

7.20 CONFLICT OF INTEREST POLICY

I. Introduction and Definition

Trustees, executive officers, deans, directors, faculty, and staff (hereafter “Members”) all have an obligation to make decisions in a way that promotes the best interests of the institution. This policy recognizes that all of the Members of the University community will conduct their relationships with each other and the University with honesty and integrity.

At the same time, it is also understood that Members retain their rights to interests and activities of a personal or economic nature. Members will make every effort to recognize and avoid possible perceptions of or actual adverse effects of their external activities on the best interests of the institution.

This statement confirms the University policy that faculty and other employees who accept full-time appointments have a primary commitment to the University and that they will be sensitive to the possible adverse effects of their external activities. It is recognized, however, that the quality of teaching, research, extension service, and the administration of University programs may be enhanced when members participate in extramural activities, which enhance their value to the University, so long as their commitments to the University are not adversely affected.

Potential conflicts of interest exist when commitments and obligations to the University may (or may appear to be) compromised by the Member’s other interests or commitments, especially economic, particularly if those interests or commitments are not disclosed. A potential for conflict may also exist when a Member’s independence and objectivity of judgment in the discharge of duties to the University may be (or may appear to be) affected, or if the Member may receive financial or material benefit from knowledge of information confidential to the University.

This policy requires that all Members identify, evaluate, and disclose potential conflicts of interest that may appear to compromise their obligation to the University. Disclosure is required at the time the appearance or potential for conflict is first identified. This policy covers Members of the University community (Board of Trustees, executive officers, deans, directors, faculty, and staff), their spouses, and dependent children.

II. Scope of the Conflict of Interest Policy

A. Trustees

Trustees owe special care and loyalty to the University and must maintain the best interests of the University in all Board-related deliberations and decisions. This includes disclosing actual or perceived conflicts of interest at the earliest possible point of awareness. Trustees shall not make use of information relating to the University’s business for personal gain of any nature by the Trustee or his/her immediate family.

B. Executive Officers, and Administrators (Includes Vice Presidents, Deans, Department Chairs, Department Executive Officers, Executive Directors, and Directors)

Executive Officers and Administrators of the University owe special care and loyalty to the University and must exercise care in maintaining the best interests of the University in all University-related decisions by disclosing actual or perceived conflicts of interest. Since these officers will be involved in

such decisions practically on a daily basis, the opportunity for creation of conflicts (as well as the appearance thereof) is greatest and must be avoided.

C. Faculty

Faculty who hold full time appointments have a primary commitment to the University. The University *Operations Manual* Sections 5.2 (Duties of a Faculty Member) and 6.4 (Consulting) define the faculty members' obligations to the University.

D. Staff

The University expects that staff members will recognize the possibility that their external activities, commitments, and interests may have adverse effects on the performance of their University obligations. This policy applies to both exempt and non-exempt staff.

E. Part-time Appointments

Part-time employees may have a high potential for conflict of interest because of multiple demands of their time. It is expected that part-time employees will disclose potential conflicts and fulfill their obligations.

III. Categories Of Conflicts

The University thrives when its faculty and staff pursue sponsored research activities with vigor. Their activities include interactions with many external agencies. Predictably, some external relationships will have the potential to create conflicts of interest or commitment, or the appearance thereof. In many situations these conflicts will be apparent only and can be resolved by disclosure. Actual conflicts fall into two categories.

A. Conflict of Interest

A conflict of interest may arise when a member has the opportunity to influence the University's business, administrative, academic or other decisions in ways that could lead to personal gain or advantage of any kind. Or, a conflict of interest may arise when the financial interest or personal considerations of a member may compromise or appear to compromise the member's judgment or ability to perform his/her obligations to the University.

B. Conflict of Commitment

A conflict of commitment arises when a member undertakes external commitments which interfere with the member's obligations and commitments to Clarkson.

Examples of potential or actual conflicts

In this example, an investigator is defined as a principal investigator, or co-principal investigator, and any other person at the University who is responsible for the design, conduct, or reporting of research or educational activities funded, or proposed for funding by an external sponsor.

1. A member may not directly or indirectly lease, rent, trade or sell real or personal property to the University without full disclosure of the relevant facts.
2. A member may not possess a substantial interest in or participate in the profits of any organization that deals or seeks to deal with the University without full disclosure of the relevant facts. Participation through stockholdings, mutual funds and similar vehicles is not a conflict unless the stocks of the organization held by the individual constitute a substantial holding.
3. Giving well paid lectures or consulting for companies or organizations whose economic interests are affected by the investigator's scholarly work that are supported by the sponsored funds.
4. Undertaking evaluative research with sponsored funds when the investigator or the investigator's dependents or spouse have a financial, managerial, or ownership interest in the sponsoring company or in the company producing the product tested.
5. Providing privileged access to information, developed with University resources or supported by sponsored funds, to an entity in which the principal investigator has a financial interest.
6. Purchasing equipment, instruments, or supplies from sponsored funds for research from a firm in which the principal investigator has a financial interest.
7. Commitments that involve frequent or prolonged absence from the University on non-University business.
8. Commitments that engage a substantial portion of the time a member is expected to spend in University related activities and which thereby dilutes the amount or quality of participation in the instructional, scholarly or administrative work of the University.

IV. Conflict Disclosure, Avoidance and Resolution

Members are expected to evaluate and arrange their external interest and commitments in order to avoid compromising their ability to carry out their primary obligations to the University. In the first instance, conflicts should be avoided or resolved through the exercise of individual judgment or discretion.

Full disclosure of the circumstances surrounding a real or potential conflict should be made prior to making the commitment of initiating the activity which poses the possible conflict.

It is the institution's responsibility for determining whether a conflict exists and conditions or restriction placed to resolve any perceived or actual conflict of interest. The policy is administered as defined below.

A. Trustees, President, and Vice President for Business

Trustees, the President, and the Vice President for Business and Financial Affairs (hereinafter referred to as the Vice President for Business) shall file an annual disclosure with the Chair of the Trustee Audit Committee. In the event of a reported conflict the Chair shall consult with the members of the Audit Committee and will then provide the person disclosing the conflict with a memorandum outlining the disposition of the matter with a copy to the Chair of the Board.

If a conflict should arise between annual disclosure statements, each Trustee has the obligation to inform the Chair of the Audit Committee. In the event that an unforeseen conflict should arise at a Board meeting, a Trustee perceiving a conflict must recuse him/herself from discussion and voting on the matter. In such situations the Trustee will be excused from the meeting by the Chair who will direct that it be duly noted in the minutes.

If at any time a Trustee, the President, or the Vice President for Business may have a question about the interpretation of this policy, they are encouraged to ask for the opinion of the Audit Committee Chair.

B. Members of the Faculty & Staff of Instruction and Research

All disclosures of the Faculty & Staff of Instruction and Research (hereinafter referred to as Principal Investigator) must be in writing and must fully disclose all information relevant for a complete understanding of the disclosure at the beginning of each fiscal year to meet the Federal rules (DHHS and NSF conflict of interest policies effective October 1, 1995) which will be maintained in the office of Division of Research. The Director of Research reviews each disclosure and may do the following:

1. Review the disclosure with the Principal Investigator to determine if a potential for conflict exists, and to resolve any potential conflict with the Principal Investigator.
2. Refer the disclosure to a Conflict of Interest Committee who will review the disclosure and determine if a conflict of interest exists, and recommend resolutions to any potential conflict of interest to the Director of Research. The Committee consists of five members appointed by the Director of Research. The membership includes at least three faculty members who conduct research with external funds, one administrative member from the financial affairs staff of the University, and one additional staff member to be appointed in consultation with the investigator. The Director of Research serves as an ex-officio member.

Principal investigators may appeal a decision in #1 above, by requesting a review of their disclosure by the committee in #2.

Principal investigators submitting research proposals must certify that there are no changes since the annual disclosure was submitted. If there are changes, the disclosure must be updated prior to submission of a proposal to an external agency, and during evaluation period of the award.

Examples of conditions or restrictions that may occur in the management of any potential conflict of interest may include, but are not limited to the following:

1. Disclosure of significant financial interests to the funding agency.
2. Monitoring research by an independent reviewer.
3. Modification of the research plan.
4. Disqualification from participation in the portion of research affected by the financial interests.
5. Divestiture of financial interests.
6. Severance of relationships that create the conflict.
7. The institution may notify the external agency that the University is unable to manage an actual or potential conflict of interest.

All financial disclosure records will be retained until three years after termination or completion of the award to which they relate, or the resolution of any government action involving those records.

C. All Other Members of the Staff

The Vice President for Business, on an annual basis, will review the disclosure to determine if a potential for conflict exists. Members involved in the following duties must be particularly conscious of the potential for conflict: the procurement, exchange or sale of goods, services or other assets; the negotiation or formation of contracts or other commitments affecting the assets or interests of the institution; and the handling of confidential information and the rendition of professional advice to the University. Members involved in such activities shall render a disclosure statement at the request of the appropriate Vice President/Dean of an organizational unit or on an annual basis if so directed by the Vice President for Business.

Disclosure statements are filed at the beginning of each fiscal year (July 1) and are maintained in the employee's personnel file in the Office of Human Resources. All disclosures shall be sufficiently detailed to permit an accurate and objective evaluation. Each member is obliged to cooperate fully in the review of the pertinent facts and circumstances.

If the Member discloses any information in which an appearance of or actual conflict exists, the Vice President for Business will do either of the following:

1. Review the disclosure with the Member to determine if a potential for conflict exists, and to resolve any potential conflict with the Member. If a potential or actual conflict exists, the Vice President for Business and the Member will execute a Memorandum of Understanding defining the resolution of the potential or actual conflict. The Memorandum of Understanding will be filed with the conflict of interest disclosure form in the Office of Human Resources.
2. Refer to the disclosure to a Conflict of Interest Committee who will review the disclosure and determine if a conflict of interest exists, and recommend resolutions to any potential conflict of interest to the Senior Vice President. The Committee will consist of five members appointed by the Senior Vice President. The Membership includes at least two faculty members, two administrative members, and one additional staff member to be mutually agreed upon and selected from the 25 members of the University Grievance Committee.

Members may appeal a decision in #1 above, by requesting a review of their disclosure by the committee in #2.

As an example, a Member may not review, approve, or administratively control contracts when the contract is between the University and a company in which the Member has a substantial financial interest, or when the contract is with the member's spouse or dependent child, or when a Member's spouse or dependent child is an employee of the contract and directly involved with activities included under the contract. Resolution of the conflict of interest in this example may involve a written Memorandum of Understanding in which the Member agrees to remove him/herself from any discussions regarding such contracts, and to place responsibility for review and approval of such contracts with a Member who is not in a reporting relationship with him/her.

V. Disclosure Statement Forms

The Conflict of Interest Disclosure form (Exhibit 1) will be administered by the VP of Business in collaboration with the Division of Research and the Office of Human Resources.

Approved by: Faculty Senate 9/7/98, Administrative Council 9/28/98, Board of Trustees 2/99

Clarkson University Conflict of Interest Disclosure

Exhibit 1

To: Director of Research, Box 5630

Name: _____

- Faculty & Staff of Instruction and Research
 All Other Members of the Staff

PLEASE PRINT

PLEASE CHECK A BOX

I have read Policy 7.20 Conflict of Interest Policy for Clarkson University. This policy covers Members of the University community (Board of Trustees, Vice Presidents, executive officers, directors, faculty and staff), their spouses and dependent children.

**** YOU MUST CHECK ONE BOX TO INDICATE IF YOU DO OR DO NOT HAVE A CONFLICT OF INTEREST***

1.

I do not have significant financial and commitment conflicts, as defined by the Clarkson University policy, that possibly could affect or be perceived to affect the results of the research or educational activities funded or proposed for funding or obligations to the University.

(Significant financial interests are defined as interests valued greater than \$10,000 or an equity or ownership interest of more than five percent held by a member and the member's spouse or dependent children. See page 1 for exempt interests.)

2.

I am disclosing the following significant financial interests (check one) and attaching supporting documentation (in an envelope marked confidential) that identifies the business enterprise or entity involved and the nature and amount of the interest:

__ Salary or other payment for services (e.g. consulting fees or honoraria).

__ Equity interests (e.g. stocks, stock options, or other ownership interests).

__ Other significant financial or commitment conflicts of the member that possibly could affect or be perceived to affect the results of the research or educational activities funded or proposed for funding or obligations to the University.

Further, I agree:

- To update this disclosure during the evaluation period of the award, either on an annual basis, or as new reportable significant financial interests are obtained.
- To cooperate in the development of a Memorandum of Understanding (MOU) that constitutes a conflict of interest "resolution plan".
- To comply with any conditions or restrictions imposed by the University to manage, reduce, or eliminate actual or potential conflicts of interest or forfeit the award.

Signed: _____
(Original signature only- a "per" signature is not acceptable.)

Date: _____

Please Return This Page to Box 5630.

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