



Effective: October 20, 2017
Last Revised: August 1, 2019

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Chancellor's Office

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Conflict of Interest and Commitment Policy

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Scope

UNK has developed the following policy to guide employees/*Covered Persons* in structuring relationships with outside entities in compliance with Board of Regents, state, and federal requirements. This policy applies to all *Covered Persons* defined as:

1. All University employees/officers with delegated signature, purchasing or contracting authority on behalf of the University;
2. All University employees (staff and faculty) on a full-time appointment and salaried, who potentially engage in outside employment or other activities that may create a conflict of interest or commitment; and
3. Sponsored Research investigators, including University employees, faculty and staff, and other persons under the direct control of UNK, whether paid by UNK or not, who participate in Sponsored Research as defined in Section 6 of Board of Regents policy 3.2.8.

*** Senior Administrators, at the level of Vice Chancellor or higher, see also *Institutional Conflicts of Interest Procedures* in the "Related Information" section below, which pertains to identifying and managing institutional conflicts of interest and equity interests and reporting requirements.**

Policy Statement

All *Covered Persons* shall annually, at a minimum and **by September 30**, complete the online Interest and Activity Management Reporting Form for the purposes of disclosure, management and/or elimination of potential conflicts of interest.

The general subject of conflicts of interest is addressed in Section 3.8 of the Bylaws of the Board of Regents as follows:

No employee of the University shall engage in any activity that in any way conflicts with duties and responsibilities at the University of Nebraska. The Board of Regents has adopted Regents Policy 3.2.8 and authorized the implementation of related policies and directives to properly avoid, disclose and manage potential conflicts of interest.

Conflicts of Interest are situations in which a *Covered Person's* direct or indirect personal financial interests may compromise, or have the appearance of compromising, the *Covered Person's* professional judgment or behavior in carrying out his or her obligations to the University of Nebraska. This includes indirect personal financial interests of a *Covered Person* that may be obtained through third parties such as a *Covered Person's Immediate Family* (spouse, child, parent, brother, sister, grandchild, or grandparent, by blood, marriage, or adoption) business relationships, fiduciary relationships, or investments.

Conflict of Commitment occurs when the time devoted to external activities adversely affects a *Covered Person's* capacity to meet University responsibilities.

In addition to Section 3.8 of the Bylaws, Nebraska statutes relating to conflict of interest and nepotism apply to all employees of the University, including the provisions of §49-14,101 of the Revised Statutes of Nebraska. Furthermore, federal funding agencies require that the University establish safeguards to prevent employees or consultants from using their positions for purposes which are motivated by (or even give the appearance of) a drive for private financial gain. As per Regents Policy 3.2.8:

1. Prospects of financial gain must not unduly influence *Covered Persons* and the University with regard to commercially imminent, product oriented research programs versus fulfilling the University's objectives of educating students, advancing basic knowledge and serving Nebraskans through the development and application of knowledge that enables them to develop better lives, stronger communities and genuine economic opportunity.
2. The University must avoid situations where the possibilities for personal gain for the *Covered Person* may be judged to be so significant that it is unreasonable to expect the *Covered Person* to exercise the objectivity necessary for public trust in the University and the rigor of its research.
3. Research agreements should encourage the free exchange of ideas and the sharing of research results regardless of the sponsoring entity. However, some publication restrictions may be required to protect proprietary information or intellectual property.
4. To the extent practicable and consistent with applicable law, the University must be appropriately compensated for private, commercial use of the public property under its stewardship.

Reason for Policy

Completion of the *Interest and Activity Management Reporting Form* by all *Covered Persons* is an important first step toward avoiding or managing potential conflicts of interest or conflicts of commitment. Consistent with Regents Policy 3.2.8 (5) *all reporting of potential Conflicts of Interest should be undertaken with the goal of full disclosure*. Therefore, annual completion **by September 30** is a minimum requirement. Any subsequent changes to information provided on the annual disclosure must be submitted within 30 days of the change(s).

Procedures

1. Training: The Compliance Officer, Office of Human Resources, and several offices reporting to the Sr. Vice Chancellor of Academic and Student Academic Affairs (e.g. Graduate Studies & the Office of Research and Sponsored Programs) are responsible for developing training and providing guidance to all UNK *Covered Persons* relative to conflict of interest and conflict of commitment policy and procedures.

For all researchers applying for Public Health Service (PHS) funding, rules require that conflict of interest training occurs prior to engaging in research and every 4 years following the initial training. In addition, training may be required when there is a change in institutional policies, an investigator joins UNK, or there is a case of noncompliance. Office of Research and Sponsored Programs, in collaboration with other offices/officers as required, will be responsible for providing training opportunities for UNK *Covered Persons* involved in research.

2. Disclosure*: All UNK employees defined as *Covered Persons* shall annually, at a minimum and **by September 30**, complete the online Interest and Activity Management Reporting Form for the purposes of disclosure, management and/or elimination of potential conflicts of interest/commitment. Any changes to information provided annually must be submitted within 30 days of the change. Common, though far from inclusive, examples of disclosures include (*also see Definitions Section below*):

- (a) activity involving use of university resources for which personal remuneration is received
- (b) outside activity requiring commitment of more than 2 days per month
- (c) changes in the amount of personal financial remuneration received from outside entities
- (d) sponsorship of a research project by a new outside entity
- (e) engagement in or changes in an existing unremunerated service role or position, e.g. serving on a Board of Directors of a non-profit corporation
- (f) creation of a new startup company
- (g) reimbursement for sponsored travel:

Public Health Service (PHS) rules require increased transparency for reimbursement of travel expenses. Investigators now must disclose reimbursed or sponsored travel related to the investigator's institutional responsibilities. Travel that is reimbursed or sponsored by federal, state, or local government agencies, institutions of higher education, academic teaching hospitals, medical centers, or research institutes affiliated with an institution of higher education does not have to be disclosed.

- * As it is critical to guard the privacy of all disclosures, the University will ensure all information is kept with restricted access. Specifically, information will be kept for seven years following the end of any research for which a management plan is required.

3. Review: The dean/unit supervisor initially evaluates each disclosure and either (a) approves or (b) forwards any real or perceived conflicts to the Compliance Officer and/or Office of Sponsored Programs and Research. If no management plan is deemed necessary by the

Compliance Officer or Office of Research and Sponsored Programs, the dean/unit supervisor will be notified and disclosure will be approved. The Compliance Officer and Office of Sponsored Programs will also review all disclosures, flagging any that may require review/management by the Conflict of Interest Committee (CIC).

4. Management: The Conflict of Interest Committee (CIC) is a standing committee responsible for reviewing potential conflicts and approving/monitoring plans to manage institutional and individual conflicts of interest and conflicts of commitment. Committee membership includes: Compliance Officer (chair), Assistant Vice Chancellor for Academic Research, Associate Vice Chancellor for Business & Finance, Internal Auditor, Director of Human Resources, , three faculty members, one from each college, holding the rank of Professor selected from nominees solicited from the academic deans, and one member of the Staff Senate selected from nominees solicited from the Staff Senate.
 - (a) The Compliance Officer will preside over all CIC reviews of disclosures that exhibit potential conflicts and all subsequent development of management plans.
 - (b) The disclosing *Covered Person's* dean/department chair/unit supervisor may be invited to meet with the CIC to review a disclosure.
 - (c) If deemed necessary, the CIC will draft a management plan. An appointed member of the CIC will meet with the *Covered Person*, and as appropriate with their immediate and/or unit supervisor(s), to review and implement the management plan. A management plan may include elements such as:
 - 1) Disclosure of the conflict of interest in all presentations and publications, written notification to research sponsor, and in the informed consent to human research participants
 - 2) Independent monitoring of academic research, project, or activity
 - 3) Elimination of potential bias through means such as modifying the scope of the project, and/or setting timetables for delivery of the product
 - 4) Designation of a colleague or department chair, e.g. with no conflict of interest relationship to the research to serve as co-advisor or lead investigator
 - 5) Divest from the financial interest giving rise to the conflict
 - 6) Sever relationships that are the source of the conflict of interest/commitment
 - 7) Remove contract terms that create the conflict of interest in research (e.g., where payment depends upon the outcome of the research)
 - 8) After careful consideration, disqualify an individual from participation in the project (*Only in rare instances will the CIC determine that no management plan can manage, reduce, or eliminate the conflict of interest adequately.*)
 - 9) The CIC will coordinate reporting requirements as per Section 5 on the following page.
 - (d) Appeal Process: A decision by the CIC may be appealed to the Sr. Vice Chancellor for Academic and Student Affairs within 30 days of the date the *Covered Person* was notified of the need for a management plan by the CIC. The Sr. Vice Chancellor, in collaboration with the Sr. Advisor to the Chancellor, will determine whether the CIC's determination will stand, or whether the management plan or subsequent decisions should be sent back to the CIC for revision. The Sr. Vice Chancellor must notify the chair of the CIC and the appellant of his/her decision within 60 days of receiving the appeal.
 - (e) Corrective Action: Failure of any *Covered Person* to comply with the conflict of interest policy, disclose a conflict of interest, or fail to comply with a management plan will be referred to the Compliance Officer for appropriate review by the CIC. Unresolved instances of non-compliance

will be referred to the Sr. Vice Chancellor of Academic and Student Affairs and Sr. Advisor to the Chancellor, who shall seek guidance from the NU Office of General Counsel as required.

Potential corrective actions include:

- 1) notification to any sponsor with reporting requirements of noncompliance issue.
 - 2) funding declined or withheld by the sponsor or University as may be the case.
 - 3) letter of reprimand issuance.
 - 4) removal of an investigator from a project.
 - 5) pursuing action up to and including termination of employment.
5. Reporting: The Compliance Officer, Office of Human Resources, and offices directly under the control of the Sr. Vice Chancellor for Academic and Student Affairs, are responsible for reporting to sponsors, the Board of Regents, or state/federal agency, et.al. as required. Specifically: (1) the Assistant Vice Chancellor for Research, is responsible for reporting conflicts of interest to the National Institutes of Health and National Science Foundation and (2) the Compliance Officer, in coordination with the Sr. Advisor to the Chancellor, is responsible for providing an annual report on conflicts of interest to the Board of Regents.

Definitions

- A. *Compensated Professional/Commercial Activity (Outside Activity)* includes outside consulting, and refers to paid service as a technical or professional adviser or practitioner. It is the use of one's professional capabilities to further the agenda of a third party for personal financial gain, whether one is on the payroll of the organization, working as an independent contractor, or serving as director or manager.
- B. *Conflict of Commitment* occurs when the time devoted to external activities adversely affects a faculty member's capacity to meet University responsibilities.
- C. *Conflicts of Interest* are situations where a *Covered Person's* direct or indirect personal financial interests may compromise, or have the appearance of compromising, the *Covered Person's* professional judgment or behavior in carrying out his or her obligations to the University of Nebraska. This includes indirect personal financial interests of a *Covered Person* that may be obtained through third parties such as a *Covered Person's Immediate Family*, business relationships, fiduciary relationships, or investments.
- D. *Covered Person* means:
1. All University employees/officers with delegated signature, purchasing or contracting authority on behalf of the University;
 2. All University employees (staff and faculty) on a full-time appointment and salaried, who potentially engage in outside employment or other activities that may create a conflict of interest or commitment; and
 3. Sponsored Research investigators, including University employees, faculty and staff, and other persons under the direct control of UNK, whether paid by UNK or not, who participate in Sponsored Research as defined in Section 6 of Board of Regents policy 3.2.8.
- E. *Disclosure of Financial Conflict of Interest* means a covered person's disclosure of significant financial interests to the University.
- F. *Equity interest* includes any stock, stock option, or other ownership interest, as determined through reference to public prices or other reasonable measures of fair market value.

- G. Financial Interest* means anything of monetary value, whether or not the value is readily ascertainable.
- H. Key Personnel* means those who are responsible for the design, conduct, or reporting of research, this may include collaborators or consultants.
- I. Significant Financial Interest* means a financial interest consisting of one or more of the following interests of the covered person or their immediate family that reasonably appears to be a conflict of interest:
- 1) With regard to any publicly traded entity, the value of any remuneration received from the entity in the twelve months preceding the disclosure and the value of any equity interest in the entity as of the date of disclosure, when aggregated, exceeds \$50,000;
 - 2) With regard to any non-publicly traded entity, the value of any remuneration received from the entity in the twelve months preceding the disclosure, when aggregated, exceeds \$5,000, or when the covered person or their immediate family holds any equity interest (e.g., stock, stock option, or other ownership interest);
 - 3) Intellectual property rights and interests (e.g., patents, copyrights).
- J. Immediate Family* shall mean an individual who is the spouse, child, parent, brother, sister, grandchild, or grandparent, by blood, marriage, or adoption of the *Covered Person*.
- K. An Institutional Conflict of Interest* may occur when the University or a *Covered Person* in a senior administrative position has a financial interest in a commercial entity that itself has an interest in a University research project, including potential conflicts with equity/ownership interests or royalty arrangements.
- L. Non-compensated Professional Activities* are those outside activities that extend and enhance the normal institutional responsibilities of teaching, research, and service to serving public institutions, educational organizations, and professional societies for the faculty or staff member.
- M. Remuneration* includes salary and any payment for services not otherwise identified as salary (e.g., consulting fees, honoraria, paid authorship); equity interest includes any stock, stock option, or other ownership interest, as determined through reference to public prices or other reasonable measures of fair market value.
- N. Senior Administrators* are University administrative officers and employees at the rank of Dean or equivalent, Vice Chancellor, and Chancellor.
- O. Sponsored travel* includes travel expenses paid on behalf of the investigator and not reimbursed to the investigator so that the exact monetary value may not be readily available.

Related Information

Institutional conflicts of interest may involve any University activity carried out in the pursuit of the University's mission. Of particular concern are conflicts that arise in the conduct of research involving human subjects, but any activity in which the judgment of those involved becomes affected by University financial relationships may lead to a violation of this Policy.

A. Procedures for Identifying and Managing Institutional Conflicts of Interest and Equity Interests for Senior Administrators.

A conflict of interest may arise when a Senior Administrator, from the level of the Vice

Chancellor and higher, or his or her family has a financial interest that impairs or appears to impair the Senior Administrator's judgment. University of Nebraska employees are required to be familiar with, and conform to the guidelines at Section 1.10.1 of the *Bylaws of the Board of Regents*. University of Nebraska employees shall make certain that no outside activities interfere with the discharge of University obligations. To satisfy these requirements, all senior administrators must disclose their financial interests to the Nebraska Accountability and Disclosure Commission. The Vice President and General Counsel are responsible for oversight and management of the outside interests and activities of senior administrators. If a senior administrator has a financial interest that relates to the conduct of research, the Vice President and General Counsel coordinate management with the appropriate campus institutional conflict of interest committee.

B. Procedures for Identifying and Managing Institutional Conflicts of Interest and Equity Interests for the Institution.

An institutional conflict may arise when an institution's own financial interests (e.g., royalties, equity, stockholdings, and gifts) pose risks of undue influence on decisions involving the institution's research. The University of Nebraska shall make certain that no financial interests interfere with the discharge of University obligations. The Vice President and General Counsel in coordination with the institutional conflict of interest committee are responsible for oversight and management of the institution's financial interests.
