



**Northern Illinois
University**

Your Future, Our Focus

**Current and Proposed Bylaws Related to
Disclosure of Interest**

**Ad Hoc Committee on Governance
December 17, 2015**

Recommendations



The Office of General Counsel Recommendations:

1. Consolidate current conflict of interest related statements into the BOT Bylaws and eliminate any references in the Regulations.
2. Expand policy to include “Avoiding the Appearance of Impropriety” Standard.
As stated in [Canon 1 of the Code of Judicial Ethics] [avoidance of all appearance of impropriety, even to the point of resolving all reasonable doubt in favor of recusal.]
3. Define financial interest more broadly than direct or indirect - as “any economic interest substantially distinguishable from that of the general public.”
4. Current COI policy only provides for reporting to the Ethics Officer. This reporting requirement is restrictive and limits Board options. *Reporting requirements should be expanded to include the Chair, Vice Chair, the President, General Counsel, or the Board liaison.*
5. Develop procedures for identifying, reporting and managing conflicts consistent with the Association of Governing Boards’ Statement on Conflict of Interest.

Board of Trustees Conflicts of Interest Governing Documents



Current Bylaw

- Must avoid conflicts of interest between their personal affairs and their duties and responsibilities to the University
 - Where there is a material personal interest in a contract or transaction
 - Whether its occurrence is direct or indirect.
- *But does not state the standard to be use to determine a conflict*
- Disclosed to the Board and made a matter of public record, *but gives no procedures*
- If not approved or ratified by a disinterested majority of the Board, Member having the conflict shall not vote or use personal influence on the matter, and shall not be counted in determining the quorum for the meeting. *Per Robert's Rules, would not affect the quorum for meeting, as members are not required to vote (and may be prohibited by rule from voting).*

Proposed Bylaw

- Must discharge their duties in good faith, with the degree of care that an ordinarily prudent person in a like position would exercise under similar circumstances and take all reasonable steps to avoid the appearance of impropriety in the conduct of all affairs of the University.
- *Material personal or professional interest*
- A Trustee or Affected Person who has an actual or potential conflict of interest must take the following actions:
 - Voluntarily abstain from that portion of the meeting where there is any discussion, presentation or vote involving the matter.
 - or
 - Executive Board determination whether a material conflict exists which requires recusal.