



Conflict of Interest Update

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September 8, 2008

UNIVERSITY OF ILLINOIS

AT URBANA-CHAMPAIGN



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Conflicts of Interest and Commitment

- A conflict of interest exists when an academic staff member is in a position to advance his/her own interest or that of others to the University's detriment
- 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



Illinois Policy

The University of Illinois *Policy on Conflicts of Commitment and Interest* can be found at

www.research.uiuc.edu/coi/

This Policy follows the guidelines of the National Science Foundation for disclosure and management of conflicts of interest.



Conflict Disclosure and Management

- The Unit Executive Officer works with the academic staff member to identify and evaluate potential conflicts and to manage or eliminate them.
- Identification of conflicts is facilitated by the Annual Report of Non-University Activities.



Regular Reporting of Non-University Activities

- Massmail September 19 directs staff to complete and print fillable pdf form.
- Form is returned to unit office for approval.
- Unit downloads checklist from website, prints, corrects, completes and returns to Dean.
- Forms, instructions and answers to questions available at <http://www.research.uiuc.edu/coi/form.asp>



Dates for Completion

- Forms due to Unit Heads October 3
- Forms due to Deans October 24
- Forms due to OVCR November 14

Please see

www.research.uiuc.edu/coi/form.asp



Some Key Points

- Increased federal and internal scrutiny.
- The Chancellor's letter emphasizes that the individual's primary responsibility is to the Institution.
- Essential – prior approval
- Essential – FULL DISCLOSURE
- Heads should not approve an activity unless satisfied that it benefits the institution and the employee and conflicts can be managed.



Prior Approval

- Our policy specifies that all outside activities must have written prior approval.
- This requirement is met by the Report of Non-University Activities, however, permission must be requested from the unit head for new activities during the year that were not disclosed when the form was completed.



Assistance is Available During the Year

- Roundtable discussions with faculty, unit heads or research groups
- Presentations to students, faculty and staff
- Explanatory materials targeted at particular colleges or units
- Consultation on particular cases



Thank you for your Assistance!

- Your assistance continues to be important
 - Meetings of management oversight committees
 - Encouraging awareness of issues
 - Vigilance
 - Ideas



Guidelines for Conflict Management

- Incorporates *Interim Guidelines for Licensing to University Employee Start-Up Companies* and RNUA process guidelines.
- Presents current recommendations from the Conflict Review Committee for management of conflicts of interest and commitment.
- Please send your comments.



Some Recent Concerns

- Conflicts in connection with Purchasing
 - Purchases from faculty companies
- Conflicts accompanying faculty recruitments
- Increased attention to spousal relationships by internal audits
- Need for conflict management by start-up company utilizing our IRB



Purchasing Considerations

- Illinois Procurement Law
- “The President remains the only person who can authorize a contract on behalf of the University with an entity in which a University employee has an interest.”
(*Policy, Section D*)



Management of Apparent Spousal Conflicts in Grants

- If spouses are co-PIs on a proposal, their contribution to the activity is peer-reviewed.
- Spouses should not oversee time reporting, raises, reimbursements for each other.
- Documentation of appropriate business practices is key to conflict management



New - VPAA Working Group to review Policy and Practices

- Current practices at all levels
- An explanation of how conflicts are identified and resolved
- An analysis of any failures and how to prevent them in the future
- Comparable practices at peer institutions



Working Group Members

- Larry Mann, VPAA
- Donna McNeely, University Ethics
- Melanie Loots, UIUC
- Rebecca Lind, UIC
- Deb Koua, UIS
- Steve Veazie, University Counsel



Start-Up Companies

- An area where conflicts of interest and commitment are likely to arise.
- Faculty and staff should be aware that conflicts can arise from the point of view of the *company* as well as from the point of view of the *University*.
- Each case is unique.



Interim Guidelines for Licensing to University Employee Start-Up Companies

- Disclosure and Due Diligence Business Evaluation conducted by OTM, the Department, the College
- Conflict of Commitment/Interest Evaluation and Management Plan required – also for SBIR and STTR Grants and Subcontracts



Disclosure Is Essential

- Faculty and staff should explicitly disclose their company involvement when submitting subaward proposals to SBIR and STTR proposals.
- When in doubt, disclose.



AP Start-Up Companies

- Consider conflicts carefully for companies that are created by academic professionals.
- Difficulties can arise if the AP's company enters into subawards or other contracts with the AP's supervisor or unit.
- Conflicts may turn out to be more serious than initially expected.



When are Conflict Management Plans required?

- Licensing of university intellectual property
- Use of other university resources
- Involvement of students in faculty-owned company
- Involvement of university employees in company owned by faculty or staff
- Other unusual circumstances



Elements of Conflict Management

- Management Oversight Committee review
- Continued disclosure of IP
- Separation of research activities from company activities
- Reimbursement of University for use of equipment, facilities, etc.
- Monitoring of student and employee involvement – logs, letters, etc.



Conflict Management Plans

- Support the development and potential success of the new company
- Developed by the employee working with the Department and College – template available!
- COI officer in OVCR, OTM provide advice and assistance
- Conflict Review Committee reviews prior to final campus level approval by OVCR

