

Policy on Conflicts of Interest and Commitment

July 1, 1995

North Carolina A&T State University
Greensboro, North Carolina

I. Introduction

It is the policy of North Carolina A&T State University that all faculty and EPA non-teaching employees avoid activities which impair or eliminate that employee's ability to objectively carry out the responsibilities of University employment. The number and frequency of contacts and interactions between the University, its faculty and employees, with private industry, federal and state governments, and the non-profit sector has increased dramatically in recent years. Indeed, such interactions have proven to be beneficial to not only the University, governmental and the private sector, but to society at large. Accordingly, such interactions are both desirable and encouraged by the University. However, as these interactions increase, it has become more necessary for the University to establish ways in which its faculty and staff can assure itself and the members of the general public that the responsibilities of University employment are being carried out, and that they are being carried out in an atmosphere and a climate of academic integrity. This policy is therefore established to aid faculty and EPA non-teaching staff in the fulfillment of that responsibility and to provide guidance for assessing existing and potential relationships which may have the possibility of either hindering the fulfillment of the employment responsibility or undermining the integrity of the academic process by creating unnecessary and inappropriate conflicts of interest and/or commitments.

This policy for North Carolina A&T State University (hereinafter "the Policy") applies to all faculty and EPA non-teaching personnel. The policy requires such individuals to annually complete the Conflict of Interest Commitment Disclosure form, and to, as necessary, periodically update that form for review by appropriate supervisory personnel within the University. This policy shall consist of a statement of the University's basic intent in this area, provide forms which will guide the faculty member's self examination and further reporting to appropriate supervisors, and definitions to assist in the application of the policy.

By requiring an annual reporting of each affected employee, the policy recognizes the appropriateness, flexibility and the difficulty of anticipating all possible conflict situations ahead of time. Therefore, it is the intent of the policy to create an opportunity for dialogue between affected employees and supervisors, so that situations may be examined before possible conflicts arise. Additionally, the policy is designed to provide a mechanism for the orderly review of the information reported, and where necessary, the appropriate monitoring of such situations, so that continued activities during the year can similarly proceed with the assurance of the absence of the conflict of interest and/or commitment. The initial responsibility for review of an employee's prospective statement is delegated to the immediate supervisor of the faculty member or EPA non-teaching employee. That responsibility includes the obligation to interpret and implement the policy and to evaluate the proposed activity of the affected employee. All affected employees and supervisors are encouraged to engage in active discussions prior to and during the completion of these forms, so that a complete understanding of the perimeters can aid all in their compliance with these policies. While this policy applies to all faculty and EPA non-teaching personnel of the University, the policy has particular importance and requires increased sensitivity on the part of those employees who exercise administrative responsibility. It is recognized that individuals in administrative roles exercise substantial influence by virtue of their position and its associated responsibility in the area of appointments, promotions, tenure decision, allocations of space, determination of salary and contracting relationships and the like. Individuals with administrative appointments are thus charged with the increased responsibility of greater sensitivity to both the intent and terms of the policy so that the interest of the University may not be adversely effected. Among those potential adverse interests to which greater sensitivity is encouraged are situations that may lead to an individual's inappropriate financial gain; situations that may adversely affect professional or academic advancement of colleagues or situations that might otherwise inject inappropriate considerations into administrative decisions.

An indispensable corollary to the effective implementation of this policy is the University's expectation that students are to be taught in an atmosphere that values objectivity and stresses the importance of public trust. Therefore, this policy underscores the University's concern that its activities create an environment where the impact on students and other trainees not exist in an atmosphere of conflicts of interests or commitment. Accordingly, it is indispensable that all faculty and EPA non-teaching employees demonstrate the commitment to the provisions of this policy and to the highest ethical and intellectual standards of inquiry in all aspects of research, teaching and service. In order to accomplish the objectives of this policy, and to avoid even the appearance of a conflict of interest and/or commitment, this policy requires each faculty and EPA non-teaching employee to annually disclose certain financial and other information. Periodic updating of this information is required, where such changes may significantly affect the original information provided or create the potential for a conflict of this policy. Thus, complete adherence to both the requirements and the intent of this policy by affected employees is a must. Information provided must accordingly be accurate and may have a direct impact on that individual's employment status with the University. Possible sanctions for violation of the policy, including refusal to file the appropriate disclosure forms or for the furnishing of false misleading or incomplete information can range from administrative intervention to termination of employment, all in accordance with the applicable University policies.

II. Relation To North Carolina Statutes and Other University Policies

In addition to appropriate laws of the State of North Carolina, this policy supplements other existing policies included, but not limited to:

- external professional activities of faculty and other professional staff

- nepotism
- political activities of University employees
- procurement of consultant services
- patent or copyright policies
- University tenure regulations, and the employment policies of EPA non-teaching employees.

Information on these and other policies is available in the University Handbook or from the Office of Legal Counsel.

III. Conflict of Interest and Commitment

A. Conflict of Commitment

It is the policy of the University that faculty and EPA non-teaching employees are expected to devote their primary professional loyalty, time and energy to their teaching, research and service at the University. Accordingly, outside activities and financial interests must be arranged so as not to interfere with the primacy of these commitments.

Conflict of commitment relates primarily to an individual's allocation of time between one's obligation to University employment versus outside activities. While outside activities are encouraged and recognized as promoting professional development and enhancing an individual employee's contributions to the institution, the profession, the discipline and to society, it is the intent of this policy that such activities not interfere with the primary obligation owed to the University. Such potential outside activities could include involvement with professional societies, participation on review panels or external activities for pay.

B. Conflict of Interest

It is the policy of the University, that faculty and EPA non-teaching employees are to avoid conflicts of interest that have the potential to adversely affect the University's interest, to compromise objectivity in carrying out University responsibilities, or otherwise to compromise the performance of University responsibilities. Resultantly, such outside activities and financial interests must be coordinated and monitored to avoid conflict with the primary obligation owed to the University.

The term conflict of interest refers to situations in which personal and/or financial considerations may compromise, or have the appearance of compromising a faculty member or EPA non-teaching employee's professional judgment in exercising University obligations, responsibilities and duties or in the conducting and reporting of research. A faculty member or EPA non-teaching employee may be considered to have a conflict of interest when he or she, or any of the person's family (as later defined herein) possesses a significant financial interest in an activity that involves his or her responsibilities as a University employee.

The purpose of these policies is not to limit or restrict appropriate and responsible outside activities, but rather to reduce the probability of inappropriate activities and insure that all activities are properly disclosed. Accordingly, completion of the attached reporting forms are intended to identify activities which have the potential of creating conflict of interest or of commitment; to provide an orderly review of the same and result in guidance to faculty members in their future activities. Thus, the reporting of an activity on the required disclosure form should not automatically be seen as being prohibited, but is designed to encourage before-the-fact review, analysis, and when necessary reporting and monitoring, to avoid conflict of the terms of this policy.

IV. Categories and Examples of Potential Conflicts

Activities that may involve conflicts of interest or commitment fall into three general categories that differentiate relationships according to potential for adverse impact.

Category I consists of relationships that, while including some that are conflicts in a technical sense, are allowable because they do not compromise the objectivity of research results or other interests of the University, the sponsor, or the public. These relationships are generally minimal in their personal financial impact, and otherwise do not represent a potential source of unreasonable bias.

Category II consists of relationships that may be permissible following disclosure and, where necessary, consultation. Such relationships may necessitate supervisory procedures designed to preclude unreasonable levels of bias or inappropriate activities and to ensure academic standards, intellectual values, and institutional integrity.

Category III consists of relationships presenting such serious problems that they will hereafter be presumed to be inappropriate for a faculty member or EPA non-teaching employee. In such cases, a heavy burden will rest with the individual to demonstrate to the University's satisfaction the compatibility of such practices with University polity prior to going forward with the proposed activity.

Provided below are representative, but not all-inclusive, examples of activities in each of these three categories.

V. Category I: Activities that are Routinely Allowable

- (a) Receiving royalties for published scholarly works and other materials or for inventions pursuant to the University's Patent and Copyright Policies.
- (b) Membership in and service to professional associations and learned societies; membership on professional review or advisory panels; presentation of lectures, papers, concerts or exhibits; participation in seminars and conferences; reviewing or editing scholarly publications and books; and service to accreditation bodies are permitted under the *Board of Governors' Policy on External Professional Activities for Pay* so long as they do not conflict or interfere with the timely performance of primary University duties. These activities are permitted even if they are performed for nominal honoraria or reimbursement of expenses, provided that the receipt of nominal honoraria or reimbursement of expense is not in conflict with an other applicable University, state, or federal policy, rule or regulation.
- (c) Ownership of or equity in a corporation used solely for the individual's consulting activities.
- (d) Requiring or recommending one's own textbook or other teaching aids, materials, software, equipment or the like to be used in connection with University instructional programs, or texts, aids, materials, software, or equipment of a member of his or her family.

**VI. Category II: Activities that May Be Allowable Following Disclosure and,
Where Necessary, the Implementation of Monitoring Procedures**

Research Activities

- (a) Participating in University clinical research on a technology developed by that individual or a member of his or her family, unless the activity is specifically disallowed under the guidelines of Category III.
- (b) Participating in University research involving a technology owned by or contractually obligated by license, option or otherwise) to a business in which the individual or a member of his or her family has a consulting relationship.
- (c) Receiving through contract or gift University-sponsored research support (whether in dollars or in kind) for research from a business in which the individual or a member of his or her family has a consulting relationship.

External Activities

- (d) Serving on the board of directors or scientific advisory board of a business from which that individual or a member of his or her family receives University-sponsored research support or with which the University has a substantial contractual relationship known to the individual, unless the activity is specifically disallowed under the guidelines of Category III.

- (e) Assuming an executive position in a *not-for-profit* business engaged in commercial or research activities in a field related to the individual's University responsibilities, unless the activity is specifically disallowed under the guidelines of Category III.

Ownership

- (f) Possessing a significant financial interest, including a significant consulting relationship, in a business that competes with the services provided by the University as a part of their academic, research, or training mission.
- (g) Possessing a significant financial interest, including a significant consulting relationship, in a business in a field related to the individual's University responsibilities, unless the activity is specifically disallowed under the guidelines of Category III.

Other

- (h) Acceptance by the University employee or a member of his or her family of other than nominal gratuities or special favors from one whom the individual knows is doing business with or proposing to do business with the University. Nominal may include meals or gifts of texts.
- (i) Engaging in any other activity that has the potential for creating a conflict of interest or commitment as defined herein.

VII Category III: Activities that are Presumptively Not Allowed

Research Activities

- (a) Participating in University research involving a technology owned by or contractually obligated (by license, option, or otherwise) to a business in which the individual or a member of his or her family holds a significant stock or similar significant ownership interest, or has any other significant financial interest, other than a receipt of University-sponsored research support, or receipt of royalties under University royalty-sharing policies.
- (b) Receiving, through contract or grant, University-sponsored research support (whether in dollars or in kind) for research from a business in which the individual or a member of his or her family holds a significant stock or similar significant ownership interest or has any other significant financial interest.
- (c) Accepting support for University research under terms and conditions that results be held confidential, unpublished, or significantly delayed in publication, other than the delay permitted by the University's *Patent and Copyright Policy*.
- (d) Assigning students, postdoctoral fellows or other trainees to University projects sponsored by a for-profit or not-for-profit business in which the individual or a member of his or her family has a significant financial interest including a significant consulting relationship.

External Activities

- (e) Assuming an executive position in a for-profit business engaged in commercial or research activities in an area related to the individual's University responsibilities.
- (f) Making referrals of University business to an external business or professional office in which such individual or a member of his or her family has a significant financial interest, including a significant consulting relationship.
- (g) Associating one's name or one's work with an external activity in such a way as to profit monetarily by trading on the reputation or good will of the University or the University or to imply sponsorship or endorsement by the University. An example of a context in which such an association might occur is external professional activity for pay. Mere identification of the University as the employer of the individual and of the individual's position at the University is permitted by this section, provided that such identification is not used in a manner that implies sponsorship or endorsement by the University.

Public Disclosure

- (h) Publishing or formally presenting University-sponsored research results, or providing expert commentary on a subject, without simultaneously disclosing any significant financial interest relating to such results or such subject.
- (i) Unauthorized use of privileged information acquired in connection with one's University responsibilities. This section is not intended to apply to standard publication activity.

Administrative Responsibilities

- (j) Taking administrative action in the course and scope of University responsibilities that is beneficial to a business in which the individual or a family member has a significant financial interest, including a significant consulting relationship.
- (k) Influencing the negotiation of contracts between the University and an outside organization with which the individual or a family member has a significant financial interest, including a significant consulting relationship.

Committee Participation

- (l) Serving on a committee or a governmental agency or private entity and simultaneously participating in the consideration by such a committee of the regulation or application of a technology that is owned by or contractually obligated (by license or exercise of an option to license) to a business in which that individual or a member of his or her family has a significant financial interest, including a significant consulting relationship.

VIII Process for Submission of Conflict of Interest Forms

1. All faculty members and all EPA non-teaching employees, including part-time employees and employees on leave (explained herein), who are involved in activities or relationships described herein or who anticipate involvement in such activities in the upcoming year, are to complete and submit the annual conflict of interest evaluation form (attachment 1) on an annual basis, as of September 15 of each year. Forms completed by faculty members are to be

submitted initially to their departmental chairperson. Forms completed by EPA non-teaching personnel are to be submitted to their immediate supervisor. Upon submission to either the chairperson or the immediate supervisor, these forms shall be evaluated for compliance with this policy. Such supervisors, including Chairpersons, shall submit their recommendations for final approval to the appropriate academic Dean or in the case of EPA non-teaching personnel, to the appropriate Vice Chancellor and/or Special Assistant to the Chancellor (unit head). Affected employees are required to update forms throughout the year, if changes arise. Such changes may include new University duties or changes in external professional activities that may be governed by the terms of this policy. Part-time employees are covered by this policy to the extent that their University responsibilities are affected. Employees on leave are covered by the terms of this policy if any portion of their leave is funded from University sources.

2. All affected employees are encouraged to seek frank and complete discussions with their departmental chairpersons, or immediate supervisors should they have any questions regarding this procedure or should new circumstances arise.

3. Given the employment nature of the information supplied and requested on these forms, affected individuals are advised that these forms shall become a part of their personnel file. As a part of the personnel file, the forms are considered confidential. Information contained in the form is available only to individuals duly charged with responsibility for review and the information may be released only in accordance with North Carolina Law or pursuant to a lawful court order.

4. Except as noted herein, the decision of the academic Dean and/or appropriate unit head (Vice Chancellor or Special Assistant) is final.

IX Review, Approval &/or Appeals Regarding Completed Forms

The departmental chair or first line supervisor, as indicated herein, has the initial responsibility to review, the forms submitted by the affected faculty member or EPA non-teaching employee. All such review shall be pursuant to the provisions of this policy. Said review shall then be forwarded in the form of a recommendation to the appropriate Dean &/or unit head (Vice Chancellor or Special Assistant). The decision at this level of review (Dean &/or Vice Chancellor) shall be final, except that such individuals in exceptional circumstances may forward the application on with a recommendation for additional scrutiny to the University Committee on Conflict of Interest (as described later herein). In addition, individual faculty &/or EPA non-teaching personnel whose forms have been disapproved at the level of Dean &/or Vice Chancellor, may appeal for additional review to the University Committee on Conflict of Interest. In those instances where the Dean &/or Vice Chancellor has forwarded a form onto the committee, for its further review, then the decision of that committee is final.

X. University Committee on Conflict of Interest

As described herein, the University shall establish a Committee on Conflict of Interest, whose duties shall be as outlined herein. This committee shall be a standing committee, appointed by the Chancellor with the following representations:

The chair of the committee shall be the Vice Chancellor of Academic Affairs, other committee members shall include the Vice Chancellor for Research, the Legal Counsel for the University, and three (3) faculty members appointed by the Chancellor for three (3) years staggered terms, to be determined by the Chancellor. The committee shall operate under rules or procedure which it shall establish and make available to all affected parties.

XI Policy and Implementation

The Chancellor shall be responsible for overseeing the implementation of the policy throughout the entire University, including processes for disclosure and review. The Chancellor or his delegate will review all breaches of the process, including:

- a. failure to comply with the process (by refusal to respond, by responding with incomplete or knowingly inaccurate information or otherwise),
- b. failure to remedy conflicts, and
- c. failure to comply with prescribed monitoring plans.

Such cases may be forwarded by the Chancellor to the Committee on Conflict of Interest for review and recommendation. Based on this review, the committee will make recommendations to the Chancellor.

XII Annual Reports

On a schedule to be established by the Chancellor, each Vice Chancellor &/or administrative head will submit a report, through the Office of the Vice Chancellor of Academic Affairs, to the Chancellor. The report shall include the following information:

1. The number of disclosure forms received from individuals in that unit
2. The number of forms approved by the appropriate Vice Chancellor and the number forwarded to the Committee on Conflict of Interest, and the number resolved by the Committee on Conflict of Interest.

XIII Definitions

As used in these policies, the following terms have the following meaning:

- a) business - any corporation, partnership, sole proprietorship, firm, franchise, association, organization, holding company, joint stock company, receivership business, or real estate trust, or any other legal entity organized for profit or charitable purposes.
- b) immediate family - includes one's spouse and dependent children living in the home.
- c) participant - any person who receives direct compensation or any other financial support for themselves or their teaching research, outreach or extension activities.
- d) significant financial interests - an interest in a business consisting of stock options or similar ownership in such a business; it does not include mutual, pension or funds of which the employee does not exercise control; a significant financial interest also exists on the receipt, or the right or expectation to receive any income from such business, including consulting fee, salary allowance, interest from real property, dividend, royalty, rent or other such benefit to the recipient. Excluded from the definition of significant financial interest is any interest whose value does not exceed \$10,000 per annum if salary fees or other continuing payments or which represents 10% or less ownership interest for any one enterprise or entity when aggregated for the investigator and his or her family.

_____ YES _____ NO (Describe in attached statement)

If the answer to any of Questions 5-8 is YES, then complete Appendix C.

5. Do you participate in University clinical research on a technology developed by you or a member of your family?

_____ YES _____ NO

6. Are you or a member of your family an employee of or serving in an executive position of an enterprise a. engaged in commercial or research activities in an area related to your University responsibilities, b. with which the University has a substantial contractual relationship, or c. that sponsors research, testing, or service projects in which you are a participant?

_____ YES _____ NO

7. Do you or a member of your family have a significant financial interest, including compensation as a consultant, in an enterprise in your field of academic specialization or research or that sponsors research, testing, service projects or other projects in which you are a participant?

_____ YES _____ NO

8. Do you supervise, select, or evaluate services provided to the University by an enterprise or do you refer University's business to an enterprise in which you or a member of your family have a financial interest?

_____ YES _____ NO

ACKNOWLEDGMENT

I hereby acknowledge that I have read and understand the Policy on Conflicts of Interest and Commitment and that the aforementioned facts and situations indicate all potential conflicts of interest and commitment with regard to my position at North Carolina A&T State University according to the standards and guidelines of the Policy. If I have none, I have so indicated in the spaces provided.

I acknowledge that I have a continuing obligation to file an updated form prior to filing the next annual report if changes arise that I believe may either: (a) give rise to a potential conflict of interest, or (b) eliminate a conflict previously discussed.

Signed this _____ day of _____, 19_____.

Signature

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ADMINISTRATIVE REVIEW AND APPROVAL
CONFLICT OF INTEREST AND COMMITMENT REVIEW

To the best of my knowledge and judgment and according to the standards and guidelines of the Policy:

- a. _____ No conflict of interest or commitment exists.
- b. _____ A conflict of interest or commitment may exist, but does not appear to be significant (attach explanation)
- c. _____ A conflict of interest or commitment may exist that warrants further review.

Department Chair

Date

Dean (If approval is required according to the Policy)

Date

Vice Chancellor (If applicable)

Date

APPENDIX A

REPORT OF POTENTIAL CONFLICTS OF INTEREST RELATED TO STUDENTS

Complete this form if you answered YES to one or more of Questions 1-2 on the Annual Conflict of Interest/Commitment Statement-Attachment 1. Attach separate sheets and give the answer number for which additional information is provided. Use a separate form to report relationships with each enterprise or corporation.

Name: _____

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Title &
Rank: _____ Department/Unit _____

Campus
Address: _____
Street City/State Zip Code

Campus Telephone _____

Complete Items 1-3 if you answered YES to Question 1 on the Annual Report

1. Describe the number and levels of the students involved, your financial interest in the business, and how the sponsored project involves the students.

2. Describe the potential benefits to and impacts upon students in working on this project.

3. Discuss the actions or safeguards you will take to prevent your relationships with this enterprise from affecting your responsibilities as a University employee for supervising these students.

Complete Items 4-5 if you answered YES to Questions 2 on the Annual Report

4. Describe the numbers of students, their status in the University, and the nature and scope of the duties for which they are employed.

5. Discuss the actions or safeguards you will take to prevent your relationship with this enterprise from affecting your responsibilities as a University employee for supervising these students.

SIGNATURES

I certify that all of the ABOVE information is correct and that I will promptly update information as changes occur.

Employee Signature

Date

Department Chair

Date

Standing Committee on Conflicts of Interests and
Commitment (where applicable)

Date

APPENDIX B

REPORT OF POTENTIAL CONFLICTS OF INTERESTS
RELATED TO COURSE MATERIALS

Complete this form if you answered YES to one or more Questions 3-4 on the Annual Conflict of Interest/Commitment Statement- Attachment 1. Attach separate sheets and give the answer number for which additional information is provided. Use a separate form to report relationships with each enterprise or corporation.

Name: _____

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Title &
Rank: _____ Department/Unit _____

Campus
Address: _____
Street City/State Zip Code

Campus Telephone _____

If you answered YES to Question 3 on the Annual Report, provide the information requested in ITEMS 1-2.

1. Did you fully disclose the financial interest held by you or your family member in the publication or presentation?

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2. If not, why not?

—

If you answered YES to Question 4 on the Annual Report, provide an explanation statement below.

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SIGNATURES:

I certify that all of the above information is correct and that I will promptly update information as changes occur.

Employee Signature

Date

Department Chair

Date

Dean (where applicable)

Date

Standing Committee on Conflicts of
Interest and Commitment (where applicable)

Date

APPENDIX C

CONFIDENTIAL REPORT OF POTENTIAL CONFLICTS OF INTERESTS
RELATED TO COURSE MATERIALS

Complete this form if you answered YES to one or more Questions 5-8 on the Annual Conflict of Interest/Commitment Statement-Attachment 1. Attach separate sheets and give the answer number for which additional information is provided. Use a separate form to report relationships with each enterprise or corporation.

Name: _____

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Title &
Rank: _____ Department/Unit _____

Campus
Address: _____
Street City/State Zip Code

Campus Telephone _____

1. Do any of your University activities sponsored by this enterprise involve technology owned by or contractually obligated to this enterprise?

_____ YES _____ NO

If YES provide a discussion of the actions or safeguards you will take to prevent your activities from affecting your objectivity as a University employee or will otherwise protect University interest.

Complete statements 2-4 and answer question #7 (of this form) if you answered YES to Question 6 on the Annual Conflict of Interest/Commitment Statement-Attachment 1.

2. Type of Board, Board Committee, or executive position held by you or your family member.

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3. Describe the responsibilities of this relationship.

4a. Describe the University activities funded by this enterprise in which you are a participant.

4b. Specify the type of funding, gifts, gratuities, fees or other benefit/compensation (direct or deferred) received by you (other than occasional meals, complementary copies of textbooks, etc.) from the enterprise during the last 12 months.

Complete the following and answer Item #7 if you answered YES to Questions 7 or 8 on the Annual Conflict of Interest/Commitment Statement-Attachment 1.

5. If you answered YES to Question 7, complete the following.

- (a) Describe the nature of the financial interest in the enterprise.
- (b) If you or a member of the family has a financial interest, other than a consulting relationship, is the interest's or share's total market value greater than \$5,000 or do the interest or shares represent an ownership interest of 5% or more?
- (c) What is the duration of the sponsored research, testing or service, Of your consulting contract (if applicable)?
- (d) Describe the scope and nature of your duties as a consultant (if applicable).

6. If you answered YES to Question 8, complete the following.

- (a) Describe the University position you hold in which you supervise, select, or evaluate services provided to the University by the enterprise or in which you refer University business to the enterprise.
- (b) List the services/business involved.
- (c) Does the enterprise compete with services provided by the University ____YES ____NO
If YES, describe these services.

7. For all "yes" answers above, provide a discussion of the activities and actions or safeguards you propose to take to prevent your activities from affecting your objectivity as a University employee or will otherwise protect the University's interests.

SIGNATURES:

I certify that all of the above information is correct and that I will promptly update information as changes occur.

Employee Signature Date

Department Chair Date

Dean (where applicable) Date

Standing Committee on Conflicts of Interest and Commitment (where applicable) Date