5.2.4 Purchasing & Contracts

Policy Section: Conditions of Employment

Policy Number and Title: 5.2.4 Purchasing & Contracts
Applicable to: All Administrative & Support Staff Employees
Effective Date: March 1, 2006

Policy Description

To avoid a conflict of interest, or the appearance of a conflict of interest, Princeton University employees should not make purchasing decisions or negotiate contracts and/or subcontracts where there may be a conflict of interest or an appearance of a conflict of interest.

Application of This Policy

More specifically, employees should refrain from these activities with any organization in which:

1. employees or persons related by blood, marriage, members of the same household, including domestic partners or persons with whom employees have a personal relationship, have a significant financial interest\(^1\), and/or

2. employees or persons related by blood, marriage, members of the same household, including domestic partners or persons with whom employee have a personal relationship, have current or pending employment, consulting, management, fiduciary or similar affiliation.

Employees who stand to gain, either personally or indirectly from any transaction as described in this policy, or similar transaction, should identify their circumstances to their supervisor so that alternate arrangements can be made for the management of the transaction.

No Acceptance of Gifts, Gratuities or Anything of Monetary Value

In addition, employees may not solicit or accept gifts, gratuities, favors or anything of monetary value from current or potential vendors, contractors or their agents, local businesses, University departments, or others with whom there is a potential or ongoing business or professional relationship. Employees may accept ordinary business courtesies, such as

\(^1\) A “significant financial interest” is defined in this specific instance as greater than one percent of the stock, profits or assets of an organization or company, other than Princeton University.
Value payment for a modest meal or event or gifts which are promotional items without significant value and are distributed routinely (see 5.2.6 Conditions of Employment/Gifts and Gratuities).

Compliance with the Anti-Kickback Act Employees who negotiate contracts or have the authority to verify satisfactory completion of contract work must comply with the Anti-Kickback Act of 1986, which is legislation which deters subcontractors from making payments to contractors, and contractors from obtaining payments improperly.

Disclosure All administrative employees are required to complete the Conflict of Interest and Conflict of Commitment—Annual Staff Disclosure Form each year and submit it to their supervisors. Academic department or program/center/institute managers should complete and submit the form to the director of academic management.

Nonadherence Not adhering to this policy is considered a serious matter and may result in disciplinary action, up to and including the termination of employment.

Supervisor Responsibility

To ensure that employees complete the annual disclosure form and that there is adequate and timely review, supervisors should:

- at the end of each calendar year review the policies related to 5.2.1 Conflict of Interest, and specifically 5.2.2 Nepotism and Personal Relationships in the Workplace, 5.2.3 Consulting and Outside Activities, 5.2.4 Purchasing and Contracts and 5.2.6 Gifts and Gratuities with all staff who report to them;
- identify all individuals reporting to them who have responsibility for making purchasing commitments or decisions, executing contract agreements, or verifying satisfactory completion of contract work;
- establish procedures for collecting and reviewing disclosure forms;
- review submitted forms for completeness and sign and document, where necessary, any follow up action taken;
- ensure that there are procedures for informing staff who may assume contracting and purchasing responsibilities mid-year; and
- retain disclosure forms in a department file for six rolling years, seven after termination.

Procedures

Supervisor Monitors policy.

Advises employees with contract or purchasing authority of policy and the need to review and complete Conflict of Interest and Conflict of Commitment—Annual Staff Disclosure Form.

Reviews employee's signed form and retains in department file.

Consults with Office of Human Resources or the Treasurer’s Office on
### Employee

Reviews policy on Purchasing and Contracts and completes *Conflict of Interest and Conflict of Commitment—Annual Staff Disclosure Form.*

Reviews completed disclosure form with supervisor.

Consults with supervisor and/or the Office of Human Resources if there are questions or concerns regarding policy.

Excuses oneself from executing a contract from which the employee or persons related by blood, marriage, members of the same household, including domestic partners or persons with whom the employee has a personal relationship may derive a personal benefit.

### Office of Human Resources

Monitors policy.

Consults with employee and supervisor on any questions regarding the policy.

### Related Documents

**Other Policies**

- Conflict of Interest and Conflict of Commitment—Annual Staff Disclosure Form
- 2.1.5 Employment of Members of the Same Family or Household
- 5.2.2 Nepotism and Personal Relationships in the Workplace
- 5.2.3 Consulting and Other Outside Activities
- 5.2.5 Use of University Resources
- 5.2.6 Gifts and Gratuities
- 5.2.7 Solicitation and Distribution
- Guidelines for Understanding Your Obligations

### Contacts

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