

Section Title: Other Policies

Policy Title: Conflict of Interest Disclosure Policy for Commission Members

Policy Number: O5.1

Conflict of Interest Disclosure Policy for Commission Members

- 5.1.10
- (1) It shall be inappropriate for a Commission member to have a direct interest in any contract the Commission has entered into for goods or services as a result of a bid process or any other business transaction with the Commission.
 - (2) A Commission member shall disclose any of the following interests:
 - (a) Any indirect interest in any contract or other business transaction with the Commission;
 - (b) Any interest, direct or indirect, in any contract or other business transaction with any higher education institution which is coordinated by, contracted by, contracted with, or authorized by the Commission; and
 - (c) Any indirect interest created by a relative who has (to the extent the Commission member is aware) any contract or business transaction with the Commission or with any higher education institution which is coordinated by, contracted by, contracted with, or authorized by the Commission.
 - (3) “Direct interest” means any contract for goods or services as a result of a bid process with:
 - (a) the Commission member;
 - (b) a relative of the Commission member; or
 - (c) a business in which the Commission member or a relative is an officer, director or equity owner having an ownership interest greater than one percent.

The phrase shall also mean any other business transaction with:

 - (a) the Commission member; or
 - (b) a business in which the Commission member is:
 - (i) the sole proprietor;
 - (ii) a partner; or
 - (iii) the person having the controlling ownership or control of the largest numbers of outstanding shares owned by any single individual or corporation.
 - (4) “Indirect interest” means any contract in which the Commission member is interested but not directly so, but includes contracts where the Commission member is directly interested but is the sole supplier of goods or services.
 - (5) “Relative” includes spouse, parents, siblings, or children.

- (6) In the event a member of the Commission has an indirect interest in a matter to be voted upon, a Commission member may abstain for cause by announcing such to the Chair of the Commission. Any Commission member who abstains from voting for cause on any issue coming to a vote before the Commission shall not be counted for the purpose of determining a majority vote. This provision shall not be construed to prohibit any Commission member from voting on the higher education funding recommendation, or amendments thereto, unless the vote is on a specific amendment to the funding recommendation in which such person has a direct interest.
- (7) The basic underlying principle in conflict of interest is that Commission members should disclose any activity, investment, or interest that might reflect unfavorably upon the Commission, using the disclosure form. Because of the sensitive nature of the Commission's relationship with all of the postsecondary institutions, as well as the General Assembly, it is important that members resolve questions of conflict of interest by disclosure.
- (8) The conflict of interest form must be filed within thirty (30) days after the Commission's regular Spring meeting, but in no case shall it be filed later than June 1. In the case of a member appointed to the Commission after the Spring meeting, the newly appointed member shall file a conflict of interest statement no later than thirty (30) days after the first Commission meeting following his/her appointment.
- (9) A Commission member shall amend his/her disclosure because of termination or acquisition of interests of which disclosure is required.

Approved: January 31, 1992

Revised: _____, 2003

TENNESSEE HIGHER EDUCATION COMMISSION
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TENNESSEE HIGHER EDUCATION COMMISSION
DISCLOSURE STATEMENT FOR INDIRECT INTERESTS
OF COMMISSION MEMBERS

I, the undersigned member of the Tennessee Higher Education Commission, in order to assure that any appearance of conflict of interest is avoided, and in order to assure that any indirect interests are publicly acknowledged, hereby make the following statements and assurances:

1. I am related to the following employees of the Tennessee Higher Education Commission or any official of any corporation, partnership, sole proprietorship, association, institution of higher education or other entities which do business with, are licensed by, or are otherwise involved with the Tennessee Higher Education Commission:

2. I am employed or professionally affiliated with the following corporation, partnerships, sole proprietorships, associations, institutions of higher education or any other entities which do business with or are licensed by the Tennessee Higher Education Commission:

3. I have an ownership interest in or serve on the Board of the following corporations, partnerships, sole proprietorships, associations, institutions of higher education or other entities which either do business with the Tennessee Higher Education Commission or, to my knowledge, do business with postsecondary institutions coordinated or licensed by the Tennessee Higher Education Commission:

4. In my household and among my dependents, to my knowledge, the following individuals have an ownership interest as stated in Number 3 above:

5. I am currently the recipient of the following grants administered by the Tennessee Higher Education Commission:

6. I hereby certify that if, during my tenure this year on the Tennessee Higher Education Commission, I become directly or indirectly interested as an owner, employee or affiliated as described in Number 1-5 above, or if there is any change in the information provided in this statement, I shall immediately disclose such information to the Tennessee Higher Education Commission. The accuracy of this statement will be reviewed within thirty (30) days after the Commission's regular Spring meeting, but no later than June 1.

By my signature below, I affirm that all of the above statements are true to the best of my knowledge and belief.

(Signature)

(Date)