

SECTION: 3.0 PERSONNEL

SUBJECT: ETHICAL CONDUCT

Title: Conflict of Interest / Ethical Conduct

Background: LC State is committed to upholding the highest standards of ethical conduct and promoting a culture of compliance with all applicable federal and state laws, regulations, and the policies of the Idaho State Board of Education and LC State. Employees' conduct shall reflect the highest ethical standards in circumstances involving actual, perceived, or potential conflicts between their public duties and private interests.

Point of Contact: Human Resource Services (HRS)

Other LC State offices directly involved with the implementation of this policy, or significantly affected by the policy: Controller, President, Provost, Vice President for Finance & Administration, and Vice President for Student Affairs

Date of approval by LC State authority: August 21, 2023

Date of State Board Approval: N/A

Date of Most Recent Review: March 20, 2026

Summary of Major Changes incorporated in this revision to the policy: Updates to policy include: the review process when there is a conflict of interest, ensuring the employee is notified about the process during the review process, examples of presumed conflicts that require disclosure, guidelines for assessing potential conflicts of interest, and procedures for investigating conflicts of interest concerns. Changes also include an updated conflict management plan template and updated procedures for reviewing and investigating conflict of interest issues/concerns.

1. General Purpose

Employees of LC State are expected to conduct themselves in such a way as to strengthen the faith and confidence of the people of Idaho in the integrity of state government and state employees. It shall be a paramount concern of LC State employees that they engage in no conduct which might reasonably be interpreted as tending to influence or adversely affect the performance of their official duties. This policy provides guidelines for employees' conduct in areas where there are actual or potential ethical concerns between their public duties and their private interests. Unless the context indicates otherwise, "state employee(s)" shall have the broadest meaning possible within the Executive Department of Idaho State government consistent with Idaho law, and "person" shall include an association, corporation, or governmental entity.

2. General Principles of Ethical Conduct

- A. Conflicts of interest are situations that can arise under many different circumstances. This policy does not attempt to provide an exhaustive list of every possible situation but provides requirements for LC State employees to avoid, minimize, and manage a real or potential Conflict of Interest. Employees who feel there may be a conflict or appear to be a conflict in a given situation should report the real or potential conflict to review the situation and develop a plan if necessary.
- B. All employees of LC State:
 - i. shall not hold financial interest that conflict with the conscientious performance of their official duties and responsibilities.
 - ii. shall not engage in any financial transaction to further any private interest using nonpublic information of the State Board of Education or LC State.
 - iii. shall put forth honest effort in the performance of their duties.

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- iv. shall make no commitments, representations, promises, or political or social statements, and shall take no actions, purporting to bind or to represent the official policy or position of LC State, without the prior express authorization of the president of LC State or the president's authorized designee.
- v. shall not use their public office for private gain.
- vi. shall act impartially and not give preferential treatment to any private or public organization or individual other than what is outlined in Code of Federal Regulations (CFR; e.g., [CFR 200.321](#)).
- vii. shall protect and conserve public property and shall not use it for other than authorized activities.
- viii. shall not engage in outside employment or activities that conflict with official duties and responsibilities, including seeking or negotiating for employment.
- ix. shall promptly report potential or apparent violation, waste, fraud, abuse, or corruption in accordance with applicable law, policy, and conflicts of interest. Such instances should be reported on the Conflict of Interest and Personal Relationship Disclosure Form and sent to the Compliance Officer, who also serves as the Vice President for Student Affairs. Confidential reports can be made using the Confidential Report Line located at: [LC State Lighthouse Services Online Reporting Form](#) Confidential reports will be forwarded to the applicable department for follow-up.
- x. shall endeavor to avoid any actions that would create the appearance that they are violating the law or the ethical standards of LC State.
- xi. shall avoid conflicts of interest, potential conflicts of interest and circumstances giving rise to the appearance of a conflict of interest.

3. Conflict of Interest

A conflict of interest occurs when a person's private interests compete with his or her professional obligation to LC State to the degree that an independent observer might reasonably question whether the person's professional actions or decisions are materially affected by personal considerations, including, but not limited to, personal gain, financial or otherwise.

A. Examples of Presumed Conflicts of Interest that Require Disclosure

- i. Owning or acquiring a financial interest in, holding a position in, or having a consulting or other relationship with, any non-LC State entity that supplies goods, services, or finances to LC State when the individual has decision-making authority for those transactions;
- ii. Teaching an LC State course for academic credit that includes a family member or a person that the instructor has an intimate or close personal relationship that may compromise, or have the appearance of compromising, their professional judgment;
- iii. Renting housing to a supervisee or a student over whom a supervisor, faculty member, or any other LC State employee who has direct academic or employment influence;
- iv. Employing, compensating, or influencing a decision to benefit a family member;
- v. Renting a house from a supervisee or a student over whom a supervisor, faculty member, or any other LC State employee who has direct academic or employment influence;

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- vi. Requiring or recommending the employee's own textbook or other teaching aids, materials, software, equipment, or the like to be used in connection with instructional programs from which the employee receives income

4. Disclosure Requirements

A. Annual Reporting

All faculty and staff must complete the annual Conflict of Interest and Personal Relationship Disclosure Form by October 31, whether or not the employee has any situation that presents an actual or potential conflict to disclose. Human Resource Services will review and forward any form indicating an actual or apparent conflict of interest within five business days to the employee's immediate supervisor.

- i. Within ten (10) business days of receiving a Conflict of Interest disclosure from HRS, the employee's immediate supervisor shall:
 - a) Review the disclosure form and assess whether the disclosed relationship, activity or interest could reasonably interfere with or appear to interfere with the employee's duties and responsibilities;
 - b) Complete the Supervisor Assessment Section on the disclosure form, indicating whether the supervisor:
 - 1) Concurs that no conflict exists;
 - 2) Believes a potential conflict may exist and recommends further review from Compliance Officer.
 - c) Provide written comments documenting the basis for the assessment; and
 - d) Return the completed assessment to HRS and the Compliance Officer.
- ii. Failure to complete the supervisor assessment within the specified timeframe shall result in the matter being escalated to the supervisor's next-level administrator for completion.

B. Reporting Conflicts as They Occur

- i. Employees must disclose on an ad hoc basis current or prospective situations that may raise questions of Conflict of Interest. In the event that a person subject to this policy is called upon to consider a transaction involving LC State and a person, entity, party, or organization with which the person is affiliated, as defined below, that person shall 1) disclose fully within thirty days the precise nature of the interest or involvement in the transaction and/or the organization, and 2) refrain from participating in LC State's consideration of the transaction.
- ii. Each person subject to this policy shall disclose all relationships and business affiliations that reasonably could give rise to a conflict of interest because of the employee's duties and responsibilities. This disclosure obligation is ongoing, and each employee has a duty to supplement or amend the employee's annual disclosure as necessary.
 - a) For the purposes of this policy, an employee is "affiliated" with an organization if the person, a member of the person's immediate family (i.e., spouse, parents, children, siblings, or the same relationship by marriage), or a person residing in the employee's residence or a legal dependent of the employee: 1) is an officer, director, trustee, partner, employee, or agent of the organization, 2) is either the actual owner or beneficial owner of more than one percent (1%) of the controlling interest in the organization, 3) has any other direct or indirect dealings with the organization from which the employee is materially benefited. It shall be presumed that an employee is "materially benefited" if he or she receives, either directly or indirectly, money, services, or other property in excess of one thousand dollars (\$1,000) in any calendar

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year.

- b) All ad hoc disclosures during the year must be submitted on the Conflict of Interest and Personal Relationship Disclosure Form and sent to Human Resource Services within thirty (30) days of becoming known to the employee. HRS will forward the form to the employee's immediate supervisor and to the Compliance Officer within five (5) business days of receipt.
- c) If determined necessary by the compliance officer, disclosures may be vetted with the compliance committee for final disposition.

C. Review Process

The compliance officer will review the disclosures, evaluate the nature and extent of potential conflicts, and, if necessary, pass those disclosures on to the compliance committee for further review and discussion as outlined in the following section.

Human Resource Services shall ensure timely communication with employees throughout the review process.

- i. Initial Acknowledgement: Within five (5) business days of receiving a form indicating a conflict or personal relationship, HRS shall send an email to the employee confirming receipt and outlining the expected timeline.
- ii. Routine Disclosures: For disclosures that, after the supervisor and compliance officer review, are determined not to present a conflict of interest, HRS shall provide an email to the employee within twenty (20) business days of submission stating:
 - a) The disclosure has been reviewed;
 - b) No conflict of interest has been identified; and
 - c) The matter is closed, with the form retained in HRS.
- iii. Referral to Compliance Committee: When the compliance officer determines that a disclosure requires review by the compliance committee, HRS shall notify the employee and the employee's immediate supervisor by email within five (5) business days of the referral decision, including:
 - a) Notice that the matter has been referred for committee review;
 - b) A general explanation of the concerns identified;
 - c) The expected timeline for committee review (typically within thirty (30) business days;
 - d) The employee's right to appear before the committee and provide additional information.
- iv. Status Updates: For matters under committee review extending beyond thirty (30) business days, HRS shall provide status updates to the employee and the employee's supervisor every fifteen (15) business days until resolution.
- v. Communication of Committee Findings: Upon final resolution by the compliance committee, the compliance officer shall provide an email of the committee's findings and any required actions to the employee and the employee's immediate supervisor, with a copy to HRS within five (5) business days. This notification shall include:
 - a) The committee's determination;
 - b) Any required management plan or other actions;
 - c) Implementation timeline; and

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- d) Information regarding the employee's right to appeal.

- vi. Compliance Committee
 - a) The compliance committee may include but is not limited to representatives from Information Technology, Athletics, Student Affairs, Human Resource Services, Administrative Services, and Public Safety.
 - b) The committee shall determine the appropriate resolution of a Conflict of Interest if deemed necessary by the compliance officer. Resolution of a conflict may include, but is not limited to:
 - 1) determination that no conflict exists, in which the employee will be informed by the compliance officer that the matter is closed;
 - 2) determination that a conflict may exist, in which case the compliance officer will work with the committee, the employee, and their immediate supervisor, (and any other appropriate administrators) on a plan to eliminate or manage the conflict ("Management Plan"). The committee shall have final approval authority of all management plans.
- vii. A Management Plan may include a range of actions. It must be signed by the employee, the employee's supervisor, the compliance officer, and the appropriate vice president.
 - a) All management plans will be reviewed and approved by the committee.
 - b) The employee has the right to appear before the committee, and/or to provide additional information.
 - c) The committee may request additional information from the employee and others to aid in making its findings and recommendations.
- viii. Appeals
 - a) An employee may appeal the decision of the committee to the provost and VP for Academic Affairs. All appeals shall be in writing and shall set forth pertinent facts. If the conflict involves an employee other than a faculty member, the provost and VP for Academic Affairs shall consult with the VP for Finance and Administration.
 - b) The decision of the provost and vice president for Academic Affairs may be appealed to the president of LC State. The decision of the president shall be the final decision of LC State.

5. Outside Employment

The maintenance of a high standard of honesty, impartiality, and conduct by LC State employees is essential to ensure the proper performance of LC State and to strengthen the faith and confidence of the people of the State of Idaho in the integrity of our faculty and staff. LC State recognizes that employees may engage in outside employment of a professional nature, directly related to the professional or other competencies of the employee. However, no employee may undertake outside employment that interferes with the employee's assigned duties at LC State. In all outside employment, the outside employer must be informed that the employee is acting in a private capacity and that LC State is not liable or responsible for the employee's performance. All employees must notify their immediate supervisor of outside employment. All faculty and professional staff must include outside employment on the Conflict of Interest and Personal Relationship Form.

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6. Political Activities

Employees retain all of their individual and political rights of citizenship. However, employees may not exercise those political rights in the name of LC State, or through the use of LC State facilities, or through the use of forms or other official stationery of any kind, or in any way that might involve LC State in partisan political activity or controversy.

- A. LC State will not prevent, threaten, harass, or discriminate against any employee should that employee choose to run for public office.
- B. Employees are permitted to campaign freely in a manner that does not violate Board Policies [Idaho SBOE Human Resources Policy Section ii](#) or applicable provisions of the Idaho Code.
- C. Employees may choose to request leave and either use their accrued vacation or take leave without pay in order to campaign for elective office or to serve in an elective office.

7. Loyalty Oaths

No loyalty oath shall be required of any LC State employee.

8. Related Links

[SBOE HRS Conflict of Interest and Ethical Conduct](#)
[Office of the Attorney General Idaho Ethics in Government Manual](#)
[Idaho Statute, Title 74, Chapter 4, Ethics in Government](#)
[LC State Discrimination & Harassment Prohibited](#)