

## **Rice University Policy No. 216**

### **CONFLICT OF INTEREST AND COMMITMENT FOR FACULTY (INCLUDING FACULTY FELLOWS AND INVESTIGATORS)**

*(Formerly two separate policies 216-97 and 332-96)*

#### **General Policy**

Faculty Members, Faculty Fellows and Investigators (e.g., broadly referred to here as Scholars) engaged in scholarship and research have ethical and legal responsibilities to ensure that their Outside Activities and Interests do not present a Conflict of Interest (COI) with respect to their objectivity as Scholars and researchers or a Conflict of Commitment (COC) with respect to their responsibilities at the University. There are many reasons that Scholars should take on Outside Activities including leadership in professional, community, or charitable organizations; professional consulting; and entrepreneurship. Such activities may enrich the professional experience of Scholars and help broaden both instruction and research at the University. Outside Activities are often vital for the effective transfer of research into products, services, and processes that may offer great societal benefit. Such transfer is often most effective when Scholars act as advisors or consultants to Outside Entities which may include both for-profit and non-profit companies.

The purpose of this policy is to give guidance to Scholars for responsible participation in a diverse array of Outside Activities. Such pursuits may provide financial and/or personal benefits to Scholars, which may create a COI with research activities. In addition, Outside Activities and Interests can require substantial time commitments that may create a COC by preventing Scholars from meeting their Institutional Responsibilities. This policy provides guidance for identifying these situations, as well as for managing conflicts when they occur, to allow Scholars to participate responsibly and conscientiously in Outside Activities.

A COI may occur when Scholars or their Family Members receive financial or personal benefit from Outside Activities and Interests that are closely related to their research activities. Examples include participation in activities sponsored by for-profit entities; negotiation with companies; provision of litigation-support services; founding of start-up companies; or consulting for companies. Alternatively, even uncompensated activities, such as volunteering on the board of a non-profit organization, may result in a COI if the organization is impacted by the outcomes of a Scholar's work. These situations may compromise, or may have the appearance of compromising, a Scholar's judgment while conducting research. Such a situation may give rise to the perception of a potential bias affecting the collection, analysis, and interpretation of data; hiring of staff; procurement of materials; sharing of results; protocol choice; and/or data analysis. No area of scholarship is exempt from real or potential COI.

As Scholars engage in Outside Activities and develop Outside Interests, they must protect the reputation of the University; the integrity of its research, scholarship and creative work; the educational interests of the students; the rights and privacy of any human subjects used in research; and the academic freedom and intellectual property rights of the University, faculty, staff, and students.

## **Definitions**

*Conflict of Commitment (COC):* a situation in which a Scholar's Outside Activities (e.g., consulting, public service, or pro-bono efforts) may interfere or appear to interfere with the quality and performance of his or her Institutional Responsibilities.

*Conflict of Interest (COI):* a situation in which a Scholar may be influenced by considerations of personal gain due to an existing or potential Outside Interest or Activity. Such relationships may affect or might reasonably appear to affect his or her ability to make objective independent judgment in the pursuit of research results, scholarship, or creative work.

*Faculty Member:* includes all faculty members with tenure and tenure-track appointments, as well as benefits-eligible non-tenured or non-tenure track faculty members with the rank of Lecturer or above, under University Policy No. 201.

*Family Members:* the Scholar's spouse, domestic partner, or dependents with financial interests related to the Scholar's Institutional Responsibilities. Scholars should also be sensitive to situations where other family members such as a parent, sibling, or non-dependent children may have a Significant Financial Interest reasonably related to the Scholar's Institutional Responsibilities (such as a significant investment in a start-up company that has licensed the Scholar's intellectual property). In such cases, to avoid the appearance of a financial COI, it may be prudent for the Scholar to disclose such additional interests of which he or she is aware.

*Faculty Fellows:* individuals holding research positions that are not tenure-eligible, under University Policy No. 327.

*Faculty Conflict Committee (FCC):* a committee composed of Faculty Members and staff appointed by the President, and chaired by the Vice Provost for Research (or his or her designee). The role of the FCC is to review, revise as needed, and recommend for approval management of any COI identified. The FCC also has responsibility for monitoring management plans.

*Institutional Responsibilities:* the professional responsibilities of a Scholar on behalf of the University. Institutional Responsibilities include, for example, activities such as teaching, preparing coursework, counseling students, service on departmental and University-wide committees, research, publishing

scholarly work, and other work relevant to his or her academic field of endeavor, professional practice, and consultation.

*Investigator:* for purposes of this policy, any university employee who is a Principal Investigator or co-investigator on a research project. This broader term includes all Rice professors of the practice, certain research faculty, and any individual to whom Principal Investigator or co-principal investigator status has been provided. It may also include other individuals, including significant contributors, collaborators, consultants and others regardless of position, title or compensation from an award, who are independently responsible for the development, design, conduct, or reporting of a sponsored research project.

*Outside Activity:* includes leadership participation in professional, community, or charitable activities; self-employment; participation in business partnerships; or employment or consulting arrangements with Outside Entities. An Outside Activity may be either compensated or uncompensated. In general, any service on any board (for-profit, non-profit, advisory, honorary, or otherwise) will constitute an Outside Activity.

*Outside Entity:* any corporation, partnership, sole proprietorship, or any other organized legal entity other than Rice University.

*Outside Interest:* the interests referenced in this policy under the subsection titled "Outside Interests and Activities That Must Be Disclosed."

*Office of Research Compliance (ORC):* the University administrative office responsible for the management of disclosure, review and reporting requirements under this Policy and federal regulations.

*PHS Investigator:* an Investigator who is currently or has in the past three years received funding from a PHS (Public Health Service of the U.S. Department of Health and Human Services) awarding agency. PHS encompasses nine agencies that include AHRQ (Agency for Healthcare Research and Quality, the CDC (Centers for Disease Control and Prevention), the FDA (Food and Drug Administration), HRSA (Health Resources and Quality Policy and Research), the NIH (National Institutes of Health, and SAMSA (Substance Abuse and Mental Health Services).

*Principal Investigator (PI):* the individual officially responsible for the conduct of any sponsored project, or the individual officially responsible for the conduct of any funded project. On research projects, the PI is usually a faculty member; on other types of awards, the PI may have an administrative appointment. The PI is always an Investigator.

*Research:* a systematic investigation, study, or experiment designed to develop or contribute to generalizable knowledge. The term encompasses basic and applied research, as well as product development (e.g., a diagnostic test, a new kind of electrical circuit or drug). It also includes any

activity that has sponsored funding, in whole or in part, such as a research grant, career development award, center grant, individual fellowship award, infrastructure award, institutional training grant, program project, research resources award, or other contractual mechanism.

*Scholar:* for purposes of this policy, this term encompasses the following: Investigator, Faculty Member, and Faculty Fellow.

*Significant Financial Interest:* a financial interest having a significant monetary value (whether that value can be easily determined or not) that belongs to the Scholar or the Scholar's Family Members, and that reasonably appears to be related to the Scholar's Institutional Responsibilities, as discussed in subsection titled "Outside Interests and Activities That Must Be Disclosed."

### **Outside Interests and Outside Activities That Must Be Disclosed**

There are numerous situations under which COIs may arise, and this policy will not attempt to provide an exhaustive list. However, Scholars must, at a minimum, disclose to the University all Outside Interests and Activities that reasonably appear to be related to their Institutional Responsibilities. If there are any doubts about the relatedness of Outside Interests or Activities to Scholars' Institutional Responsibilities, Scholars should err on the side of disclosure. Accordingly, financial interests and activities involving Outside Entities must be disclosed and recorded.

Scholars must disclose a situation where a real or potential COI arises as soon as he or she is aware of it. A Scholar's personal belief that the competing personal interest does not bias his or her actions should not be a factor in the decision whether or not to disclose the interest under this policy. Rice values openness and a robust disclosure process as it supports the institutional priorities of conducting scholarship of the highest caliber premised on objectivity and ethical conduct. Rice places the disclosure responsibility on the Scholar to maintain these standards.

A COI arises when the design, conduct, outcomes, and reporting of a Scholar's research or scholarship have a real or potential connection to the interests of an Outside Entity; and the Scholar has a Significant Financial Interest or personal interest in the entity. Examples include:

- The research of a Scholar has a real or potential connection to the activities of a for-profit entity in which she or he has a Significant Financial Interest.
- A Scholar receives sponsored research funds from a for-profit entity with which she or he has a Significant Financial Interest.
- A travel reimbursement is provided by either a for-profit or non-profit entity that may have a real or potential interest in the outcomes of a Scholar's research.

The Provost will make an annual request for such disclosures to all Scholars; this request will typically coincide with the annual report process. Scholars must disclose the requisite information required for Outside Activities and Significant Financial Interests relevant over the preceding twelve months prior to the specified annual disclosure date. Scholars must also submit updated disclosures: (a) if their circumstances change; (b) at the time at which they submit sponsored research proposals *and/or* receive awards; and (c) within 30 days of discovering or acquiring income or interests in the circumstances described below. The COI procedures document describes the disclosure mechanisms.

The following are considered Significant Financial Interests and must be disclosed when they reasonably relate to a Scholar's Institutional Responsibilities:

- Scholars must disclose for themselves and their Family Members received income from a publicly-traded entity, if the value of income from the entity, when aggregated, has a value of more than \$5,000, including salary, payment for consulting fees, honoraria, paid authorship, and/or equity interest, including stock, stock ownership, stock option, or ownership interest. In the event that the value is not known, Scholars should report situations in which they have ownership or control more than 5% of the equity, stock, or stock options in a corporation or LLC.
- Scholars must disclose for themselves and their Family Members interests in a non-publicly traded entity in any form (e.g., corporation, LLC or partnership), if the value of any remuneration received from the entity, when aggregated has a value of more than \$5,000, or when the Scholar and/or their Family Members holds any equity interest (e.g., stock, stock option, or other ownership interest). In the event that the value of an entity is not known, Scholars should report situations in which they have ownership or control more than 5% of the equity, stock, or stock options in a corporation or LLC.
- Scholars must disclose for themselves and their Family Members income of more than \$5,000 from royalties on any single item from any non-Rice activity, including any income from intellectual property rights and interests not jointly owned by the University (such as patents, copyright, and licensing fees).
- Gifts larger than \$2,500 from any outside entity.

#### **Disclosure of Sponsored Travel and Travel Reimbursements**

- Scholars must annually disclose sponsored travel or travel reimbursements that reasonably appear to be related to their Institutional Responsibilities and received from domestic or

foreign for-profit (e.g., industry) or nonprofit entities not excluded below if the amount exceeds \$5,000 per trip. Disclosure information would include the purpose of the trip, the identity of the sponsor/organizer, the destination, and the duration.

- Scholars do not need to disclose: a) direct reimbursement or income from seminars, lectures, or teaching engagements sponsored by a federal, state, or local government agency; a U.S. institution of higher education; an academic teaching hospital; a medical center; or a research institute that is affiliated with an institution of higher education; b) income from service on advisory committees or review panels for a federal, state, or local government agency; or c) income from service on advisory committees or review panels for a federal, state, or local government agency, or for a U.S. institution of higher education.
- **Special Requirement for PHS Investigators:** While the normal requirement is for Scholars to disclose sponsored travel and travel reimbursements annually, PHS Investigators must, within 30 days of receipt (rather than annually), and regardless of the amount, disclose any sponsored travel or reimbursement paid on their behalf by entities required to be disclosed in the travel and travel reimbursement disclosure requirement, as noted above. If upon evaluation the Office of Research Compliance (ORC) feels that additional information is needed to determine whether the sponsored travel or travel reimbursement indicates a Significant Financial Interest, then additional information such as the estimated or actual cost of the travel may be requested.

### **Disclosure of Outside Activities**

- Scholars must disclose any leadership role they have in Outside Entities if that entity may be impacted by the outcome of the Scholar's work.
- Standard academic activities such as service on editorial boards, conference boards, and the like need not be disclosed under this policy. It is expected, however, that such activities be reported in a Scholar's annual report.

### **Outside Financial Interests That Do Not Need To Be Disclosed**

The following forms of remuneration do not ordinarily need to be reported by Scholars:

- Salary, royalties, or other remuneration by the University if the Scholar or Family Member is currently employed or otherwise appointed by the University.
- Intellectual property rights assigned to the University and agreements to share in royalties related to such rights.

- Income from investment vehicles, such as mutual funds and retirement accounts, as long as the Scholar does not directly control the investment decisions made by these vehicles.
- Outside Interests that are not related at all to the Scholar's Institutional Responsibilities.

### **Review of Disclosure Information**

Information pertaining to real or potential COI situations must be disclosed both annually and when required throughout the year due to a change in circumstances, proposal submission, award receipt, or receipt of income. This information will be first reviewed by the relevant divisional dean. The dean will provide a preliminary assessment of any potential COI. This assessment will determine whether a true COI exists, and whether this COI is manageable or not. The dean's assessment will then be reviewed by the ORC and the FCC. In case of disagreements, the Provost will make the final decision.

### **Faculty Conflicts Committee (FCC)**

The FCC is a faculty committee whose members are appointed by the President. At least seven voting members shall compose the FCC, and a quorum for meetings consists of a majority of the voting members (e.g., four voting members if the FCC has seven voting members). The faculty members will be selected to broadly reflect the research, academic interests, and activities of the University. The Vice Provost of Research shall, on behalf of the President, consult with the divisional deans and the Speaker of the Faculty Senate on appointments to the FCC. The FCC will be responsible for: (a) affirming or disputing identifications of COIs; and (b) recommending whether COIs can be managed or must be eliminated. This standing committee will operate in a manner similar to the other research compliance committees.

The Vice Provost of Research or his or her designee will serve as one of the voting members and the FCC Committee Chair. The FCC Chair may request, at his or her discretion, non-voting members to participate in the work of the FCC as required by the cases under consideration. The FCC will be supported administratively and advised professionally by the ORC.

### **Assessment of COI and Further Actions**

The preliminary assessment of a potential COI will be the responsibility of the divisional deans; however, Scholars are encouraged to independently identify situations they feel may present a COI.

If the divisional dean or his or her designee identifies a potential or actual COI that had not been previously reported, he or she may request additional information.

The dean will make a recommendation as to whether any of the possible COI cases are unmanageable, taking account the advice of the ORC and subject to review by the FCC. This assessment will occur on a case-by-case basis. Generally, however, the designation of an unmanageable COI will be reserved for

rare circumstances. For instance, this would occur when the relatedness of a personal or financial interest is overwhelmingly apparent and irremediably connected to the scholarship and/or Institutional Responsibilities of the Scholar.

Manageable COIs identified by the dean will be reviewed by the ORC, who reviews all disclosures.

FCC will consider all relevant data and either affirm or dispute a COI finding from the divisional deans and the ORC. In order to expedite review and consideration, the FCC may consider the existence of a COI and a proposed management and monitoring plan simultaneously. In some rare circumstances a COI may be determined to be unmanageable. In such circumstances, Scholars will need to either eliminate the COI or remove themselves from the research project. The list of potential COIs and the recommendations of the divisional deans and the FCC will be forwarded to the Provost. Should the dean, the Scholar and the FCC not agree on whether a conflict exists and whether it is manageable, the Provost will make the final decision. If the Provost's views are in conflict with the views of the FCC, then there must be a face-to-face meeting between the Provost and the FCC to explain this reasoning.

#### **COIs That Require a Management Plan**

Once a COI is identified, a COI management and monitoring plan will be prepared by the dean, department chair, the ORC, and the Scholar. Typical elements of the plan include communication with graduate students, required disclosure on publications, or external review of proposed research reports. An example of a management and monitoring plan is included in the procedures document. The proposed management plan will then be submitted to the FCC and the ORC.

The FCC will then review proposed management and monitoring plans for all COI cases and either approve the plan or send it back with recommended revisions to the dean and the Scholar. For changes in circumstances, or new COIs that occur outside of the annual disclosure process, this committee may meet as required to evaluate COI cases and their proposed management and monitoring plan. For conflicts that arise or relationships that change substantially during an active grant or contract, an acceptable management and monitoring plan must be developed in a timely fashion and in accordance with federal and University guidelines. The final version of the management and monitoring plan shall be approved by the Provost. No federal funds can be expended until a management plan is approved by the Provost.



## **Monitoring the Management of COIs**

As stipulated in their management and monitoring plan, but at least annually, Scholars must submit a report to their deans detailing their compliance with the management and monitoring plan. The deans will record this information and forward it onto the ORC for review. The content for the report will be defined in detail within the original management and monitoring plan.

The FCC will review monitoring plans submitted by Scholars no less than annually. If additional information is required, or actions required by the plan were not completed, Scholars will be given a reasonable amount of time to correct the submission. The FCC or other appropriate University officials may request an interview with Scholars, students, or staff as part of their review.

## **Training Requirements for Investigators Receiving Sponsored Research**

Scholars who receive sponsored research funds must complete training in management of COI at least once every four years, or when either of the following circumstances apply: 1) institutional policies are revised; or 2) Scholars are found to be out of compliance with this policy. Additionally, new Scholars must be trained prior to submitting or being awarded sponsored research. This training will provide information that helps Scholars identify and proactively manage potential COIs.

## **Requirements for Subgrantees/Subcontractors and Subrecipient Investigators/Institutions.**

Federal regulations pertaining to COI extend to subgrantees and/or subcontractors (including commercial entities). Accordingly, Rice will require appropriate certification from subrecipients both at the time of proposal submission and award acceptance. The written agreement terms between institutional partners shall establish which institution's COI policy applies. See University Policy No. 307 on subawards and subcontracts.

## **Conflicts of Commitment**

Outside professional activities are an important and valued part of academic life. Engagement with the community outside of Rice can improve both teaching and scholarship, facilitate the transfer of knowledge to society, and turn research into commercial ventures. Such opportunities also create the potential for a conflict of commitment between outside interests and commitments and responsibilities to the University. Even the appearance of a conflict can be harmful to both the faculty member and the University.

Full time Rice University faculty members owe their primary professional allegiance to Rice University. Their primary commitment of time and energy is to the teaching, scholarship, and service missions of Rice University. These responsibilities differ across schools and departments, but should be based on a general understanding between the school dean or department chair and the faculty member. A

conflict of commitment arises when faculty members undertake external commitments that burden or interfere with their primary commitment to Rice University.

Specific standards for defining such conflicts are not feasible, and faculty with any question about conflicts of commitment should consult with their dean as soon as they arise. As a general rule, a conflict of commitment exists if full-time faculty members spend more than one day a week on average on outside activities such as consulting, public service, or *pro bono* work on behalf of any outside organization. Any paid activity that crosses this threshold must be disclosed. Participation in outside activities beyond this level must enhance the professional development of faculty members (e.g., serving on an editorial board and advisory panels, performing, attending conferences) and enhance the public recognition and prestige of the University. However, when these professional duties involve a particularly heavy commitment of time, faculty members should consult with their dean.

Travel to professional meetings and conferences are desirable but must not conflict with the primary duties of the faculty member at the University. See University [Policy #806-93](#).

Significant public service may contribute to the recognition and prestige of Rice University. In cases of extensive service (e.g., a lectureship, Governmental policy committee work, service to a professional society, running for public office), department chairs and deans must be notified and appropriate arrangements made.

For faculty receiving full-time grant and contract support any time during the year including the summer, the equivalent of one day per week on average for outside activities remains acceptable unless prohibited by the terms of the sponsor's agreement. If questions arise about what is permitted by a particular grant or contract, clarification may be obtained by consulting with the Director of the Office of Sponsored Research.

Any significant appointment, position, or engagement with another university or educational organization, including digital education, whether degree or non-degree granting, must be disclosed and approved in writing in advance by the faculty member's dean.

Faculty members who cannot satisfactorily discharge their obligations to the University as a result of their outside activities should consider a part-time appointment or a leave without pay.

**Disclosure:** Faculty must disclose any outside activity that is, or may be perceived to be, a conflict of commitment to their dean. Faculty members should work with their dean and department chair to manage conflicts of commitment. If potential or real conflicts cannot be resolved by the dean, the matter will be referred for review to the Provost, who has final authority.

## **Sanctions for Noncompliance**

Any Scholar who does not submit his or her required annual COI disclosure, complete mandatory training requirements, provide the necessary pre- and post-award disclosures in a timely way, respond to repeated University requests for compliance, or comply with an existing management plan will have his or her ability to apply for or expend any sponsored research funds suspended until such time as the FCC determines that the conflict has either deemed to be sufficiently managed or has been eliminated.

In accordance with University Policy 201, noncompliance with any element of this policy may also subject the Faculty Member to disciplinary action. Grievance processes will also follow those laid out in the procedures established pursuant to Policy 201. Non-faculty Scholars who are not in compliance are subject to University Policy 411 and 424.

If the failure of a Scholar to comply with this policy may adversely affected sponsored research conducted by that individual, the University will promptly notify the sponsoring agency of the corrective action taken or to be taken.

## **Confidentiality for Disclosure Review and Federal Reporting Requirements**

Any individual at the University participating in the review and management of COIs or COCs must take reasonable steps to ensure the confidentiality of the information. Information relating to COI disclosures and management plans may be shared with those whom the University believes have a legitimate interest in having access to such information, including, but not limited to, the divisional deans' offices, the FCC, and those involved in implementing and monitoring a management plan.

Some federal regulations pertaining to financial COIs and objectivity in research may require a retrospective review of Outside Interests and Activities in the event of noncompliance. Some agencies may also require the publication of identified COIs on University websites. The University will provide information required by federal agencies within stipulated timeframes and retain all relevant documents relevant to conflicts and their management. If the dean's office or the ORC is made aware of a potential conflict, the University will ensure that the identity of the individual or entity bringing forth the concern will be protected.

## **Obligations of Investigators to Hold Proprietary Information Confidential**

The first obligation of Scholars is to the academic mission of the University. They must be cognizant that publication of research results and the education of students are key values of the University; however, through consulting or other Outside Activities, Scholars may have access to proprietary or confidential information. Scholars should avoid situations in which access to such restricted information could impair their ability to fully participate in the free discourse of scholarship so vital to the University. In other cases, sponsored research agreements from for-profit entities may require

non-disclosure agreements that can limit the free flow of information. Scholars are responsible for ensuring that such agreements do not fundamentally conflict with either their Institutional Responsibilities or the education of Investigators or students.

### **Use of Facilities**

Only in special cases may University equipment or facilities (other than the Library) be used for services to Outside Entities, including organizations controlled by Scholars, and then only with the prior written approval of the department chair, divisional dean, or applicable vice president. *De minimus* use of University-owned computers authorized for home use is appropriate without written approval. The Office of Sponsored Research should be contacted in cases where the equipment to be used has been purchased with federal funds. Individuals should also consult University Policy No. 831-96 on personal use of University property.

### **Name Usage**

The simple identification of the University as the employer of a Scholar is appropriate. However, any person or any organization must not use the name of Rice University for advertising purposes or endorsement of products or services. The Vice President for Public Affairs must be consulted concerning the proposed use of the name of Rice University in commercial matters or other situations where University endorsement is implied.

### **Related Policies**

Rice University Policy No. 201, Faculty Appointments, Promotions, and Tenure

Rice University Policy No. 307, Issuing and Monitoring Subawards and Subcontracts

Rice University Policy No. 327, Research Faculty

Rice University Policy No. 411; Discipline

Rice University Policy No. 832, Conflict of Interest

Rice University Policy No. 831-96, Personal Use of University Property

### **Responsible Officer and Offices to Contact Regarding This Policy**

The Responsible Officer for this policy is the Vice Provost for Research. Questions regarding the interpretation or implementation of this policy should be directed to the Office of Research.

Combination of Previous Policies:


216-97: September 3, 1997

332-96: January 9, 1996

Policy No. 216

Adopted: August 22, 2012

Revised: <sup>Sept. 10</sup> August \_\_, 2013

A handwritten signature in cursive script, reading "David W. Leebron". The signature is written in dark ink and is positioned above a horizontal line.

David W. Leebron, President