

University of Illinois at Urbana-Champaign

POLICY ON CONFLICTS OF COMMITMENT AND INTEREST

I. Preamble

Active participation by academic staff members in external activities that enhance their professional skills or constitute public service can be beneficial to the University as well as to the individual. Because such activities can lead to conflicts of commitment or interest with regard to one's University responsibilities, the need exists for a general framework against which the propriety and advisability of non-University activities can be measured and monitored.

This University of Illinois Policy on Conflicts of Commitment and Interest provides such a framework and identifies procedures for consultation and advice on conflicts of commitment or interest matters, for resolution of situations in which a conflict may exist, and for approval of exceptions when warranted. The Policy makes every effort to balance the integrity and interests of the University of Illinois with the integrity and interests of individual academic staff members. To that end, the Policy attempts not only to identify and eliminate or manage actual conflicts of commitment or interest but, whenever possible, to prevent even the appearance of conflicts. The Policy provides for remedies to manage conflicts constructively and for sanctions when the Policy is violated.

This Policy implements an Illinois law requiring University faculty members to obtain prior written approval before engaging in remunerated private consulting or research for external persons or organizations. It also implements various policies set forth in the University Statutes and The General Rules Concerning University Organization and Procedure. Finally, the Policy accommodates federal regulations designed to protect the integrity of federally funded research. Relevant excerpts from University, state, and federal documents appear in the Appendix.

II. Overview

- Each academic staff member must obtain prior written approval to engage in non-University income-generating activities, and must also disclose such activities annually, whenever a substantial change in such activities occurs, or when required by granting agencies.
- A conflict of commitment arises when the external activities of an academic staff member are so demanding of time or attention that they interfere with the individual's responsibilities to the University.
- A conflict of interest occurs when the academic staff member is in a position to advance one's own interests or that of one's family or others, to the University's detriment.
- The involvement of University students or employees in the external activities of the academic staff member must be disclosed and may require monitoring.
- The unit executive officer will work with the academic staff member to identify and evaluate potential conflicts and to manage or eliminate them.
- Reports of potential conflicts and remedies are reviewed on each campus by the Vice Chancellor for Research, who is advised by a Conflict Review Committee of three or more academic staff members.

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- If remedies mutually satisfactory to the academic staff member and the University are not reached, the University may impose a sanction, subject to appeal.
- Sanctions for violating this Policy depend on the severity of the violation and range from reprimand to dismissal.
- An academic staff member may appeal a denial of approval for an external activity or a sanction.
- Final responsibility for this Policy rests with the President or the President's designee.
- Diligent efforts shall be made to maintain confidentiality of reports, remedies, and sanctions.

III. Policy

A. Persons Covered

This Policy applies to all paid academic staff members, whether part time or full time, of the University of Illinois. The academic staff includes the faculty ranks of professor, associate professor, assistant professor (and all of the foregoing whose appointments contain such terms as "research," "adjunct," "visiting," or "clinical"), instructor, and lecturer, as well as academic professionals and postdoctoral associates. All covered persons are referred to herein as "academic staff members". For the purpose of this Policy, students, including medical residents, are not considered academic staff.

B. Definitions

1. A "conflict of commitment" exists when the external activities of an academic staff member are so substantial or demanding of the staff member's time and attention as to interfere with the individual's responsibilities to the unit to which the individual is assigned, to students, or to the University.
2. A "conflict of interest" arises when an academic staff member is in a position to influence either directly or indirectly University business, research, or other decisions in ways that could lead to gain for the academic staff member, the staff member's family, or others to the detriment of the University's integrity and its missions of teaching, research, and public service.
3. "Family", for the purposes of this Policy, includes one's spouse and children.
4. The "unit executive officer" means the department head/chair, or equivalent officer of other units, in whom primary authority resides. For conflicts involving a unit executive officer, the term refers to the administrator at the next higher level in the normal reporting lines.

C. General Principles

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Conflicts of commitment and interest occur because of the type and scope of activities engaged in by the University and its academic staff members. The mere existence of a conflict, real or potential, will not necessarily exclude a particular activity since conflicts can span a wide spectrum, from those that are minor and inconsequential to those that have serious consequences and cannot be permitted. The University and its academic staff members have ethical and legal obligations to conduct themselves and their University activities in accordance with the highest standards of integrity.

Although teaching and research are primary functions of the University, public service is an inherent responsibility. Employee contributions to his/her profession and to the citizens and economic development of the State of Illinois are not solely represented by functions and activities performed on behalf of University programs.

Active participation by academic staff members in outside activities that enhance the professional skills of staff members, or constitute a public service activity are encouraged. For example, donation of professional services to outside organizations and participation in professional societies, for reasonable periods of time without substantial allocation of University resources, are promoted. However, the University expects academic staff members to accord a full professional commitment to the University during the terms of appointment by meeting University obligations first and foremost.

For reporting and review purposes, conflicts of commitment only occur during the contract period conflicts of interest can occur beyond the contract period.

1. Conflict of Commitment Principles

Interaction between academic staff members and external entities for reasonable periods of time and for personal remuneration is desirable and encouraged when the relationship enhances the professional skills of staff members, or constitutes public service activity and is a benefit to the University. The time allowable will vary among individuals, from discipline to discipline, from one type of proposed activity to another, and will be affected by specific departmental needs to meet teaching, research, service, and governance functions. As a practical guide and subject to prior approval, the University may approve the equivalent of up to one day per week for full-time faculty (40 days per academic year appointment and 52 days per calendar year appointment). Such released time is not an automatic entitlement and requires prior written approval by the unit executive officer.

Assuming prior approval has been given for an external activity, academic staff members are expected to arrange the outside obligations, financial interests, and activities so they do not impede or conflict with their University duties and responsibilities.

Released time is not normally available for activities that are primarily personal in nature, that do not enhance the academic staff member's professional skills, or that are not a potential benefit to the University.

With the exception of the types of activities indicated in Section III. E below, remunerated activities must be reported whether related to one's professional duties or not. Approval will be denied only if a conflict of commitment or interest is present, as elaborated in this Policy.

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This Policy is generally not concerned with unremunerated activities, whether of a charitable or professional nature. However, when any activity interferes with an academic staff member's responsibilities to the University, including accessibility by students, staff, and other clients, a conflict of commitment will exist.

2. Conflict of Interest Principles

Because a role of the University is to create and disseminate knowledge, an academic staff member must avoid external commitments which would encumber one's choice of subject matter and/or research strategies. In addition, a delay in disseminating information (i.e., publication of research results, seminars, etc.) for inappropriate periods of time must be avoided.

When consulting privately with external entities, academic staff members are acting in their individual capacities and must make it understood that they are not acting on behalf of the University. To this end, academic staff members may wish to include in private consulting arrangements reference to this Policy and to refer questions to the Vice Chancellor for Research. An academic staff member may use his/her University title when signing reports and letters pertaining to outside work so long as it is clear to the recipient that the University title is used for identification only. Official University stationery shall not be used in private outside work.

In general, University facilities and resources should not be used for non-University activities. Such use is limited to those activities that enhance the academic staff member's University-related professional skills and requires prior written agreement from the unit executive officer.

It is improper for an academic staff member, without prior written approval, to divert to external entities or other institutions opportunities for research support that could have been obtained by the University.

In order to protect the University's intellectual property rights and comply with federal guidelines and the University commitment to technology transfer, an academic staff member must make University obligations known to external entities with whom business is contracted and provide them with a statement of relevant University policies governing inventions and discoveries. University intellectual property may not be assigned to other entities without prior approval through established University procedures.

Careful scrutiny is required when the academic staff member's financial interests, or the assumption of outside executive or administrative responsibilities, appears to be incompatible with the individual's duties and obligations to the University.

Likewise, such financial interests and activities merit additional monitoring when the academic staff member may be in a position to influence University research or business decisions in ways that could lead to the staff member's direct or indirect personal financial gain or give improper advantage to the staff member's family or others. If the proposed activities are to be approved, appropriate control mechanisms must be established in writing prior to the commencement of the activity and continuously monitored.

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Research agreements with external entities, especially entities with which academic staff members have a financial, managerial, or executive relationship, are of special concern. The terms and enactment of such agreements must maintain basic academic values and promote the development and open dissemination of knowledge. Likewise, the educational experience of the University's students and postdoctoral fellows should not be diminished or impeded in any way. In order to maintain the University's credibility and public trust, neither interference in the choice by academic staff members of the scientific or scholarly subjects they pursue, nor diversion of their energies or University resources from its primary missions should occur. All research agreements between the University and external sponsor are subject to prior approval through established University review procedures.

The involvement of University students or employees in the outside professional activities of an academic staff member can be beneficial. However, such involvement must be disclosed, reviewed, and approved in writing by the unit executive officer in advance to assure that exploitation or unreasonable interference with University duties and responsibilities, including course and thesis work, does not occur. Students and staff involved in these outside professional activities shall be made fully aware of the circumstances, University policy regarding these activities, and the precautions instituted by the academic staff member and the unit executive officer in its regard. Additional situations of concern include those that might prejudice an academic staff member with respect to judging other staff in issues of rank, pay, and tenure by virtue of collaboration in outside activities. The unit executive officer may need to implement appropriate monitoring depending on the facts of specific cases.

State and federal agencies have legitimate concerns that any research they sponsor is free of bias due to financial interests of the investigator and institution, that funds provided be expended as intended, and that the commitment of time and effort be appropriate for the project supported. Most governmental agencies have required institutions to assume the responsibility for ensuring that these concerns are addressed. Failure to comply may jeopardize existing or future funding. Accordingly, academic staff members must cooperate fully with the University to ensure that the institution can resolve and/or manage potential and actual conflicts of commitment and interest in conformity with regulations of governmental granting agencies.

D. Specific Responsibilities

The academic staff member is required and expected to take the initiative to promptly report in detail to the unit executive officer, asking for prior written approval for all activities or situations that may involve, or appear to involve, a conflict of commitment or interest, and to respond fully and in a timely manner to inquiries from the unit executive officer in connection with that report.

The unit executive officer has the duty and responsibility to evaluate carefully all potential conflict situations reported or known before acting to approve or disapprove the activities. As a state institution, the University is entitled to possess sufficient information and control to discharge its obligations of public accountability. Accordingly, in a specific conflict situation, it may be appropriate for the unit executive officer to inquire into a number of factors, including the extent of the time commitment, the income derived by an academic staff member from consulting or management activities, or the extent of financial or other interests in external entities over which the academic staff member or his/her family have sufficient influence to be able to affect its general policy or specific decision.

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On each campus, the Vice Chancellor for Research has the responsibility for implementing this Policy. In matters of conflicts of commitment or interest, he/she is advised by a Conflict Review Committee made up of at least three academic staff members. All reports of potential conflicts, remedies for managing them, and sanctions for violation of this Policy shall be transmitted through normal reporting channels to the Vice Chancellor for Research for review and approval. In some cases, final approval by the President or the President's designee may be required. All communications with governmental entities relative to conflicts involving individual academic staff members will be made by the Vice Chancellor for Research.

When a conflict is identified, and a decision is made to allow the activity to proceed, the appropriate University officer may install appropriate monitoring procedures and restrictions to minimize and control the conflict. Mutually agreeable remedies are encouraged. The academic staff member must be afforded an opportunity to respond to a proposed remedy and to appeal it to the next higher administrative level.

When an academic staff member violates this Policy or the remedies imposed under this Policy, sanctions may be imposed, subject to appeal.

For purpose of this Policy, academic staff members of the Central Administration will be treated as members of the campus on which they are housed. Reports, remedies, and sanctions for such staff shall be routed to the respective Vice Chancellor for Research.

All parties to the evaluation, management, and approval of conflicts are to make diligent efforts to keep disclosures, remedies, and sanctions confidential to the extent allowed by law. When required by a granting agency, the Vice Chancellor for Research will report a conflict and its management to that agency. Failure to satisfactorily resolve or manage a conflict may require that it be divulged. The granting agency will have access to relevant documents as part of an investigation or audit. The granting agency may also stipulate that significant conflicts of interests must be disclosed at each public presentation of research results.

E. Examples of Allowable Income-Generating Activities

The following are offered as examples of external, income-generating activities that are not considered conflicts of interest. They are exempt from reporting requirements, unless they are so extensive in time and effort that they constitute a potential conflict of commitment.

1. Receiving honoraria, stipends, and/or royalties for published scholarly works and other writing, creative works, lectures, and/or presentations.
2. Participating at professional conferences for the purpose of making scholarly presentations, conducting seminars or workshops.
3. Receiving honoraria for serving as a special reviewer or on a review panel for academic, governmental, or not-for-profit organizations.
4. Participating in a clinical practice plan approved by the University of Illinois Board of Trustees.

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5. Receiving royalties under the University's or another academic institution's royalty distribution policies.
6. Preparing books, articles, software and other creative works relevant to University duties.
7. Earning income from passive investments such as interest or dividends from banks, mutual funds, or stocks and bonds.

F. Examples of Non-allowable Activities or those Requiring Prior Approval and Potential Management

The following activities represent examples of potential or actual conflicts of commitment or interest. The list is not inclusive and is intended to provide guidance.

1. Failing to fully meet University responsibilities (e.g., conducting classes, assisting students outside of class, conducting research, serving on committees) due to involvement in external activities.
2. Using University resources to conduct research that is sponsored by an entity in which the academic staff member or his/her family member holds a substantial financial interest.
3. Serving in an executive or managerial capacity or holding significant financial interests in for-profit or not-for-profit entities doing business with the University.
4. Serving on the board of directors or major advisory committee of an external entity which sponsors the academic staff member's research or provides gift funds for the use of the academic staff member or his/her department.
5. Utilizing University students or employees in consulting activities, activities supported by gift funds, and/or research sponsored by an entity in which the academic staff member has financial interests.
6. Conducting testing or clinical trials of products, devices, or services owned or controlled by a business in which the academic staff member or a member of his/her family has a financial interest or receives remuneration.
7. Diverting research opportunities from the University to another academic institution, federal laboratory, business, or consulting entity.
8. Directing purchasing opportunities to a family-owned company or an associated entity.
9. Making professional referrals to a business in which an academic staff member or a member of his/her family has a financial interest, while acting in the context of his/her University duties.

10. Conducting business activities involving students or staff.

IV. Procedures

A. Disclosure of Non-University Activities

Except for activities specified in Section III. E, each academic staff member of the University of Illinois is required to obtain prior written approval from the University before undertaking, contracting for, or accepting anything of value in return for consulting or research from any external person or organization. Each academic staff member must complete annually a "Report of Non-University Activity," which requires retrospective and prospective disclosure of external activities. Throughout the year, additional disclosure is necessary whenever a substantial change in external activities occurs or when required by granting agencies.

On the Report, the academic staff member must disclose external activities that constitute actual or potential conflicts of commitment or interest. These include:

1. consulting or other financial relationships with a sponsor of one's research;
2. managerial role or significant financial relationship with a company in one's field of research or a company that does business with the University;
3. external activities or business that involve University students or employees;
4. relationships, commitments, or activities on the part of the academic staff member or his/her family that might present or appear to present a conflict of commitment or interest with regard to one's University appointment. These relationships may be of a financial, fiduciary, or uncompensated nature.

B. Role of the Unit Executive Officer

The unit executive officer reviews submitted reports, evaluates the nature and extent of actual or potential conflicts, and works with each academic staff member having such conflicts to manage or eliminate them. Further, the unit executive officer may initiate an inquiry of an academic staff member when he/she believes that a conflict of commitment or interest may exist. The unit executive officer can require sufficient specificity to ensure that he/she understands the nature and extent of the conflict. The unit executive officer must respond within fourteen calendar days to a written request for approval of an external activity or within fourteen calendar days of receiving a response to inquiries regarding the nature and extent of any conflict. If fourteen days pass without a response, the academic staff member has the right to take the request to the next higher administrative level.

C. Management of Non-University Activities (Remedies)

It is incumbent upon the academic staff member and the unit executive officer to manage or resolve real or apparent conflicts. Remedies may include modifying the research plan, appointing an oversight panel or person to monitor research, appointing an impartial person to monitor the use of students, disclosing significant conflicts at presentation of results, abstaining from promotional decisions for staff, removing purchasing decision authority, divesting financial interests, and severing relationships that constitute actual or potential conflicts. The academic staff member may apply for a leave of absence with or without pay as a remedy. In trying to reach a mutually acceptable remedy, the advice of the dean or Vice Chancellor for Research may be sought.

Arrangements agreed upon to minimize or manage the conflict must be reduced to writing by the unit executive officer, signed by the staff member and attached to that member's Report of Non-University Activity. This Report shall be routed through regular reporting channels for approval (e.g., unit executive officer, dean, Vice Chancellor for Research).

If voluntary agreement on how to manage or eliminate the conflict is not reached, the unit executive officer shall record that fact on the academic staff member's Report and forward it with information about the conflict and proposed remedy through regular reporting channels. The academic staff member will be afforded the opportunity to respond before the proposed remedy is transmitted to the next administrative level.

Monitoring of University agreements regulating conflicts shall ensure conformity with predetermined goals, and shall act to have project expenditures (including travel) reviewed and approved in accordance with established procedures. Any person involved in negotiating or administering such arrangements has an absolute duty to disclose in writing any actual, apparent, or potential conflict that he/she has in the matter and may not participate further in the process unless approved in writing by the University.

D. Approval/Denial of Non-University Activities

The President or the President's designee has final responsibility in all matters concerning conflicts of commitment or interest. The President's designee is the Vice President for Academic Affairs. The Vice President has delegated authority to the Vice Chancellor for Research on each campus as follows:

1. In all matters of conflict of commitment, the Vice President delegates authority for implementation of this Policy to the Vice Chancellor for Research.
2. Conflict of interest matters that did not receive unanimous approval as they moved through regular reporting channels shall be sent to the Vice President for Academic Affairs for a final decision. If the approval is unanimous, final authority shall rest with the Vice Chancellor for Research.
3. The President remains the only person who can authorize a contract on behalf of the University

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with an entity in which a University employee has an interest.

In matters of conflict of commitment or interest, the Vice Chancellor for Research is advised by a Conflict Review Committee. This committee will consist of at least three academic staff members appointed after consultation with the executive committee of the respective Senate. If a mutually agreeable remedy is not reached, a remedy may be imposed by the Vice Chancellor for Research and, in matters of conflict of interest, with concurrence of the Vice President for Academic Affairs.

E. Sanctions for Violation of This Policy

Sanctions are warranted for failure to report potential conflicts or to abide by a remedy. The University has the right to impose sanctions consistent with the rights of academic staff members under the University Statutes. Severity of sanctions depends on the extent of the violations of the Policy. Inadvertent, unintentional, and minor breaches require lesser sanctions, whereas knowing, deliberate, and major violations demand the severest sanctions. Any sanctions for violations of this Policy shall be carefully examined with due regard for the academic freedom and rights of the academic staff member and the interests of the University. While gross non-compliance with this Policy could constitute due cause for dismissal, this Policy does not abrogate any of the procedural protection afforded by tenure.

Sanctions shall be reduced to writing, attached to the Report of Non-University Activities and any associated documents and routed through regular reporting channels. The academic staff member will be afforded an opportunity to respond before the proposed sanction is forwarded to the next administrative level.

F. Appeals

When approval of an external activity is denied or when a remedy or sanction is imposed, an academic staff member shall be afforded the opportunity to respond before the request is transmitted to the next level of review. These administrative appeals are up to and including the Vice Chancellor for Research in all matters of conflict of commitment and to the Vice President for Academic Affairs in matters of conflict of interest.

An academic staff member is entitled to make a final appeal of sanctions to the Chancellor in matters of conflict of commitment or to the President in matters of conflict of interest. This appeal must be made in writing and within 45 calendar days.

The Chancellor or President will solicit the advice of the Faculty Advisory Committee (in the case of faculty) or the Professional Advisory Committee (in the case of academic professionals) who will investigate the matter, afford a hearing to the academic staff member, and make a recommendation to the Chancellor or President. The Chancellor's or President's decision shall be final and shall be based on whether, in light of institutional obligations, fundamental fairness was afforded the academic staff member.

V. Appendix

Current University documents, state law and federal regulations that impact this Policy include:

University Documents

"No person employed by the University shall have any interests incompatible with that person's obligations to the University" (Article IX, Section 5b. of the Statutes);

"The responsibilities to the University of full-time members of the academic staff are fulfilled by the performance, appropriate to rank and terms of appointment, of teaching, scholarly research, continuing education and public service, and committee work and special assignments. Such staff members may carry on some professional or business activities of an income-generating character so long as such activities are compatible and not in conflict with University interests. The head of the department of which the employee is a member should know and approve of these activities outside the University" (Article IX, Section 5d. of the Statutes);

"Procurement contracts involving expenditures of University funds are governed by Regulations Governing Procurement and Bidding at State Systems Universities in Illinois as adopted and amended from time to time by the Board of Trustees. Other University contracts may be awarded to any business entity, including those in which a University officer or employee (or members of their immediate families) serve as major officers or primary employees thereof, or hold a significant equity interest therein, if such contract is deemed in the best interests of the University, and has the approval of the President or the President's designee. Documentation of such approval shall be filed with the contract" (Article II, Section 4(d) of the General Rules); and

"Employees engaged in external consulting work or business are responsible for ensuring that agreements emanating from such work are not in conflict with University Policy or with the University's contractual commitments. Such employees should make their University obligations known to others with whom they make such agreements and should provide other parties to such agreements with a statement of University policies on inventions and discoveries" (Article III., Section 1(g)(3) of the General Rules).

State Law

110 Illinois Compiled Statutes (ILCS) 100/1

No full time member of the faculty of any State-supported institution of higher learning may undertake, contract for or accept anything of value in return for research or consulting services for any person other than that institution on whose faculty he serves unless (a) he has the prior written approval of the President of that institution, or a designee of such President, to perform the outside research or consulting services, such request to contain an estimate of the amount of time which will be involved, and (b) he submits to the President of that institution or such designee, annually, a statement of the amount of actual time he has spent on such outside research or consulting services.

Federal Regulations

Current regulations include those from the National Science Foundation and proposed regulations from the Department of Health and Human Services.

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Federal Register, Vol. 59, No. 123/Tuesday, June 28, 1994 (pages 33308-33312) and Federal Register, Vol. 60, No. 132, Tuesday, July 11, 1995 (pages 35820-35823).

The National Science Foundation (NSF) Investigator Financial Disclosure Policy has the following primary features:

A. A requirement that any NSF grantee employing more than fifty persons maintain "an appropriate written and enforced policy on conflict of interests."

B. Minimum requirements for what must be in an institution's policy. These include (a) limited and targeted financial disclosure, (b) designation of a person(s) to review the disclosures and resolve actual or potential problems revealed, (c) enforcement mechanisms, and (d) arrangements for informing NSF of conflicts issues that are not resolved to the satisfaction of the institution.

Federal Register, Vol. 60, No. 132 Tuesday, July 11, 1995 (pages 35810-35819)

The Public Health Service (PHS) issued rules requiring Institutions that apply for research funding from the PHS to assume responsibility for ensuring that the financial interests of the employees of the Institution do not compromise the objectivity with which such research is designed, conducted, or reported.

Under the PHS rules, investigators are required to disclose to an official(s) designated by the Institution a listing of Significant Financial Interests. The institutional official(s) will review these disclosures in accordance with an administrative process to be established by each institution. Following this review, the institutional official(s) will determine the acceptability of the reported financial interests and act to protect PHS-funded research from any bias that is reasonably expected to arise from those interests.

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1. For example, in the case of a contract that requires service over 9 months but is paid over 12 months, conflict of commitment is relevant only during the 9-month service period.
 2. In 1995, federal regulations define "significant" as financial interest in business enterprises or entities that exceeds \$10,000 or represents more than 5% ownership.
 3. These delegations by the President and Vice President are subject to change at their discretion.
 4. Procedures (charges, hearings and appeals) for dismissal of a tenured faculty member shall be as specified in Article X of the Statutes.

Policy on Conflicts of Commitment and Interest

October 2, 1995