

# The University Senate of Michigan Technological University

## Proposal 38-11

(Voting Units: Academic)

### “Conflict of Interest Policy Changes”

#### Chapter 3. Faculty Rights and Responsibilities

##### Section 3.1 General Policy

##### 3.1.1 Conflict of Interest/Effort

###### Background Statement

The federal government is in the process of updating its regulations related to conflict of interest policies and practices related to university activities. These changes are expected to be significant, and will particularly impact public disclosure of conflicts and significant financial interest of individuals. The Vice President for Research and the Office of Research Integrity and Compliance have worked with the Senate Research Policy Committee to revise the Conflict of Interest Policy. The revision provides a policy that is consistent with both current and anticipated regulations, and removes much of the procedural detail that was incorporated into the current policy. Once the final federal regulations are issued, the procedures will be modified for implementation.

###### Preamble

Conflicts can be divided into two basic categories. The first covers what many people traditionally associate with the term conflict of interest--opportunities for inappropriate personal gain during the pursuit of official duties. These gains may be financial, but other forms of benefit (power, political advantage, etc.) might also be involved. Another form of conflict has been labeled conflict of commitment, and refers to the choices individuals make about their professional priorities, especially the allocation of their time to the different institutions and organizations they serve as professionals. Conflicts of commitment may emerge when outside professional activities take priority over other professional responsibilities of members of the **MTU Michigan Technological University** community to the University.

With respect to paid members of the **MTU Michigan Technological University** community, the term "conflict of interest" as used herein is intended to include "conflicts of commitment." With respect to volunteers such as members of the Board of Control, the Tech Fund and Alumni Boards, only those conflicts of a pecuniary nature are encompassed by the term "conflict of interest."

###### Statement of General Principles

Upon becoming a member of the **MTU Michigan Technological University** community, which includes members of the Board of Control and other volunteer boards, every individual makes a commitment to the University. Those who accept full-time University appointments or employment are expected to accord the University their primary professional loyalty. Every paid member of the community is expected to arrange their personal interests and activities so as not to conflict with their commitment to the University.

This does not mean that members of the **MTU Michigan Technological University** community should avoid involvement in outside activities both public and private. To the contrary, such involvement often serves the University as a whole and the greater public interest. A state-funded, public university such as Michigan Tech is expected to be broadly engaged in meeting the needs of society for its improvement and enrichment, including the application of new knowledge and improved technologies. Therefore, Michigan Tech strongly encourages outside professional

activity by faculty, staff, and administrators, for such efforts usually complement the other responsibilities of members of the Michigan Tech community. Nothing in this policy should be interpreted as discouraging such efforts.

Nonetheless, the efforts of members of the **MTU Michigan Technological University** community to balance their commitments of time to the University and to outside professional interests must result in their primary professional commitment of time being made to the University. Similarly, avoidance of conflict of interest requires that individuals not realize gain, financial or otherwise, from the inappropriate use of University property, funds, equipment, or prestige. Also, individuals should not realize gain from outside professional interests that would improperly influence the conduct of their University duties.

## **Disclosure Required**

Conflicts of interest are inherent in the requirements and expectations placed on members of academic communities such as Michigan Technological University.

Because conflicts are unavoidable in many instances, this conflict of interest policy is designed to assist members of the **MTU Michigan Technological University** community to recognize and deal with those real and perceived conflicts that arise. The most basic and important procedure for achieving both a balance of commitment and preventing or enabling the University to manage conflicts of interest with financial implications is full and open disclosure of **significant interests and** potential conflicts between an individual's public and official obligations and responsibilities on the one hand, and outside professional goals and interests on the other.

~~Recognizing and disclosing the existence of conflicts of interest and commitment must be, primarily, the responsibility of individual members of the Michigan Tech community.~~

**Recognizing and disclosing the existence of conflicts of interest and commitment must be, primarily, the responsibility of individual members of the Michigan Tech community.**

Individuals have to be guided by a sense of professional responsibility, which must include the recognition that they have a public trust as employees of a public university and must be sensitive to potential conflicts. A standard that should be applied in thinking about conflicts of interest is how matters will appear to an outside third party. In this respect, actions by individuals should protect the integrity of Michigan Tech. **To that end, periodic and transactional disclosure of significant financial interests (as defined by federal regulations) by individual members of the Michigan Tech community allows the objective determination of whether a financial conflict of interest exists in any given situation.**

**Members of the University community engaged in research and scholarly activities have an additional need to maintain objectivity and to insure that their personal interests do not introduce bias-inappropriate bias is not introduced into their scholarship. Agencies providing support for research and scholarly activities may have conflict of interest disclosure and training requirements, and it is the intent of the University to be in compliance with those external requirements.**

~~Disclosure allows the University to identify and address conflicts of interest.~~ Michigan Technological University has a responsibility to help individuals resolve, or at least minimize, conflicts of interest. Administrators have a special responsibility of creating both an environment and the conditions that encourage full disclosure and the mitigation of conflicts.

## ~~**Categorization of Conflicts of Interest**~~

~~Conflicts of interest at Michigan Tech are divided into five categories of increasing seriousness:~~

- ~~Category I: Exempt Activities – almost all outside professional activities can pose conflicts of interest, if an honoraria or royalties are received, or conflicts of commitment. But participation in certain traditional professional activities expected of all members of the MTU academic community does not have to be reported or disclosed. These include, but are not limited to~~
  - ~~attending professional meetings;~~
  - ~~writing books, articles, and research reports; or creating works of art;~~
  - ~~giving lectures, symposia, speeches, colloquia at other universities;~~
  - ~~conducting site visits and program evaluations at other universities;~~
  - ~~refereeing manuscripts for journals and publishers.~~
- ~~Category II: Professional activities and academic service that pose very little conflict of interest in traditional financial terms, but because they require a commitment of time beyond that normally allowed for consulting relationships can create conflicts of commitment.~~
- ~~Category III: External professional relationships with minimal financial interests, such as consulting relationships or royalty sharing arrangements, outside research contracts and grants, adoption of self-authored textbooks and other learning aids.~~
- ~~Category IV: Outside business activities, including entrepreneurial activities such as ownership of outside companies, that are connected to one's professional activities within the University and that involve more complex financial relationships.~~
- ~~Category V: Other outside professional activities that create unacceptable conflicts of interest.~~

## Mitigation of Conflicts

No individual having a direct or indirect financial interest in the outcome of any decision to be made on behalf of the University, or having a **close** relative with a direct or indirect financial interest in the outcome of any decision to be made on behalf of the University will participate in making that decision, except to the extent the individual's advice or opinion is requested by others charged with the responsibility for making such a decision.

Efforts to resolve and ameliorate conflict of interest shall be handled at the lowest appropriate administrative level. In most instances, members of the **MTU Michigan Tech** community will not need authorization or approval from their immediate supervisors before engaging in outside professional activities. Certain cases, however, may require detailed scrutiny and greater care in handling to protect the rights of all parties. **Activities which fall under Categories III, IV, and V may require review at the University level.**

The University ~~President~~ **Provost** shall designate a Conflict of Interest Coordinator. This individual shall act in accord with this conflict of interest policy as well as guidelines established by external granting agencies. Additionally, a University level review committee may be established on a case-by-case basis to examine the circumstances and provide direction aimed at insuring the amelioration of inappropriate conflicts of interest.

~~On an annual basis, the Conflict of Interest Coordinator will prepare a report to the Board of Control of the University, the President, Executive Vice President and Provost, Chief Financial Officer and Members of the Conflict of Interest Committee which will include a summary of reportable conflict of interest activities during the previous year.~~

~~A copy of this report will be made available to the University community in the University library.~~

## **Violations of University Policy**

Michigan Tech has the authority to take action against individuals who violate conflict of interest policy. Sanctions, which may include termination, are to be graduated to reflect the seriousness of the violation. In enforcing this policy it should be recognized that conflicts are not always blatant; they are not always easily defined in terms of obvious or absolute rights and wrongs. Distinctions must be made between neglect, honest oversights, or ignorance of procedures on the one hand and willful violations on the other, especially deliberate failures to disclose **interests or** relationships that create conflicts of interest. ~~(Board of Control Policy 3.13)~~

See [Appendix B](#), "~~Interim~~ Conflict of Interest Procedures" for more information:

**Introduced to Senate: 23 March 2011**

**Adopted by Senate: 6 April 2011**

**Approved by Administration with Friendly Amendments (in purple): 19 April 2011**

**Senate Adopted Friendly Amendments: 20 April 2011**