

Tennessee Student Assistance Corporation

September 26, 2023

Decision Item C

TSAC Employee Policies

Staff Recommendation

That the Board adopt the Tennessee Higher Education Commission's (THEC) existing employee policies as applicable to TSAC employees and further delegate to the TSAC Executive Director the authority to promulgate relevant forms for TSAC employees.

Background

In its May 11, 2023 Commission meeting, THEC adopted employee policies related to Outside Employment, Conflict of Interest Disclosure, and Code of Conduct.

Adoption of this item will provide for uniform employee policies between both agencies and address the necessary restrictions applicable to all TSAC staff regarding outside employment, conflicts of interest, and code of conduct.

Section Title: Human Resources

Policy Title: Outside Employment

Policy Number: HR1.0

1.0.01 **PURPOSE:** This policy addresses the outside employment activities of Tennessee Higher Education Commission (THEC) employees to ensure that outside employment does not conflict with their employment duties at THEC.

1.0.02 **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.

1.0.03 **DEFINITIONS:** Outside employment is defined as the engagement in any line of business or the performance of any type of work or service for any person or entity other than that required by the employee's official position with THEC. This is limited to outside employment performed for the purpose of obtaining wages, salary, fee, gift, or other compensation. Such outside employment also includes active participation in a business, including being an owner, part-owner, partner, corporate officer, or serving in a policy-making position for such business.

1.0.04 **POLICY:** As a condition of employment, all full time THEC employees shall abide by this policy. Any violation of this policy will result in corrective action, up to and including termination, at the discretion of the Executive Director.

1.0.4 A Full-time employment with THEC demands an individual's full-time commitment, professional expertise, and attention to assigned responsibilities. Holding an appointment to a full-time position with THEC constitutes acknowledgement of these requirements, and that the position shall be the employee's primary occupation. It is further understood that fulfillment of official duties for THEC may require working beyond the regular work day or work week, and in such situations the work of the Commission shall take priority over any outside employment opportunity.

1.0.4 B Employees shall not engage in any outside employment that may affect the employee's ability to fulfill his or her official duties with THEC. Additionally, full time employment with THEC shall, at a minimum, require adherence to the State of Tennessee's standard work schedule and attendance consistent with the employee's job duties, with allowances for sick and annual leave. An employee's regular work schedule will generally consist of an uninterrupted 7.5 hour work day plus a lunch break.

- 1.0.4 C As a guide to determine the appropriateness of outside employment, consideration shall be given as to whether the outside employment will:
- (1) Result in a conflict of interest, or an apparent conflict of interest, with the employee's official duties and responsibilities or with regular THEC operations;
 - (2) Interfere with the employee's efficient performance of official duties, work schedule, and responsibilities at THEC;
 - (3) Bring discredit to THEC or cause unfavorable or justifiable criticism of THEC;
 - (4) Be performed entirely outside of THEC offices, and with priority placed on normal working assignments and responsibilities;
 - (5) Require only a reasonable time commitment from the employee; and,
 - (6) Be undertaken with an inappropriate claim that the individual is officially representing THEC in connection with the employment.

1.0.4 D Outside employment should not conflict with an employee's regular work schedule, and employees are required to work a standard, uninterrupted 7.5 hour work day. THEC acknowledges there may be rare, isolated instances when outside employment conflicts with regular work schedules. Any outside employment commitment that conflicts with regular working hours must be formally approved in advance, in writing, by the Executive Director. Such approval shall include a written plan as to how the employee will work 37.5 hours in any week in which the outside employment conflicts with the regular work schedule, with additional assurance that the employee's work product and responsibilities will not be compromised. A copy of the approved plan shall be placed in the official personnel file of the employee. After the required approvals have been issued, if the employee is unable to fulfill the required 37.5 work hours in any week due to outside employment activities, annual leave must be utilized for the shortfall, documentation of which must be provided to the Executive Director.

1.0.5A **PROCEDURE:** THEC employees with outside employment obligations that are limited to hours beyond the standard work day, on weekends and/or state holidays, will not be required to notify or seek approval for such employment as long as the outside employment does not conflict with this policy.

- 1.0.5B THEC employees with outside employment obligations that involve higher education, consulting, or as a business owner, part-owner, partner, corporate officer, or in a policy making position, and their involvement is limited to hours beyond the standard work day, on weekends and/or state holidays, shall disclose the outside employment obligation in writing to their immediate supervisor, and a copy shall be filed with the Executive Director and placed in the employee's official personnel file.
- 1.0.5C Commission employees wishing to engage in outside employment with other agencies, departments, or institutions of state government, shall first obtain the approval of the Executive Director and will be subject to prior approval of the President, Director, or appropriate representative of the other agency, department, or institution. Such services to another state agency or institution of higher education shall be paid by the contracting agency to THEC in accordance with a dual services agreement.
- 1.0.6. It shall be the duty of the employee to provide notice and/or seek approval in writing on a timely basis as required by this policy.

Approved: July 27, 2006
Revised: January 26, 2017; May 11, 2023

Section Title: Legal and Regulatory

Policy Title: Conflict of Interest Disclosure Policy for Commission Staff

Policy Number: LR5.2

5.2.1 **PURPOSE:** This policy addresses the conflict of interest disclosure policy for Tennessee Higher Education Commission (THEC) employees.

5.2.2 **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.

5.2.3 **DEFINITIONS:** "Direct interest" means any contract to provide goods or services to THEC as a result of a bid process or any other business transaction with a:

- (a) THEC staff person;
- (b) a relative of a THEC staff person;
- (c) a business in which a THEC staff person is:
 - (i) the sole proprietor;
 - (ii) a partner; or
 - (iii) the person having the controlling ownership or control of the largest numbers of outstanding shares owned by any single individual or corporation.

"Indirect interest" means any contract in which THEC staff person is interested but not directly so, but includes contracts where the THEC staff person is directly interested but is the sole supplier of goods or services.

"Relative" includes spouse, parents, siblings, or children.

"Disclosure form" means the form maintained and collected annually by Human Resources at THEC for THEC staff persons to disclose any direct or indirect interests per this policy.

5.2.4 **POLICY:** It shall be inappropriate for a THEC staff person to have a direct interest in any contract THEC has entered into for goods or services as a result of a bid process or any other business transaction with THEC. Additionally, it shall be inappropriate for THEC staff to be indirectly interested in any such contract or business transaction unless the THEC staff member publicly acknowledges his/her interest.

THEC staff shall disclose any of the following interests:

- (a) Any indirect interest in any contract or other business transaction with

THEC;

- (b) Any interest in any contract or other business transaction with any higher education institution which is coordinated by, contracted by, contracted with, or authorized by THEC; and
- (c) Any indirect interest created by a relative who has (to the extent THEC staff is aware) any contract or business transaction with THEC or with any higher education institution which is coordinated by, contracted by, contracted with, or authorized by THEC.

5.2.5 **PROCEDURE:** In the event a THEC staff person identifies any conflict covered by this policy, he/she shall immediately notify the Executive Director. The Executive Director may determine that such THEC staff person should not work on material related to such interests. Such interests shall be disclosed to THEC regardless of whether the THEC staff person is relieved of working on the matters in question.

The basic underlying principle in conflict of interest is that THEC staff should disclose any activity, investment, or interest that might reflect unfavorably upon THEC, using the disclosure form. Because of the sensitive nature of THEC's relationship with all of the postsecondary institutions, as well as the General Assembly, it is important that staff persons resolve questions of conflict of interest by disclosure. Any activity which might constitute, or be perceived to constitute, a prohibited conflict should be fully reported. Full disclosure of any situation in doubt should be made.

The conflict of interest form must be filed within thirty (30) days after the Commission's regular spring meeting, but in no case shall it be filed later than June 1. In the case of a staff person appointed to THEC staff after the spring meeting, the newly appointed staff person shall file a conflict of interest statement no later than thirty (30) days after the first Commission meeting following his/her appointment.

THEC staff shall amend their respective disclosure because of termination or acquisition of interests of which disclosure is required.

Approved: January 31, 1992

Revised: April 15, 2004; July 27, 2006; May 11, 2023

Section Title: Legal and 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.

5.3.8 **COMMISSION FUNDS AND OTHER ASSETS:** Employees who have access to THEC funds in any form must follow the prescribed procedures for recording, handling, and protecting money as detailed in THEC's instructional manuals or other explanatory materials, or both.

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 THEC can promptly investigate further.

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

THEC funds, assets and equipment are for THEC purposes only and not for personal benefit.

5.3.9 **COMMISSION RECORDS AND COMMUNICATIONS:** Accurate and reliable records of many kinds are necessary to meet THEC's legal and financial obligations and to manage the affairs of THEC. 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.

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 THEC positions when communicating on matters not involving THEC business.

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

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

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

5.3.10 **PROMPT COMMUNICATIONS:** In all matters relevant to customers, suppliers, government authorities, the public, and others in 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.

5.3.11 **PRIVACY AND CONFIDENTIALITY:** When handling financial and personal information about customers or others with whom THEC has dealings, staff should observe the following principles:

1. Collect, use, and retain only the personal information necessary for 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.

Approved: July 27, 2006

Revised: May 11, 2023