



POLICY MANUAL

GENERAL

Number 307

Subject: Conflicts of Interest

Effective Date: April 7, 2009

307.1 INTRODUCTION AND DEFINITIONS

For the purposes of this policy, a conflict of interest exists when a University employee owes a professional obligation to the University, which is or can be compromised by the pursuit of outside interests. Types of conflicts of interest that may exist include:

- Financial conflict - for example, an employee has a financial interest in a company that is funding research in his/her lab.
- Conflict of commitment - for example, an employee has committed more than 100% effort to a range of projects.
- Conflict of allegiance - for example, an employee's personal interests may create a bias in his/her discharge of University duties.

The purposes of this policy are to:

- (1) Enhance the integrity of institutional research;
- (2) Enhance the quality of the institution's educational program;
- (3) Enhance the viability of the institution's outreach mission, especially as it relates to information diffusion and technology development and commercialization;
- (4) Prevent a conflict of interest from harming the University and/or the employee.

307.2 POLICY

University employees shall not realize personal gain in any form which improperly influences the conduct of their University duties. They shall not knowingly use University property, funds, position, or power for personal or political gain, nor engage in any financial or personal activity which may disadvantage the University. They shall report in writing all reasonably foreseeable conflicts.

This policy does not intend to deny any employee opportunities available to all other citizens of the state to acquire private economic or other interests so long as this does not interfere with the full and faithful discharge of his/her University duties or disadvantage the University in any manner. Conflicts of interest are not necessarily unwarranted, unethical or illegal, nor are they always avoidable. Rather, it is the failure to disclose conflicts or potential conflicts to appropriate authorities; to comply with approved conflict management plans; to continue to engage in a conflict after disapproval by appropriate authorities; or to further conduct oneself in a manner that unethically hurts, hinders, or disadvantages the University that must be avoided. Potential conflicts of interest must be disclosed and managed as per policy.

References:

- Utah Code 67-16-1 et. seq. , "Utah Public Officers and Employees' Ethics Act"
- Title 42 of the Code of Federal Regulations, Part 50.601 et.seq., "Subpart F-- Responsibility of Applicants for Promoting Objectivity in Research for Which PHS Funding Is Sought." <http://ori.dhhs.gov/html/policies/fedreg42cfr50.asp>
- National Science Foundation Grant Policy Manual (95-26) Section 510, "Conflict of Interest Policies" http://www.nsf.gov/pubs/2002/nsf02151/gpm02_151.pdf
- USU Policy 403.3.3(2) Academic Freedom and Professional Responsibility, Standards of Conduct
- USU Policy 327 Intellectual Property and Creative Works

307.3 PROCEDURES

3.1 Internal Disclosure of Conflicts of Interest

All conflicts of interest shall be disclosed to an employee's line supervisor through:

(1) Annually disclosing that an employee does or does not have a conflict of interest.

(2) Event-driven disclosures made upon proposing or conducting work that will create a conflict of interest, disclosing the nature of the conflict and the expected duration of the conflict.

3.2 Managing Conflicts of Interest

Every conflict of interest shall be appropriately managed by the University according to a conflict management plan to be prepared by the employee and the employee's immediate

supervisor, and/or a University compliance officer if available, and approved by the immediate supervisor (if not involved in preparation of the management plan), the dean or vice president (as appropriate), the Conflicts of Interest Committee, and the Provost or an authorized designee of the Provost. Management plans shall be appropriate to the conflict of interest, and may employ management approaches including the following:

(1) Avoidance.

(2) Public Disclosure. This approach should be used, for example, where human subjects will be involved in research conducted by an investigator who has a financial interest in the company sponsoring the research (or licensing a technology in which the investigator has a financial interest). In such cases, the informed consent form (as administered through the Institutional Review Board) shall disclose the financial interest to the participants, and any publication of study results shall disclose such financial interest.

(3) Balance. Diverse interest groups (including non-University third parties) are included in oversight of the project.

(4) Mediation. Such mediation may include oversight by the immediate supervisor, the dean or vice president (as appropriate), or a committee appointed by the immediate supervisor. In no case shall an investigator have direct financial oversight of a project sponsored by an organization in which he/she has a financial interest, nor shall any employee under the direct control of the investigator have financial oversight.

(5) Abstention. The investigator does not participate in the project as a University employee, but acts only in his/her role in the sponsoring organization.

(6) Divestiture. The employee removes the conflict by forfeiting his/her interest in the sponsoring organization/licensee. In such cases, the employee permanently or for a specified period of time shall not resume a financial interest in the sponsoring organization or receive other forms of compensation from the company.

(7) Prohibition. The employee permanently withdraws from the secondary interests.

(8) No action required.

3.3 University Oversight of Conflicts of Interest

A Conflicts of Interest Committee shall be appointed by the University President to oversee the implementation of this policy. The Committee shall consist of the Provost or an authorized designee of the Provost (Committee Chair); representatives from the Office of the Vice President for Research, the Institutional Review Board, the Faculty Senate, the Office of Technology Management and Commercialization; a member external to the University; and any others deemed appropriate. The University compliance officer shall serve as an ex-officio member of the Committee. The Committee shall meet on a regular

basis to review all disclosed conflicts of interest, shall review for approval all conflict of interest management plans, and shall monitor all active plans on a regular basis.

When a disclosed conflict of interest involves human research, the Conflict of Interest Committee shall review the conflict prior to USU's Institutional Review Board (IRB) review, and provide a timely report to the IRB, indicating the Committee's action concerning the conflict and its management. The IRB shall have final authority to decide whether the conflicting interests and their proposed management will allow the human research to be approved.

3.4 Examples that Require Disclosure

(1) A University employee owns a company, hires a student(s) to work for that company, and has supervisory responsibility over the student's activities both at USU and at the workplace.

(2) A University employee is a principal investigator on a project and subcontracts to his private company.

(3) A University employee owns a company that may be doing business with the University and makes purchases from that company through a contract or grant.

(4) A licensee makes a contribution as a quid pro quo.

(5) A University employee (or close relative) has a financial interest in the licensee or sponsor (its parents, subsidiaries, and affiliates).

(6) A University employee has a major consulting agreement with the licensee.

(7) A license is to a University employee's own company.

(8) A University employee has fiduciary responsibilities to shareholders of a company (by, for example, being an officer or director of the company) that is or may become a licensee of University technology or a sponsor of University research.

(9) A license is coupled with sponsored research.