date:

PURPOSE

To prevent University employees from engaging in any behavior that would violate the State of Arizona general conflicts of interest laws.

POLICY

PUR 102-00-01: Applicability

All NAU employees will comply with the State of Arizona conflict of interest laws. It is the responsibility of the NAU employee to learn and comply with the requirements of the law. Substantial civil and criminal penalties may result to the University employee from failure to comply with the law.

PUR 102-00-02: Substantial Interest

Any University employee who has, or whose relative has, a substantial interest in any contract sale, purchase or service to the University shall make known that interest to the University and shall refrain from participating in any manner in such contract, sale, purchase or service.

PUR 102-00-03: Procurement from University Employee

The procurement of supplies, equipment, or services from any employee of the University is not authorized unless it is made through public competitive bidding conducted by the NAU Contracting and Purchasing Services department.

Contracting and Purchasing Services is not required to request competitive bids for procurement of small dollar value merely to allow University employees to bid.

PUR 102-00-04: Definitions

1. Relative: - The spouse, child, child's child, parent, grandparent, brother or sister of the whole or half blood and their spouses and the parent, brother, sister or child of a spouse.

2. Remote Interest:

- a) A University employee or a relative of a University employee who is a non-salaried officer of a nonprofit corporation.
- b) A University employee or a relative of a University employee who is a landlord or tenant of the contracting party.
- c) A University employee or a relative of a University employee who is an attorney of a contracting party.
- d) A University employee or a relative of a University employee who is a member of a nonprofit cooperative marketing association.
- e) A University employee or a relative of a University employee whose ownership is less than three per cent of the shares of a corporation for profit, provided the total annual income from dividends,

CONTRACTING AND PURCHASING SERVICES POLICY MANUAL

	POLICY PUR 102-00
	Section: 100 Ethical Considerations
	Page 2 of 3
	Responsible office: Purchasing
	Origination date: 07/01/1996
Subject: Conflict of Interest	Effective date: 07/01/1996
Source: University policy Arizona Revised Statutes § 38-501 - § 38-511	Revision date:

including the value of stock dividends, from the corporation does not exceed five per cent of the total annual income of such officer or employee and any other payments made to him by the corporation do not exceed five per cent of his total annual income.

- f) A University employee or a relative of a University employee who is a public officer or employee in being reimbursed for his actual and necessary expenses incurred in the performance of official duty.
- g) A University employee or a relative of a University employee who is a recipient of public services generally provided by the incorporated city or town, political subdivision or state department, commission, agency, body or board of which he is a public officer or employee, on the same terms and conditions as if he were not an officer or employee.
- h) That of a public school board member when the relative involved is not a dependent, as defined in section 43-1001, or a spouse.
- i) That of a public officer or employee, or that of a relative of a public officer or employee, unless the contract or decision involved would confer a direct economic benefit or detriment upon the officer, employee or his relative, of any of the following:
 - j) Another political subdivision.
 - k) A public agency of another political subdivision.
 - l) A public agency except if it is the same governmental entity.
- m) A University employee or a relative of a University employee who is a member of a trade, business, occupation, profession or class of persons consisting of at least ten members which is no greater than the interest of the other members of that trade, business, occupation, profession or class of persons.

3. Substantial Interest: Any pecuniary or proprietary interest, either direct or indirect, other than a remote interest.

PUR 102-00-05: Disclosing Substantial Interest

Employees must make known any actual or potential conflicts of interest by completing the form entitled Disclosure of Substantial Interest. This is an on-going responsibility of all NAU employees. Disclosure forms shall be returned to Contracting and Purchasing Services, Building 47A, PO Box 4124.

PUR 102-00-06: Substantial Interest List

Each buyer in Contracting and Purchasing Services shall have an updated list of disclosure of substantial interest" information and shall refer to it, as part of normal purchasing procedures, in order to identify potential conflicts of interest. All related party transactions shall be recorded on a central log in Contracting and Purchasing Services.

PUR 102-00-07: Failure by employee to file Substantial Interest

Any bid or proposal received from an employee who has not filed a Disclosure of Substantial interest form with the Director of Procurement disclosing the specific business, activity or other relationship that creates the potential conflict of interest in the award or contract at issue, will be rejected, or if awarded, shall be subject to cancellation.