Conflict of Interest Policy

Policy Number: HR 4025
Effective Date: 04/1992
Review Date: 02/2026; 04/2007; 06/2001
Approved By: [Board, President, or Executive Cabinet]

1. Purpose

This policy establishes the College of Southern Maryland's ("CSM" or "College") expectations that employees perform their duties with integrity and in a manner that avoids actual, potential, or perceived conflicts of interest. Its purpose is to protect the College's ethical standards and safeguard its financial and operational responsibilities by promoting transparency, accountability, and sound decision-making.

2. Scope

This policy applies to all full and part-time employees and faculty.

3. Definitions

Employee(s) includes all faculty, staff, temporary employees, and contractual employees of the College.

Conflict of Interest means a situation in which an employee's personal, financial, or outside interests could influence, or appear to influence, the employee's impartial and independent judgment in performing College duties. This includes (a) restrictions on participating in matters where the employee or certain relatives have an interest, and (b) prohibitions on outside employment/financial interests with entities regulated by or contracting with the College.

Appearance of Impropriety means circumstances that would reasonably be seen as undermining an employee's impartiality, even if no actual conflict exists. Under Maryland law, several provisions expressly guard against the appearance of improper influence or impaired judgment (e.g., gift rules and the statute's purpose clause).

Financial Interest means ownership or other interest that crosses legal thresholds, ownership of more than 3% of a business entity (by the employee or spouse), securities representing more than 3%, or an interest that has yielded, yields, or will yield more than $1,000 per year in the past three years, present year, or future years.

Qualifying Relative / Family means, for ethics-law purposes, a spouse, parent, child, brother, or sister.

Outside Employment means any compensated or uncompensated work outside the College, including service on a board (for-profit or nonprofit), secondary government employment, or consulting. Outside employment is restricted if it is with entities regulated by, doing business with, or under the authority of the College, or if it would impair impartiality.

Independent Consulting means providing advisory or professional services to an outside entity as a non-employee (e.g., 1099 or firm-to-firm arrangement). Consulting is treated as outside employment for ethics compliance and is subject to the same restrictions and disclosure expectations.

Operate a Business means owning, managing, or otherwise controlling a business entity (profit or nonprofit), including sole proprietorships, partnerships, LLCs, or corporations, regardless of form.

Full-Time Employment or Its Equivalent means employment with a time commitment comparable to a 1.0 FTE under College HR standards (e.g., regular full-time work week or comparable annualized schedule).

College Resources means College time, facilities, equipment, IT systems, email/listservs, networks, social media accounts/handles, trademarks/logos, office supplies, and other assets.

Proprietary or Confidential Information means any nonpublic information learned through College employment (regardless of format) that may not be disclosed or used for personal or others' economic benefit. The prohibition continues after employment ends.

Gift means any thing of economic value transferred without adequate and lawful consideration (e.g., items, benefits, discounts, travel/lodging, meals), with specific statutory exceptions and strict restrictions on soliciting or accepting gifts from certain sources.

Covered Employees (Financial Disclosure) means employees and executives who must file financial disclosure statements under Title 5, Subtitle 6, as determined by the State Ethics Commission (or applicable local ethics program approved by the Commission).

Political Activity / Campaign Activities means activities intended to influence the success or failure of a political party, candidate, or ballot measure (e.g., campaigning, fundraising, soliciting contributions). Employees may engage in political activity on their own time, but may not use College resources or prestige of office to support such activity.

Disclosure (of Conflicts) means providing a timely written statement of actual, potential, or apparent conflicts, before or as soon as the situation arises, so the College can review and, if needed, manage or prohibit the activity (e.g., recusal, divestiture, management plan).

4. Policy Statement

The College expects employees to conduct their duties with integrity and to avoid actual, potential, or perceived conflicts of interest and other conduct that could compromise the College's ethical, financial, or operational responsibilities.

The Compliance and Risk Management office serves as the College's central intake and assessment authority for conflicts of interest, financial disclosures, and ethics-related concerns. Employees are expected to promptly report suspected or confirmed concerns so they may be reviewed and addressed appropriately.

Good-faith reporting is encouraged and protected. Concerns may be resolved through guidance, management action plans (MAP), or other administrative processes, and retaliation is prohibited.

A. Conflict of Interest

1. Employees shall conduct themselves in accordance with the Maryland Public Ethics Law. The Maryland State Ethics Commission makes available a summary of that law at: ***http://ethics.gov.state.md.us/bluepamphlet.htm***. Employees shall avoid even the appearance of impropriety with respect to a conflict of interest in the performance of their duties and must not use their positions to inappropriately influence decisions for the personal advantage of themselves, their families, or their friends.

2. No employee shall engage in or have a financial interest, directly or indirectly, in any activity that conflicts or raises a reasonable question of conflict with his or her duties and responsibilities.

3. Employees shall not at any time engage in any outside employment or independent consulting or operate a business that would adversely affect their employment status or performance as employees at the college, create a conflict of interest or the appearance of a conflict of interest, or, with the exception of constitutionally protected activities, would compromise or embarrass the college, or adversely affect professional standing. Any full-time college employee who also holds a full-time position or its equivalent in consulting or operating a business elsewhere (whether permanent or seasonal) will be deemed to have a conflict of interest and will be asked to resign from one of the full-time positions. Full-time employees must promptly disclose in writing to the College all other full-time employment or its equivalent in independent consulting.

4. Employees may not purchase or influence the purchase of any goods or services for the college from a person or entity in which the employee or the employee's family would receive financial gain without prior written disclosure of such interest to, and prior written approval by, his or her division head or the President.

5. Employees shall not use their position at the college or the college name in the endorsement of any commercial service, commercial product, method or device without the prior written permission of the President.

6. Employees shall not use College resources for personal or personal business use.

7. An employee shall not accept money, gifts (other than sample items of low cost such as textbooks), or benefits from any company seeking to do business with the state or college or engage in such business, if it can reasonably be inferred that such gifts are intended to influence his or her actions at the college.

8. In addition to conflicts involving full-time employment, independent consulting, or operating a business, employees must disclose in writing to the Compliance and Risk Management office the existence of any other actual or possible conflict of interest immediately after becoming aware of its existence, and shall provide all material facts relating to the actual or possible conflict.

9. The college will determine whether a conflict or the appearance of a conflict exists and shall determine what, if any, action to take. The actions may include, but are not limited to, no alteration of the employee's assignment, changing the duties or scope of the employee's assignment, and/or ending the employment of the employee.

10. Employees and their qualifying relatives shall not provide goods or services to the College through an employee-owned or controlled business, except in limited circumstances approved in advance. Any such arrangement must be fully disclosed in writing and is subject to review and determination by the College. At a minimum, the employee must have no participation in the procurement, selection, supervision, approval, or administration of the contract, and the arrangement must comply with all applicable procurement requirements. The College reserves the right to prohibit any arrangement that presents an actual conflict of interest or the appearance of impropriety.

B. **Proprietary and Confidential Information**

Employees shall not disclose or use, for themselves or for others, any proprietary or confidential information or records gained during their employment with the college.

Nothing in this policy is intended to restrict the ownership, use, or dissemination of intellectual property by faculty or staff where such ownership or rights are expressly granted under College policy governing intellectual property, including GA-3025.

C. **Political Activity**

In accordance with CSM's Political Activity policy (HR 4122) and state law, if an employee files for a federal, state, county, or town office, he or she shall not campaign or conduct campaign activities during working hours. No one in the employee's office can conduct campaigning or campaigning activities for the employee during working hours. No college supplies, materials, or equipment may be used for campaign purposes. If an employee wishes a leave of absence for campaigning purposes, they must petition for leave without pay (see HR 4100 Leave policy) from their direct supervisor and Division Vice President (for staff) or to the department chair and Vice President of the Division of Learning (for faculty).

D. No Wrong Door for Reporting

All suspected or confirmed concerns within the scope of this policy must be promptly reported to Compliance and Risk Management. Reports may be submitted directly to Compliance and Risk Management or through the College's confidential reporting system.

Employees may raise concerns through supervisors or other College offices; however, such concerns must be shared with the Compliance and Risk Management office to ensure consistent review, documentation, and institutional oversight.

5. Procedures

A. **Reporting and Intake**

The Compliance and Risk Management office oversees the College's reporting and assessment process for conflicts of interest, financial disclosures, and ethics-related concerns.

Compliance and Risk Management will conduct an initial assessment and coordinate review or resolution with the appropriate College offices. Not all reports result in investigations or disciplinary action; many are resolved through clarification, guidance, management plans, or referral to the appropriate administrative process.

B. The College will annually disseminate financial disclosure and conflict of interest disclosure forms to covered employees.

C. Covered employees, as determined by the Maryland State Ethics Commission, will comply with the financial disclosure filing requirements.

D. New employees who are covered by the financial disclosure program will complete the required training.

E. Employees will disclose, through CSM's designated disclosure procedure, to their supervisors all activities (paid and unpaid) that may have the appearance of a conflict of interest with assigned duties and responsibilities.

F. Supervisors will review reports and forward them to the executive-level leader for review and final resolution. In partnership with the Compliance and Risk Management office, PCE/HR will coordinate resolution with the Executive leader, supervisor, and the employee as appropriate.

G. A copy of the report with final disposition may be forwarded to the PCE/HR department as appropriate.

6. Roles and Responsibilities

The **Compliance and Risk Management** office is responsible for intake, assessment, and coordination of conflict of interest, financial disclosure, and ethics-related concerns.

Employees are responsible for conducting themselves with integrity, avoiding conflicts of interest, and disclosing actual or potential conflicts and outside activities.

Supervisors and executive-level leaders are responsible for reviewing disclosures and coordinating resolution in partnership with Compliance and Risk Management and PCE/HR.

7. Enforcement and Compliance

Violations of this policy may result in appropriate disciplinary actions, up to and including termination, in accordance with CSM policies.

8. Related Policies and References

Board policies PER: 719, 719a, 721

HR 4122: Political Activity

HR 4100 Leave

Md. Code, General Provisions (“GP”) §5-501, §5-102(b), §5-502, §5-505, §5-506, §5-507

9. Review and Revision Process

This policy will be reviewed and revised as needed, but no less than every four (4) years.

10. Policy Administration

Policy Owner: President

Policy Administrator: Executive Director, Compliance and Risk Management

For more information, contact the Policy Subject Matter Expert, Executive Director, Compliance and Risk Management.