

POLICY TITLE: CONFLICT OF INTEREST WITH VENDORS

I. Purpose

Employees of the College are expected to conduct business according to the highest legal and ethical standards. For the protection of the College, as well as the employee, employees must maintain a high degree of integrity in dealing with all past, current, and potential vendors providing goods and services to the College.

II. Scope

This policy applies to all employees.

III. General

1. Disclosure of Relationship to Vendor

An employee who participates in the selection or approval of products or sources of supply, or who has supervisory responsibility for such employees, may not have a financial interest in the company which furnishes the supplies or services being purchased. This would avoid an unfair competitive advantage and protect the interests of LCC. For this reason, employees directly involved in the purchasing process are to refrain from any outside activity or relationship which lessens their impartiality, judgment, or effectiveness. This policy does not prohibit the ownership of stock in large publicly owned companies whose stock is listed and sold on a recognized stock exchange.

a. Disclosure of Relationship to Vendor is required:

- i. In instances of financial interests (e.g., employee's spouse or other immediate relative is an owner or shareholder or an employee of a firm;**
- ii. In any situation where there is a potential for an employee to benefit financially from a business transaction conducted by the College.**

2. Gifts and Gratuities from Vendors

All College employees are to avoid accepting any kind of gratuities, tips or gifts for himself/herself or for any member of his or her family. This includes merchandise, cash, services, entertainment and other courtesies. It is essential to both the College and its suppliers that all decisions and actions regarding purchasing are based upon proper business considerations and are not influenced in any way by personal obligations. Most offers of this kind are made in the spirit of good

business relations without the intent to obligate the recipient in any way. However, it is extremely difficult to differentiate between minor gratuities or courtesies and those which will cause some feeling of obligation or create any unfavorable impression in the minds of other vendors. Because of this difficulty employees must refrain from accepting any gratuity regardless of its magnitude or the manner in which it is presented.

Exceptions:

- A. Calendars, desk novelties, or similar advertising items of less than \$25.00 in value (this dollar limit will be reviewed and revised in accordance with IRS limit on business gift deductions);
- B. Reasonably priced meals accepted in settings where College business is conducted;
- C. Textbooks, recorded media, software, or similar work-related items for which the school is not being charged;
- D. Any other exceptions to this policy should be reviewed by the President, Provost, or Chief Financial Officer to determine if special circumstances exist to warrant the acceptance of a gift from a vendor, or to determine whether a gift should be declined or returned.

Employees must exercise caution that neither regular gifts of nominal value, nor reasonably priced meals from a particular vendor, do not gradually accumulate into an embarrassing obligation (or violation of this policy). Under no circumstances shall an employee accept a gratuity where prohibited by law, policy or regulation or where the appearance of impropriety may occur.

IV. Responsibility

The College's Director of Purchasing is responsible for preparing procedures to implement this policy.

Adopted: June 5, 2006, Amended June 15, 2009