

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 and Innovation (UIUC); Vice Chancellor for Research (UIC); Vice Chancellor for Academic Affairs (UIS)

Approved by: University of Illinois Board of Trustees

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Related Policies:

University of Illinois System Policy on Outside Activities and Conflicts of Commitment and Interest

Policy on Financial Conflicts of Interests in Research

II. Purpose

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

III. Scope

This Policy applies to the University of Illinois System, including the universities at Urbana-Champaign, Chicago including the University Hospital, and Springfield, and the System Offices, (collectively “University”), and Key Organizational Leaders¹ of the University.

IV. Definitions

Key Organizational Leader: System president, vice president, or a university administrator 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 a situation in which 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 Defined terms are capitalized throughout this Policy. Definitions appear in the “Definitions” section of this Policy.

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 valued at \$100,000 or more in a publicly traded entity 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 and/or their Immediate Family Member 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 Interest or proprietary interests of the University, or of a Key Organizational Leader and/or their Immediate Family Member, 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.

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 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. Identifying and Addressing Organizational Conflicts

1. Key Organizational Leaders must make all disclosures required of them by applicable University conflicts of interest related policies. Required disclosures include, but are not limited to, ownership interests in companies; fiduciary responsibilities in companies; consulting contracts; and sponsored travel.
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. .
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 office of the Responsible Official and OTM routinely

share a list of startup companies. The OTM also reviews sponsored research agreements that involve the use of University technology.

5. Prior to approval of human subjects research, each university's 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 regularly 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 Illinois *Governmental Ethics Act* requires annual completion of Statement of Economic Interests and Supplemental Statement of Economic Interests that require disclosure by Key Organizational Leaders 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. The Statement of Economic Interests form is reviewed by the University Ethics Officer.
8. The University of Illinois 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 Conflicts of Interest Officer will review a Significant Financial Interest in consultation with the appropriate UEOs, legal counsel, and the Chair of the university's 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 potential conflict;
 - justification for research to be carried out at the University; 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. <https://www.aahrpp.org/resources/for-accreditation/instruments/evaluation-instrument-for-accreditation/Domain-I-Organization/standard-i-6/element-i.6.a>

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/cms/One.aspx?portalId=77176&pageId=764851>

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