



TENNESSEE HIGHER EDUCATION COMMISSION

CONSENT CALENDAR ITEM: II.C.

MEETING DATE: May 11, 2023

SUBJECT: Human Resources and Legal & Regulatory Policies
LR5.3 – Code of Conduct Commission Staff

ITEM TYPE: Action

ACTION RECOMMENDATION: Approval

BACKGROUND

THEC Legal & Regulatory Policy 5.3 – Code of Conduct Commission Staff addresses the code of conduct applicable to all Tennessee Higher Education Commission employees.

The proposed revisions were completed in order to clarify that the policy applies to all employees, including full-time, part-time, direct contract, subcontract, volunteer, or intern employees, to improve readability, to align THEC policies with Tennessee Student Assistance Corporation (TSAC) policies, and deletes the employee acceptance so that moving forward, Human Resources will be responsible for collecting annual employee acknowledgements.

Attachment A provides a redlined version of the policy and Attachment B provides a clean version of the proposed changes.

ATTACHMENT A: REDLINED VERSION OF PROPOSED CHANGES

Section Title: Legal ~~and &~~ Regulatory Policies
Policy Title: Code of Conduct Commission Staff
Policy Number: LR5.3

~~Tennessee Higher Education Commission~~
~~Code of Conduct~~

~~5.3.1~~ **PURPOSE:** ~~This policy addresses the code of conduct applicable to all Tennessee Higher Education Commission (THEC) employees.~~

~~5.3.2~~ **APPLICATION:** ~~This policy applies to all employees serving in a direct or indirect full-time, part-time, direct contract, subcontract, volunteer, or intern employment of THEC.~~

~~5.3.1~~ **POLICY:** ~~The Commission and its~~ ~~All THEC~~ employees must, at all times, comply with all applicable laws and regulations. ~~The Commission~~ ~~THEC~~ will not condone the activities of employees who achieve results through violation of the law or unethical business dealings. This includes any payments for illegal acts, indirect contributions, rebates, and bribery.

~~5.3.2~~ ~~The Commission~~ ~~THEC~~ does not permit any activity that fails to stand the closest possible public scrutiny.

~~5.3.3~~

~~5.3.4~~ All business conduct should be well above the minimum standards required by law. Accordingly, employees must ensure that their actions cannot be interpreted as being, in any way, in contravention of the laws and regulations governing ~~the Commission's~~ ~~THEC's~~ operations.

~~5.3.5~~

~~5.3.6~~ ~~5.3.3~~ Employees uncertain about the application or interpretation of any legal requirements should refer the matter to their superior, who, if necessary, should seek the advice of the ~~Associate Executive Director~~ General Counsel for Legal and Regulatory Affairs.

~~5.3.7~~ **GENERAL EMPLOYEE CONDUCT:**

~~5.3.8~~ ~~5.3.4~~ ~~The Commission~~ ~~THEC~~ expects its employees to conduct themselves in a businesslike and professional manner in carrying out the business of ~~the Commission~~ ~~THEC~~. Employees will be expected to adhere to all ~~Commission~~ ~~THEC~~

policies, especially those addressing conduct and office procedures and expectations. These shall specifically include, but not be limited to, policies regarding conflict of interest, outside employment and workplace harassment.

~~5.3.9~~ — **RELATIONSHIPS WITH CLIENTS AND SUPPLIERS:**

~~5.3.10~~ — Employees should avoid investing in or acquiring a financial interest for their own accounts in any business that has a contractual relationship with ~~the Commission~~THEC, or that provides goods or services, or both to ~~the Commission~~THEC, if such investment or

~~5.3.11~~~~5.3.5~~ interest could influence or create the impression of influencing their decisions in the performance of their duties on behalf of ~~the Commission~~THEC.

~~5.3.12~~ — **GIFTS, ENTERTAINMENT, AND FAVORS:**

~~5.3.13~~~~5.3.6~~ Employees must not accept entertainment, gifts, or personal favors that could, in any way, influence, or appear to influence, business decisions in favor of any person with whom or with which ~~the Commission~~THEC has, or is likely to have, business dealings. Similarly, employees must not accept any other preferential treatment under these circumstances because their position with ~~the Commission~~THEC might be inclined to, or be perceived to, place them under obligation.

~~5.3.14~~ — **KICKBACKS AND SECRETS:**

~~5.3.15~~~~5.3.7~~ Regarding ~~the Commission's~~THEC's business activities, employees may not receive payment or compensation of any kind, except as authorized under ~~the Commission's~~THEC's remuneration policies. In particular, ~~the Commission~~THEC strictly prohibits the acceptance of kickbacks and secrets from suppliers or others. Any breach of this rule will result in immediate termination and prosecution to the fullest extent of the law.

~~5.3.16~~ — **COMMISSION FUNDS AND OTHER ASSETS:**

~~5.3.17~~ — Employees who have access to ~~Commission~~THEC funds in any form must follow the prescribed procedures for recording, handling, and protecting money as detailed in ~~the Commission's~~THEC's instructional manuals or other explanatory materials, or both.

~~5.3.18~~ — ~~The Commission~~THEC imposes strict standards to prevent fraud and dishonesty. If employees become aware of any evidence of fraud and dishonesty, they should immediately advise their superior, the Associate Executive Director for Legal and

Regulatory Affairs, and the Executive Director so that ~~the Commission~~THEC can promptly investigate further.

~~5.3.19~~ _____

~~5.3.20~~ _____ When an employee's position requires spending ~~Commission~~THEC funds or incurring any reimbursable personal expenses, that individual must use good judgment on ~~the Commission's~~THEC's behalf to ensure that good value is received for all expenditures.

~~5.3.21~~ _____

~~5.3.22~~5.3.8 ~~Commission~~THEC funds, assets and equipment are for ~~Commission~~THEC purposes only and not for personal benefit.

~~5.3.23~~ _____ **COMMISSION RECORDS AND COMMUNICATIONS:**

~~5.3.24~~ _____ Accurate and reliable records of many kinds are necessary to meet ~~the Commission's~~THEC's legal and financial obligations and to manage the affairs of ~~the~~

~~5.3.25~~ _____

~~5.3.26~~ _____ ~~Commission~~THEC. ~~The Commission's~~THEC's books and records must reflect in an accurate and timely manner all business transactions. The employees responsible for accounting and recordkeeping must fully disclose and record all assets, liabilities, or both, and must exercise diligence in enforcing these requirements.

~~5.3.27~~ _____

~~5.3.28~~5.3.9 Employees must not make or engage in any false record or communication of any kind, whether internal or external, including but not limited to:

- False expense, attendance, production, financial, or similar reports and statements;
- False advertising, deceptive marketing practices, or other misleading representations; and
- Dealing with outside people and commissions.

Employees must take care to separate their personal roles from their ~~Commission~~THEC positions when communicating on matters not involving ~~Commission~~THEC business.

Employees must not use ~~Commission~~THEC identification, stationery, supplies, and equipment for personal or political matters.

When communicating publicly on matters that involve ~~Commission~~THEC business, employees must not presume to speak for ~~the~~THEC ~~Commission~~ on any topic, unless they are certain that the views they express are those of ~~the~~ ~~Commission~~THEC, and it is ~~the~~ ~~Commission's~~THEC's desire that such views be publicly disseminated.

When dealing with anyone outside ~~the~~ ~~Commission~~THEC, including public officials, employees must take care not to compromise the integrity or damage the reputation of either ~~the~~ ~~Commission~~THEC, or any outside individual, business, or government body.

~~5.3.29~~ — **PROMPT COMMUNICATIONS:**

~~5.3.30~~~~5.3.10~~ In all matters relevant to customers, suppliers, government authorities, the public, and others in ~~the~~ ~~Commission~~THEC, all employees must make every effort to achieve complete, accurate, and timely communications—responding promptly and courteously to all proper requests for information and to all complaints.

~~5.3.31~~ — **PRIVACY AND CONFIDENTIALITY:**

~~5.3.32~~~~5.3.11~~ When handling financial and personal information about customers or others with whom ~~the~~ ~~Commission~~THEC has dealings, staff should observe the following principles:

1. Collect, use, and retain only the personal information necessary for ~~the~~ ~~Commission's~~THEC's business. Whenever possible, obtain any relevant information directly from the person concerned. Use only reputable and reliable sources to supplement this information.
2. Retain information only for as long as necessary or as required by law. Protect the physical security of this information.
3. Limit internal access to personal information to those with a legitimate business reason for seeking that information. Use only personal information for the purposes for which it was originally obtained. Obtain the consent of the person concerned before externally disclosing any personal information, unless legal process or contractual obligation provides otherwise.

Employee Acceptance

My signature below provides evidence that I have read, understand, and agree to abide by the Tennessee Higher Education Commission Employee Code of Conduct.

Signature

Date

Printed Name

Approved: _____ July 27, 2006

Revised: May 11, 2023

ATTACHMENT B: CLEAN VERSION OF PROPOSED CHANGES

Section Title: Legal & Regulatory Policies

Policy Title: Code of Conduct Commission Staff

Policy Number: LR5.3

- 5.3.1 **PURPOSE:** This policy addresses the code of conduct applicable to all Tennessee Higher Education Commission (THEC) employees.
- 5.3.2 **APPLICATION:** This policy applies to all employees serving in a direct or indirect full-time, part-time, direct contract, subcontract, volunteer, or intern employment of THEC.
- 5.3.3 **POLICY:** All THEC employees must, at all times, comply with all applicable laws and regulations. THEC will not condone the activities of employees who achieve results through violation of the law or unethical business dealings. This includes any payments for illegal acts, indirect contributions, rebates, and bribery. THEC does not permit any activity that fails to stand the closest possible public scrutiny. All business conduct should be well above the minimum standards required by law. Accordingly, employees must ensure that their actions cannot be interpreted as being, in any way, in contravention of the laws and regulations governing THEC’s operations. Employees uncertain about the application or interpretation of any legal requirements should refer the matter to their superior, who, if necessary, should seek the advice of the General Counsel for Legal and Regulatory Affairs.
- 5.3.4 **GENERAL EMPLOYEE CONDUCT:** THEC expects its employees to conduct themselves in a businesslike and professional manner in carrying out the business of THEC. Employees will be expected to adhere to all THEC policies, especially those addressing conduct and office procedures and expectations. These shall specifically include, but not be limited to, policies regarding conflict of interest, outside employment and workplace harassment.
- 5.3.5 **RELATIONSHIPS WITH CLIENTS AND SUPPLIERS:** Employees should avoid investing in or acquiring a financial interest for their own accounts in any business that has a contractual relationship with THEC, or that provides goods or services, or both to THEC, if such investment or interest could influence or create the

impression of influencing their decisions in the performance of their duties on behalf of THEC.

- 5.3.6 **GIFTS, ENTERTAINMENT, AND FAVORS:** Employees must not accept entertainment, gifts, or personal favors that could, in any way, influence, or appear to influence, business decisions in favor of any person with whom or with which THEC has, or is likely to have, business dealings. Similarly, employees must not accept any other preferential treatment under these circumstances because their position with THEC might be inclined to, or be perceived to, place them under obligation.
- 5.3.7 **KICKBACKS AND SECRETS:** Regarding THEC's business activities, employees may not receive payment or compensation of any kind, except as authorized under THEC's remuneration policies. In particular, THEC strictly prohibits the acceptance of kickbacks and secrets from suppliers or others. Any breach of this rule will result in immediate termination and prosecution to the fullest extent of the law.
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2. Retain information only for as long as necessary or as required by law. Protect the physical security of this information.
3. Limit internal access to personal information to those with a legitimate business reason for seeking that information. Use only personal information for the purposes for which it was originally obtained. Obtain the consent of the person concerned before externally disclosing any personal information, unless legal process or contractual obligation provides otherwise.

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