

The Stephen M. Ross School of Business at the University of Michigan

Faculty Conflict of Interest and Conflict of Commitment Implementation Policy

Voted by Faculty on April 13, 2006

The University of Michigan Standard Practice Guide (“SPG” or “Guide”) 201.65-1 on Conflicts of Interest (COI) and Conflicts of Commitment (COC) applies to all faculty members at the Stephen M. Ross School of Business at the University of Michigan (RSB). See: <http://spg.umich.edu/policy/201.65-1>.

- This Guide states in Section III-A-3: “All faculty members and staff members must disclose all actual or potential conflicts of interest or conflicts of commitment to his or her appropriate dean, director, or supervisor (or his or her designate) as potential conflicts arise or are identified.” (All references to the Dean below include the Dean’s designate.)
- The Guide notes at Section III-C-1: “At a minimum, all faculty members and staff members must promptly disclose matters as they arise or are identified.”
- The Guide requires at Section III-C that the RSB Dean: “articulate and disseminate implementation policies.” The purpose of this Implementation Policy is to define those policies for the faculty of RSB.

All RSB faculty members, including visiting and clinical faculty, with at least half-time University appointments owe their primary professional commitment to the University of Michigan and the RSB. 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 the RSB, these faculty members are expected to be active in research and publishing, to provide excellent teaching and student mentoring, to provide high quality service to the RSB and their areas, and to be active in the intellectual life of the RSB. Regular faculty with 100% appointments typically provide 9 credit hours of degree program courses. Clinical faculty with 100% appointments typically provide 12 hours.

Even where obligations to the University are met, a faculty member may not engage in activities that diminish or undermine the University’s mission.

Other part-time faculty members, including adjunct faculty, 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 RSB, they must provide excellent teaching. Adjunct faculty members are generally not expected to be active in research, but may on occasion be asked to provide service to the RSB and their area.

Where there is a potential conflict of commitment in that the activities outside the university prevent a faculty member from providing the time and effort to the university outlined above or if the faculty member has a potential conflict of interest, prompt disclosure must be made by faculty members in writing (email is acceptable) to the RSB Dean.

Examples of Potential Faculty COI and COC Requiring Disclosure. Examples of potential faculty COI and COC that should be promptly disclosed are included in the Addendum. These examples include (but are not limited to) holding a faculty appointment at another university (except as a visitor while on sabbatical leave from the RSB); teaching in degree, executive education, or any another program of other universities or commercial education firms; serving as a director of or owning stock in a student-initiated company while the student is enrolled at the RSB; accepting an offer initiated by a student for consulting or advising services while the student is enrolled at the RSB; and requiring students to complete projects or other coursework that provides personal benefit to the faculty member. In no case shall a faculty member falsely represent that he/she performs any outside activities on behalf of the University of Michigan.

Maximum Outside Employment. Faculty members are permitted to engage in no more than four days per month, on average, of outside employment while holding a full-time University of Michigan appointment. Such employment must not detract from the performance of University duties and should be in accordance with Regents Bylaw 5.12.. The employment should substantially enhance the faculty member's teaching and scholarship. All outside employment must be fully disclosed in the Faculty Report. A faculty member who wishes to increase outside employment beyond this limit for a period of time should seek approval from the Dean and have the faculty member's RSB appointment reduced accordingly.

Decision Process. After the Dean learns of a potential or actual COI or COC through a faculty member's disclosure or through other sources, the Dean will review the matter. In cases where the Dean learned of the potential or actual COI or COC from other sources, the Dean will advise the faculty member in writing that the matter is under review. The faculty member must promptly provide any additional information that is requested by the Dean for the purpose of evaluating actual or potential COI or COC.

Upon completion of the review, the Dean will decide (and will advise the faculty member in writing of the decision within three weeks after the Dean learned of the potential or actual COI or COC) whether:

1. There is no potential or actual COI or COC,
2. There is a potential violation of COI/COC policy, and/or
3. The faculty member has already violated the COI/COC policy.

Following decision # 2 and/or #3, the faculty member may dispute the decision by submitting a written statement no later than three weeks after receiving the Dean's written decision. After reviewing the faculty member's statement and obtaining the

advice of the Executive Committee, the Dean will make a decision affirming, modifying, or reversing the original decision. The Dean will advise the faculty member of this decision in writing, no later than three weeks after receiving the faculty member's written statement. It is possible that extenuating circumstances may cause procedures to take longer than is presumed in the timetable described in this section.

Conflict Management Plan. Upon a final decision that there is a potential violation of COI/COC policy (option #2 above) or that there has already been a violation of COI/COC policy (option #3 above), the Dean "will also determine whether further management or elimination of the conflict is required. If required, the [Dean] will develop a plan" after consulting with the faculty member, "and the faculty member must abide by the terms of the plan." (SPG 201.65-1, III-A-4) The Dean will periodically review compliance with the conflict management plan.

Violations. If the Dean decides that a faculty member has violated COI/COC policy (including violation of a conflict management plan), the faculty member "may be subject to institutional sanctions up to and including termination of appointment in accordance with applicable disciplinary procedures." (SPG 201.65-1, IV)

Appeals. If a faculty member disputes a Dean's COI/COC decision, "existing University policies for disputes of faculty and staff will be used." (SPG 201.65-1, V) In RSB, these procedures are described in the Faculty Grievance Policy.

Gifts. Regents' Bylaw 2.16 provides that: "No Regent or University employee will accept any gift of substantial value from any student, or any person having business relations with the University, or anyone else based upon the Regent's or employee's position at the University."

Inter-unit Procedures. Policies of other University of Michigan offices with which RSB interacts, such as Purchasing Services and the Office of the Vice President for Research, apply where relevant. The Dean will consult with, or refer the matter to, the appropriate office. The Dean may consult with the Provost's Office in cases involving joint appointments.

Ongoing Education. In its request for the annual Faculty Report, the Dean's Office will remind faculty members of the COI/COC policy. Each Spring, the Dean's Office will circulate the policy to all faculty members including those who do not receive the request for a Faculty Report (including visiting and adjunct faculty members). The Dean's Office will also provide the policy to new faculty as part of the hiring process.

Record-Keeping, Confidentiality and Privacy. The Dean will keep 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.

The 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 Dean will keep all

records that include personal information about named individuals in a secure file accessible only to the named individuals and the Dean. Where any other University faculty or staff member has a legitimate educational or business reason to access the documentation, 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. In providing copies of information in the files to a faculty member, the Dean 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 Dean may authorize access to the file, provide copies, or provide oral or written summaries. Where possible, the individual to whom the 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 member who becomes aware that the 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.

ADDENDUM

GENERALLY PERMISSIBLE	POTENTIALLY PROBLEMATIC	EXAMPLE
Consulting	<ul style="list-style-type: none">▪ Done with firm in which current students hold decision making authority▪ Firm association may reflect negatively on the School or University▪ Involves extended periods away from School.	<ul style="list-style-type: none">▪ Serving as consultant to firms that behave unethically.
Investing in Companies	<ul style="list-style-type: none">▪ Involves current students▪ Is based on “inside” information gained from work at School, e.g. research from non-public sources or student projects▪ Is of such financial level that risk could involve distraction from School duties	<ul style="list-style-type: none">▪ Investing in student-initiated company while students are enrolled at School
Teaching	<ul style="list-style-type: none">▪ Creates confusion about whether program is UM/Ross School program rather than as individual▪ Enhances the reputation of another institute/institution	<ul style="list-style-type: none">▪ Teaching in a seminar for another leading business school in the United States or out
Board of Directors Position	<ul style="list-style-type: none">▪ If there is potential due to fiduciary responsibility to detract attention from or interfere with School duties	<ul style="list-style-type: none">▪ Serving on multiple boards and consulting where the cumulative obligation exceeds the limit on the maximum outside employment