

Illinois Institute of Technology Standards of Ethics and Business Conduct

MESSAGE FROM THE PRESIDENT

Dear Colleagues:

Our commitment to excellence as an institution extends to all aspects of our educational and research undertakings. As stewards of IIT's finances, assets and resources, faculty and staff must be diligent to conduct their work consistent with the highest of ethical standards. To that end, it is essential that each of us exercise sound judgment to further the interests of IIT in a fair and responsible manner.

A part of IIT's commitment to ethics and compliance is to provide faculty and staff with the information needed to act appropriately. As you will see, these Standards of Ethical Business Conduct memorialize the ethical and legal principles that have long governed business dealings by IIT and its faculty and staff. They reflect the values to which IIT has subscribed and will continue to subscribe; they also identify many of the IIT policies and procedures that govern our operations. In short, these Standards provide a framework of acceptable standards of behavior.

These Standards, which have been reviewed and endorsed by the IIT Board of Trustees, now appear here on the President's website and will soon appear elsewhere, both on the IIT website and in IIT publications. Any comments you may have on these Standards are welcomed. Questions about the applicability of the Standards or the referenced policies and procedures to particular circumstances may be addressed to either Patricia Laughlin, Vice President for Finance and Administration at (312) 567-3825, or Mary Anne Smith, Vice President and General Counsel at (312) 567-3034.

John L. Anderson, President

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The following subject matters are covered in these Standards:

Introduction
Ethical Conduct
Respect for Others
Conflict of Interest
Compliance with Laws
Compliance with Policies
Compliance with Contracts
Individual Responsibility
Stewardship of Property & Funds
Confidential Information
Costs & Effort Reporting
Internal Controls
Gifts & Gratuities
Antitrust
Duty to Report
Consequences of Violations



In addition to these resources, IIT has selected EthicsPoint to provide you with a simple way to report activities that may involve misconduct or violations of IIT policy. **You may file a report at <http://www.ethicspoint.com/en/default.asp> or by dialing 866-294-9314.** This service is not a substitute for, nor does it supersede, any existing reporting methods or protocols already in place at IIT for reporting suspected problems or complaints. Instead, the EthicsPoint system provides an additional means by which to report such issues. Any suspected problems or complaints reported via EthicsPoint will be reviewed in accordance with current IIT procedures. IIT policy expressly prohibits the taking of retaliatory action against anyone for reporting or inquiring about potential breaches of law or policy or for seeking guidance on how to handle such suspected breaches.

Introduction

IIT's mission of advancing knowledge and educating citizens requires all members of the IIT community to share a commitment to excellence, which necessitates that their actions be beyond ethical reproach. The success and reputation of IIT in fulfilling its core mission depend on the integrity with which each individual – whether dean or faculty member, business manager or other staff – participates in this joint endeavor. Ethical business conduct calls for all members of the IIT community to assume personal responsibility for safeguarding and preserving IIT's assets and resources in the fulfillment of its mission and to comply fully with all applicable laws, policies and contract and grant requirements, as well as with IIT's own high standards of integrity and quality. Accordingly, each member of the IIT community is expected to adhere to the following Standards of Ethical Business Conduct in all University dealings.

These Standards express the principles that have long governed the business dealings of IIT. They are designed to serve as a useful summary of these well-established principles and to re-emphasize the importance of adhering to them in all business dealings. These Standards are reflected in many separate IIT policies and procedures, whose definitive statements appear elsewhere, such as the Faculty Handbook and the Policies and Procedures Handbook. Web addresses for these related policies and procedures are provided below. In addition to complying with the specific laws, regulations and policies governing their business activities, members of the IIT community should ensure that their conduct is, at all times, guided by standards of fairness, honesty and respect for the rights of others.

Standards

1. Ethical Conduct. From a legal, business and public relations perspective, it is imperative to IIT that its faculty and staff should adhere to these Standards and conduct themselves ethically, honestly and with integrity in all matters. They need to be fair and principled in their business interactions and to act in good faith in these matters with all others. They should act with due recognition of their position of trust and loyalty with respect to the University and its students, research sponsors, donors, one another and all others with whom they interact. When in doubt about the propriety of a proposed course of action, they should seek counsel from those colleagues, supervisors or administrators who can assist in determining the appropriate course of action. (IIT Controller's Office – Division of Business & Finance Organizational Mission and Standards, <http://www.iit.edu/finance/controller/>; Review of Alleged Research Misconduct, http://www.iit.edu/general_counsel/policies/faculty_handbook/pdfs/appendix_1.pdf Federal Sentencing Guidelines, Chapter 8, Part B, Effective Compliance and Ethics Program, http://www.ussc.gov/2007guid/8b2_1.html.)

2. Respect for Others. The IIT community is diverse – in race, ethnicity, gender, age, religion, sexual orientation and economic background. The personal actions of each community member establish and maintain the culture of fairness, tolerance and respect for which IIT strives. Although the principles of free speech and expression remain paramount at IIT, faculty and staff should respect the rights and dignity of others regardless of their differences, and they must conscientiously abide by the principles of non-discrimination adopted by the University. Harassment or discrimination along

sexual, racial, ethnic, religious, sexual orientation, economic or political lines has no place at IIT. (IIT Diversity Statement, <http://www.iit.edu/nca/pdfs/diversitystatement.pdf>; Human Resources Policies and Procedures: Sexual Harassment, http://my.iit.edu/iit/humanresources/policies_procedures/policies/e2.shtml; Human Resources Policies and Procedures: Equal Opportunity and Affirmative Action, http://my.iit.edu/iit/humanresources/policies_procedures/policies/a1.shtml; Policies and Procedures Handbook: Use of Computer Resources, http://www.iit.edu/ots/ots_policies_use_of_computer_resources_policy.shtml

3. Conflicts of Interest. As more fully stated in the IIT Conflict of Interest and Conflict of Commitment Policy, IIT faculty and staff must avoid improper conflicts of interest in conducting their work at the University. Financial conflicts of interest must be disclosed, reviewed and appropriately managed or eliminated. Faculty and staff should demonstrate sensitivity in identifying potential conflicts of interest, whether they are financial, personal or professional, and they must follow the reporting and other provisions of applicable University policies. (Policies and Procedures Handbook: Conflict of Interest and Conflict of Commitment Policy, <http://www.iit.edu/hr/policies/pdfs/Procedure%20P1%20Conflict%20of%20Interest%20Policy.pdf>; Human Resources Policies and Procedures Handbook: Employment of Relatives, http://my.iit.edu/iit/humanresources/policies_procedures/policies/a5.shtml.)

4. Compliance with Applicable Laws and Regulations. IIT operates in a heavily regulated environment. Compliance with laws and regulations, whether federal, state or local, is essential. Members of the IIT faculty and staff should recognize that non-compliance can have severe adverse financial and other consequences, potentially affecting the reputation and operations of the entire University. Faculty and staff members must comply with all laws and regulations applicable to the performance of their responsibilities at the University. All have a duty to inform themselves, through University sources and independently, about relevant legal obligations and to keep current with changes thereto. If a doubt arises as to the interpretation of an applicable law, faculty and staff should seek advice from the Office of General Counsel. (General information on laws and regulations that members of the faculty and staff may encounter can be found on the webpage of the Office of General Counsel, http://www.iit.edu/general_counsel; the webpage of the Office of Sponsored Research & Programs, http://www.iit.edu/research/services/sponsored_research/; the webpage of the Office of Compliance & Proposal Development's, <http://www.iit.edu/research/services/orcpd/>.)

5. Compliance with Applicable University Policies and Procedures. The University has established policies and procedures for managing its business and other operations. Some are required by law, and some are simply sound business practice. All are designed to ensure efficient and coordinated business operations. IIT faculty and staff are expected to inform themselves about and comply with applicable University policies and procedures. (Accounting & Finance Policies, Procedures and Forms, <http://www.iit.edu/finance/controller/>; Faculty Handbook, http://www.iit.edu/faculty_handbook; Human Resource Policies and Procedures Handbook, (my.iit.edu portal) ; Policies and Procedures Handbook, http://www.iit.edu/general_counsel/policies/index.shtml; Project Accounting Policies, http://iit.edu/policy_procedures/general_accounting_policies_and_procedures.shtml;

Office of Sponsored Research and Programs Form, Policies, and Procedures, http://www.iit.edu/research/services/sponsored_research/; Office of Compliance & Proposal Developments Compliance and Ethics Guideline, http://www.iit.edu/research/services/orcpd/ORCPD_ResearchCompliance.shtml; Safety Committee Reports, http://www.iit.edu/general_counsel/safety_committee_reports.shtml.)

6. Compliance with Contractual, Grant and Other Obligations. In the course of its operations, IIT frequently undertakes contractual and other formal obligations to outside entities. These obligations are embodied, for example, in contracts for the purchase of goods or services, software licenses, gift indentures and memoranda of understanding with other organizations. As applicable, members of the IIT faculty and staff are expected to familiarize themselves with the terms and provisions of such obligations, and they are expected to adhere to and act in good faith with regard to all such obligations. If a question arises in connection with any such an obligation, they should seek advice from a supervisor, administrator or the Office of General Counsel. (Procedures Handbook: Authority for Negotiation and Approval of Contracts, http://www.iit.edu/general_counsel/pdfs/procedure_q1_contract_negotiation_approval.pdf.)

7. Individual Responsibility and Accountability. Members of the IIT faculty and staff should assume and exercise responsibility appropriate to their positions and roles. They are accountable to each other and to the University for their actions and their decisions not to act. They should make sure that their actions and decisions foster a safe and pleasant work environment. When roles or responsibilities are unclear, they should take it upon themselves to obtain clarity. They should exercise, to the best of their ability, sound business judgment in the performance of their duties. Ultimately, each individual is expected to assume responsibility and accountability for understanding relevant laws, regulations, policies and procedures and contractual requirements and for conducting himself or herself in a manner that is honest, fair and respectful of others.

8. Stewardship of Property and Funds. As stewards of IIT property and funds with a responsibility to University contributors, including federal, state, and local governments, IIT faculty and staff should treat University property with care, as if it were their own property, and they must expend funds prudently. They should avoid waste and improper use, and they should not use University funds, property or facilities for their personal benefit or for the benefit of a non-University organization without proper approval. Their acts should reflect the special obligation to use University property responsibly and consistent with the tax-exempt status conferred on IIT in light of its educational and research mission. (Accounting & Finance Policies, Procedures and Forms, <http://www.iit.edu/finance/controller>; Human Resources Policies and Procedures Handbook: Employee Conduct and Responsibilities, http://my.iit.edu/iit/humanresources/policies_procedures/policies/e1.shtml; Project Accounting: Transfer of Project Equipment, http://www.iit.edu/policy_procedures/policies_and_procedures.shtml; Policies and Procedures Handbook: Title to Research Equipment and Policies Related to Transfer, http://www.iit.edu/general_counsel/policies/pdfs/procedure_f3_title_research_equipment_policies_transfers_policies.pdf; Policies and Procedures Handbook: Authority for Negotiation and Approval of Contracts,

<http://www.iit.edu/hr/policies/pdfs/Procedure%20Q1%20Authority%20for%20Negotiation%20and%20Approval%20of%20Contracts.pdf>; Policies and Procedures Handbook: Use of Computer Resources, <http://www.iit.edu/hr/policies/pdfs/Procedure%20Q3%20Use%20of%20Computer%20Resources.pdf>.)

9. Appropriate Treatment of Confidential Information. In their various capacities, IIT faculty and staff become privy to many different types of confidential information. Such information may concern students, patients, employees, sponsors or other outside parties. For example, it may be proprietary information of an enterprise licensing IIT intellectual property, a social security number of an employee or information that is subject to contractual or legislated obligations of confidentiality, such as those imposed by the Family Educational Rights and Privacy Act (student educational records) or the Gramm-Leach-Bliley Act (student financial information). Members of the IIT faculty and staff are expected to inform themselves about such applicable obligations, to maintain the confidentiality of such information, to take reasonable steps to safeguard it and to use it only in accordance with applicable restrictions. (FERPA at IIT, http://www.iit.edu/registrar/student_records/ferpa.shtml; Human Resources Policies and Procedures Handbook: Employee Conduct and Responsibilities, http://my.iit.edu/iit/humanresources/policies_procedures/policies/e1.shtml; Policies and Procedures Handbook: Records and E-mail Retention, [http://www.iit.edu/hr/policies/pdfs/Procedure_Q4_Record_Retention_\(Revised_8-07\).pdf](http://www.iit.edu/hr/policies/pdfs/Procedure_Q4_Record_Retention_(Revised_8-07).pdf); Security Policy for Financial Information, http://www.iit.edu/general_counsel/policies/pdfs/procedure_i4_information_security_program.pdf.)

10. Recording, Allocating, and Charging Costs and Effort. The accuracy and reliability of financial and effort reports is of paramount importance to the business operations of the University. In accordance with applicable grant and sponsored research requirements as well as IIT payroll policies, members of the IIT faculty and staff must record, allocate and charge costs and effort accurately and maintain supporting documentation as required by established policies and procedures. All accounts, financial reports, tax returns, expense reimbursements, time sheets and other documents must be accurate, clear and complete, and all entries in University books and records, including departmental accounts and individual expense reports, must accurately reflect each transaction. (Payroll Policies, http://www.iit.edu/policy_procedures/payroll_policies_and_procedures.shtml; Project Accounting: Effort Reporting, http://www.iit.edu/policy_procedures/grant_and_contract_accounting_policies_and_procedures.shtml.)

11. Internal Controls. Internal controls provide the keystone of sound business practices. These controls include adequate segregation of duties, diligent application of preventive control systems, methodologies for the detection of wrongdoing and conscientious compliance with authorization, reporting and other established processes. IIT has established internal controls to ensure efficient operations, responsible financial management, accurate financial reporting, careful protection of assets and satisfactory compliance with applicable laws and regulations. Therefore, members of the IIT faculty

and staff are expected to maintain, follow and support the internal controls structures that the University establishes.

12. Gifts and Gratuities. Relationships between IIT and its vendors must be free of any taint of impropriety or favoritism. Members of the IIT faculty and staff should not personally accept any material, as defined in the policy below, gift, gratuity or other payment, in cash or in kind, from any party seeking to do business with IIT or currently doing business with IIT. If questions arise about the materiality of a proposed gift or gratuity, the proposed recipient should seek advice from the Office of General Counsel. (Policies and Procedures Handbooks: Prohibition on the Acceptance of Gifts, http://www.iit.edu/general_counsel/policies/pdfs/procedure_p2_prohibition_on_the_acceptance_of_gifts.pdf.)

13. Antitrust. Like other economic enterprises, colleges and universities are subject to federal and state antitrust laws, which are aimed at protecting competition. For this reason, IIT faculty and staff should avoid agreements or exchanges of information with other colleges and universities that adversely affect economic competition between institutions. IIT faculty and staff should never enter into agreements with other colleges or universities regarding future tuition, fees, financial aid or salary levels. In addition, it is ordinarily inadvisable to disclose or exchange future plans or projections concerning these subjects with other colleges or universities. IIT faculty and staff also should not participate in surveys concerning these matters unless the survey seeks public information or information that is historical in nature. IIT faculty and staff who have affiliations with other colleges and universities (such as serving on the board of trustees of another institution) should not disclose IIT's non-public business information to the other institution, or vice versa.

14. Obligation to Report Suspected Material Violations. IIT's policy is to investigate allegations of misconduct or wrongdoing, and under no circumstances is retaliatory action to be taken against an individual reporting any such violation. IIT faculty and staff are strongly encouraged to report suspected material violations of these Standards, laws and regulations or related University policies and procedures. Depending upon its nature, a suspected violation can be reported to a supervisor, a dean, the Controller, the Chief Financial Officer or the General Counsel. Violations can also be reported anonymously through EthicsPoint. (See <http://www.iit.edu/president/ethics.html>.) Individuals charged with supervising others at IIT should do so actively, making sure that they receive adequate training with respect to their duties and meet their obligations under these Standards. Supervisors are expected to take appropriate disciplinary action to address non-compliance. (Policies and Procedures Handbook: Investigations and Complaints, http://www.iit.edu/general_counsel/policies/pdfs/procedure_p3_investigations_and_complaints.pdf.)

15. Consequences of Violation. Each individual is responsible for ensuring that his or her own conduct and the conduct of anyone reporting to him or her fully complies with these Standards and all applicable laws and regulations as well as related University policies and procedures. Violations may result in the taking of appropriate disciplinary action, up to and including discharge from employment. Disciplinary action will be taken in accordance with the procedures applicable to faculty or staff, as the case may be.

Certain conduct that violates these Standards may, in some circumstances, also subject the individual to civil or criminal charges and penalties.