

## **START-UP NY Conflict of Interest Guidelines**

Pursuant to Econ. Dev. L. § 439 and 5 NYCRR § 220.20, the university must adopt a conflict of interest policy. This conflict of interest policy must prohibit persons from participating in any activity related to the START-UP NY program that would cause those persons to experience a conflict of interest. The conflict of interest policy must also provide for the reporting of all actual or potential conflicts of interest the university becomes aware of in the course of administering the START-UP NY program. This includes conflicts of interest experienced by any persons involved in the university/college START-UP NY program, including persons unaffiliated with the university/college who serve as members of any panel or committee that recommends businesses for acceptance into the university/college START-UP NY program.

### **220.20 Conflict of interest guidelines.**

- a. Each university or college participating in the START-UP NY Program shall adopt a conflict of interest policy. Such conflict of interest policy shall provide, as it relates to the Program:
  - 1) as a general principle, that service as an official of the university or college shall not be used as a means for private benefit or inurement for the official, a relative thereof, or any entity in which the official, or relative thereof, has a business interest;
  - 2) no official who is a vendor or employee of a vendor of goods or services to the university or college, or who has a business interest in such vendor, or whose relative has a business interest in such vendor, shall vote on, or participate in the administration by the university or college, as the case may be, of any transaction with such vendor; and
  - 3) upon becoming aware of an actual or potential conflict of interest, an official shall advise the president or chief executive officer of the university or college, as the case may be, of his or her or a relative's business interest in any such existing or proposed vendor with the university or college.
- b. Each university or college shall maintain a written record of all disclosures of actual or potential conflicts of interest made pursuant to this section, and shall report such disclosures, on a calendar year basis, by January 31st of each year, to the auditor for such university or college. The auditor shall forward such reports to the Commissioner, who shall make public such reports.
- c. For purposes of such conflict of interest policies:
  - 1) an official of a university or college has a "business interest" in an entity if the individual:
    - i. owns or controls 10% or more of the stock of the entity (or 1% in the case of an entity the stock of which is regularly traded on an established securities exchange); or
    - ii. serves as an officer, director or partner of the entity;
    - iii. a "relative" of an official of a university or college shall mean any person living in the same household as the individual and any

- person who is a direct descendant of that individual's grandparents or the spouse of such descendant; and
- iv. an "official" of a university or college shall mean an employee at the level of dean and above as well as any other employee with decision-making authority over the START-UP NY Program.

The following summarizes the requirements of 220.20:

§220.20(a)(1)–(2) No person may participate in any aspect of [sponsoring university's] START-UP NY program that would result in that person experiencing a conflict of interest.

§ 220.20(a)(3) Persons must disclose actual or potential conflicts of interest to the President or CEO of the sponsoring college or university.

§ 220.20(b) Sponsoring colleges and universities must record all conflict of interest disclosures, and report those disclosures to the Commissioner of Economic Development by January 31<sup>st</sup> of each year.

§ 220.20(c) Conflict of interest policies must reflect the scope of each of the definitions.