

Board Meeting
July 19, 2018

APPROVE REVISIONS TO UNIVERSITY CONFLICT OF COMMITMENT AND
INTEREST POLICY AND APPROVE TWO NEW RELATED POLICIES

Action: Approve Revisions to University Conflict of Commitment and Interest Policy and Approve Two New Related Policies

Funding: No New Funding Required

Management of conflicts of commitment and interest have grown in complexity as employees become increasingly involved in outside activities, many of which benefit the university. State and federal oversight also has increased, making it important that the University of Illinois System continually examine policy and procedures in this area. The current policy on conflicts of commitment and interest (COCI) was last reviewed in 2012.

Executive Vice President Barbara Wilson convened a committee in January 2017 to review the University's *Policy on Conflicts of Commitment and Interest*. The 13-person committee included faculty and academic professionals from the three universities as well as the system offices, with expertise in legal matters, research operations, procurement, and COCI.

The COCI Policy Review Committee began meeting monthly in January 2017, and subcommittees met at least monthly as needed. Smaller subcommittees were formed to assist in developing procurement conflict of interest procedures, to review and

improve areas related to prior audit findings, to develop an organizational conflict of interest policy, and to address additional federal sponsoring agency requirements.

Significant effort focused on creating a consistent, organized, clearly defined set of documents that would be flexible enough to meet the needs of academic staff across the University of Illinois System while clearly defining what does and does not constitute a conflict.

During the course of the review, the committee elected to separate issues pertaining to *financial* conflicts of interest in research from the longstanding COCI policy, and effectively create a new and expanded policy focused exclusively on management of financial conflicts related to research. This separation is further warranted because the respective policies apply to different individuals. Since its creation, the COCI policy applies to academic staff, which includes faculty and academic professionals. On the other hand, the financial conflicts of interest policy applies to “investigators” – anyone, regardless of title or position, who is responsible for the design, conduct, or reporting of the research. “Investigators” can include graduate students and unpaid volunteers, for example, both of whom are excluded from the COCI policy.

A separate organizational conflict of interest policy was created in response to standards set by the accrediting association for the Institutional Review Board and the requirements of federal research sponsors. This third policy applies to a much smaller subset of academic staff--those in administrative positions at the dean level or equivalent and higher.

The Board action recommended in this item complies in all material respects with applicable State and federal laws, University of Illinois *Statutes, The General Rules Concerning University Organization and Procedure*, and Board of Trustees policies and directives.

The Executive Vice President and Vice President for Academic Affairs recommends approval.

The President of the University concurs.

Overview of main changes to the COCI Policy

Format

One of the committee's goals in reviewing the current *Policy* was to clearly outline the responsibilities of academic staff members. The current *Policy* combines policy statements with procedures, often resulting in redundancies. The policy review committee chose to adopt the format recently used by other system-wide policy committees, e.g. the committee that developed the system's HIPAA policy. This format clearly separates policy statements from procedures.

Persons covered

The committee recognized that retired academic staff members may return to work at the University. Retired academic staff who have paid appointments were added to the list of persons covered under the Policy.

Time commitment

Measurement of a day

Current Policy requires academic staff to request and report time in numbers of days, with days being defined as the accumulation of eight hours. Academic staff members, adjunct staff in particular, struggle with this definition as very few maintain a log of hours spent on non-University activities. The Illinois Faculty Consulting Act does not prescribe the unit of measurement for reporting time. The committee chose to maintain the day as the unit of reporting but removed the definition of a day to provide flexibility for different positions.

Adjunct academic staff member time reporting

The combination of full-time non-University employment and the eight-hour definition of the day leads adjuncts to report many hundreds of days for their primary employment. Legal counsel provided its opinion that the faculty consulting act applies to full-time faculty. The committee chose to remove the time reporting requirement for academic staff members whose University appointments are less than 50%.

Exemptions from RNUA process

While not in the current Policy, academic staff members have been excused from completing the RNUA while on leave, e.g. medical leave or sabbatical. The committee recognized that while an academic staff member may be on leave, he or she could still be involved with University business. The committee chose to add a section outlining when an academic staff member could be temporarily released from completing an RNUA during the annual update period and when the release should not be granted.

Organizational Conflict of Interest Policy

In response to the Association for the Accreditation of Human Research Protection Programs (AAHRPP) accreditation requirements, the committee developed a separate Organizational Conflict of Interest Policy. This policy provides a framework to identify, manage, and minimize or eliminate the effects that financial interests of senior leadership could have to bias research.

Financial Conflicts of Interest in Research Policy

Provisions in the current Policy responsive to federal regulations on financial conflicts of interest, 42 CFR Part 50 Subpart F, were moved to a separate policy. These regulations apply to a broad category of “investigators,” or anyone, regardless of title or position, who is responsible for the design, conduct, or reporting of sponsored research. Investigators can include graduate students, civil service staff, and volunteers. Because the persons covered by the system’s policy are limited to paid academic staff members, the committee felt a separate policy was necessary.

I. Policy Information

Policy Title: University of Illinois System Policy on Conflicts of Commitment and Interest

Policy Owner: Vice President for Academic Affairs

Responsible Official: Vice President for Academic Affairs (System); Vice Chancellor for Research (UIUC and UIC); Vice Chancellor for Academic Affairs (UIS)

Approved by: University of Illinois Board of Trustees

Date Approved: xx/xx/xxxx

Effective Date: xx/xx/xxxx

Targeted Review Date: xx/xx/xxxx

Contact: System, coi@uillinois.edu; Chicago, coi@uic.edu; Springfield, coi@uis.edu; Urbana-Champaign, coi@uillinois.edu

Related Policies:

Policy on Financial Conflicts of Interests in Research

Policy on Organizational Conflicts of Interest

II. Scope

The University of Illinois System Policy on Conflicts of Commitment and Interest ("Policy") applies to all paid academic staff members, whether part time or full time employees of the University of Illinois System, including the universities at Urbana-Champaign, Chicago, and Springfield; the System Offices; and the University Hospital (collectively "University"). The academic staff includes academic professionals, postdoctoral associates, and the faculty ranks of professor, associate professor, assistant professor (and all of the foregoing whose appointments contain such terms as "specialized," "research," "adjunct," "visiting," "teaching," or "clinical"), instructor, and lecturer. This Policy also applies to retired academic staff members with paid appointments.

III. Definitions

A **conflict of interest** arises when:

(a) an academic staff member is in a position to influence either directly or indirectly University business, research, or other decisions in ways that could lead to gain for the academic staff member or his/her immediate family to the detriment of the University, or

(b) an academic staff member or a member of his/her immediate family is or seeks to be in a vendor relationship with the University, whether directly or by having a financial or ownership interest in a vendor doing business with the University.

A **conflict of commitment** arises when the external activities of an academic staff member are so demanding of time or attention that they interfere with the individual's responsibilities to the University.

See [Glossary](#) for additional terms.

See [Legal and Policy Authorities](#).

IV. Purpose

The purpose of the Policy is to provide a framework to identify and either eliminate or manage actual or perceived conflicts of commitment and interest.

V. Background

Every five years, the Policy should be reviewed as directed by the President. Policy updates will be applied prospectively and will not negate decisions, actions, or plans implemented under previous versions of the Policy.

See [Legal and Policy Authorities](#).

VI. Statement of Policy

Conflicts of commitment and interest span a wide spectrum of situations, from minor and inconsequential matters to those that are incompatible with the University's mission and operations. The mere existence of a conflict, whether actual or perceived, will not necessarily prevent an academic staff member from engaging in a particular activity. Active participation in external activities that enhance professional skills or constitute public service can benefit the participating academic staff and the University. However academic staff must meet their obligations as University academic staff members.

Academic staff may engage in non-university activities and other financial or fiduciary relationships with prior approval from their Unit Executive Officer(s) (singularly "UEO") through a disclosure and review process.

VII. Procedures

Each of the three universities and the System Offices will conduct a coordinated annual disclosure and review process for conflicts of commitment and interest among its academic staff members to meet the requirements of law and of research sponsors. These processes will be conducted through the University's online reporting tool, START myDisclosures, using the Report of Non-University Activities (RNUA).

See [START myDisclosures](#).

A. Academic Staff Member Responsibilities

- i. Academic staff members have the duty to request and obtain approval from their UEOs prior to engaging in activities or relationships that present actual or reasonably perceived conflicts of commitment or interest with their University responsibilities. These activities and relationships include:
 - a. non-University income-producing activities, with certain exceptions as outlined in [Examples of Activities that Generally Do Not Require Prior Approval or Reporting](#);
 - b. non-University financial relationships or fiduciary roles that constitute actual or reasonably perceived conflicts of interest with regard to the academic staff member's University appointment, with certain exceptions as outlined in [Examples of Activities that Generally Do Not Require Prior Approval or Reporting](#); and
 - c. other financial relationships or fiduciary roles, commitments, or activities of academic staff members or their immediate family that present an actual or reasonably perceived conflict of commitment or interest with regard to their University appointment.

See [Examples of Activities that Require Prior Approval or Reporting](#).
- ii. Academic staff members will complete or update the RNUA, even if no activities are reported
 - a. Upon the start date of a new hire or within 30 days of the start of a new hire University appointment;
 - b. when transferring to a different unit within the University;
 - c. when requesting approval from the UEO for a new non-University activity;
 - d. when a change in non-University activity occurs;
 - e. when required by granting agency; and
 - f. annually during the coordinated disclosure process.
- iii. When requesting approval for an activity and completing or updating the annual disclosure, the academic staff member will describe:
 - a. the time commitment to the activity or relationship;
 - b. the role of the academic staff member with the entity, if any;
 - c. whether the entity, if any, did/does business with the University;

- d. whether any other University of Illinois faculty, staff, or students were/are involved in the activity or relationship; and
 - e. whether any University resources were/are used by the entity.
- iv. Time Commitment to Non-University Activities
- a. An academic staff member's devotion of time to non-University activities, even those that benefit the University, must not diminish the academic staff member's commitment or service to the University. When such activities are approved, academic staff members are responsible for ensuring that these non-University activities do not impede or conflict with the performance of their University responsibilities. For example, if the academic staff member has normal business hours on Monday through Friday from 8:30 am to 5:00 pm, the academic staff member must fulfill the commitment to the University and may engage in the approved non-University activity outside of those hours or during approved benefit time. If an alternative work schedule is required, the schedule must be documented and monitored by the UEO.
 - b. A common convention in higher education, observed at the University of Illinois System, is that the devotion of the equivalent of an average of one day per seven-day week for full-time academic staff (40 days for an academic year appointment and 52 days for a calendar year appointment) for such engagements is not usually a conflict of commitment. In the case of part-time academic staff, UEOs should consider their part-time status when deciding whether to approve external activities. This guideline does not represent an automatic entitlement. Prior written approval of non-University income producing activities, whether less than or exceeding the one day per week guideline, must be obtained from the UEO.
 - c. Academic staff members whose University appointments are less than 50% are required to disclose their non-University activities, but are not required to report the time commitment for those activities.
 - d. Conflicts of interest can arise from an academic staff members' non-University activities that occur outside their university appointment periods. Academic staff members must report activities even if the activities are conducted outside of the University contract period. When the activities occur outside of the University contract period, the academic staff member is not required to report or request time.
- v. Faculty Conflict of Commitment and Interest in Teaching
- Teaching is primary among the University's missions of teaching, research, public service, and economic development and, consequently, it warrants particular mention among the obligations of the University's faculty. Non-University teaching by faculty, other than that assigned or approved by the department, likely represents a conflict of commitment. Moreover, outside teaching by faculty, including any form of instruction, whether in the classroom or via distance learning offered by other entities (including for-profit organizations), could be a conflict of interest if it competes with courses offered by the University. With the exception of occasional guest lectures or seminars, such teaching is prohibited without prior written approval of the UEO.
- vi. Research
- Without prior written approval from the UEO, it is improper for an academic staff member to divert to external entities or other institutions opportunities for research support that could have been obtained on behalf of the University.
- vii. Vendor Relationship between an Entity and the University

The Office of Business and Financial Services will review information disclosed by academic staff members under the RNUA process as well as financial information disclosed by vendors in accordance with Sections 50-13 and 50-35 of the Procurement Code to determine if a prohibited or potential procurement conflict of interest exists.

A proposed purchase of services or supplies from a vendor with either a prohibited or a potential conflict of interest must comply with the University of Illinois System's internal review procedures and the review process defined in the Illinois Procurement Code.

The University of Illinois System will cooperate with the review process conducted by the Procurement Policy Board and the Executive Ethics Commission as defined in the Procurement Code and the Procurement Rules of the Chief Procurement Officer for Public Institutions of Higher Education.

See [*OBFS Policy and Procedure Manual Section 7.7 Procurement Conflicts of Interest.*](#)

- viii. **Involvement of University of Illinois System Students and Staff**

University students or staff may benefit from involvement in the non-University activities of an academic staff member. However, the educational experience of the university's students and postdoctoral fellows should not be diminished or impeded in any way; neither they nor other academic staff members should be diverted from their primary educational objectives. Such involvement must be disclosed by the academic staff member and must be approved in writing by the UEO prior to the involvement of the students or staff. The UEO shall implement mechanisms to prevent the exploitation of others and any unreasonable interference with others' University duties and responsibilities. This may include providing independent advisory oversight by faculty members not involved in the particular non-University activity for students as they engage in course, thesis, or research work. Care must also be taken when an academic staff member could be prejudiced in judging other staff in issues of rank, compensation, and tenure as a result of mutual involvement in outside activities. The UEO may need to implement appropriate monitoring mechanisms. Students and staff involved in an academic staff member's non-University activities shall receive written notice of the circumstances, university policy regarding these activities, and the management mechanisms implemented by the academic staff member and the UEO.
- ix. **Use of University Resources**
 - a. Academic staff may not use University funds or resources, including equipment, supplies, space, and intellectual property, in non-University activities unless explicitly approved in writing by the University official responsible for managing the resources.
 - b. Academic staff engaging in non-University activities are allowed to use their University affiliation for identification purposes only.
- x. **Gifts in Support of an Academic Staff Member's Program**

Academic staff may make gifts to the university in support of their own research programs or other programs under their perceived control. When making these gifts, academic staff must follow the procedures outlined in OBFS policy.

See [*OBFS Policy and Procedure Manual, Section 11.7 Make a Donation in Support of Your Own Program.*](#)
- xi. **Conflict Management**

Academic staff members must cooperate fully with the University by providing all information reasonably requested for the purpose of evaluating and managing actual and perceived conflicts of commitment and interest. Academic staff members must work with their UEO to manage or eliminate the conflicts when a non-University activity presents either an actual or perceived conflict of commitment or interest. Academic staff members whose activities meet significance

thresholds or use University resources must adhere to the RNUA Terms & Conditions. In the absence of other applicable regulations, financial interests greater than \$5,000 will be considered significant.

See [RNUA Terms and Conditions](#).

- xii. Temporary Releases from Reporting Non-University Activities During the Annual Disclosure Process
 - a. In cases where an academic staff member is unable to complete the annual RNUA due to medical leave or a University-approved unpaid leave, the UEO may grant a temporary release to the academic staff member. The release exempts the academic staff member from completing the RNUA disclosure until he or she returns to work.
 - b. If granted a temporary release from the RNUA disclosure, the academic staff member must comply with the applicable University leave policies. If the academic staff member engages in income-producing activities that had not been approved under the leave and/or if changes to non-University activities occur during the leave, he or she must complete the RNUA to disclose the non-University activities at the time that the previously unapproved activity is initiated.
 - c. A UEO may not grant a temporary release to an academic staff member from reporting if he or she continues to conduct, administer, or applies for a sponsored project while on leave.
 - d. The UEO must ensure that any academic staff member who is excused from reporting completes the RNUA upon return to work.
 - e. The UEO can revoke the release at any time.

See [START myDisclosures Users' Guide](#).

B. Reviewer Responsibilities

RNUAs are first reviewed by the UEO. If the UEO determines that the activity disclosed could or does present a conflict of commitment or interest, the UEO will forward the approved RNUA, along with a proposed management plan, to the next administrative level for a second level of review.

i. Unit Executive Officer (UEO) Responsibilities

The UEO has the primary responsibility to enforce the Policy, and that responsibility may not be delegated. The UEO or academic staff member may seek, at any time, the advice of the dean, director, responsible official, or other individual responsible for the process that generated the disclosure. The UEO will work with the academic staff member to identify, evaluate, and either manage or eliminate actual or perceived conflicts prior to forwarding the RNUA for the next administrative level for a second level review.

- a. The UEO has the duty to:
 - Evaluate all potential conflict situations reported or known to them (including all requests for approval of non-University, income-producing activities) before approving the activities;
 - Obtain sufficient information to make informed decisions under this Policy;
 - Determine whether the application or use of University time or resources, if requested, is beneficial to the University's mission. If UEO is not custodian of the resources, then the UEO must document the approval or agreement from the appropriate office that oversees the resources;
 - When an actual or perceived conflict is identified, and a decision is made to allow the activity to proceed, develop an appropriate management plan with the academic staff member that specifies the review timeline;
 - Implement management plans for activities that present actual or perceived conflicts of commitment or interest;
 - When an actual or perceived conflict is identified and a management plan is implemented, route the disclosure and management plan for a second level of review;

- Using START myDisclosures, notify academic staff members within 14 days of the decision on a request for approval of the submitted RNUA;
- Monitor non-University activities of academic staff members and oversee and regularly evaluate/update management plans; and
- Notify appropriate University offices if the actual or perceived conflict results in a performance issue, misuse of University resources, or a violation of University policies and/or procedures.

b. Multiple Unit Executive Officers

- When an academic staff member holds paid appointments in multiple units, the UEO of each unit must review and approve the academic staff member's disclosures and requests for prior approval of non-University activities. The UEO of the academic staff member's home unit takes the lead in this process. When a second level of review is required, it follows the regular reporting line based on the home unit.
- If a UEO does not approve the proposed activities or the management plan, a second level of review must occur, and the decision on second-level review will be final, subject only to appeal on procedural grounds.

c. Revoking Approval

- If at any time, the UEO perceives that the conflict management plan mechanisms are no longer effective, the UEO must revoke approval of the non-University activity and work with the academic staff member to evaluate the situation and revise the management plan.
- The UEO of the home department shall inform the UEO at the second level when a management plan has been revoked.

ii. Second Level of Review

A second level of review is required for any activities or relationships presenting an actual or perceived conflict of commitment or interest. The review takes place at the next administrative level above the academic staff member's home department. For example, the dean of a college completes the second level of review when a department head determines an actual or reasonably perceived conflict of commitment or interest exists.

a. The administrator at the second level of review has the duty to:

- Review the proposed activities and management plan;
- Request additional information, as needed, prior to approving the management plan; and
- Work with the academic staff member and first level UEO to finalize a management plan.

b. The second level of review is not an appeal but is a routine part of the process. The administrator at the second level review is required to work with the administrators at the first level review when the second level reviewer has concerns about the activities reported, the first level reviewer's assessment of the conflict of interest or commitment, and/or the proposed management plan.

iii. Responsible Official

As the individual responsible for overseeing the implementation of the Policy, the Responsible Official has the duty to:

- Oversee and approve management plans prior to execution of licensing agreement for intellectual property and technology owned by the University;
- In cases of non-compliance, enforce compliance with the University policy;
- When activities are denied by the second level of review, serve as the arbiter of the appeal and make final determination on the review;

- d. Ensure that any requirements for reporting of significant financial interests or conflicts of interest imposed by laws, regulations or contracts are met;
- e. Report to external agencies, when required by law or contract;
- f. Provide external agencies access to relevant documents for investigations or audits, when required by law or contract; and
- g. Comply with public disclosure requirements of external agencies, when required by law or contract.

C. Conflict Management Plans

Conflict management involves the completion of an annual disclosure and approval process; and may require the execution of a written conflict management plan.

See [RNUA Terms and Conditions](#)

- i. Conflict management plans must implement mechanisms and oversight to address, at minimum, the following:
 - a. Time spent on the non-University activities;
 - b. The potential involvement of students and/or other University employees in the activities;
 - c. The potential use of University intellectual property or any other use of University resources;
 - d. The relationship of an outside activity to an academic staff member's University duties or responsibilities; and
 - e. The potential for diversion of funding opportunities to an outside entity.
- ii. Conflict management plans must be reviewed and approved by the UEO and the administrator at the second level of review.

See [Activities that Require Management](#).

D. Recusal and Confidentiality

Any UEO or administrator at second level of review involved in negotiating or administering conflict management plans must disclose in writing to the next administrative level any actual or perceived conflict that they have in the matter. If such a conflict is disclosed, the conflicted party may not participate further in the process, and the responsibility for conflict management then passes to the next administrative level.

All parties to the evaluation, management, and approval of conflicts are to make diligent efforts to maintain the confidentiality of personal or proprietary information to the extent allowed by law.

E. Appeals

Academic staff have the right to appeal decisions that would require the academic staff member to eliminate, in full or in part, the non-University activity.

See [COCI Appeals Procedures](#).

F. Conflict Review Committee

In matters of conflict of commitment or interest, the Responsible Official at each university will be advised by a Conflict Review Committee. This committee will consist of at least three academic staff members appointed after consultation with the executive committee of the respective Senate. When appropriate for conflict issues involving System Office staff, the President's designee will be advised by a System Conflict Review Committee, composed of University experts where relevant and System representatives.

G. Reports from Third Parties

Individuals who question whether an academic staff member's outside activity has been appropriately disclosed and managed should bring their concerns to that academic staff member's UEO. In cases

where the UEO is involved in the non-University activity, individuals may bring their concerns to the Responsible Official or designee.

H. Non-compliance

If a non-University Activity was not disclosed, a conflict was not managed in a timely manner, or if an academic staff member failed to comply with a conflict management plan, the Responsible Official, in consultation with human resources and/or other appropriate University offices, will oversee a retrospective review, mitigation report or other procedures required by law.

See [Retrospective Review](#).

See [Violations](#).

See [Legal and Policy Authorities](#).

I. Interim Administrative Actions

At any time after a potential conflict of interest or commitment has been identified and before final disposition of the case, the UEO may take interim administrative action as required to comply with the law, to protect the objectivity of research, to protect the interests of students and colleagues, to preserve evidence, or to protect resources. Any interim action should be devised and taken so as to create minimal interference with the University activities of the individuals involved, and in accordance with the University policies.

J. Records Retention

Conflict of interest files, including RNUAs and conflict management plans, must be retained and disposed of in accordance with State law. Departments must work with Records and Information Management Services (RIMS) to dispose of these records.

K. Exceptions

Any exceptions to the procedures described above shall be made only for good cause and with the approval of the chancellor/vice president of the respective university or the University of Illinois System President's designee for members of the University of Illinois System Offices.

VIII. Violations

For academic staff members who violate any part of this Policy, the University may impose sanctions consistent with the *University of Illinois Statutes* and other applicable policies and practices. Severity of sanctions depends on the violation. Inadvertent, unintentional, and minor violations will warrant lesser sanctions than will knowing, deliberate, and major violations. Nothing in this Policy is intended to diminish or replace the procedural rights of academic staff members under the *Statutes*.

IX. Legal and Policy Authorities

State
University Faculty Research and Consulting Act, 110 ILCS 100
Illinois Procurement Code, 30 ILCS 500/50-13, 50-20, and 50-35
Illinois Higher Education Procurement Rule, 44 Ill. Adm. Code § 4.5013; 4.5020; 4.5023; and 4.5035
State Officials and Employees Ethics Act, 5 ILCS 430/5-45 – Procurement revolving door

University
University Statutes, Art. IX, §2 – <i>Employment of Relatives</i>
General Rules, Art. III, § 7(g) – <i>Conflicts in Commercialization</i>

X. Forms, Tools and Additional Resources

[Glossary](#)

[START myDisclosures](#)

[START myDisclosures Users' Guide](#)

[START myDisclosures Reviewers' Guide](#)

[RNUA Terms and Conditions](#)

[Examples of Activities Generally Not Requiring Prior Approval or Reporting](#)

[Examples of Activities that Require Prior Approval and Reporting](#)

[Activities that Require Management](#)

[COCI Appeals Procedures](#)

[University of Illinois Policy and Rules for Civil Service Staff Rule 16.01 Conflicts of Interest](#)

[OBFS Policy and Procedure Manual, Section 7.7 Procurement Conflicts of Interest](#)

[OBFS Policy and Procedure Manual, Section 11.7 Make a Donation in Support of Your Own Program](#)

[University of Illinois Ethics Line](#)

Retrospective Review

Examples of Allowable Income Producing Activities Generally Not Requiring Prior Approval or Reporting

The following are examples of activities that are not normally considered conflicts of interest. They are exempt from disclosure, even if paid an honorarium stipend, or royalty, unless they are so extensive in time and effort that they present an actual or reasonably perceived conflict of commitment.

1. Preparing, publishing, or presenting scholarly or creative works, including books, articles, and software.
2. Participating at professional conferences for the purpose of making scholarly presentations, conducting seminars or workshops.
3. Serving as a special reviewer or on a review panel for academic or governmental organizations.
4. Serving as a reviewer or editor for a scholarly journal.
5. Participating in a clinical practice plan approved by the University of Illinois Board of Trustees.
6. Receiving royalties under the University's royalty distribution policies while currently employed or otherwise appointed by the University.
7. Earning income from passive investments such as interest or dividends from banks, mutual funds, or stocks and bonds that do not otherwise create a conflict of interest with the academic staff member's University responsibilities.

If you are paid an honorarium or receive royalties or compensation for activities noted above, please be aware of the following:

Though these activities generally do not require disclosure under this Policy, the State Officials and Employees Ethics Act restricts the acceptance of honoraria or travel expenses from prohibited sources generated while in the academic staff member's University capacity, and federal or state agencies may impose additional disclosure requirements. For further information, consult with the University Ethics and Compliance Office regarding restrictions on the acceptance of honoraria from prohibited sources.

If you are a physician, activities that you disclose on your RNUA must be consistent with information reported in the CMS Open Payments database when the nature of the payment requires disclosure per the University *Policy on Conflict of Commitment and Interest*. Contact the UIC COI Office for additional information regarding CMS Physician Payments Sunshine Act, or see the UIC FAQs:

http://research.uic.edu/compliance/conflict-commitment-interest-coi/managing-conflicts/faqs_sunshine

Examples of Activities that Require Prior Approval and Reporting

The following activities represent examples of actual or perceived conflicts of commitment or interest. The list is not all-inclusive and is intended to provide guidance. All examples are assumed to include both for-profit and not-for-profit entities.

In the absence of other applicable regulations, financial interests greater than \$5,000 will be considered significant.

1. Using University resources to conduct research that is sponsored by an entity in which the academic staff member or his/her immediate family member has a significant financial interest or fiduciary role.
2. Conducting testing or clinical trials of products, devices, or services owned or controlled by an entity in which the academic staff member or a member of his/her immediate family has a significant financial interest.
3. Diverting research opportunities from the University to any external entity, (e.g., another academic institution, non-profit organization, federal laboratory, business, or consulting entity in which the staff member or a member of his/her immediate family has a significant financial interest, managerial, or executive role).
4. Submitting grant proposals or making subaward arrangements involving the purchase of goods or services from an entity in which an academic staff member or a member of his/her immediate family has a significant financial interest.
5. Serving in an executive or managerial capacity or holding significant financial interests in an entity in one's field of research.
6. Serving on the board of directors or a major advisory committee of an entity that sponsors the academic staff member's research or provides gift funds for the use of the academic staff member or his/her department.
7. Utilizing University students or employees in the staff member's University research sponsored by an entity in which the academic staff member has a significant financial interest.
8. Conducting consulting or other non-University income producing activities involving University students or other University staff.
9. Utilizing University students or employees in the academic staff member's University activities supported by gift funds from an entity in which the academic staff member has a significant financial interest.
10. Serving in an executive or managerial capacity or holding a significant financial interest in an entity doing or seeking to do business with the University.
11. While acting in the context of his/her University duties, making professional referrals to an entity in which an academic staff member or a member of his/her immediate family has a significant financial interest.

12. For academic staff with greater than 50% appointment, spending more than one day per seven-day-week, averaged over the contract period, on non-University income producing activities.
13. Other examples of activities for which prior approval is required include, but are not limited to: ownership and/or management of rental or agricultural property, working at a retail entity, freelance work, paid coaching, and providing or directing paid professional entertainment services.

Activities That Require Management

If an academic staff member or an entity with which an academic staff member has a fiduciary role meets any of the criteria below, the academic staff member and unit executive officer (UEO) must develop a conflict management plan.

- Licenses University intellectual property of which the academic staff member is an inventor;
- Employs University students or other University employees who have a reporting relationship to the academic staff member;
- Uses University resources, such as laboratory space or equipment, office space, or computing resources;
- Requires a significant commitment of time from the academic staff member, e.g., greater than 40 working days per 9-month appointment or 52 days per 12-month appointment;
- Involves the UEO, the dean or other senior management within a unit;
- Funds sponsored research or gifts in support of their own program;
- Executes a facilities use or technical testing agreement with the University;
- Subcontracts to the University from awards such as Small Business Innovation Research (SBIR), Small Business Technical Transfer (STTR), or Defense Advanced Research Projects Agency (DARPA), on which the company is prime, or accepts subcontracts from awards on which the University is prime.

In addition to the cases of start-up companies listed above, a conflict management plan may be required if it appears necessary for any other reason, for example, if the distinction between the academic staff member's work for the University and his/her non-University activity is not clear; even if University intellectual property is not being licensed.

COCI Appeals Procedures

1. Appealing Denials by the UEO

When the UEO denies a request to engage in a non-University activity, an academic staff member may appeal the denial to the second level of review within 14 calendar days after receipt of the notice of denial. In any appeal, the academic staff member must present, in writing, the rationale for approval of the activity and may submit documentation or evidence supporting the appeal.

The administrator at the second level of review will evaluate the information provided, may request additional information from the academic staff member or the UEO, and may seek advice from the Responsible Official or other individual responsible for the process which generated the disclosure. Ordinarily, the second level of review must respond to an appeal within 14 calendar days of receiving either the appeal or information provided in response to requests for additional information. The outcome of the appeal is the approval or denial of the request to engage in the external activities. If 14 days pass without the second level of review notifying the academic staff member of the outcome of the appeal, the academic staff member has the right to take the appeal to the next administrative level, in which case the second level of review will be terminated, and the next administrative level will rule on the appeal. The academic staff member may choose not to take the appeal to the next level, and if so, any delay in being told of the outcome by the second level of review will not be considered a procedural violation.

Denial of approval of a non-University activity following an appeal to the second level of review is final, absent an appeal to the President or designee on procedural grounds.

2. Appealing Denials Initiated by the Second Level of Review

When UEO approval of a non-University activity that is an actual or perceived conflict of commitment or interest is over-ridden at the second level of review, an academic staff member may appeal the denial to the Responsible Official within 14 calendar days after the academic staff member receives notice of the denial. Such appeals must present the academic staff member's rationale for approval of the activity. Documentation or evidence supporting the appeal may be submitted.

Denial of approval of a non-University activity by the Responsible Official is final, absent an appeal to the President's designee on procedural grounds.

3. Final Appeals Based on Procedural Grounds

Appeals on procedural grounds must be filed with the President's designee within 14 calendar days after the academic staff member receives notice of the denial by the second-level reviewer. The appeal must include a description of the procedures that were violated and may include documentation or evidence supporting the claim of procedural violation. The President's designee shall, within 30 calendar days, either affirm or vacate the decision to deny approval of the activity, and notify the academic staff member and others concerned. This decision shall be final. In making a decision on an appeal, the President's designee will consider the University's obligations and interests as stated in this policy and whether fundamental fairness was afforded to the academic staff member. The President's designee will also consult, if possible, with the chair of the appropriate University-wide or System Office advisory committee that represents the interests of the academic staff member prior to issuing a decision.

Retrospective Review

1. An activity was not disclosed

If an academic staff member discloses non-University activities after the activities have occurred and the staff member did not obtain prior approval for the activities, then the UEO must conduct the review of the activities retrospectively.

- a. The UEO must obtain from the academic staff member a written explanation that documents why the activities were not reported prior to engaging in the activities and indicates whether the activities will continue or have ended.
 - b. The UEO must assess the retrospective disclosure and determine whether the retrospective activities present conflicts of commitment or interest; and whether mitigation is necessary.
 - c. If the non-University activities present conflicts of commitment or interest, the UEO must upload an explanation on how the conflict will be managed or eliminated, and the UEO must forward the RNUA for a second level of review.
 - d. If mitigation is necessary, the UEO and academic staff member will work together to mitigate the effects of the undisclosed activity and unmanaged conflict.
2. An academic staff member does not comply with the management plan
- a. The UEO must document a written explanation that details the circumstances surrounding the non-compliance. The UEO may consult with the academic staff member for additional information.
 - b. The UEO must assess the explanation and determine whether mitigation is necessary. If mitigation is necessary, the UEO and academic staff member will work together to implement mitigation steps.
 - c. The UEO must also consider, acknowledging past non-compliance, whether revoking approval for the activity is warranted.
3. Conflicts are not managed in a timely manner
- a. The UEO will attach to the academic staff member's RNUA a written explanation detailing the circumstances surrounding the failure to manage the conflict(s).
 - b. The administrator at the second level of review, in consultation with the Responsible Official or designee, will review the explanation and determine whether mitigation steps are necessary.
 - c. If mitigation is necessary, the UEO and academic staff member will work together to mitigate the effects of the unmanaged conflict.

I. Policy Information

Policy Title: The University of Illinois System Policy on Financial Conflicts of Interest in Research

Policy Owner: Vice President for Academic Affairs

Responsible Official: Vice President for Academic Affairs (System); Vice Chancellor for Research (UIUC and UIC); Vice Chancellor for Academic Affairs (UIS)

Approved by: University of Illinois Board of Trustees

Date Approved: xx/xx/xxxx

Effective Date: xx/xx/xxxx

Targeted Review Date: xx/xx/xxxx

Contact: System, coi@uillinois.edu; Chicago, coi@uic.edu; Springfield coi@uis.edu; Urbana-Champaign, coi@illinois.edu

Related Policies:

Policy on Conflicts of Commitment and Interest

Policy on Organizational Conflicts of Interest

II. Overview

This policy provides a framework for the University of Illinois System (“University”) to comply with conflict of interest policies established by external sponsors of research. The procedures in sections V. A. and V. B. have different definitions, thresholds, and reporting requirements consistent with sponsor mandates. As standard procedure for any research supported by sponsors other than the organizations that have adopted the Public Health Services regulations, the University will apply the standards and procedures established under Section V. B. (National Science Foundation).

III. Scope

The Policy on Financial Conflicts of Interest in Research (FCOIR) applies to investigators and any other person responsible for the design, conduct or reporting of funded or human subjects research, including senior/key personnel identified in a grant application or progress or final report of research (each an “investigator”). The FCOIR Policy applies at the earlier of submission of a funding proposal or Institutional Review Board (IRB) application and remains applicable through the life of the funding award or study, whichever is longer.

IV. Statement of Policy

The University seeks to promote objectivity in research by establishing standards that provide a reasonable expectation that the design, conduct, and reporting of research will be free from bias resulting from financial interests. The FCOIR Policy informs investigators about situations that generate financial conflicts of interest related to research and provides mechanisms for investigators and the University to eliminate or manage financial conflicts of interest that arise.

V. Procedures

A. Research supported by the Public Health Service (PHS) or organizations that adopted the PHS financial conflict of interest regulations

The Health and Human Services/PHS regulations on promoting objectivity in research apply to research projects supported by PHS agencies. Other non-federal entities may incorporate the PHS regulations in their award terms.

i. Definitions

Financial Conflict of Interest: A financial conflict of interest (FCOI) exists when the University of Illinois System, through its designated officials, reasonably determines that an investigator's significant financial interest (SFI) could directly and significantly affect the design, conduct, or reporting of the research.

Investigator: Investigator includes any person who is responsible for the design, conduct, or reporting of research, regardless of title or position.

Senior/Key Personnel: The Project Director or Principal Investigator and any other person identified as senior/key personnel by the University in the grant application, progress report, or any other report submitted to the PHS.

Significant Financial Interest: An SFI is defined at 42 C.F.R. § 50.603. SFI means a financial interest consisting of one or more of the following interests of the investigator (and spouse and dependent children) that reasonably appears related to the investigator's University responsibilities with regard to:

- a publicly traded entity if the value of any remuneration received from the entity as of the date of disclosure and in the 12 months preceding the disclosure exceeds \$5,000, when aggregated. Remuneration includes salary, royalties, and other payments for services, such as consulting fees and honoraria paid authorship, equity interests, stock options or other ownership interests, as determined through public prices or reasonable measures of fair market value;
- a non-publicly traded entity, if the value of any remuneration received from the entity in the 12 months preceding the disclosure exceeds \$5,000 when aggregated, or when the investigator holds any equity interest;
- intellectual property rights and interests (e.g. patents, copyrights) upon receipt of income related to such rights and interest; and
- reimbursed or sponsored travel related to investigator's University responsibilities if paid by a sponsor other than a federal, state, or local government agency, an institution of higher education as defined by 20 U.S.C. § 1001(a); an academic teaching hospital; a medical center; or a research institute affiliated with an institution of higher education.

The following financial interests are not considered to be an SFI:

- salary, royalties or other remunerations paid by the University of Illinois System to the investigator if the investigator is currently employed or appointed by the University, including intellectual property rights assigned to the University and agreements to share royalties related to such rights;
- income from investment vehicles (mutual funds or retirement account that are not managed directly by the individual);
- income from seminars, lectures, or teaching engagements sponsored by a federal, state, or local government agency, an institution of higher education as defined by 20 U.S.C. § 1001(a), an academic teaching hospital, a medical center, or a research institute that is affiliated with an institution of higher education; or
- income from service on advisory committees or review panels for a federal, state, or local government agency, an institution of higher education as defined by 20 U.S.C. § 1001(a)

(e.g., NIH review panel), an academic teaching hospital, a medical center, or a research institution that is affiliated with an institution of higher education.

ii. Disclosure

Investigators must disclose any SFI that reasonably appears to be related to the investigator's University responsibilities. Investigators must disclose SFIs annually and within 30 days of discovery or acquisition of a new or change in an SFI. Disclosures are made using the START myDisclosures on the sponsor specific questionnaire, <https://myresearch.uillinois.edu/myDisclosures/>.

iii. Review

Disclosed SFIs are reviewed by designated officials in each University's Conflict of Interest Office to assess if an SFI is reasonably related to a University research project. The reviewers take into account the nature and extent of an investigator's role on a project, the nature and extent of an investigator's SFIs, and the nature of the research activity under review. If the SFI is reasonably related, the reviewers will assess if the SFI could directly and significantly affect the design, conduct, or reporting of the research.

SFIs that have the potential to present a financial conflict of interest for a research project are referred to the applicable Unit Executive Officer for review and management. Management of FCOIs may include, but is not limited to, disclosure, impartial review, reduction or elimination of the investigator's role in certain aspects of the study, and additional monitoring.

Reviews and determinations must occur prior to expenditure of funds for new projects, within 60 days of newly disclosed SFIs, and within 60 days of the addition of new investigators to projects.

iv. Reporting

When the University determines that an SFI is related to sponsored research, the Responsible Official or their delegate (e.g., the Vice Chancellor for Research or equivalent office) must submit reports as required by the sponsor. The Responsible Official must submit the FCOI Report:

- prior to the expenditure of funds;
- within 60 days of identification for an investigator who is newly participating in the project;
- within 60 days for new, or newly identified, FCOIs for existing investigators.

After the FCOI Report is initiated, the Responsible Official or their delegate must provide to the sponsor status updates and identify changes in management plans, at least annually, until the completion of the project.

v. Noncompliance

The following are examples of noncompliance with the FCOIR Policy:

- a) failure to submit a timely disclosure;
- b) submission of an incomplete, erroneous or misleading initial, updated or annual disclosure;
- c) failure to disclose information as required by the FCOIR Policy; and

- d) failure to comply with prescribed management plans.

When noncompliance is identified, the Responsible Official or their delegate will implement a management plan within 60 days.

In addition, the OVCR or equivalent office must conduct a retrospective review of the investigator's research activities on the project to determine if there is bias in the design, conduct, or reporting of the research resulting from the financial conflict of interest. The retrospective review must be completed within 120 days of the determination of noncompliance. If bias is found in the course of the retrospective review, the OVCR or equivalent office must promptly notify the sponsor and submit a mitigation report that addresses the impact of the bias on the research and the university's plan of action to eliminate or mitigate the effect of the bias.

If non-compliance is identified related to a clinical research project whose purpose is to evaluate the safety or effectiveness of a drug, medical device, or treatment, the investigator is required to:

- 1) disclose the FCOI in each public presentation of the results of the research; and
- 2) request an addendum to previously published presentations.

vi. Training

Each investigator on an award supported by the PHS must complete University-approved conflicts of interest training prior to engaging in PHS-funded research and thereafter every four years unless immediate retraining is required for any of the following circumstances:

- the University revises the FCOIR Policy and procedures in any manner that affects the requirements of the investigator;
- an investigator is new to the University;
- the University finds that an investigator is not in compliance with the FCOIR Policy or with an approved management plan.

Training is developed and overseen by the Office of Vice Chancellor for Research and administered through the START myDisclosures application.

vii. Subrecipient Compliance

If the University carries out the research through use of a subrecipient or subcontractor ("subrecipient"), the University must require the subrecipient to comply with either the University's FCOIR Policy or the subrecipient's financial conflicts of interest policy. If the latter, then the subrecipient must certify that its policy complies with the PHS regulations. The subrecipient agreement must specify deadlines for the subrecipient to submit all SFI disclosures or reports of conflicts to the University so that the University can meet its own reporting obligations.

viii. Public Access to Information

Upon written request, the University must make available to the public within five business days certain information about the SFIs held by senior/key personnel that constitute a FCOI related to the research. The minimal information to be provided is

described at 42 C.F.R. § 50.605(a)(5)(ii). The Responsible Official or their delegate will coordinate requests and responses.

B. Research sponsored by the National Science Foundation (NSF) or an organization that has adopted the NSF's conflict of interest policy

i. Definitions

Conflict of Interest: A COI exists when the University, through its designated officials, reasonably determines that an investigator's SFI could directly and significantly affect the design, conduct, or reporting of the NSF-funded activities.

Investigator: The principal investigator, co-principal investigators/co-project directors, and any other person at the University who is responsible for the design, conduct, or reporting of research or educational activities funded or proposed for funding.

Significant Financial Interest: An SFI means anything of monetary value, including, but not limited to, salary or other payments for services (e.g., consulting fees or honoraria); equity interest (e.g., stocks, stock options or other ownership interests); and intellectual property rights (e.g., patents, copyrights and royalties from such rights).

SFI does not include:

- salary, royalties or other remuneration from the University;
- income from seminars, lectures, or teaching engagements sponsored by public or non-profit entities;
- income from service on advisory committees or review panels for public or non-profit entities;
- an equity interest that, when aggregated for the investigator and the investigator's spouse and dependent children, meets both of the following tests: does not exceed \$5,000 in value as determined through reference to public prices or other reasonable measures of fair market value, and does not represent more than 5% ownership interest in any single entity; or
- salary, royalties or other payments that, when aggregated for the investigator and the investigator's spouse or dependent children, are not expected to exceed \$5,000 during the prior 12-month period.

ii. Disclosure

Investigators must disclose any SFI at the time the proposal is submitted to NSF.

Investigators must disclose SFIs annually and within 30 days of discovery or acquisition of a new or change in a SFI. Disclosures are made on the RNUA. If the interest is related to a sponsored research project, the investigator will also complete the sponsor specific questionnaire. Disclosures are submitted through START myDisclosures:

<https://myresearch.uillinois.edu/myDisclosures/>

iii. Review

SFIs are reviewed by designated officials in each University's Conflict of Interest Office to assess if the SFI is reasonably related to an NSF-funded research project. The reviewers

take into account the nature and extent of an investigator's role on a project, the nature and extent of an investigator's SFIs, and the nature of the research activity under review. If the SFI could be reasonably related, the reviewers will assess if the SFI could directly and significantly affect the design, conduct, or reporting of research.

SFIs that present a COI are referred to the applicable Unit Executive Officer for review and elimination or management. Management of FCOI may include, but is not limited to, disclosure, impartial review, reduction or elimination of the investigator's role in certain aspects of the study, and/or additional monitoring. COIs must be managed, reduced, or eliminated prior to the expenditure of the award funds.

If the reviewers determine that imposing conditions or restrictions would be either ineffective or inequitable, and that the potential negative impacts that may arise from a SFI are outweighed by interests of scientific progress, technology transfer, or the public health and welfare, then the Vice Chancellor for Research or equivalent office may allow the research to go forward without imposing such conditions or restrictions.

iv. Reporting

The University must inform the NSF Office of the General Counsel if the University finds that it is unable to satisfactorily manage a COI and if it finds that the research will proceed without the imposition of conditions or restrictions when a conflict of interest exists.

v. Subrecipient Compliance

If the University carries out NSF-funded research through subrecipients, contractors, or collaborators (each a "subrecipient"), the University must take reasonable steps to ensure that either: the subrecipient has its own policies in place that meet the requirements of the NSF; or the investigators working for the subrecipient will follow the University's policies.

C. Clinical Studies Supporting Food and Drug Administration (FDA) Applications

Applicants who submit a marketing application to the FDA for a new drug, biological product, or medical device must include financial disclosures of any clinical investigator directly involved in the conduct of clinical studies covered by 21 C.F.R. part 54 (each a "covered clinical study"). The FDA wants to review the financial interests and arrangements of clinical investigators in cases where they could bias the clinical studies used to support marketing applications. The sponsor of a covered clinical study must obtain financial disclosures from clinical investigators before allowing them to participate in any such study. Because the definition of sponsor is broad under this regulation, the University would be a sponsor if it provides study funding or if one or more of its employees designs and conducts a covered clinical study, regardless of the funding source. There may be multiple sponsors of a covered clinical study. Where the clinical investigator is not an employee of the sponsor, the investigator must cooperate with the sponsor and provide sufficient accurate information to allow for complete disclosure.

VI. Administrative Action and Sanctions

Failure by an investigator to comply with the requirements for conflicts training, financial disclosure, and management of conflicts may result in sanctions and administrative actions. Administrative actions may

include delay in award execution or suspension of the research project. Sanctions, when necessary, will be consistent with the University *Policy on Conflicts of Commitment and Interest*.

VII. Confidentiality

Access to information collected in connection with the FCOIR Policy will be limited to those with a need to know and will be shared in accordance with the requirements of law and University policies.

VIII. Record Retention

Financial disclosures and management plans must be maintained by the University for the longer of three years after termination or completion of the award or the period prescribed by the sponsor or applicable law.

IX. Sponsor oversight

The University will comply with all reasonable requests for additional information or oversight by the sponsor agency.

X. Related Laws, Guidance, and Policies

HHS/PHS Regulations: *Responsibility of Applicants for Promoting Objectivity in Research for which PHS Funding is Sought and Responsible Prospective Contractors*, 42 C.F.R. part 50 and 45 C.F.R. part 94. Final Rule at 76 Fed. Reg. 53256 (Aug. 25, 2011).

<https://www.federalregister.gov/documents/2011/08/25/2011-21633/responsibility-of-applicants-for-promoting-objectivity-in-research-for-which-public-health-service>

NSF Policy: Proposal and Award Policies and Procedures Guide, effective Jan. 30, 2017.

https://www.nsf.gov/publications/pub_summ.jsp?ods_key=gpg

FDA Regulations: Financial Disclosure by Clinical Investigators, 21 C.F.R. part 54.

<https://www.accessdata.fda.gov/scripts/cdrh/cfdocs/cfcfr/CFRSearch.cfm?CFRPart=54>

Association for the Accreditation of Human Research Protection Programs (AAHRPP), Standard 1-6,

<http://www.aahrpp.org/apply/web-document-library/domain-i-organization>

State of Illinois Freedom of Information Act, 5 ILCS 140.

<https://www.uillinois.edu/foia>

I. Policy Information

Policy Title: The University of Illinois System Policy on Organizational Conflicts of Interest

Policy Owner: Vice President for Academic Affairs

Responsible Official: Vice President for Academic Affairs (System); Vice Chancellor for Research (UIUC and UIC); Vice Chancellor for Academic Affairs (UIS)

Approved by: University of Illinois Board of Trustees

Date Approved: xx/xx/xxxx

Effective Date: xx/xx/xxxx

Date Amended (most recent): xx/xx/xxxx

Targeted Review Date: xx/xx/xxxx

Contact: System, coi@uillinois.edu; Chicago, coi@uic.edu; Springfield, coi@uis.edu; Urbana-Champaign, coi@illinois.edu

Related Policies:

Policy on Conflicts of Commitment and Interest

Policy on Financial Conflicts of Interests in Research

II. Scope

This Policy applies to the University of Illinois System, including the universities at Urbana-Champaign, Chicago, and Springfield, the System Offices, and the University Hospital (collectively “University”), and Key Organizational Leaders of the University.

III. Definitions

Key Organizational Leader: An administrator of the University at the dean or equivalent level or higher and/or who possesses delegated organizational decision-making authority over personnel appointments, salaries, promotions, and/or allocation of organizational resources for individuals involved in the design, conduct, reporting, review, or oversight of research.

Significant Financial Interest: A financial interest is significant when there is a reasonable probability that the existence of the financial interest could bias research or a research related business transaction. The following financial interests of the University or of Key Organizational Leaders are considered significant:

1. The University holds a patent, license, or other intellectual property interest in a product or technology that is the subject of University research.
2. The University holds investments in a non-publicly traded entity that has a separate financial or business relationship with the University, such as sponsored research.
3. The University holds investments in a publicly traded entity valued at \$100,000 or more and the entity has a separate financial or business relationship with the University, such as sponsored research.
4. The University receives a donation exceeding \$100,000 from a donor who also has an interest in University research or a procurement contract.

5. A Key Organizational Leader holds either a financial interest valued at \$25,000 or more or a fiduciary responsibility in a company that is reasonably related to a research project or has approval authority over the research project.

Organizational Conflict of Interest (Organizational Conflict): A situation in which the financial investments or the significant financial or proprietary interests of the University, or of a Key Organizational Leader, either compromise or reasonably appear to compromise the integrity of University research related business transactions or the design, conduct, reporting, review, or oversight of University research, which includes but is not limited to sponsored research and human subjects research.

IV. Purpose

The purpose of this policy is to describe the principles and processes for identifying, managing, and either minimizing or eliminating Organizational Conflicts of the University and of its Key Organizational Leaders.

V. Statement of Policy

The University strives to ensure that its research and research related business transactions are not compromised or perceived as biased by its financial interests and investments or those of its Key Organizational Leaders. Through disclosures of significant financial interests and other processes, the University will identify Organizational Conflicts and will either minimize and manage them or eliminate them.

VI. Identification and Review of Organizational Conflicts

1. Key Organizational Leaders must make all disclosures required of them by applicable University conflicts of interest policies. Required disclosures will include, but are not limited to, ownership interests in companies; consulting contracts; and sponsored travel.

The following disclosures are completed at START myDisclosures:

<https://myresearch.uillinois.edu/myDisclosures/>

- Report of Non-University Activities (COCI Policy)
 - Sponsor Specific Questionnaire (sponsored research and federal regulations)
2. Unit Executive Officers (UEOs) are responsible for reviewing and approving proposals for sponsored projects, applications for human subjects research, and agreements for business transactions. UEOs also review annual Reports of Non-University Activities (RNUAs) completed by academic staff in accordance with the Policy on Conflicts of Commitment and Interest.
 3. Each sponsored programs office identifies research projects that involve the use of University intellectual property and works closely with the respective Office of Technology Management (OTM) to manage the intellectual property.

4. The respective OTM coordinates University interactions with companies commercializing University-owned technologies. The OTM maintains a list of startup companies owned in whole or in part by a University employee, typically the inventor of the technology. The OTM routinely shares this list of startup companies with the University's Conflicts of Interest Office. The OTM also reviews sponsored research agreements that involve the use of University technology.
5. Prior to approval of human subjects research, the Institutional Review Board (IRB) requires financial disclosures of investigators and disclosure of Organizational Conflicts.
6. University investments are public information and are held in highly diversified portfolios and reported monthly to the Board of Trustees. The potential for Organizational Conflicts is essentially eliminated through use of external investment managers. The University further relies on the separation between its investment decisions and research activity to effectively manage any Organizational Conflicts in the research context.
7. The University Ethics and Compliance Office enforces the state ethics laws, which require annual completion of Statement of Economic Interests and Supplemental Statement of Economic Interests that require disclosure of ownership interests in business entities, key roles in professional organizations, certain capital assets, lobbying activities, non-State sources of income, and gifts or honoraria.
8. The UI Foundation has a contractual responsibility to accept and manage gifts made to the University and works closely with University staff to ensure that gifts are properly documented and are not improperly tied to University purchases or sponsored research.
9. The University COI Officer will review a Significant Financial Interest in consultation with the appropriate UEOs, legal counsel, and the Chair of the Conflict Review Committee to determine if it is reasonably related to University research and, therefore, constitutes an Organizational Conflict. All Organizational Conflicts must be either managed or eliminated.
10. When the Organizational Conflict involves University officers, the management plan will be referred to the University of Illinois Board of Trustees committee on Governance, Personnel, and Ethics for final approval.

VII. Management or Elimination of Organizational Conflicts

Organizational Conflicts will be either managed or eliminated, as follows:

1. **Business transactions:** Each university will manage or eliminate Organizational Conflicts in business transactions according to its respective processes and relevant laws. The process is guided by the Office of Business and Financial Services policies on purchasing.

2. **Sponsored Programs and Human Subjects Research:** Each university will manage Organizational Conflicts in research and sponsored programs according to its respective processes. At a minimum, the management plan will include:
- a description of the nature of the conflict;
 - justification for research to be carried out at the University of Illinois; and
 - conflict management mechanisms, which may include, for example: disclosure of the conflict to the research sponsor and/or disclosure of the conflict in publications or presentations.

Additional conflict management mechanisms for human subjects research may include, but are not limited to:

- Disclosure of the conflict to the IRB;
- Disclosure of the conflict to potential research participants during the informed consent process; and
- Disclosure to an independent advisory board that will monitor the data.

The IRB has final authority to approve human subjects research and may require additional safeguards to be implemented to guard against research bias, including increased disclosures of Organizational Conflicts to the research participants.

Any Key Organizational Leader with an Organizational Conflict reasonably related to a sponsored project or human subjects research will not be allowed to conduct the review or oversight of the research. A qualified substitute will be appointed by the University administrator that serves at the next higher level of review.

VII. Related Laws, Guidance, and Policies

AAHRPP Standard I – 6. Element 1.6.A. <http://www.aahrpp.org/apply/web-document-library/domain-i-organization>

OBFS Policy, Section 11.2 - Distinctions among Gifts, Grants and Contracts
<https://www.obfs.uillinois.edu/bfpp/section-11-gifts-endowments/section-11-2>

OBFS Policy, Section 7.7 - Procurement Conflicts of Interest.
<https://www.obfs.uillinois.edu/bfpp/section-7-purchasing>

State Officials and Employee Ethics Act – Gift Ban
https://www.ethics.uillinois.edu/compliance/ethics_political_activity_and_gifts

Topic	2010 Policy	2017 Policy Draft
Overall	Policy statements and procedures intermingled; repetitive sections	Separate policy statement and procedural sections; effort to reduce repetitive sections; separate procedures sections for academic staff, UEOs, admins at second level of review, and responsible officials
Length	24 pages	9 pages with links to supporting documents
Format	Followed original policy's format	System's Policy on Policies template (Dave Grogan)
Owner	VPR	VPAA
Wording	Uses multiple terms for non-University activity: outside, external	Uses non-University
Wording	Uses multiple terms to describe a conflict of commitment or interest: actual, real, potential	Uses "actual or perceived" and "actual or reasonably perceived" to describe a conflict of commitment or interest
Scope/Persons Covered	All academic staff	Added retired academic staff who have active paid appointments
Scope/Persons Covered	All academic staff	Added "specialized" to list of modifiers for faculty
Definitions	Contained definitions for eight terms	Contains definitions for two terms, COI and COC, and links to glossary document on VPAA website
External COI requirements	Addressed PHS/NSF FCOI rules	Separate policies for FCOI in Research (PHS, NSF, any other) and Organizational COI
Time commitment - who reports	All disclosers report/request time	Only disclosers with 50% or greater appointments report/request time.
Time commitment - units of time	Eight hours = day	No definition of day
When to complete an RNUA	Before engaging in non-University activity; annually; when an activity changes	Added at hiring and when transferring to new unit within University
Procurement	Refers to old procurement law allowing President to approve procurement where COI exists	Restates OBFS Policy 7.7 and links to OBFS website
Temporary release from reporting	n/a	Added section to clarify when someone can be released from reporting during the annual disclosure process.
Delegating UEO's authority	n/a	Added statement that UEO cannot delegate authority to enforce policy
Appeals procedures	Included in COCI policy	Refers to process and links to separate document
Retrospective review	n/a	Added procedures for conducting retrospective reviews when parties are in non-compliance with the policy
Reports from Third Parties	n/a	Added responsible official/designee as another person to whom reports of inappropriate disclosure or management can be made
Records retention	n/a	Added section and referenced Records and Information Management Services (RIMS)

University of Illinois Policy on Conflicts of Commitment and Interest

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Commented [ZSM1]: Overall: separated policy statement and procedural sections; reduced repetitiveness; used System's Policy on Policies template

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I. PREAMBLE

Active participation by academic staff members in external activities that enhance their professional skills or constitute public service can be beneficial to the university as well as to the individual. Because external activities can lead to conflicts of commitment or interest with regard to one's university responsibilities, the need exists for a general framework against which the propriety and advisability of non-university activities can be measured and monitored.

This *University of Illinois Policy on Conflicts of Commitment and Interest* ("Policy") provides such a framework and identifies procedures for consultation and advice on conflicts of commitment or interest matters, for resolution of situations in which a conflict may exist, and for approval of exceptions when warranted. The Policy makes every effort to balance the integrity and interests of the University of Illinois with the integrity and interests of individual academic staff members. To that end, the Policy attempts not only to identify and eliminate or manage actual conflicts of commitment or interest but also, whenever possible, to prevent even the appearance of conflicts. The Policy provides for mechanisms to manage conflicts of commitment and interest, and for sanctions should those mechanisms fail.

This Policy implements an Illinois law requiring university faculty members to obtain prior written approval before engaging in non-university income producing activities. It also implements various policies set forth in the *Illinois Procurement Code*, the *University Statutes* and *The General Rules Concerning University Organization and Procedure*. Finally, the Policy accommodates federal regulations designed to protect the objectivity of federally funded research. References to university, State, and federal documents appear in the Appendix.

This policy will be effective upon final approval by the president and the Board of Trustees, and supersedes the prior *University of Illinois Policy on Conflicts of Commitment and Interest*. It is intended to apply prospectively and not negate any decisions, actions, or plans implemented under previous version(s) of this policy.

II. OVERVIEW

- Academic staff must obtain prior approval to engage in non-university income producing activities (with some exceptions, as defined below). Academic staff must also disclose such activities at least annually or whenever a substantial change in such activities occurs, and when required by granting agencies.

Commented [ZSM2]: Consolidated Preamble and Overview sections into the document to reduce length (24 pages vs. 9 pages)

- A conflict of commitment arises when the external activities of an academic staff member are so demanding of time or attention that they interfere with the individual's responsibilities to the university.
- A conflict of interest occurs when the academic staff member is in a position to advance his or her own interests or those of a third party, to the university's detriment.
- The involvement of students or other university employees in non-university income producing activities must be disclosed and may require monitoring.
- The university will conduct a coordinated annual process for the disclosure and approval of activities or relationships which may present conflicts of commitment or interest.
- The unit executive officer (UEO) will work with the academic staff member to identify, evaluate, manage, or eliminate potential conflicts.
- Conflict management may involve either the completion of an annual disclosure and approval process, or the execution of a written, situation-specific management plan.
- Conflict management may be implemented as a condition of authorization of an activity.
- If the UEO determines that the potential conflict cannot be managed, or the academic staff member and the UEO are unable to reach agreement on how to manage the potential conflict, the UEO must deny approval of the outside activities.
- Academic staff members may appeal a denial of approval for an external activity.
- The university may impose sanctions for violations of this Policy.
- Final responsibility for this Policy rests with the president or the president's designee.
- Diligent efforts shall be made to maintain the confidentiality of personal or proprietary information to the extent allowed by law.

III. POLICY

A. **Persons Covered**

This Policy applies to all paid academic staff members, whether part time or full time employees of the university. The academic staff includes academic professionals, postdoctoral associates, and the faculty ranks of professor, associate professor, assistant professor (and all of the foregoing whose appointments contain such terms as "research," "adjunct," "visiting," or "clinical"), instructor, and lecturer. All covered persons are referred to herein as "academic staff members." For the purpose of this Policy, civil service staff¹, students, and medical residents (unless they are also employed as academic staff members) are not considered academic staff. Although civil service staff, students, and medical residents are not covered by this Policy, they are not exempted from making disclosures as required by federal or state laws and regulations or from making situation-specific disclosures as described in Section III.D.3.

Commented [ZSM3]: Added retired academic staff with paid appointments; added "specialized" as a modifier for faculty; removed requirement for academic staff with appointments less than 50% to report time on the RNUA

B. **Definitions**

1. A "conflict of commitment" exists when the external activities of an academic staff member are so substantial or demanding of the staff member's time and attention as to interfere with the individual's responsibilities to the unit to which the individual is assigned, to students, or to the university.
2. A "conflict of interest" arises
 - a.) when an academic staff member is in a position to influence either directly or indirectly university business, research, or other decisions in ways that could lead to gain for the staff member, his/her immediate family, or any third party to the detriment of the university's integrity and its missions of teaching, research, economic development, and public service, or
 - b.) when an academic staff member desires to acquire a contract (outside of employment) to provide goods or services to the university.
3. "Immediate Family," for the purposes of this Policy, includes one's spouse or domestic partner, parents, siblings, and children.

Commented [ZSM4]: Eliminated definitions other than "conflict of commitment" and "conflict of interest" and refer to online glossary

¹ As of July 11, 2010, Rule 16.01 of the university's Policy and Rules for Civil Service Staff addresses conflict of interest. The text is available at https://nessie.uihr.uillinois.edu/cf/policies/index.cfm?Item_id=390.

4. The "Unit Executive Officer" (UEO) means the department head/chair or equivalent office of other units. For conflicts involving a unit executive officer, the term refers to the administrator at the next higher level in the normal reporting lines.
5. "Responsible Official" means the individual responsible for overseeing the implementation of this Policy. This is the chief research officer at each of the three campuses or the president's designee for University Administration.
6. "Management plan" refers to a written plan describing the mechanisms by which conflict(s) of interest or commitment may be managed, reduced, or eliminated. Conflicts of interest related to procurement, as described in 2(b) above, are managed in accordance with the Procurement Code and its companion administrative rules. Conflicts of commitment, and conflicts of interest arising as described in 2(a), above, are managed by the UEO, using the procedures described herein.

Management plans must describe the situation, giving rise to the potential conflict, the management mechanisms, and the process by which the activities and the management plan will be monitored.

The nature of the written plan varies according to the nature and extent of the potential conflict. Disclosure of a conflict in the course of the annual disclosure process with concomitant documentation of management mechanisms and monitoring is one method for creating a management plan. When the nature of the external activity is such that it entails involvement in a university employee start-up company or may be perceived to have some impact on the employee's university duties (e.g., sponsored research or research involving human subjects), a situation-specific management plan may be required.

Management plans must consider, at minimum, the following aspects of the situation: the amount of time spent on the non-university activities, the potential involvement of students and/or other university employees in the activities, the potential use of university intellectual property or any other university resources, the relationship of an outside activity to one's university duties or responsibilities, and the potential for the diversion of funding opportunities to an outside entity. Although existing campus policies govern management of employee family relationships, there may be cases in which the involvement of family members in each other's sponsored research projects requires additional conflict management mechanisms, and therefore a conflict management plan.

Appropriate conflict management mechanisms are a function of the situation; examples of conflict management mechanisms are provided in Section III.B.7.

Appropriate monitoring (of the activities and the management plan) is a function of the situation. Monitoring may include the submission and review of the annual disclosure. Other monitoring mechanisms may also be implemented, such as UEO oversight to evaluate the effectiveness of and ensure compliance with the mechanisms specified in a management plan.

7. “Management mechanisms” are measures devised to reduce, manage, or eliminate a potential conflict of interest or commitment. They may include modifying a research plan, implementing an impartial research review mechanism, appointing an ombudsperson or panel to monitor the involvement of students, disclosing significant conflicts in presentations or publications, recusal from promotional or purchasing decisions, divesting financial interests, implementing non-conflicted oversight of university projects and expenditures (including travel), severing relationships that constitute actual or potential conflicts, and applying for a leave of absence or reduction in appointment.
8. The definition of “significant financial interest” may vary. The definition to be used is based on either the federal or state definition and depends on whether the Public Health Service (U.S. Department of Health and Human Services; “PHS”) regulation or the State Procurement Code is most clearly invoked in the situation prompting the disclosure. The level of significance is determined by (as applicable) the dollar amount involved, the extent of ownership, and the degree of fiduciary responsibility held by the academic staff member or his/her family members. The unit requesting disclosure should carefully determine and specify the threshold for disclosure (percentage of equity ownership, dollar amount of financial interest, etc.) based on the applicable regulations. In the absence of other applicable regulations, financial interests greater than \$5,000 will be considered significant. Any application requesting financial disclosure shall specify the threshold for disclosure.

C. Basic Considerations

Conflicts of commitment and interest occur as a result of the type and scope of activities engaged in by the university and its academic staff members. The mere existence of a conflict, real or potential, will not necessarily exclude a particular

Commented [ZSM5]: Changed wording from "real or potential conflict" to "actual or perceived" or "actual or reasonably perceived"

activity since conflicts can span a wide spectrum, from those that are minor and inconsequential to those that have serious consequences and cannot be permitted. The university and its academic staff members have ethical and legal obligations to conduct themselves and their university activities in accordance with the highest standards of integrity.

Active participation by academic staff members in outside activities that enhance their professional skills, or constitute a public service activity, is encouraged. For example, donation of professional services to outside organizations and participation in professional societies, for reasonable periods of time without substantial allocation of university resources, are viewed positively. However, the university expects academic staff members to accord a full professional commitment to the university during the terms of appointment by meeting university obligations first and foremost.

For reporting and review purposes, conflicts of commitment only occur during the contract period, excluding formal leaves of absence;² conflicts of interest can occur beyond the contract period.

1. Conflict of Commitment

The involvement of academic staff members in external entities, for reasonable periods of time and for personal remuneration, is desirable and encouraged when the activities enhance the professional skills of staff members or constitute a public service and so are of benefit to the university. The time allowable for these activities, as well as for other income producing activities (i.e., those not related to the enhancement of professional skills), will vary among individuals, from discipline to discipline, from one type of activity to another, and will be affected by each unit's specific needs to meet administrative, teaching, research, service, and governance functions.

A common convention in higher education, observed at the University of Illinois, is that the devotion of the equivalent of an average of one day per seven-day week for full-time academic staff (40 days for an academic year appointment and 52 days for a calendar year appointment) for such engagements is not usually a conflict of commitment. A "day" is defined as any accumulation of eight hours, regardless of time of day or day of week, including nights and weekends, during the contract period. In the case of part-time academic staff, UEOs should consider their part-time status when deciding whether to approve external activities.

Commented [ZSM6]: Eliminated definition of day as 8 hours, as this did not necessarily apply to all staff members covered by the policy

² For example, in the case of a contract that requires service over nine months, but is paid over 12 months, conflict of commitment is relevant only during the 9-month service period.

This guideline does not represent an automatic entitlement. Prior written approval of non-university income producing activities, whether less than or exceeding the one day per week guideline, must be obtained from the UEO. The devotion of any time to external activities, even to university--benefiting external activities, must not diminish the academic staff member's commitment or service to the university. When such engagements are approved, academic staff members must arrange the outside obligations, financial interests, and activities so they do not impede or conflict with university duties and responsibilities.

With the exception of the types of activities in Section III.E below, remunerated activities must be reported. Approval shall be granted if no conflict of commitment or interest exists. Unremunerated activities, whether of a charitable, professional, or personal nature, are generally not reported during the annual disclosure process. Academic staff should discuss with their UEO any outside commitment that might interfere with their university responsibilities.

2. Conflict of Interest

The possibility of a conflict of interest can arise in a variety of situations--some obvious, some not so obvious--to which academic staff should be sensitive. Set out below are some specific areas of concern.

Research. The university is dedicated to the acquisition and dissemination of knowledge. The undertaking of research under circumstances that limit dissemination--by publication, by presentation in colloquia, workshops, seminars, and the like--is at odds with this fundamental principle. Limits may be accepted, but only insofar as they are necessary, represent the least restrictive means possible, and are acceptable to the university. Such limits must be consistent with freedom of dissemination. For example, a reasonable time limit may be contractually allowed for the submission of information to research sponsors prior to publication to ensure the confidentiality of information in preparation for patent protection.

Research agreements with external entities, especially entities with which academic staff members have a financial, managerial, or executive relationship, are of special concern. The terms and manner of executing such agreements must maintain basic academic values and promote the acquisition and dissemination of knowledge. Likewise, the educational experience of the university's students and postdoctoral fellows should not be diminished or impeded in any way; neither they nor other academic staff members should be diverted from their primary educational objectives (see *Involvement of Students and Staff*, below). Without prior written approval, it is improper for an academic staff member, having such a

Commented [ZSM7]: Separated Policy on Financial Conflicts of Interest in Research, which applies to "investigators," which may include individuals outside the scope of the COCI policy

relationship, to divert to external entities or other institutions opportunities for research support that could have been obtained on behalf of the university.

If the university carries out federally funded research under an agreement with a third party, the agreement must establish that either the third party's or the university's conflicts policy will apply to the conduct of the third party's investigators and, if the former, that the third party's policy complies with the relevant federal regulations. The agreement must also prescribe when the third party must report all identified financial conflicts of interest to the university.

Non-University Income Producing Activities. As noted above, some non-university income producing activities such as consulting may contribute to an individual's professional growth and, as such, may be encouraged when they are of benefit to the university. Non-university income producing activities which do not generate specific benefits to the university may also be allowed.

Staff members engaging in non-university income producing activities are not acting on behalf of the university. In conducting these activities, they may use their university affiliation for identification purposes only and may not use official university stationery, unless the activity is exempt from reporting as noted in Section III.E.

University facilities may be used-in connection with such activities only in accordance with the relevant facility use policy, including that providing for the university's rights in intellectual property created as a result of non-university activity. University resources may not be used for non-university activities without permission from the university.³ Use is prohibited unless explicitly approved.

Business Relationships. Careful scrutiny is required when the academic staff member's financial interests, or the assumption of outside executive or administrative responsibilities, put the staff member in a position to influence university research or business decisions in ways that could lead to the staff member's direct or indirect personal financial gain or give improper advantage to third parties.

Procurement-Related Conflicts. The purchase of goods or services by the university from an entity owned by an employee of the university is defined as a conflict of interest that will normally be denied unless the transaction is essential for university operations and is approved by the president of the university (or designee). The purchase of goods or services by the university from an entity

Commented [ZSM8]: Separated Organizational Conflict of Interest Policy as requested by some federal granting agencies

Commented [ZSM9]: Refers to old procurement law; now references OBFS Policy 7.7 with link to site

³ There are principles embedded in the *General Rules, Statutes*, etc., that may also apply.

owned by members of the employee's immediate family is also defined as a conflict of interest and must be approved, in advance, as beneficial to university operations by the president of the university (or designee). Other conditions related to financial interests of employees and their families in entities that may seek to do business with the university may also create a conflict of interest that might not be allowable under the Illinois Procurement Code.

Intellectual Property. In order to protect the university's intellectual property rights and comply with federal guidelines and the university's commitment to technology transfer, an academic staff member must make university obligations known to external entities with which business is contracted and may provide them with a statement of relevant university policies governing inventions and discoveries. University intellectual property may not be licensed or assigned to, or used by, other entities without prior approval through established university procedures.

Involvement of Students and Staff. It may be beneficial to university students or employees to be involved in the outside professional activities of an academic staff member. However, such involvement must be disclosed by the academic staff member and must be approved in writing by the UEO in advance. The UEO shall implement mechanisms to prevent the exploitation of others and any unreasonable interference with others' university duties and responsibilities. This may include providing independent advisory oversight by faculty members not involved in the particular outside activity for students as they engage in course, thesis, or research work. Care must also be taken when an academic staff member could be prejudiced in judging other staff in issues of rank, compensation, and tenure as a result of mutual involvement in outside activities. The UEO may need to implement appropriate monitoring mechanisms.

Students and staff involved in these outside professional activities shall be made fully aware of the circumstances, university policy regarding these activities, and the management mechanisms implemented by the academic staff member and the UEO.

3. Faculty Conflicts of Commitment and Interest in Teaching

Explicit clarification of the potential conflicts of commitment and interest regarding outside teaching by faculty is necessary, especially in view of distance learning technologies. Teaching is unique and primary among the university's functions of teaching, research, public service, and economic development and, consequently, it warrants particular mention among the obligations of the university's faculty. Defining principles and policies for conflict of commitment and interest for faculty teaching is necessary given the availability of the Internet

and other technologies to permit asynchronous instruction, which may assist or replace traditional classroom teaching.

Outside teaching by faculty, other than that assigned or approved by the department, likely represents a conflict of commitment. Moreover, outside teaching by faculty, including any form of instruction, whether in the classroom or via distance learning offered by other entities (including for-profit organizations), could be a conflict of interest if it competes with courses offered by the university. With the exception of occasional guest lecturers or seminars, teaching for another entity represents a potential conflict of commitment and interest, unless such teaching is part of a faculty member's teaching load. Such teaching is prohibited without prior written approval of the UEO.

D. **Specific Responsibilities**

1. Overall Responsibility

The president or the president's designee has overall responsibility for all matters concerning conflicts of commitment or interest.

2. Responsibility for Information and Training

The President will designate to the Executive Vice President/Vice President for Academic Affairs the responsibility to identify a campus official that will be responsible for annually informing academic staff of this policy and implementing any associated training required by law. Academic staff members are responsible for complying with this policy and all training requirements. Training requirements may be imposed on other staff as required by federal and state law.

3. Duty of Cooperation

This Policy requires the exercise of judgment by members of the academic staff and officers of administration on what requires reporting, when approval may be granted, and when additional information should be sought. Thus, there may be instances of application of this policy initiated by the university administration in the absence of self-reporting or in response to a report from a third party (see Section IV.A.2). Academic staff members must cooperate fully with the university, including providing information and responding to questions, to ensure that the institution can resolve and/or manage potential and actual conflicts

Commented [ZSM10]: Reorganized responsibilities and procedures sections to consolidate all responsibilities and procedures by role to reduce duplication and increase clarity

of commitment and interest in conformity with the university's policies and applicable regulations.

4. Disclosure, Reporting, Review, and Approval

- a. Academic staff members are required to obtain prior approval for all non-university income producing activities; to disclose, within the time limits required by law, relationships which may give rise to a potential conflict of interest; and to respond fully and in a timely manner to inquiries from the UEO in connection with those requests and disclosures.
- b. UEOs are responsible for evaluating all potential conflict situations reported or known to them (including all requests for approval of non-university income producing activities) before acting to approve or disapprove outside activities, and must notify employees of their decisions.
- c. The individual campuses and the University Administration (UA) will each conduct a coordinated annual disclosure and approval process for conflicts of commitment and interest. The president's annual disclosure will be reviewed and approved by the chair of the Governance, Personnel, and Ethics Committee of the Board of Trustees and by the chair of the Board of Trustees.
- d. During the annual disclosure process, when academic staff members hold paid appointments in multiple units, the UEO of each unit must review and approve employee disclosures and requests for prior approval of external activities. The UEO of the employee's home unit takes the lead in this process. When a second level of review is required, it follows the regular reporting line based on the home unit.
- e. In matters of conflict of commitment or interest, the responsible official on each campus will be advised by a Conflict Review Committee. This committee will consist of at least three academic staff members appointed after consultation with the executive committee of the respective Senate. When appropriate for conflict issues involving UA staff, the president's designee will be advised by a UA Conflict Review Committee, composed of campus experts where relevant and UA representatives.

Commented [ZSM11]: Added requirement to disclose any activities at point of hire and/or transfer to a new unit; added section to clarify when someone can be released from reporting during the annual reporting process

Commented [ZSM12]: Added statement that UEOs cannot delegate authority to enforce COCI policy

- f. Units may implement additional disclosure processes as required (e.g., those imposed by funding agencies, accrediting bodies, or federal/state codes or regulations). Disclosures of potential conflicts of commitment or interest are subject to review and approval by the UEO of the home unit of the individual making the disclosure. Each such request for disclosure must specify the threshold for “significance” as noted in III.B.5, the required levels of review and approval, how compliance with the plan will be monitored, and additional routing.
- g. When a potential or actual conflict is identified, and a decision is made to allow the activity to proceed, the UEO will work with the academic staff member to develop an appropriate management plan, if necessary, as described in Sections III.B and IV.C.
- h. If a conflict of interest was not disclosed, reviewed or managed in a timely manner, or if an employee failed to comply with a conflict management plan, the university will complete a retrospective review, mitigation report or other procedures required by law.
- i. All parties to the evaluation, management, and approval of conflicts are to make diligent efforts to maintain the confidentiality of personal or proprietary information to the extent allowed by law.
- j. All communications with governmental funding agencies relative to conflicts involving individual academic staff members will be made by the responsible official.
- k. When required by a granting agency, the responsible official will report a conflict and its management to that agency. The granting agency will have access to relevant documents as part of an investigation or audit.
- l. Granting agencies may require public disclosure of conflicts of interest.
- m. The responsible official will ensure that any requirements for reporting of significant financial interests or conflicts of interest imposed by granting agencies are met.
- n. When required by law, travel related to institutional responsibilities and paid for by third parties must be disclosed as a significant financial interest. Disclosure is not required for travel reimbursed or paid by federal, state or local government agencies, institutions of higher

Commented [ZSM13]: Enhanced procedures for conducting retrospective reviews and moved to appendix; added responsible official as another person to whom reports of inappropriate disclosure can be made

education⁴ or their affiliated research institutes, academic teaching hospitals or academic medical centers. The disclosure must include, at a minimum, the purpose of the trip, the sponsor/organizer, destination, duration and monetary value.

E. Examples of Allowable Income Producing Activities Generally Not Requiring Prior Approval

The following are examples of activities that are not normally considered conflicts of interest. They are exempt from disclosure, unless they are so extensive in time and effort that they constitute a potential conflict of commitment. Though these activities do not require disclosure under this Policy, the State Officials and Employees Ethics Act restricts the acceptance of honoraria from prohibited sources, and federal or state agencies may impose additional disclosure requirements. For further information, please consult with the University Ethics Office.

1. Preparing, publishing, or presenting scholarly or creative works, including books, articles, and software, even if honoraria, stipends, or royalties⁵ may be provided.
2. Participating at professional conferences for the purpose of making scholarly presentations, conducting seminars or workshops, even if paid an honorarium⁶.
3. Serving as a special reviewer or on a review panel for academic or governmental organizations, even if paid an honorarium.
4. Serving as a reviewer or editor for a scholarly journal⁷, even if financial consideration is provided.
5. Participating in a clinical practice plan approved by the University of Illinois Board of Trustees.
6. Receiving royalties under the university's royalty distribution policies while currently employed or otherwise appointed by the university.

⁴ As defined at 20 U.S.C. 1001(a).

⁵ Royalties received from an entity other than the University of Illinois are subject to disclosure as required by federal regulations.

⁶ If sponsored by government agencies, institutes of higher education as defined at 20 U.S.C. 1001(a), or their affiliated research institutes, academic teaching hospitals or academic medical centers.

⁷ If published by institute of higher education as defined at 20 U.S.C. 1001(a),

7. Earning income from passive investments such as interest or dividends from banks, mutual funds, or stocks and bonds.

F. Examples of Potential or Actual Conflicts of Commitment or Interest Requiring Prior Approval

The following activities represent examples of potential or actual conflicts of commitment or interest. The list is not inclusive and is intended to provide guidance. All examples are assumed to include both for-profit and not-for-profit entities.

1. Using university resources to conduct research that is sponsored by an entity in which the academic staff member or his/her immediate family member has a significant financial interest.
2. Serving in an executive or managerial capacity or holding significant financial interests in an entity doing business with the university.
3. Serving in an executive or managerial capacity or holding significant financial interests in an entity in one's field of research.
4. Serving on the board of directors or a major advisory committee of an entity that sponsors the academic staff member's research or provides gift funds for the use of the academic staff member or his/her department.
5. Conducting consulting or other non-university income producing activities involving university students or other university staff.
6. Utilizing university students or employees in the staff member's university activities supported by gift funds from an entity in which the academic staff member has a significant financial interest.
7. Utilizing university students or employees in the staff member's university research sponsored by an entity in which the academic staff member has a significant financial interest.
8. Conducting testing or clinical trials of products, devices, or services owned or controlled by an entity in which the academic staff member or a member of his/her immediate family has a significant financial interest.

9. Diverting research opportunities from the university to any external entity, (e.g., another academic institution, non-profit organization, federal laboratory, business, or consulting entity in which the staff member or a member of his/her immediate family has a significant financial interest, managerial, or executive role).
10. Owning an entity from which the university may seek to procure goods or services.
11. Influencing the university's decision to procure goods or services from an entity owned by one's immediate family member.
12. Submitting grant proposals or making sub award arrangements involving the purchase of goods or services from an entity in which an academic staff member or a member of his/her immediate family has a significant financial interest.
13. While acting in the context of his/her university duties, making professional referrals to an entity in which an academic staff member or a member of his/her immediate family has a significant financial interest.
14. Spending more than one day per seven-day-week (as defined in Section III.C.1), averaged over the contract period, on non-university income producing activities.
15. Other examples of activities for which prior approval is required include, but are not limited to: ownership and/or management of rental property, working at a retail entity, paid coaching, and providing or directing paid professional entertainment services.

IV. PROCEDURES

This section addresses the disclosure, review, and approval of non-university income producing activities. It discusses conflict management and provides a process for appeal when requests for approval of activities are denied.

A. Disclosure of Non-University Activities

Except for activities specified in Section III.E, academic staff members are required to obtain prior approval before engaging in non-university income producing activities.

Academic staff members must disclose-external relationships that constitute actual or potential conflicts of interest, as well as all non-university income producing activities. These include but are not limited to all activities described in Section III.F as well as any other relationships, commitments, or activities on the part of academic staff members or their immediate family that might present or appear to present a conflict of commitment or interest with regard to their university appointment. These relationships may be of financial, fiduciary, or uncompensated nature, whether the external entity involved is for-profit or not-for-profit.

1. Annual Disclosure

Academic staff members must annually complete a retrospective and prospective disclosure and request for approval of such activities. An initial prospective disclosure and request for approval will be completed during the new hire process. Throughout the year, additional disclosures and requests for prior approval are necessary whenever a change in such activities is proposed or when required by granting agencies.

2. Situation-Specific Disclosure

Academic staff members must also disclose non-university income producing activities in situation-specific disclosure processes that may be implemented by units to ensure timely disclosure and management of potential conflicts of interest as required by funding agencies, accrediting bodies, or federal/state codes or regulations.

3. Reports from Third Parties

Individuals who question whether an employee's outside activity has been appropriately disclosed and managed should bring their concerns to that individual's UEO. The UEO will handle the situation as a potentially undisclosed activity, as in Section IV.B.1.

B. Review and Approval

1. First Level of Review

The UEO reviews requests for approval of non-university income producing activities and other (i.e., situation-specific) conflict of interest disclosures,

evaluates the nature and extent of actual or potential conflicts, and works with academic staff members to manage or eliminate such conflicts. Further, a UEO may request additional information when he/she believes that a conflict of commitment or interest may exist or that an external income producing activity has not been disclosed as required.

As a state institution, the university is entitled to obtain sufficient information to make informed decisions under this policy. Accordingly, it may be appropriate for the UEO to inquire into a number of factors substantially and directly relating to the application of this Policy. These may include details about the specific activities proposed, as well as the extent of an academic staff member's time commitment, income derived, financial interests, or fiduciary responsibilities.

The UEO must notify the employee of approval or denial, in writing, within a reasonable period of time. Ordinarily, the UEO must respond within 14 calendar days of receiving either a request for approval of an external activity, or information provided in response to inquiries regarding the nature and extent of the proposed external activities. If 14 days pass without the UEO notifying the employee of approval or denial, the academic staff member has the right to take the request to the next administrative level, which will serve as the first level of review. The employee may choose not to take the matter to the next level, and if so, any delay in being told of the outcome by the UEO will not be considered a procedural violation.

If the activity is denied by the UEO (including when mutually agreeable management mechanisms cannot be identified), an employee may appeal the denial to the second level of review as described in Section IV.D.

2. Routine Second Level of Review and Approval

Second level of review follows regular reporting channels (e.g., the dean or the next administrative level if there is no dean) based on the employee's home unit. As a routine component of the review process, this second level of review does not constitute an appeal. The appeals process is described in Section IV.D.

A second level of review is required for any activities presenting a potential conflict of commitment or interest (in accordance with the guidance presented in Sections III.E and III.F) and when the UEO denies a request for permission to engage in an external activity.

Management plans for university employee start-up companies require a second level of review. Other situation-specific disclosure processes or management plans may specify a second level of review.

Additional information may be requested prior to approval or denial at the second level of review. The second level may override decisions by the UEO.

If the UEO has denied permission, denial of approval at the second level of review is final, subject only to an appeal on procedural grounds as described in Section IV.D.

If the UEO has approved the activity but the second level of review has overridden the UEO and denied the request, the staff member may appeal to the next administrative level, as described in Section IV.D.2.

3. Further Review and Routing

During the annual disclosure process, documents requiring a second level of review are forwarded to the responsible official for information once the second level of review is completed. Management plans for university employee start-up company activities require approval by the responsible official. Situation-specific disclosure processes implemented by units must specify what, if any, additional review or routing is required and may require approval by the responsible official.

4. Rescinding Approval

At any time, as the UEO monitors the employee's external activities and conflict management, the UEO may perceive that the management mechanisms are no longer effective. In such cases, the UEO may suspend approval of the external activity and work with the employee to evaluate the situation and determine whether and how it can be managed. If a mutually agreeable management plan cannot be developed, then approval of the activity must be rescinded. Academic staff may appeal a withdrawal of approval as described in Section IV.D.

C. Managing Potential Conflicts

It is incumbent upon the academic staff member and the UEO to manage or eliminate real or potential conflicts. At any time during this process the UEO or academic staff member may seek the advice of the dean, director, responsible official, or other individual responsible for the process which generated the disclosure.

Any person involved in negotiating or administering plans for conflict management has an absolute duty to disclose in writing to the next administrative level any actual or potential conflict that he/she has in the matter and may not participate further in the process. The responsibility for conflict management then passes to the next administrative level.

Conflict management mechanisms must be documented in writing and agreed to and acknowledged by the UEO and academic staff member, whether as part of an annual disclosure process or in the course of a situation-specific disclosure. This documentation is generally referred to as a “management plan.” This documentation shall be appended to the disclosure of the potential conflict. The disclosure and documentation shall be routed to additional administrative levels for review and approval as appropriate (e.g., dean, director, followed by routing to the responsible official). The UEO is responsible for monitoring the implementation of management plans to ensure compliance with and evaluate the effectiveness of the conflict management mechanisms.

If voluntary agreement on how to manage or eliminate the conflict is not reached, the staff member’s request for approval of an outside activity cannot be approved. The UEO must inform the academic staff member of a denial of approval within a reasonable amount of time, ordinarily 14 calendar days. The UEO shall append documentation of denial of approval to the academic staff member's disclosure and forward it to the second level of review.

When an academic staff member has paid percentage appointments in more than one unit, both UEOs shall review requests for approval of external activities, evaluate potential conflicts, and manage or eliminate them. The UEO of the staff member’s home unit shall take the lead in this process.

In the event that the UEOs do not agree, the request for approval shall be considered by the responsible official, whose decision will be final, subject only to appeal on procedural grounds.

D. Appeals

1. Appealing Denials by the UEO

When approval of an external activity is denied by the UEO, an academic staff member may appeal the denial to the second level of review within 14 calendar days after the academic staff member receives notice of the denial. Appeals of the UEO’s decision to deny the activity must present the employee’s rationale for

Commented [ZSM14]: Moved appeal procedures to appendix

approval of the activity. Documentation or evidence supporting the appeal may be submitted.

The second level of review will evaluate the information provided, may request additional information from the employee or the UEO, and may seek advice from the responsible official or other individual responsible for the process which generated the disclosure. Ordinarily, the second level of review must respond to an appeal within 14 calendar days of receiving either the appeal or information provided in response to requests for additional information. The outcome of the appeal is the approval or denial of the request to engage in the external activities. If 14 days pass without the second level of review notifying the employee of the outcome of the appeal, the academic staff member has the right to take the appeal to the next administrative level, which will function as the “second level of review” and rule on the appeal. The employee may choose not to take the appeal to the next level, and if so, any delay in being told of the outcome by the second level of review will not be considered a procedural violation.

Denial of approval of an external activity following an appeal to the second level of review is final, absent an appeal to the president’s designee on procedural grounds.

2. Appealing Denials Initiated by the Second Level of Review

When UEO approval of an external activity is over-ridden by the second level of review (see IV.B.2), an academic staff member may appeal the denial to the responsible official within 14 calendar days after the academic staff member receives notice of the denial. Such appeals must present the employee’s rationale for approval of the activity. Documentation or evidence supporting the appeal may be submitted.

Denial of approval of an external activity by the responsible official is final, absent an appeal to the president’s designee on procedural grounds.

3. Final Appeals Based on Procedural Grounds

Appeals on procedural grounds must be filed with the president’s designee within 14 calendar days after the academic staff member receives notice of the denial. The appeal must include a description of the procedures which were violated and may include documentation or evidence supporting the claim of procedural violation.

The president’s designee shall, within 30 calendar days, either affirm or vacate the decision to deny approval of the activity, and notify the employee and others

concerned. This decision shall be final. In making a decision on an appeal, the president's designee will consider the university's obligations and interests as stated in this policy and whether fundamental fairness was afforded to the academic staff member. The president's designee will also consult, if possible, with the chair of the appropriate campus-wide advisory committee which represents the interests of the academic staff member prior to issuing a decision.

E. Sanctions for Violation of This Policy

Sanctions are warranted for failure to report potential conflicts or to abide by a management plan. The university has the right to impose sanctions consistent with the rights of academic staff members under the university *Statutes* and other applicable policies and practices. Severity of sanctions depends on the extent of the violations of the Policy. Inadvertent, unintentional, and minor breaches require lesser sanctions, whereas knowing, deliberate, and major violations demand the severest sanctions. Nothing in this Policy is intended to diminish or replace the procedural rights of academic staff, including the procedures for revocation of tenure contained in the *Statutes*.

F. Periodic Review

To ensure that this policy effectively considers and responds to the changing environment, it will be reviewed (and revised if needed) every five years by the president's designee. Revisions will be subject to approval by the faculty senates of each campus.

G. Interim Administrative Action

At any time after a potential conflict of interest or commitment has been identified and before final disposition of the case, the UEO, with the approval of the second level of review, may take interim administrative action as required to comply with the law, to protect the objectivity of research, to protect the interests of students and colleagues, to preserve evidence, or to protect resources. Any interim action should be devised and taken so as to create minimal interference with the university activities of the individuals involved, and in accord with the university *Statutes*.

H. Exceptions

Any exceptions to the procedures described above shall be made only for good cause and with the approval of the vice president/chancellor of the respective campus or the president's designee for members of the university administration.

Commented [ZSM15]: Added section on records retention requirements

V. APPENDIX

This Appendix may be updated as necessary by the president or the president's designee to accurately reflect citations and changes in legal authorities, policies and guidelines.

A. Authorities for Policy

The following authorities form the basis of this policy.

Federal Regulations, Policy and Guidance:

HHS – Promoting Objectivity in Research, 42 CFR, chapter I, subchapter D, part 50 and Responsible Prospective Contractors, 45 CFR, subtitle A, subchapter A, part 94; Final Rule at 76 Fed. Reg. 53256 (August 25, 2011)

NSF – Investigator Financial Disclosure Policy, 59 Fed. Reg. 33308 (June 28, 1994); Notice of technical changes to investigator financial disclosure policy, 60 Fed. Reg. 35820 (July 11, 1995)

Illinois Law:

University Faculty Research and Consulting Act, 110 Ill. Comp. Stat. 100 Illinois Procurement Code, 30 Ill. Comp. Stat. 500/50-13, 50-15, 50-30, 50-35, 50-39

State Officials and Employees Ethics Act, 5 Ill. Comp. Stat. 430

University Policy and Guidance:

Statutes, Art. IX, §§ 2 and 5

General Rules Concerning University Organization and Procedure, Art. III, §7(g) and (i)

Guidelines for Management of Potential Conflicts of Interest with Health Care Industry (June 6, 2010)

OBFS Business and Financial Policies and Procedures, §§9.2, 9.8

Policy and Rules for Civil Service Staff, Policy 16.01 – Conflict of Interest

Academic Staff Handbook, Chapter 5 – Research and Teaching