APPLICABILITY:

This policy applies to all employees of the University, except employees who are subject to the Liberty University Board of Trustees Policy on Conflicts of Interest and Commitment for Senior Officers and Executives. Employees of University subsidiaries are governed by separate conflict of interest policies.

POLICY:

Liberty University recognizes that employees having Outside Interests and Outside Activities are an important part of having an engaged, thriving University community. While the University permits and, in many cases, encourages its employees to engage in Outside Interests and Outside Activities, the University expects employees to act in a manner consistent with their responsibilities to the University and to avoid circumstances where their Outside Interests or Outside Activities could present actual or apparent Conflicts of Interest or Conflicts of Commitment. This policy is intended to give direction to Employees about areas of Conflicts of Interest and Conflicts of Commitment so that conflicts, whether real or perceived, may be appropriately and timely identified, disclosed and resolved. This policy is not intended to discourage Employees from being involved in community activities in their private capacities, particularly because those activities often will reflect favorably on both the employee and the University. Even so, it is appropriate to put in place measures to avoid situations where these private activities could compromise or appear to compromise the interests of the University.

Conflicts of Interest

To maintain the integrity of the University, all employees should be free of Conflicts of Interest as they carry out their duties on behalf of the University. For purposes of this policy, a "Conflict of Interest" arises when an employee or the employee's Family Member or an entity with which the employee or Family Member is Associated:

(i) has an existing or potential Financial Interest or other external interest that impairs or might reasonably appear to impair the employee's independence of judgment in the discharge of his or her responsibilities to the University; or
(ii) may receive a material financial or other benefit from the use or disclosure of non-public information pertaining to the University.

A benefit is material if it is not nominal, inconsequential, or insignificant. An employee who is unsure whether a benefit is "material" should err on the side of disclosure. In determining whether a potential Conflict of Interest exists, the fact that the situation could subject the University to criticism, embarrassment, or litigation should be considered. A Conflict of

Interest may also involve a situation where an employee's Outside Activities are inconsistent with the employee's responsibilities to the University.

Actual or potential Conflicts of Interest must be disclosed and resolved in accordance with the provisions below under "Disclosure and Resolution" before the interested employee participates in any way in the matter to which the conflict relates (and re-disclose the matter annually, if the interested employee is also a OIA-Designated Employee). If an employee identifies an actual or potential Conflict of Interest that should have been disclosed under this policy after the Outside Interest arose or the Outside Activity commenced, the employee should nevertheless promptly report the actual or potential Conflict of Interest or Conflict of Commitment under this policy.

It is impossible to give an exhaustive list of all situations that might present a Conflict of Interest. However, the most common situations Conflicts of Interest involve an employee or a Family Member of an employee who:

- has a business relationship (e.g., lease, contract, services arrangement, investment, etc.) with a person or firm engaging in, or seeking to engage in, business with the University.
- has an ownership interest in an outside company or organization and may receive a financial or other benefit from knowledge or information confidential to the University.
- has an interest in an organization that competes with the University.
- profits personally, e.g., through commissions, stipends, loans, expense reimbursements or other forms of compensation, from any company or organization doing business or seeking to do business with the University.
- conducts business, or causes business to be conducted, by a separate legal entity (e.g., a corporation or partnership) and lists a University location as its place of business.
- accepts compensation or gifts from third parties, such as vendors, or other University-affiliated groups or individuals.
- has a Financial Interest or potential Financial Interest with an entity with whom the University has a transaction or affiliation (or is considering or negotiating a transaction or affiliation) which impairs, or might appear to impair, that person's independent, unbiased judgment when acting in their University role.
- uses private or proprietary information about University operations when acting as a paid consultant or advisor to another institution of higher education.

For purposes of this policy, the following are also considered Conflicts of Interest that require prior written approval:

- Hiring or compensating subordinates or students whom the employee supervises, instructs or advises in a for-profit entity outside the University in which the employee has a Financial Interest or a fiduciary role.
- Investing personally or owning stock in privately held businesses of subordinates or students whom they supervise, instruct or advise.
- Receipt of remuneration from the University and an outside source for the same services or activities performed.

Gifts and Favors

The following two Conflicts of Interest are prohibited for all employees because they cannot be managed in a way that protects the interests of the University.

<u>Soliciting Personal Gifts</u>
Employees are prohibited from soliciting personal gifts and personal favors from any individual or organization that does business or seeks to do business with the University or that seeks other forms of association or benefits from the University, or from any donor, current, prospective or former student, or parent.

<u>Personal Gifts from Third Parties</u>
Employees are prohibited from accepting personal gifts and personal favors from any individual or organization that does business or seeks to do business with the University or that seeks other forms of association or benefits from the University, or from any donor, current, prospective or former student, or parent, except as provided below:

- Personal gifts valued at more than $250 (or of undetermined value) on an individual basis or cumulatively within a given fiscal year must be either (1) accepted on behalf of the University and made available to employees in general or put to charitable purposes, (2) reported on the Outside Interest Disclosure Form on HR's website and approved by the employee's Vice President or Dean, or (3) graciously and promptly returned to the donor.
- An employee may accept without reporting or prior approval any personal gift or favor valued up to and including $250 on an individual basis or cumulatively within a given fiscal year, provided the employee exercises sound judgment in deciding whether accepting the gift or favor will create the appearance of impropriety. When in doubt, employees are expected to notify their supervisor of the personal gift or favor in writing.
- Employees may accept without reporting individual gifts or favors that are a part of a broad-based promotion on the part of the donor involving standardized, nonsignificant gifts or favors to persons holding particular positions (e.g., coffee mugs, pens, tote bags, VIP seating and parking, etc.).
- Employees may accept without reporting modest gift baskets or nominal food items that are shared widely among colleagues.

- Employees may accept without reporting reasonable business meals or admission to events that are directly related to an employee's duties and where the meal or event is reasonable and avoids actual and apparent potential Conflicts of Interest.
- Tickets to sporting or entertainment events (e.g., LU football tickets) are treated like personal gifts unless the reasonable business meal/event exception applies.

The potential Conflicts of Interest from the following two gift situations have special rules.

Gifts to Family Members
Employees must promptly disclose on the Outside Interest Disclosure Form any personal gifts known by employee to have been received by a Family Member of the employee from any individual or organization that does business or seeks to do business with the University or that seeks other forms of association or benefits from the University, if the employee would have had to report the gift under this policy if received by the employee personally.

Personal Gifts Internal to Liberty
Personal gifts among colleagues for Christmas or to recognize a life event (e.g., wedding, birth) are generally allowed and need not be reported, but the value must be commensurate with the occasion. Supervisors may not make personal gifts to subordinates to provide bonuses or compensation adjustments to employees and must comply with the University's Incentive/Gift Reporting Procedures, available here: https://www.liberty.edu/media/1222/Incentive_Gift_Reporting_Procedures.pdf.

Conflicts of Commitment

While employees often can make beneficial contributions of their time and talents to non-University endeavors, they should be mindful that undertaking Outside Activities, including self-employment, could interfere with their primary obligations and commitments to the University and lead to a potential "Conflict of Commitment." Employees should be sensitive to situations where Outside Activities may reasonably appear to present a Conflict of Commitment and err on the side of disclosure in these instances. In general, Outside Activities must not divert an employee's attention from his or her University duties or consume so much time or creative energy that they interfere, or appear to interfere, with an employee's responsibilities and loyalty to the University.

Although Outside Activities will generally be allowed, an employee must provide **prior written notification** to his or her immediate supervisor before participating in any of the following Outside Activities:

- If the employee reasonably expects his or her Outside Activities to occur, in whole or in part, during normal business hours, or reasonably expects his or her Outside Activities to interfere with the performance of his or her duties to the University.
- Simultaneous full-time employment with another organization, unless employed part-time by the University.

An employee must obtain **prior written approval** of his or her Vice President or Dean before participating in any of the following:

- Any Outside Activity that involves providing compensated services (other than teaching seminars or providing academic instruction) to any other educational organization, either directly or through a third-party.
- Any Outside Activity that may involve the utilization of University assets (including intellectual property, materials and equipment), or confidential information, or any for-profit Outside Activity utilizing University personnel or students the employee supervises, instructs or advises.

When an employee engages in Outside Activities, he or she is expected to disclose them in accordance with the procedures established in this policy. In addition, the employee will be expected to engage in a process that results in the employee either providing assurances that there will be no material interference with University responsibilities or withdrawing from such Outside Activities.

Disclosure and Resolution

<u>Disclosures by All Employees</u>
If an employee has reason to believe he or she has an Outside Interest or Outside Activity that is either an actual or potential Conflict of Interest or Conflict of Commitment, the employee is required to promptly report the matter to Human Resources by submitting an electronic Outside Interests and Activity Disclosure Form ("Outside Interest Disclosure Form") through HR's website. The employee shall **refrain from participation in the activity until it is determined whether a Conflict of Interest or Conflict of Commitment exists**, and the matter is fully resolved in accordance with this policy. Supervisors who become aware of undisclosed Conflicts of Interest or Commitment should instruct the employee to immediately disclose by submitting a completed Outside Interest Disclosure Form. In evaluating disclosures, employees are encouraged to review the policy provisions, including the Definitions section below for capitalized terms and the practical examples listed and described in the attached Appendix II.

<u>Annual Disclosures by OIA-Designated Employees</u>

Effective April 1, 2025, when initially hired or appointed to an OIA-Designated Position, all OIA-Designated Employees are required to submit an Outside Interest Disclosure Form. OIA-Designated Employees are also required to complete and submit an updated version of the form annually on or before the last day of the month of the OIA-Employee's work anniversary. For example, if an OIA-Designated Employee's hire date was October 15, his/her annual form is due on or before October 31 of each year). Each OIA-Designated Employee is required to update his/her Outside Interests Disclosure Form through the Human Resources' website to report any additional actual or potential Conflicts of Interest or Conflicts of Commitment and any changes to a previously disclosed conflict within 30 days of the employee becoming aware of the circumstances creating the actual or potential conflict.

Guiding Principles for Evaluating and Reviewing Conflicts

Employees, their supervisors, Human Resources, Vice Presidents, Deans, Vice Provosts, the Provost and members of the President's Council are expected to consider the following factors when reviewing and evaluating potential Conflicts of Interest or Conflicts of Commitment:

- Whether the terms of the transaction or relationship are fair to the University and the same terms would be adopted if the transaction did not involve the employee, his or her Family Member, or an entity with which the employee or Family Member is Associated;
- Whether there are any compelling business reasons for the University to enter into the proposed transaction and the nature of alternative transactions, if any;
- The approximate dollar value of the transaction and the approximate total dollar value of all related transactions;
- Whether the proposed transaction includes any potential reputational risk issues, including criticism, embarrassment or litigation, that may arise as a result of or in connection with the proposed transaction;
- Whether the employee notified the University about the transaction or relationship before its commencement and, if not, evaluate why the employee did not seek pre-approval and whether subsequent ratification would be detrimental to the University;
- The likely impacts to employee morale and public relations when the details of the transaction or relationship are more widely known; and
- Whether an employee's Outside Activities are inconsistent with his or her responsibilities to the University.

Guiding Principles for Managing Conflicts

Management plans may be a simple acknowledgment by management of the potential conflict, or may include more involved measures, such as ceasing the activity, restrictions on an employee's authority to engage in certain activities (e.g., participating in transactions with a particular vendor), and changes in an employee's reporting structure, job duties, work hours or salary. Development and review of all management plans should consider the Management Plan Form attached as Appendix I.

Review Processes for Disclosures

Human Resources will complete an initial, administrative review of all submitted Outside Interests Disclosure Forms. The administrative review will include ensuring disclosures appear complete and do not include matters that are clearly not Conflicts of Interest or Conflicts of Commitment. If Human Resources determines that a disclosure is clearly not a potential conflict, Human Resources will note its decision on the submitted form and place it in the employee's employment file. If a submitted form appears to be incomplete, Human Resources will return the form to the employee with instructions to provide more detail. Following its administrative review, Human Resources will forward all potential Conflicts of Interest and Commitment that are material to the employee's supervisor for evaluation and recommendation.

Review Process for Potential Conflicts of Interest

1. For potential Conflicts of Interest, the employee's supervisor shall within 30 days of receipt from HR evaluate the disclosure and make a written recommendation regarding the existence and extent of a Conflict of Interest and, as appropriate, a proposed resolution to manage or eliminate any Conflict of Interest.

2. The employee supervisor's recommendation and proposed management plan (if any) will be forwarded for review and approval to the employee's Vice President or Dean (or to the Vice Provost if the disclosing employee reports to a Dean, or to the Provost if the disclosing employee is a Dean).

3. An employee may appeal the reviewing decision from step 2 above to the President's Council by emailing a summary of the employee's position and any relevant information the employee wishes to be considered to the Senior Vice President of University Compliance at *LUcompliance@liberty.edu*. The Senior Vice President of University Compliance will promptly notify the employee of the President's Council's decision, which decision will be final.

Review Process for Potential Conflicts of Commitment

1. For Outside Activities that require only notice by the employee (and not prior approval), the supervisor shall timely acknowledge the disclosed Outside Activity.

2. For Outside Activities that require approval, or that are actual or potential Conflicts of Commitment, the supervisor shall timely evaluate the disclosure and make a written recommendation regarding the existence and extent of a Conflict of Commitment. The employee supervisor's recommendation and proposed management plan (if any) will be forwarded for review and approval to the employee's Vice President or Dean (or to the Vice Provost if the disclosing employee reports to a Dean, or to the Provost if the disclosing employee is a Dean).

3. An employee may appeal the reviewing decision from step 2 above to the President's Council by emailing a summary of the employee's position and any relevant information the employee wishes to be considered to the Senior Vice President of University Compliance at *LUcompliance@liberty.edu*. The Senior Vice President of University Compliance will promptly notify the employee of the President's Council's decision.

Reporting on Disclosures and Resolutions

Human Resources will make the following reports:

1. HR will annually distribute to Vice Presidents, Deans, Vice Provosts and the Provost all active management plans under each of their authority for determining whether the plans remain appropriate, considering an employee's current status and other circumstances known to the Vice President, Vice Provost, or Dean.

2. HR will quarterly deliver reports to the President's Council on how material disclosures have been processed under this policy.

3. HR will monthly deliver a report to the Senior Vice President of University Compliance summarizing compliance with this policy's annual reporting requirement and the requirement for implementation and annual maintenance of management plans.

DEFINITIONS:

"Associated" means the following type of relationship to a trust, partnership, corporation, association, or other organization or enterprise:

- when the person is a director, trustee, officer, employee, or partner of such an entity; or
- when the person has a Financial Interest that represents 5% or more of the entity's ownership or assets (or, in the case of a publicly held corporation, 1% or more of the corporation's outstanding capital stock), or any interest that enables him/her materially to influence policies of such an entity.

A "**Conflict of Commitment"** arises when an employee undertakes Outside Activities that could interfere with the employee's primary obligations and commitments to the University.

"Family Member" means an employee's spouse, parents, grandparents, great-grandparents, children, grandchildren, great-grandchildren, siblings (including half), and in each case, their spouses, and the employee's spouse's parents, grandparents, great-grandparents, children, grandchildren, great-grandchildren, and siblings (including half). "Family Member" does not include aunts, uncles, cousins, nieces, or nephews of an employee.

An employee has a "**Financial Interest**" if, either directly or indirectly, through a relationship involving business, investment, or Family Member, he/she has:

- An ownership or investment interest in any entity;
- A compensation arrangement with any entity; or
- A potential ownership or investment interest in, or potential compensation arrangement with any individual or entity.

A **Gift (or Favor)** is any transfer of an item or service of value (including without limitation a trip, event admission, beverage/meal, personal belongings, or special concessions in connection with personal business) for less than fair market value of that item, including an individual discount not generally available to others.

"Outside Activities" include leadership participation in professional, community, or charitable activities; any self-employment or personal/family business; any participation in business partnerships; and any employment, advising or consulting arrangements with entities other than the University. Outside Activities may be either compensated or uncompensated.

"Outside Interests" include any Financial Interest and any ownership interest in any asset or intellectual property.

An "**OIA-Designated Employee**" is defined as any employee in any of the following positions: Chief Procurement Administrator, Vice Provost, Dean, Associate Dean, Assistant or Associate Vice President, Associate Athletic Director, Senior Counsel, and any Director or Executive Director who directly reports to any Vice President, Assistant Vice President, or Vice Provost and any other position otherwise designated by the President or Chief Financial Officer.

AUTHORITY:

The President, in consultation with the General Counsel and the Chief Financial Officer, approved this policy at the direction of the Board of Trustees to adopt appropriate policies on Conflicts of Interest and Conflicts of Commitment. The Human Resources department is responsible for overseeing administration of this policy.

RELATED POLICIES:

- Code of Business Conduct
- Employee Handbook of Policies and Procedures – Section 2.6 - Conflicts of Interest and University Ethics
- Policy on Employment of Relatives
- Liberty University Board of Trustees Policy on Conflicts of Interest and Commitment for Senior Officers and Executives
- Incentive/Gift Reporting Procedures

PROCEDURAL INFORMATION:

Application of Policy

This policy is enacted in accordance with a directive contained in the Liberty University Board of Trustees Policy on Conflicts of Interest and Commitment for Senior Officers and Executives. Employees who have a question about the application of this policy to a particular situation, or about the required disclosures, should ordinarily seek advice from their supervisor or Dean in the first instances. Employees may also seek advice from the head of their division or business unit or directly from Human Resources. Questions about the interactions of multiple policies should be directed to the General Counsel.

Human Resources shall restrict access to employee-submitted Outside Interests Disclosure Forms to only those employees who reasonably have a need to know such information. Internal Audit will have authority to view all Outside Interests Disclosure Forms.

Nothing in this policy is intended to limit the application of any other policy of the University. The University's Employee Handbook of Personnel Policies and Procedures describes certain of the University's conflicts of interest and outside employment policies. In the event of any conflict between this policy and the descriptions in the Employee Handbook, this policy will control. This policy is intended to supplement, but not replace, any relevant federal or state laws governing conflicts of interest or related party transactions applicable to nonprofit and charitable corporations.

Sanctions

Violation of this policy can lead to administrative action, up to and including termination.

Exceptions

None

Effective Date

March 1, 2025

Appendix I Management Plan Form

CONFLICT OF INTEREST/COMMITMENT MANAGEMENT PLAN

Employee's Name:	**College/School/Department/Office**:
Date:	**Oversight Manager/Supervisor**:
Outside Entity/Entities and/or Relationship(s):	**Plan Reviewer**:

A. Description

[*Describe the outside activity, employment, interest, or relationship that creates an actual, potential, or perceived conflict of interest or commitment. Include the employee's connection to the outside entity, level of involvement and how or where the situation might impact the employee's responsibilities to Liberty University*.]

B. Safeguards

Employee agrees to: [*develop restrictions using the applicable examples below*]

1. Disclose the connection to the outside entity to those involved in making decisions to purchase products or services from the outside entity in which he/she has the opportunity to influence.
2. Refrain from substantive discussions and decision-making in his/her university role when services or products are being selected that involve or relate to the outside entity.
3. Forward any transactions requiring approval for payments to the outside entity to the Oversight Manager for approval.
4. Enter into an agreement with the University for any use of University facilities, equipment, materials, and/or resources for any activities related to the outside entity.
5. Refrain from hiring or otherwise engaging students or staff whom he/she supervises, instructs or advises at the university as employees, contractors, or volunteers of the for-profit outside entity (or vice versa) without written approval and oversight from the employee's supervisor, and delegate supervisory responsibilities to [*an independent university person*].

6. Refrain from evaluating the performance or making any changes in the employment or academic status of any university staff or students he/she supervises or advises who also has an interest in the outside entity.
7. Refrain from engaging in outside entity business or other outside activities when expected to perform his/her university responsibilities, and to take approved leave/time-off to engage in outside employment or activities to eliminate a conflict.
8. Disclose to his/her supervisor any and all changes that may affect this plan and update his/her university disclosure online within 30 days of any material change in relationships or financial interests.
9. Disclose the connection to outside entity within 30 days of any a change in his/her Supervisor/Oversight Manager or approving Vice President/Dean.

C. Oversight Plan

Oversight Manager agrees to: [*develop oversight duties using the applicable examples below*]

1. Exercise reasonable oversight to verify that employee's service to or work for the outside entity, compensated or uncompensated, does not interfere with the Employee's university responsibilities.
2. Exercise reasonable oversight to verify that Employee is not put in the position of discussing or deciding whether to purchase products or services from the outside entity.
3. Review all invoices to the University from the outside entity (or assign a designee to do so) and provide approval of payment to the outside entity prior to the university making payment.
4. Review and approve any agreements for use of University facilities, equipment, materials, and/or resources by Employee or the outside entity prior to University approval.
5. Exercise reasonable oversight to verify that Employee is not involved in making a University employment decision, academic decision, or performance evaluation about any students or staff who also have an interest in the outside entity.

Statements Required on All Management Plans:

______________________________ (Employee's name) and ______________________________ (Supervisor's name) acknowledge and agree that this plan will be reviewed together on at least an annual basis to determine progress and what, if any, changes may need to be made to this plan. ______________________________ (Supervisor's name) will also monitor this plan and, at any time should Liberty University determine, in its sole discretion, that the plan is not sufficient to guard actual or apparent conflicts of interest or is otherwise not in the interest of Liberty University, it may determine the conflicts are not capable of management and may ask ______________________(Employee's name) not to pursue the conflicting activities while an employee of Liberty University.

D. Acknowledgement and Agreement

By signing below, I, ________________________ (employee's name), acknowledge my agreement to and intent to comply with the terms of this Conflict of Interest/Commitment Management Plan.

____ ________________

Full Name
Title of Employee
Name of Department

Date

We approve the above Plan for handling the conflict of interest identified by the employee.

____ ________________

Full Name of Supervisor
Title of Supervisor
College/School/Dept/Unit

Date

____ ________________

Name of Dean/VP/Director
College/School/Dept/Unit

Date

Please send proposed plan to ____________@liberty.edu for review and approval. All final and signed Conflict of Interest/Commitment Management Plans will be sent to __________@liberty.edu and maintained by ________________________.

Appendix II: Examples of Reportable and Nonreportable Outside Interests and Activities

The lists below provide examples of the types of outside interests and Outside Activities and interest that should and should not be reported on the Conflict Disclosure Form. **These lists are not all-inclusive**. If you are unsure about your disclosure obligation, you should contact Human Resources. The examples listed below only apply to the disclosure requirements for the university Conflict Disclosure Form and are not transferable to disclosures that may be required by any other policy, process or situation (e.g., FMLA, Military Leave Act, etc.).

Activities and financial interests that MUST be disclosed:

- **Employment/Providing Services and Volunteering**: Compensated or uncompensated outside employment, engagement, volunteer service, consulting, and other rendering of non-professional and professional services related to your Liberty University expertise or that occurs within normal business hours
- **Business with Liberty University**: Management position or Financial Interest in outside entities that enter into contracts or seek to enter into contracts with Liberty University or its subsidiaries (e.g. sales, services, licensing, etc.)
- **Service to Other Educational Organizations**: Providing compensated services to any other institution of higher education or K-12 school, except those who solely teach for another academic institution and those who are teaching seminars and workshops for education service providers
- **IP Income**: Receiving from an outside entity any royalties, licensing fees, or other income from patents, copyrights, or other intellectual property related to your Liberty University knowledge, skills, responsibilities, or expertise
- **Leadership Roles**: Compensated or uncompensated business leadership roles related to your Liberty University expertise (e.g., a nursing professor serving on the board of directors of a national nursing association)
- **Expert Witness and Legal Consulting**: Serving as an expert witness or legal consultant in an administrative, legislative, or judicial proceeding

Activities and financial interest that SHOULD NOT be disclosed:

- **Volunteering**: Volunteer or unpaid community service activities (e.g. coaching youth sports, volunteering at church, volunteering at your child's school, participating in community club/service organization) outside of normal business hours
- **Employment/Providing Services**: Employment, engagement, consulting, and other rendering of non-professional and professional services outside of normal business hours which is unrelated to your LU knowledge, skills, or expertise
- **Retirement Accounts and Investments**: Retirement accounts, stocks, mutual funds, index funds, and other financial securities that do not create a Financial Interest which must be disclosed
- **Real Estate**: Managing rental properties or other real estate interests

- **Jury Duty**
- **Military Service**
- **Activities as Liberty Employee**: Any activities done as an employee or a designated representative of Liberty University, including speaking engagements while representing Liberty, research, etc.
- **Writing/Editing**: Writing or editing activities considered part of one's role as a Liberty University employee
- **Professional Membership**: Membership in an academic or professional society (however, serving on the Board or carrying fiduciary role requires disclosure)
- **Awards**: Receiving non-monetary honors, academic awards, or an honorary degree from another entity
- **Sabbatical**: Sabbatical or leave for professional development
- **Thesis/Dissertation**: serving as an external member of a thesis or dissertation committee