

#### 4.2.d Conflict of interest

The governing board defines and addresses potential conflict of interest for its members.

**Compliance Judgment:** In Compliance

#### Rationale

**Conflict of interest law and policy.** As public officials, the University of South Carolina Board of Trustees members must abide by rules of conduct as stipulated in [Article 7 of the 8-13 South Carolina Code of Laws](#) <sup>[1]</sup> that pertains to ethics and government accountability. Section 8-13-700 of the Code of Laws states,

No public official, public member, or public employee may knowingly use his official office, membership, or employment to obtain an economic interest for himself, a family member, an individual with whom he is associated, or a business with which he is associated. This prohibition does not extend to the incidental use of public materials, personnel, or equipment, subject to or available for a public official's, public member's, or public employee's use which does not result in additional public expense.

Violations of the ethical rules of conduct subject Board members to penalties specified in the Act, including but not limited to prosecution by the State Ethics Commission and the South Carolina Attorney General's office.

The Board of Trustees has set a [system-wide policy](#) <sup>[2]</sup> to address conflicts of interest. This policy states,

A perceived and/or real conflict of interest arises whenever the employee has the opportunity to influence University operations or business decisions in ways that could result in a personal financial benefit or economic gain to the employee, a member of an employee's extended family, or individuals with whom the employee has a business or personal relationship.

University employees must take particular care when relationships intersect with the University's interests and have the potential or appearance to influence factors to be considered in administrative decisions including, but not limited to hiring and procurement decisions. In particular, individuals who have University duties involving (i) procurement, or sale of goods, services, or other assets, (ii) the negotiation and formation of contracts or other commitments affecting the assets or interests of the University, (iii) the handling of confidential or privileged information, (iv) the performance of patient care, (v) the conduct or handling of any research results or transfer of technology, or (vi) the presentation of professional advice to the University, must be particularly conscious of conflicts of interest or the appearance of conflicts of interest.

**Disclosure procedure and assurance of compliance.** The Ethics Act requires Board members to file annually with the State Ethics Commission an [electronic Statement of Economic Interests form](#) <sup>[3]</sup> disclosing relationships with external parties that could potentially result in a conflict of interest with the member's duties and responsibilities to the Board. [Board members' statements of economic interests](#) <sup>[4]</sup> are public documents available for public inspection.

The Board of Trustees has also delineated conflict of interest disclosure procedures for members of the board in [Article XVI of the Board of Trustees Bylaws](#).<sup>[5]</sup> If a conflict of interest exists, the affected member(s) must disclose the matter using a [conflict of interest report form](#) <sup>[6]</sup> and "abstain from any discussion with any Board member, formal or informal, and any vote regarding the transaction or arrangement that results in the conflict of interest." On an annual basis, Board members receive a copy of the Conflict of Interest Policy and must sign a statement that affirms the policy has been read, understood, and will be complied with. [Affirmations from the Fall of 2019](#) <sup>[7]</sup> demonstrate compliance. The University of South Carolina has not had to invoke policies addressing violations of conflict of interest for its board members.

### Supporting Documentation

1. [South Carolina Code of Laws 8-13-700 et seq.](#)

2. [BTRU 1.18: Conflict of Interest Policy](#)
3. [Electronic Statement of Economic Interests User Guide](#)
4. [2019 Statements of Economic Interests by Board members](#)
5. [Board of Trustees Bylaws, Article XVI](#)
6. [Conflict of Interest Report Form](#)
7. [2019 signed affirmations of Board members](#)