

SECTION 2: PURCHASING AUTHORITIES AND CODE OF CONDUCT

SUBJECT: PURCHASING ETHICS AND FINANCIAL CONFLICT INTEREST—APPLICABLE TO PROCUREMENT STAFF Procedure 2.8

POLICY: Procurement Services staff members signing contracts on behalf of the University must complete the Conflict of Interest and Anti-Kickback statement (“Statement”), which prohibits the acceptance of kickbacks and other impermissible gifts, as well as participation in contracts where the employee has a conflict of interest. Violations of the statement are punishable by disciplinary actions, up to and including termination.

PROCEDURE:

The Conflict of Interest and Anti-Kickback statement prohibits improper conduct by UW Procurement Services personnel. Procurement Services Human Resources and the employee are responsible for ensuring the Statement is signed by any employee with authority to sign contracts on behalf of the University upon hire and no less often than biennially.

The Statement prohibits the participation in transactions in which the employee has an actual or apparent conflict of interest and the receipt kickbacks, gifts, tokens, memberships, gratuities, or services as a result of purchasing decisions made on behalf of UW. The statement requires compliance with the laws summarized below:

Chapter 42.52 RCW (State Ethics Act)

Prohibits most personal and financial interests in transactions that the employee manages. Restricts the usage of state resources, acceptance of gifts, the extent to which employees may seek employment with UW suppliers and the extent to which employees may assist businesses in transactions with UW.

Chapter 39.26 RCW (State Purchasing Act)

Requires purchases to be in compliance with the State Ethics Act and establishes standards for appropriate competition and sole source justification used as the basis of many UW policies.

41 USC §§8701-8707 (Federal Anti-Kickback Act)

Prohibits the solicitation and payment of “kickbacks” in connection with federal contracts, and requires UW to have procedures for preventing kickbacks and to report any kickbacks to the federal awarding agency.

2 CFR §200 (Federal Uniform Guidance for Federal Awards)

Requires UW to disclose potential conflicts of interest to the federal awarding agency and establish conflict of interest policies.

The Statement imposes a duty to notify a supervisor, UW Internal Audit or the Office of the State Auditor, or the appropriate federal awarding agency if any party in the contracting process offers or accepts a kick-back, gift, token, membership, gratuity, or service of any kind that

might constitute a conflict of interest. Escalating these issues to a supervisor, UW Internal Audit or the Office of the State Auditor, or the appropriate federal agency reduces the risk to the employee, and allows the University to remain in compliance by contacting the proper authority.

The Statement also informs UW Procurement Services employees of the potential consequences for violating the Statement's Terms, which may include disciplinary action, up to an including termination, as well as personal liability for any improper transactions. The significant consequences for violation of this statement are a result of federal funding requirements and the significant institutional values at stake in ensuring a fair and competitive procurement process devoid of conflicts of interest.