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TAUBMAN COLLEGE of ARCHITECTURE and URBAN PLANNING POLICY
on
FACULTY CONFLICTS OF INTEREST AND CONFLICTS OF COMMITMENT

A. Identification of Potential Conflicts of Interest and Commitment

Potential conflicts of interest and commitment are inevitable where faculty are engaged, as they ought to be, with actors and institutions outside the University. Nor are these potential conflicts necessarily problematic. Rather, the University allows and encourages faculty to engage in outside activities and relationships that enhance the University's mission. It is nevertheless important that faculty disclose any potential conflicts of interest or commitment as soon as they arise so that they can be evaluated and, if necessary, managed or eliminated.

A potential conflict of interest arises when external ties might appear to bias a faculty member's judgment in performing his or her University obligations. A potential conflict of commitment arises when a faculty member engages in external activities or assumes external commitments that might appear to compromise his or her ability to fulfill the responsibilities of his or her University position. (See Standard Practice Guide (SPG) 201.65-1.)

The spirit of the University Policy on Faculty Conflict of Interest and Conflict of Commitment is full disclosure. However, conditions unique to TCAUP deem it advisable to set some reasonable bounds on the requirement for disclosure. TCAUP policies require at least annual disclosure of outside interests whether or not reimbursement is received by the faculty member. Faculty members initiate an annual disclosure of outside interests by completing and submitting the appropriate form to the Associate Dean for approval and an annual Faculty Activity Report which recaps all of the year's activities. The Associate Dean will review and approve any proposed outside interests that create any actual or perceived conflict of interest with activities of the University of Michigan or with the faculty member's role at the University of Michigan. The faculty member and Associate Dean must ensure that the proposed outside interest or activity meets the following criteria:

- The interest enhances the individual's usefulness as a teacher and scholar in the individual's field to a greater degree than a corresponding amount of work within the walls of the University;
- The work is of a distinctly public nature or any other reason the University wishes to be actively engaged in its furtherance; and
- In the case of nonprofessional employment, this approval may be granted only when it appears that the outside interest will not interfere with the performance of University duties or impair the usefulness of the individual as a teacher and a scholar.

1. Potential Conflicts of Interest

Examples of situations that create potential conflicts of interest and the College's general approach are listed below.

Gifts

A faculty member may not accept a gift of substantial value (including gifts of services) from a University student or staff member unless there is a family relationship or the equivalent. The same prohibition (and exception) applies to gifts from people or institutions that contract with the University where the faculty member participates in decisions concerning that contract. Irrespective of a gift's value, it is always a conflict of interest for a faculty member to accept a gift where the external person or organization intends to create a quid pro quo arrangement with that faculty member. Thus, whatever the value of a gift, it is never appropriate to receive a gift that is given with the expectation of receiving some favor or benefit in return.

In line with state law and IRS regulations, the same rule applies to gifts of \$25 or more from people or institutions that contract with the University where the faculty member participates in decisions concerning that contract.

Similarly, gifts in excess of \$100 must be reported. As noted above, if the gift originates from people or institutions that contract with the University where the faculty member participates in decisions concerning that contract, the \$25 limit applies.

Faculty 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.

Honoraria and Speaker Fees

A faculty member may generally accept honoraria and speaker fees. If a substantial time commitment is required, however, a potential conflict of commitment may arise. Honoraria for services from non-profit or government organizations must be reported if the faculty member receives over \$3000 from a single source for single service.

Honoraria for services from for-profit organizations must be reported if the faculty member receives over \$3000 from a single source within one year.

Expenses

A faculty member may incur reasonable meal and travel expenses that are reimbursable either by the University or by external organizations. However, a faculty member may not accept reimbursement that amounts to a gift of substantial value from people or institutions that contract with the University where the faculty member participates in decisions concerning that contract.

Solicitations

A faculty member may not require students or staff to contribute services or money to institutions or activities external to the University in which the faculty member has an interest, or to the faculty member personally. Where a student is given an opportunity through a faculty member to become associated with an external project, the student should receive compensation or credit – and it must be clear to the student that the association is at his or her option.

Endorsements

A faculty member may not claim (orally or in writing) that the unit or the University supports or endorses the mission of an external person, institution, or organization.

Relationships

Close personal relationships that could affect the outcome of hiring or evaluation decisions must be disclosed to the Chair/Director and written policies for managing any relationships involving supervision or evaluation must be developed by the department/program (SPG 201.23).

A faculty 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 faculty 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 Faculty Student Relationship policy must be adhered to in all circumstances. Disclosure to the Chair or Director of any relationships covered by the policy is required (SGP 601.22).

Resources

University resources are normally to be used for university business. These resources include University equipment such as copying and fax machines, office and computer supplies, and electronic mail. University policy allows for limited use of electronic resources (computers, email, internet connections) for personal business that does not conflict with the primary business use. Use of office and laboratory space for a venture in which the faculty member has an outside interest must be disclosed.

Faculty may not have direct dealings with students in the sale of books, instruments, lectures, notes, or similar materials.

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 the Office of the Vice President for Research (OVPR).

2. Potential Conflicts of Commitment

Taubman College recognizes that faculty participate in a wide range of outside scholarly activities and encourages participation in sponsored research, consultation and other activities that benefit the individual, his or her program, the College, the University as a whole, and the wider community. At the same time, it is important that faculty members understand that their primary professional responsibilities and obligations are to the University of Michigan and ensure that these outside activities do not interfere with the expectations of the institution. The existence of a potential conflict of commitment must be evaluated in light of the minimum time and effort requirements applicable to the faculty member in question.

All tenured and tenure track faculty with at least half-time University appointments owe their primary professional commitment to the University. A commensurate commitment of those faculty members' time and intellectual energy must therefore be devoted to activities that further the University's mission. To meet minimum time and effort commitments within Taubman College these faculty members are expected to teach a minimum of four courses per year; engage in an active and productive research life; fulfill administrative obligations, including participation on assigned program committees and in the hiring and tenure processes; regularly attend faculty meetings; and participate actively and regularly in student and faculty educational and collegial functions.

All professor of practice faculty with at least half-time University appointments owe their primary professional commitment to the University. A commensurate commitment of those faculty members' time and intellectual energy must therefore be devoted to activities that further the University's mission. To meet minimum time and effort commitments within Taubman College these faculty members are expected to teach an agreed upon number of credit hours each year; engage in an active and productive professional life; fulfill administrative obligations, including participation on assigned program committees and in the hiring processes; regularly attend faculty meetings; and participate actively and regularly in student and faculty educational and collegial functions.

Lecturers, likewise owe the University time and effort commitments commensurate with their appointments. For these faculty members to meet minimum time and effort commitments within the college, they must teach an agreed upon number of credit hours each year; regularly attend faculty meetings; and participate actively and regularly in student and faculty educational and collegial functions.

Even where obligations to the University are met, a faculty member may not engage in activities that compete with the University or that otherwise diminish or undermine the University's mission. It is inappropriate for faculty, without prior approval, to divert to other entities or institutions opportunities for research, education, clinical care or financial support which otherwise might flow to the University. The Regents bylaw relevant to outside employment is included below for reference:

Regents Bylaw Sec. 5.12. Outside Employment

A full-time member of the faculty shall not during the academic year be employed for remuneration by other agencies than the University except with approval of the proper University authorities. Such approval may be granted in the case of professional employment only when either or both of the following conditions exist:

1. When the work in question gives promise of enhancing the individual's usefulness as a teacher and scholar in the individual's field to a greater degree than a corresponding amount of work within the walls of the University.
2. When the work is of a distinctly public nature or when for any other reason the University wishes to be actively engaged in its furtherance.

In the case of nonprofessional employment, such approval may be granted only when it appears that such activity will not interfere with the performance of University duties or impair the usefulness of the individual as a teacher and a scholar.

Each of the governing faculties of the University shall formulate for the guidance of its administrative officers such regulations, appropriate to the fields represented by it, as it may consider necessary to give effect to the general policy defined herein.

Whenever outside employment is permitted in connection with a "part-time" appointment, the portion of time which is engaged by the University shall be stated in the appointment notice and in the budget.

Examples

With these principles in mind, examples of potential conflicts of commitment, and our general approach are listed below.

- Any work external to the college potentially raises a question of conflict of commitment. In general, however, any such work that contributes to the scholarly or educational goals of the department is permitted.
- For full-time faculty, other professional work is permitted, if that other professional work does not interfere with the minimum expectations outlined above. While the SPG states the time limit for outside endeavors, there is no qualification as to when the outside work can be performed. If there is any question about whether a particular commitment falls within these categories, or if there is any potential for interfering with the minimum expectations

above, the matter should be disclosed as described in Section C of this policy, below.

- A faculty member may not establish a business that competes with the University.
- Part-time faculty members need disclose only commitments that have the potential for interfering with their minimum obligations to the University if that other professional work does not restrict scholarly inquiry or otherwise interfere with the minimum expectations outlined above.

C. *Disclosure, Evaluation, and Management of Potential Conflicts of Interest and Commitment*

1. Disclosure of Potential Conflicts

In general, each faculty member must promptly disclose potential conflicts of interest or commitment to the Associate Dean in writing as they arise. E-mail will suffice, if written from the faculty member's University e-mail account to the Associate Dean's University e-mail account.

Recurring or long-term commitments incurred by faculty must be disclosed at the beginning of each academic year and included in the faculty activity report prepared by each faculty member and given to the Dean at the end of each academic year.

Disclosure generally need not be made where there is no violation of our general approaches outlined above. Disclosure should be made, however, whenever there is any question whether the matter in question falls within the generally permitted, *de minimis* situations described above.

2. Management of Potential Conflicts

Upon disclosure of a potential conflict of interest or commitment, the Associate Dean in consultation with the Dean and Executive Committee will evaluate the extent of the potential conflict to determine whether it is necessary to manage or eliminate it. The Associate Dean in consultation with the Dean and Executive Committee may ask the faculty member to provide additional information or documentation if necessary.

In some circumstances, evaluation of the potential conflict will require consultation with and processing by central administration offices. For example, centralized processing is necessary in the following circumstances: Where the disclosure involves sponsored research or technology transfer, the Office of the Vice President for Research will be consulted; Where the disclosure involves a purchase of goods or services, the Purchasing Department will be consulted.

Consultation with central administration offices, even when processing by those offices is not required, may help determine how to respond to a given disclosure. Examples of potentially appropriate consultation might include the following: where the disclosure involves sponsored research or technology transfer, with the Office of the Vice President for Research; 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 and where the disclosure involves a purchase of goods or services, with Purchasing.

In response to disclosure of a potential conflict, the Associate Dean may, after consulting with the faculty member determine that no action is necessary. In other cases, the Associate Dean may decide that it is sufficient to document the disclosure and his or her determination that no further management is required. If the Associate Dean determines that management of the potential conflict is necessary, however, he or she will develop a conflict management plan in consultation with the faculty member. That plan may include, but is not limited to:

- Disclosing the potential conflict to appropriate sources inside and outside the University;
- Modifying or limiting the faculty member's duties to minimize or eliminate the conflict;
- Reducing the faculty member's appointment to accommodate the outside interest or activity;
- Securing the faculty member's agreement to modify or suspend outside activity, use of University resources, or other activities that create the potential conflict; or
- Prohibiting certain outside activity as inconsistent with the faculty member's obligations to the University.

3. Record-Keeping and Issues of Confidentiality and Privacy

The College maintains a record of action on disclosures made under this policy, in part to help develop a consistent practice of treating like cases alike. The record may be as simple as identifying the disclosure and, when no further action was required, including a notation to that effect on the disclosure description. Appropriate records may also be kept in the individual faculty member's personnel file. Primary disclosure records will be held by the college for a period of seven years while ancillary records will be destroyed after a three year period.

The Associate Dean will make all reasonable efforts to preserve the privacy and confidentiality of personal information revealed as part of this process; to that end, the Associate Dean will keep all records that include personal information about named individuals in a secure file accessible only to himself or herself and the Dean. Where any other University faculty or staff member has a legitimate educational or business reason to access the documentation, then either the Associate Dean or the Dean may authorize access to the file and provide either copies and/or information, as may be required for the

stated educational or business purpose. If the Associate Dean or the Dean provides copies of information in the files to a faculty or staff member, he or she must also ask that individual to maintain the same level of confidentiality as applicable to the original information or documents.

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 it has managed that conflict. Also, the University may be legally required to disclose information in response to requests made under the Michigan Freedom of Information Act (FOIA). Should any other individual have a legitimate reason to access the confidential records, whether in the context of a federally sponsored project, a FOIA request, or otherwise, the Associate Dean or the Dean may authorize access to the file, provide copies, or provide oral or written summaries. Where possible, the individual to whom the Associate Dean or Dean authorizes disclosure will be required to maintain at least the same level of confidentiality as applicable to the original information or documents.

Any faculty or staff member who becomes aware that the Associate Dean or Dean has provided or may have provided unwarranted access to conflict documentation or information, as defined in this policy, should inform the relevant superior for appropriate action.

D. *Dispute Resolution*

A faculty member may dispute any decision made in response to the disclosure or non-disclosure of a potential conflict of interest or commitment by appeal to the Taubman College Executive Committee and then to the Dean.

Following exhaustion of these procedures, the faculty member may dispute any action or decision under this policy in accordance with applicable University procedures. Sponsored research/tech transfer must be handled in accordance with processes adopted by the OVPR Conflict of Interest Review Committee. Other disputes between a faculty member and the Unit should be resolved through the normal college grievance procedures for tenured, tenure-track and professors of practice. Disputes between lecturers and the unit are governed by the Lecturer Employees Organization appeals procedures.

E. *Education and Training*

While not required faculty members are strongly encouraged to complete and be responsible for the information included on the online UM COI/COC tutorial at http://www.provost.umich.edu/programs/COI_COC/index.htm (see Tools for Supervisors and Managers). The college's COI/COC policy will be provided to new faculty at the time

they are hired, and when they begin work at the University. At that time, the Associate Dean will discuss the policy with the faculty member.

Additionally, the policy will be circulated each fall to all returning faculty members, including visiting, clinical, and adjunct faculty. Faculty will be reminded of the policy and its requirements at the first faculty meeting of the year.

F. *Violations*

Any failure to comply with SPG 201.65-1, its procedures, or this implementing policy may lead to disciplinary action, up to and including termination of appointment in accordance with applicable disciplinary procedures. Possible violations that may lead to disciplinary action include, but are not limited to, the following: failure to disclose fully a potential conflict; failure to comply fully 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. Existing Unit and University procedures governing faculty misconduct will apply.

G. *Policy Review and Revision*

The Associate Dean will annually review all actions taken under this policy and make recommendations to the Dean regarding any needed revisions to the policy or any need for increased education. Any revisions in policy or practices will be discussed with the faculty. If the Dean determines that any of the changes he or she would like to adopt will materially change the policy, the modification will be adopted by the same procedures that were followed in adopting the original policy. In particular, the Dean will submit any materially revised policy to the Office of the Provost and Executive Vice President for Academic Affairs for further review and approval and to the President for final adoption. SPG [201.65](#) A current version of this policy should be on file with the Provost's Office at all times.

This policy applies to all faculty of the Unit, including both full- and part-time faculty, whether classified as regular instructional, clinical, adjunct, or visiting faculty.

H. *Governing Policies*

This policy implements Standard Practice Guide ("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 Unit 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;

- Regents' Bylaw [5.12](#), regarding outside employment of University faculty;
- Regents' Bylaw [5.13](#), regarding governmental elected or appointed service;
- Regents' Bylaw [5.14](#), regarding leaves of absence;
- 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 copyright and other 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](#); and
- Michigan Compiled Laws [§ 15.321](#) et seq., regarding contracts of public employees with their employers.

In the event of any inconsistency between this policy and other University or external requirements, those other requirements will prevail. In interpreting this policy the Dean and the Associate Dean should be attentive to preserve the principle of academic freedom of speech and thought. In addition, policy administrators will make every reasonable effort to preserve confidentiality and protect the privacy of all parties in the course of investigating and managing a potential conflict of interest or commitment.

I. Sponsored Research Projects/Subcontract Agreements

The Statement of Work in a research/subcontract agreement is critical since it determines:

- Intellectual property rights that will be offered to the sponsor
- Publications that may be reviewed by the sponsor
- Overlap with other research
- Need to use existing intellectual property
- Need to access sponsor confidential information
- Cost of and use of various personnel
- Appropriateness of activity within the University
- Appropriateness of student/trainees participation

Example 1: Subcontract with minimal risk

Professor Y holds equity in a local for-profit company. The company applied for and received an award from a sponsor/client, etc., and wishes to subcontract a portion of the work into the University under the direction of Professor C. Professor C has no financial interest in the company and is not a consultant nor a member of the company's Board of Director's or Advisory Board, etc. Professor Y will not be involved on the UM side of the company-sponsored research project in his/her capacity as a University employee and has no oversight authority over Professor C.

This situation presents *minimal risks* and falls into what the COI committees refer to as "Administrative Shunt" category requiring disclosure as sufficient management.

Example 1a: Subcontract with student element

The UM side of the company-sponsored research project (described above) will also provide support for a GSRA under the direction and supervision of Professor Y. This presents an **unacceptable** conflict.

Management solutions may include the following:

- Appointing another faculty member (with no connection to the company) to serve as thesis advisor of the student, if the focus of the thesis is based on this research.
- Serving as co-thesis advisor with another faculty member (with no connection to the company), if the focus of the thesis is based on this research.

Example 1b: Subcontract with a conflicted Key Investigator

The UM side of the company-sponsored research project (described above) will be under the direction of Professor Y.

This situation presents *significant risks*. The example solutions provided below are intended to be a guide for demonstrating how particular conflict situations may be managed [note: the details of some situations may make conflict of interest (COI) management unworkable and the project will not commence]. The examples are not intended to be all-inclusive as each individual situation may require a greater or lesser degree of management based upon the elements of risk presented.

A. Appoint a different faculty member, who has no connection to the company, as PI. The new PI oversees all aspects of the subcontract to the University. This minimizes the conflict of interest for Professor Y (as in Example 1 above), who may decide to be involved in the project as a representative of the company.

or

B. Appoint a different faculty member, who has no connection to the company, as PI and allow the original faculty member (Professor Y) to serve as co-investigator. The new PI oversees all aspects of the subcontract. This becomes a managed conflict of interest for Professor Y (see notes below).

or

C. Although the least desirable, if the technical work requires that Professor Y remain as PI, another individual with no connection to the company is appointed to oversee the performance of the subcontract including research reporting and financial oversight (although this individual may not participate in the research activity) (see notes below).

Notes:

1. For examples B & C the following additional management conditions may apply:

Professor Y does not participate in any decision-making as a representative of the company sponsor and would disclose his/her company connection to lab staff, students, oversight committees (IRB, UCUCA), Purchasing, as well as in any publications about the research. Annual evaluations of staff or key personnel involved in the project would not be the sole responsibility of Professor Y; additional oversight would be provided by a higher-level academic administrator. If human subjects are involved in the research, the new PI or another individual with no connection to the company would oversee all aspects of human subject participation.

2. ALL three examples require disclosure to and approval by the Regents under the State of Michigan Conflict of Interest Statute including the administrative shunt example.

II. Students/Trainees

The mission of the University of Michigan is to create, communicate, preserve, and apply knowledge in the public interest. Education and mentoring of students is central to fulfillment of the University's mission and, in fact is one of the most important responsibilities assumed by faculty members. More recently, University support for transfer of knowledge to the commercial sector in the public interest has led to increasingly complex roles for faculty members and students in relationships to industry-sponsored research, technology transfer and entrepreneurship. A student's/trainees' participation in a project supported by or requiring collaboration with a faculty-owned company should be under the supervision of a faculty member with no financial interests in such company. Faculty and staff must not enter into agreements related to their University responsibilities that limit publication, dissemination, or access to information unless approved by the University.

Example 2: Student situation with minimal risk

Professor K holds equity in a local company. The company wishes to participate as one of many sponsors of a project aimed at supporting the Ph.D. thesis of a GSRA. Professor K will not be involved in the UM side of the company sponsored research project in his/her capacity as a University employee and is not a member of the GSRA's thesis committee.

This situation presents minimal risks and falls into what the conflict of interest committees refer to as an "Administrative Shunt" requiring disclosure as sufficient management.

Example 2a: Student situation with significant risk

In Example 2 above, Professor K is sole chair of the GSRA's thesis committee. This presents an unacceptable conflict.

Management solutions may include the following:

- Appointing another faculty member (with no connection to the company) to serve as thesis advisor of the student, if the focus of the thesis is based on this research.
- Serving as co-thesis advisor with another faculty member (with no connection to the company), if the focus of the thesis is based on this research.

Both examples require disclosure to and approval by the Regents under the State of Michigan Conflict of Interest Statute, including the administrative shunt category.

III. Company Officers

Example 3: Sponsored Project with minimal risk

Professor C is the President and Chief Scientific Officer of a local for-profit company. The company wishes to sponsor research into the University under the direction of Professor A in the Taubman College. Professor A has no financial interest in the company, is not a consultant nor a member of the company's Board of Director's or Advisory Board, etc. Professor C will not be involved in the UM side of the company sponsored research project in his/her capacity as a University employee and has no oversight authority over Professor A.

This situation presents *minimal risks* and falls into what the COI committees refer to as "Administrative Shunt" category requiring disclosure as sufficient management.

Example 3a: Sponsored Project with student element

The UM side of the company sponsored project (described above) will also provide support for a GSRA under the direction and supervision of Professor C. This presents an unacceptable conflict.

Management solutions may include the following:

- Appointing another faculty member (with no connection to the company) to serve as thesis advisor of the student, if the focus of the thesis is based on this research.
- Serving as co-thesis advisor with another faculty member (with no connection to the company), if the focus of the thesis is based on this research.

Example 3b: Sponsored Project with a conflicted Key Investigator

The UM side of the company sponsored research project (described above) will be under the direction of Professor C

This situation presents *significant risks*. The example solutions provided below are intended to be a guide for demonstrating how particular conflict situations may be managed [note: the details of some situations may make COI management unworkable and the project will not commence]. The examples are not intended to be all-inclusive as each individual situation may require a greater or lesser degree of management based upon the elements of risk presented.

- A. Appoint a different faculty member, who has no connection to the company, as PI. The new PI oversees all aspects of the sponsored project to the University. This minimizes the conflict of interest for Professor C (as in Example 1 above), who may decide to be involved in the project as a representative of the company.

or

B. Appoint a different faculty member, who has no connection to the company, as PI and allow the original faculty member (Professor C) to serve as co-investigator. The new PI oversees all aspects of the sponsored project. This becomes a managed conflict of interest for Professor C (see notes below).

or

C. Although the least desirable, if the technical work requires that Professor C remain as PI, another individual with no connection to the company is appointed to oversee the performance of the sponsored project (although this individual may not participate in the research activity) (see notes below).

Notes:

1. For examples B & C the following additional management conditions may apply:

Professor C does not participate in any decision-making as a representative of the company sponsor and would disclose his/her company connection to lab staff, students, oversight committees (IRB, UCUCA), Purchasing, as well as in any publications about the research. Annual evaluations of staff or key personnel involved in the project would not be the sole responsibility of Professor C; additional oversight would be provided by a higher-level academic administrator. If human subjects are involved in the research, the new PI or another individual with no connection to the company would oversee all aspects of human subject participation.

2. ALL three examples require disclosure to and approval by the Regents under the State of Michigan Conflict of Interest Statute including the administrative shunt category.

IV. Royalties

As a public institution, the University of Michigan is committed to teaching, research, and service. A key component of the University's mission is the application of knowledge to problems of general public interest. Technology transfer, as a beneficial outcome of teaching and research, is an application of knowledge that responds to many societal needs. By recognizing and supporting activities related to technology transfer and intellectual property development, the University acknowledges that these activities are an integral component of its mission. Faculty members, through their ongoing research activities, play a key role in supporting this component of the University's mission.

Through the University's revenue distribution plan, incentives exist for faculty participation in technology transfer activities by providing revenues for the continued support of the inventor(s)' research; supporting further investment in research and educational activities; sharing revenues directly with inventors; and fulfilling the obligations of federal regulations. As the University engages in activities related to technology transfer and development, the potential for creating conflicts of interests becomes very high.

State law requires Regental approval any time the University enters into these classes of contracts with any of its employees. Regental action is required when there is a licensing agreement where the University holds some or all of the license rights and the licensee or the owner of a company that the licensee is a University employee.

Example 4: Royalty interest with minimal risk

Professor R is the owner of a local company that wants to license University-owned technology invented by Professor D. Through the University's revenue distribution plan, Professor D will receive royalties on the technology licensed to the company. No use of University services or facilities, nor any assignment of University employees, is obligated or contemplated in the agreement and Professor D has no financial or management interest in the company. State law requires disclosure and Regental approval.

Example 4a: Royalty interest with student element

In the proposed license agreement (described in example 1 above), Professor R and a graduate student are co-inventors of the technology to be licensed to Professor R's company. Professor R is the graduate student's academic advisor. This presents an unacceptable conflict.

Management solutions may include the following:

- A student may not be simultaneously employed by an outside entity in which their faculty advisor has a significant financial interest in.
- Appointing another faculty member (with no connection to the company) to serve as thesis advisor of the student, if the focus of the thesis is based on this research.

This situation presents more than *minimal risks*. The example solutions provided below are intended to be a guide for demonstrating how particular conflict situations may be managed [note: the details of some situations may make COI management unworkable and the project will not commence]. The examples are not intended to be all-inclusive as each individual situation may require a greater or lesser degree of management based upon the elements of risk presented.

A. Appoint a different faculty member, who has no connection to the UM, as PI of the project at the University of ABCZ. The new PI oversees all aspects of the subcontract to the University. This minimizes the conflict of interest for Professor Z.

or

B. Appoint a different faculty member, who has no connection to the University of ABCZ, as PI of the UM project and allow the original faculty member (Professor Z) to serve as co-investigator. The new PI oversees all aspects of the subcontract. This becomes a managed conflict of interest for Professor Z (see notes below).

or

C. Although the least desirable, if the technical work requires that Professor Z remain as PI at both the UM and the University of ABCZ, another individual with no connection to the University of ABCZ is appointed to oversee the performance of the subcontract (although this individual may not participate in the research activity) (see notes below).

Notes:

1. For examples B & C the following additional management conditions may apply:

Professor Z would disclose his/her University of ABCZ connection to lab staff, students, oversight committees (IRB, UCUCA), as well as in any publications about the research. Annual evaluations of staff or key personnel involved in the project would not be the sole responsibility of Professor Z; additional oversight would be provided by a higher-level academic administrator. If human subjects are involved in the research, the new PI or another individual with no connection to the University of ABCZ would oversee all aspects of human subject participation.

2. State law requires Regental approval any time the University enters into these classes of contracts.

V. Consulting Relationship

Faculty and staff have the right to acquire and retain outside interests or relationships of a professional, personal, or economic nature that do not conflict with University interests or the individual employee's commitment to the University. The success of relationships between industry and academia are critically dependent upon maintaining openness, scientific integrity and independence. Prior to entering into a consulting or other outside work situation, faculty and staff must consider the following:

- Each faculty/staff member is expected to know his/her **Taubman College policy** on outside professional activities and to report outside activities in compliance with that policy.
- Faculty and staff members with a 50% or more appointment owe their primary loyalty to the University.
- A University employee may not use his/her University position for his/her personal financial benefit or for the benefit of family members to the detriment of the University. This implies that a faculty/staff member must not allow outside activities and interests to compromise the educational program to the student's detriment.
- A University employee may not use University facilities or resources on behalf of an outside interest without an explicit agreement with the University, including provisions to repay the cost of those resources.
- It is important to consider the need to access sponsor confidential information and the appropriateness of the activity within the University.
- Each faculty/staff member must consider the appropriateness of UM student/trainees participation in the consulting or other outside work situation.
- The scope of work within consulting contracts needs to be clearly defined in order to protect rights to intellectual property that may be developed as a result of the research.

Example 5: Consulting with minimal risk

Company A wishes to sponsor research into the University under the direction of Professor Z. The focus of the research is to perform basic research methodologies to develop improved methods for strengthening and improving the durability of concrete used in highways. Company A and Professor Z have an ongoing consulting relationship clearly unrelated to the focus of the UM side of the company sponsored research project. No UM students or trainees are assigned or supported by this sponsored research project.

This situation presents *minimal risks* and falls into what the COI committees refer to as "Administrative Shunt" category requiring disclosure to the appropriate conflict of interest review committee.

Example 5a: Consulting with student element

The UM side of the company sponsored project (described above) will provide support for one GSRA under the direct supervision of Professor Z. This is an unacceptable situation.

Management solutions may include the following:

- Appointing another faculty member (with no connection to the company) to serve as thesis advisor of the student, if the focus of the thesis is based on this research.
- Serving as co-thesis advisor with another faculty member (with no connection to the company), if the focus of the thesis is based on this research.

Example 5b: Consulting with significant risk

The UM side of the company sponsored research project (described above) is directly related to the work conducted by Professor Z as a consultant to the company.

This situation presents *significant risks*. The example solutions provided below are intended to be a guide for demonstrating how particular conflict situations may be managed [note: the details of some situations may make COI management unworkable and the project will not commence]. The examples are not intended to be all-inclusive as each individual situation may require a greater or lesser degree of management based upon the elements of risk presented.

A. Appoint a different faculty member, who has no connection to the company, as PI. The new PI oversees all aspects of the sponsored project to the University. This minimizes the conflict of interest for Professor Z, who may decide to be involved in the project as a representative of the company.

or

B. Appoint a different faculty member, who has no connection to the company, as PI and allow the original faculty member (Professor Z) to serve as co-investigator. The new PI oversees all aspects of the sponsored project (see notes below).

or

C. Although the least desirable, if the technical work requires that Professor Z remain as PI, another individual with no connection to the company is appointed to oversee the performance of the sponsored project (although this individual may not participate in the research activity).

Notes:

1. For examples B & C the following additional management conditions may apply:

Professor Z will need to provide a written statement that clearly describes and distinguishes between his/her obligations as a key investigator on the sponsored project and his/her obligations to the company as a consultant. Professor Z does not participate in any decision-making as a representative of the company sponsor and would disclose his/her company connection to lab staff, students, oversight committees (IRB, UCUCA), Purchasing, as well as in any publications about the research. Annual evaluations of staff or key personnel involved in the project would not be the sole responsibility of Professor Z; additional oversight would be provided by a higher-level academic administrator. If human subjects are involved in the research, the new PI or another individual with no connection to the company would oversee all aspects of human subject participation

2. Consulting relationships *do not* require disclosure to and approval by the Regents under the State of Michigan Conflict of Interest Statute.