



**Conflicts of Interest and Conflicts of Commitment
Implementation Policy for Staff
at the
Ross School of Business
University of Michigan**

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Introduction

[Standard Practice Guide \(SPG\) 201.65-1](#), *Conflicts of Interest and Conflicts of Commitment*, requires the deans of the schools or colleges and the directors of administrative units to articulate and disseminate implementation policies that apply to faculty and/or staff within those units. The implementation policy and procedures for the Ross School of Business are provided below. This policy and its procedures apply to all staff in the unit, including all permanent and temporary staff, whether full-time or part-time. The University expects all staff to be familiar with the contents of SPG 201.65-1 and with the applicable set of unit implementation procedures.

A. Statement of Principles for the Ross School of Business’s Policy

The policy section of SPG 201.65-1 outlines a set of key principles relevant to conflicts of interest and conflicts of commitment, including the principles stated below.

All staff members are to act with honesty, integrity, and in the best interest of the University when performing their duties, and to abide by the highest standards of research, educational, professional, and fiscal conduct. Outside activities should not interfere with an individual’s University obligations. Staff must not use their official University positions or influence to further gain or advancement for themselves, parents, siblings, spouse or partner, children, dependent relatives, or other personal associates, at the expense of the University. An “expense of the University” can include financial expense, damage to reputation, mis-use of resources, and any other action causing a detriment to the University’s operation, mission or goals. In accordance with its mission, however, the University of Michigan allows and encourages staff to engage in outside

activities and relationships that enhance the mission of the University. As a result, potential conflicts of interest and commitment are inevitable, but these potential conflicts are not necessarily problematic. Rather, the essential point is that faculty and staff must disclose these potential conflicts of interest so that they can be evaluated and, if necessary, managed or eliminated.

When implementing SPG 201.65-1, academic and administrative units must also consider both particular rules of conduct within the University and rules that govern outside activities applicable to the staff of the Ross School of Business. These include:

- Regents' Bylaw 5.13, related to governmental elective/appointed service <http://www.umich.edu/%7Eregents/bylaws/bylaws05b.html#4>;
- SPG 201.12, related to misconduct and discipline;
- SPG 201.23, related to hiring of relatives or those with a close personal relationship; and
- SPG 201.85, related to work performed for other University units.

The specific definitions for a *potential conflict of interest* and *potential conflict of commitment* in Section II.A of SPG 201.65-1 also apply to the procedures described below. Broadly defined, a potential conflict of interest encompasses external ties that may or may appear to improperly bias a staff member's judgment in performing his or her University job responsibilities or when an employee uses state resources to influence a political campaign. A potential conflict of commitment, broadly defined, encompasses situations in which a staff member's external relationships or activities may or may appear to interfere or compete with the University's mission, or with the staff member's ability or willingness to perform his or her job responsibilities.

B. Disclosing, Evaluating, and Managing Potential Conflicts of Interest and Conflicts of Commitment

1. Disclosing potential conflicts of interest and conflicts of commitment

Whenever a potential conflict of interest (COI) or conflict of commitment (COC) exists for a staff member, he or she must promptly disclose it, in writing, to the Ross School of Business's COC/COI Manager, the Director of Human Resources. (SPG 201.65-1, Section III.A.3.) E-mail will suffice.

Potential conflicts of interest/conflicts of commitment may occur in a number of situations including those outlined in the examples below. RSB's general approach to managing these examples is also included. This list is not exhaustive.

1. Time

- Full-time staff members are expected to spend a majority of their working time on their primary professional commitments to the University. Outside consulting obligations, individually or collectively, may not conflict with primary commitments to the

University, may not be carried out on University paid time, and must be disclosed to RSB.

- Consistent with conflict of interest and commitment principles, staff with full-time appointments at the University should not use (or permit others to use) their work in ways that compete with the University's business, or its educational programs or activities – unless prior written permission is obtained from the appropriate dean, unit director, or executive officer, or their designee(s).
- Full-time staff members must disclose work performed for other University departments or units for additional pay and may not perform work for another University unit that takes them away from work that would be performed in the primary employing unit.
- Staff members may not personally receive stipends or honorariums for speaking on behalf of the University or when in a University role when traveling and speaking on University time and/or expense.
- Start-up ventures in which the staff member has an outside interest must be disclosed and are regulated by OVPR policy: (<http://www.research.umich.edu/policies/um/coi/>).

2. Relationships

- Any family or close personal relationships that could affect the outcome of hiring or evaluation decisions must be disclosed to the Director of Human Resources, who will develop written policies for managing any relationships involving supervision or evaluation.
- A staff member may not assign or ask students or staff to contribute services or money to institutions or people external to the University with whom the staff member has a financial interest. A supervisor may not use the services of a supervised employee during University employment time to advance the supervisor's personal or externally paid professional activities.
- The University Staff Student Relationship policy must be adhered to in all circumstances. Disclosure to the Director of Human Resources of any relationships covered by the policy is required (SPG 601.22).

3. Resources

- University resources are normally to be used for university business. These resources include University equipment including copying and fax machines, office and computer supplies, and electronic mail. University policy allows for incidental use of electronic resources (computers, email, and internet connections) for personal business that does not conflict with the primary business use. Employees shall not use resources of the University to either personally profit or to avoid personal expenses. Use of office or laboratory space for ventures in which the staff member has an outside interest must be disclosed and is regulated by OVPR policy (<http://www.research.umich.edu/policies/um/coi/>).

- A staff member may only receive reimbursement for expenses personally incurred (and not incurred by the University). However, a staff member may not accept reimbursement that amounts to a gift valued at \$25 or more from people or institutions that contract with the University where the staff member participates in decisions concerning that contract.
- The University may have a stake in patents and copyrights issued or acquired as the result of or in connection with administration, research, and other educational activities conducted by members of the University faculty/staff and supported directly or indirectly (e.g. through the use of University resources or facilities) by funds administered by the University. Procedures for managing this are available in OVPR (<http://www.research.umich.edu/policies/um/coi/>).
- A staff member may not direct business to anyone with whom he or she has a close personal relationship or use University resources (e.g. time, computer supplies, facilities, etc..) to promote his or her own personal or outside business interests.
- A staff member may not participate in University-related decisions or deliberations where his or her own personal financial interests are or could be affected.
- A staff member may not participate in University-related decisions or deliberations where a family member is or could be affected, financially or otherwise (Note: As stated in SPG 201.65-1, family members include parents, siblings, a spouse or partner, children, and dependent relatives.).
- Staff shall be required to disclose as a potential or existing COC, COI, or dual COC/COI, any non-University of Michigan business relationship, personal investment, financial relationship or shared business collaboration with current and/or prospective university donors. The Director of Human Resources, in conjunction with the employee's supervisor, will determine an appropriate resolution of the conflict. This resolution could include a reassignment of work responsibilities.

4. Gifts

- A potential conflict exists when a vendor, current or potential, gives a gift to a staff member. In line with general university policy and IRS regulations, an employee may not accept any gift of \$25 or more from a vendor or from a student (Regents' Bylaw 2.16).
- A staff member may not accept a gift of substantial value (\$25 or more), including gifts of service, from anyone over whom he or she has authority – unless there is a family relationship or the equivalent.
- Staff members may not provide gifts to the University with the expectation that they will then be given the authority to control the dispersal of these gifts.

5. Political Endorsement or Outside Affiliation

- There are circumstances in which a staff member's expertise is relevant to expression of a public opinion. In these cases a staff member may indicate his or her affiliation with the university in written correspondence to public entities as long as the correspondence includes a statement indicating that they are not speaking on behalf of the University but only as an individual.
- Staff members obviously have the full right to political activity outside of work hours but they may not use University resources to further these activities.
- A staff member may not use University resources (including electronic mail accounts) to support or oppose a political candidate or the qualification, defeat or passage of a ballot initiative. This is a violation of State Law for which there are individual fines and penalties (Michigan Campaign Finance Act section, MCL 169.257). University guidelines on this issue are available at: <http://vpcomm.umich.edu/guidelines/>

2. Evaluating disclosures of potential conflicts of interest or conflicts of commitment

The Director of Human Resources shall evaluate all disclosed potential conflicts of interest or conflicts of commitment. The Director of Human Resources may require the staff member to provide additional information or documentation that may be relevant to evaluating the potential conflict of interest or conflict of commitment.

As needed, the Director of Human Resources will consult with appropriate central administrative offices (e.g., Office of the Provost and Executive Vice President for Academic Affairs, Office of Human Resources and Affirmative Action, Office of the Vice President for Research, Office of the Vice President and General Counsel). (See also Section B.4, below.) As needed, the Director of Human Resources will also consult with the Dean of the Ross School of Business.

3. Developing plans to manage potential conflicts of interest and conflicts of commitment

When the Director of Human Resources has determined that a potential conflict of interest or conflict of commitment exists that must be managed or eliminated, he or she must develop, in consultation with the employee, the employee's supervisor and the Office of Human Resources, a recommended plan for managing the potential conflict. The Director of Human Resources will then provide the employee and the employee's supervisor with a copy of the approved conflict management plan and will discuss any related ambiguities or issues that arise.

Management options include, but are not limited to:

- A determination that no action is necessary.

- Documenting the disclosure, evaluation and determination that no further management is required.
- Disclosing the potential conflict to appropriate sources inside and outside the University;
- Modifying or limiting the staff member's duties to minimize or eliminate the conflict;
- Securing the staff member's agreement to modify or suspend outside activity, use of University resources, or other activities that create the potential conflict; and
- Prohibiting certain outside activity as inconsistent with the staff member's obligations to the University.

4. Involving other University individuals or offices, as required

In some circumstances, evaluation of the potential conflict will require consultation with central administration offices. For example, consultation is necessary in the following circumstances:

- Where the disclosure involves sponsored research or technology transfer, with the Office of the Vice President for Research (<http://www.research.umich.edu/policies/um/coi/>).
- Where there may be a conflict between two academic units, with the Provost's Office.
- Where legal obligations or potential liability may be involved, with the General Counsel's Office.
- Where the disclosure involves a purchase of goods or services, with Purchasing.

Purchasing

An actual or potential COI or COC may involve a purchase of goods or services. The Director of Human Resources must disclose all actual purchasing conflicts to three parties: the Dean of the RSB, the appropriate staff person in the University's Office of Purchasing Services, and the RSB staff member responsible for handling RSB purchases. The Director of Human Resources will consult with these individuals in developing a plan to manage the conflict. At his/her discretion, the Director of Human Resources may also disclose to these parties any potential purchasing COIs or COCs.

Research

When a potential conflict involves work performed for a research project, the Director of Human Resources must inform both the head of the research project and the RSB Associate Dean for Research. If the Director of Human Resources determines that a conflict exists that must be managed or eliminated, it is his or her responsibility to ensure, in consultation with the head of the research project and the RSB Associate Dean for

Research, that the conflict management plan does not conflict with requirements related to the research or to research funding.

C. Administering the Policy

1. Record-Keeping and Issues of Confidentiality and Privacy

The Director of Human Resources will keep records of disclosures and related actions made under this policy, in part to develop a consistent practice in the treatment of like cases. The record may be as simple as identifying the disclosure and including a notation on the disclosure description to the effect that no further action was required.

Appropriate records may also be maintained in the individual staff member's personnel file as appropriate.

When personal financial or associational documents are provided to Director of Human Resources, Chair, or Director, the documents shall be placed in a secure file accessible only to these individuals or their authorized designees. Records documenting disclosures and subsequent management plans will be retained for three years after the conflict has been eliminated or ceases to exist.

In some circumstances, the University is required to disclose potential conflicts to people within or outside the University. For example, if a conflict exists within the context of a federally sponsored project, the University *is required* both to disclose the existence of that conflict (without providing identifying information) to the federal government and to indicate whether and how it has managed the conflict. Also, the University may be legally required to disclose information in response to requests made under the Michigan Freedom of Information Act (FOIA) <http://www.umich.edu/~urel/foia.html>. In addition to the people listed above, should any other individual have a legitimate educational or business reason to access the confidential records, whether in the context of a federally sponsored project, a FOIA request, or otherwise, the Director of Human Resources or the unit supervisor may authorize access to the file, provide copies, or provide oral or written summaries of the information in the file. Where possible, the individual to whom the Director of Human Resources or unit supervisor authorizes disclosure shall be required to maintain at least the same level of confidentiality as applies to the original information or documents.

Administrators of this policy will make every reasonable effort to preserve confidentiality and protect the privacy of all parties in the course of investigating a potential conflict of interest or commitment and, as applicable, in developing a plan to manage the conflict. (See Regents' Bylaw 14.07 *Privacy and Access to Information* and SPG 201.46 *Personnel Records – Collection, Retention and Release*.)

2. Resolving Disputes

When a staff member disputes any action or decision related to a potential conflict of interest or conflict of commitment, the staff member should first ask that the action or decision be reviewed by his or her supervisor.

If, following the above review, the staff member remains unsatisfied with the action or decision, the staff member may follow existing University policies and procedures for handling disputes, when available, including, where applicable, collective bargaining agreement grievance procedures.

3. Conducting Education and Training

Upon hire or transfer into RSB, every staff member (whether permanent, temporary, full-time or part-time) shall be provided with the RSB's Conflict of Interest/Conflict of Commitment policy.

In addition, all regular, permanent staff (whether full- or part-time), will complete an annual paper certification of having reviewed the policy. This certification must be signed by the employee and attached to the employee's annual performance evaluation.

Educational tools relative to the Conflict of Interest and Conflict of Commitment at the University of Michigan are also available at the Provost Office website at http://www.provost.umich.edu/programs/COI_COC/index.html.

4. Violations

Any failure to comply with SPG 201.65-1, its procedures, or this implementing policy may lead to disciplinary action. Possible violations that may lead to disciplinary action include, but are not limited to, the following: failure to disclose a potential conflict; failure to comply with a required conflict management plan; failure to maintain the confidentiality of conflict documentation and information; and failure to complete any required training or education regarding the policy. In addition, employees covered by collective bargaining agreements shall be subject to the provisions of this policy to the extent that they do not conflict with the relevant collective bargaining agreement.

The Director of Human Resources shall evaluate the violation and take appropriate action, if needed, all in accordance with existing University policies and procedures. Consultation with the employee's Human Resources representative may be appropriate. The outcome of the supervisor's review and any actions taken shall be documented and included within the secure file maintained by the Director of Human Resources. If appropriate, all relevant documentation may also be included within the employee's personnel file maintained as provided under SPG 201.46.

5. Policy Review and Revision

The Director of Human Resources shall regularly review all potential conflict disclosures and actions taken with the Dean to ensure a consistent approach to potential conflicts

within the unit. When appropriate, the Dean shall similarly consult and review potential conflict management issues with the Office of the Provost. If the Dean determines that any of the changes he or she would like to adopt will materially change the policy, the Dean will follow the procedures used to adopt the original policy. In particular, the Dean will submit any materially revised policy to the Office of the Provost for further review and approval and then to the President's Office for formal adoption. A current version of the RSB's policy should be on file with the Provost's Office at all times.

D. Other Governing Policies

This policy implements SPG 201.65-1, *Conflicts of Interest and Conflicts of Commitment*, incorporates SPG 201.65-1 in its entirety, and includes all elements required under that SPG. Implementation of SPG 201.65-1 within the Ross School of Business requires compliance with other University policies and procedures, including all Regents' Bylaws and SPGs, as well as with any relevant external rules of professional conduct and applicable law. Relevant policies, procedures, rules, and law include (but are not limited to) the following:

- Regents' Bylaw 2.16, regarding gifts to University employees
<http://www.umich.edu/%7Eregents/bylaws/bylaws02.html#16>;
- Regents' Bylaw 5.13, regarding governmental elected or appointed service
<http://www.umich.edu/%7Eregents/bylaws/bylaws05b.html#4>;
- Regents' Bylaw 5.14, regarding leaves of absence
<http://www.umich.edu/%7Eregents/bylaws/bylaws05b.html#5>;
- SPG 201.12, regarding misconduct and discipline;
- SPG 201.23, regarding appointment of individuals with close personal or external business relationships;
- SPG 201.65, regarding employment outside the University;
- SPG 201.85, regarding special stipends for work performed for other University units, the payment of honoraria, and the payment of travel expenses;
- SPG 500.01, 601.03-2, and 601.11, in particular to the extent that they address appropriate use of University resources, such as the libraries, office space, computers, secretarial and administrative support staff, and supplies;
- Office of Vice President for Research (OVPR) Policy on Conflict of Interest in Sponsored Research and Technology Transfer Agreements
http://www.research.umich.edu/policies/um/conflict_ovpr_drda_tmo.html;
- Michigan Compiled Laws § 15.321 et seq., regarding contracts of public employees with their employers.
- Where applicable, the current collective bargaining agreement for the staff member.