

# North Dakota State University

## Policy Manual

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### SECTION 151.1

#### EXTERNAL ACTIVITIES AND CONFLICTS OF INTEREST

SOURCE: SBHE Policy Manual, Section 611.4  
NDSU President  
NDSU Faculty Senate

#### 1. PHILOSOPHY AND NEED

- 1.1 Beyond the traditional academic responsibilities of teaching, research, and service, and in response to the rapidly changing external realities, universities and their employees are increasingly involved in external activities\*, including economic development, technology transfer\*, consulting\*, and other types of public service.
- 1.2 North Dakota State University recognized the need, and actively encourages its employees, to participate in sponsored activities\* and external activities as an important component of its land-grant mission. NDSU also recognizes that this may create conflicts of interest and/or commitment with the traditional academic responsibilities. An investigator's\* engagement in sponsored and external activities is subject to the principles that:
  - 1.2.1 Full-time employees (and part-time employees that are over 50%) have as their primary responsibility their professional obligation to NDSU.
  - 1.2.2 Employee conduct must conform to the highest standards of professional integrity and ethics, thereby avoiding even the appearance of impropriety.

\* These and other terms marked with an asterisk are defined in [Section 12 - Definitions](#). See especially [Conflict of Interest](#) and [Conflict of Commitment](#).

#### 2. APPLICABILITY

- 2.1 This policy applies at all times to all full and part-time NDSU employees.  
*(Exceptions to the application of this policy should be negotiated with the administrative head, appropriate Vice Presidents, and the Provost/VPAA at the time of hire.)*

#### 3. GUIDING PRINCIPLES AND MAJOR CONSIDERATIONS: INSTITUTIONAL

- 3.1 Institutional Approval. Institutional approval must be obtained prior to engaging in any external activity in which there is a potential or actual conflict. Full-time NDSU employees owe their primary loyalty and professional commitment to the institution during the terms of their employment. They must not neglect their university responsibilities to seek financial interest or advantage for themselves, their immediate families, their close associates, or a business over which they or their families have a direct or indirect financial interest. Any commitment of time and effort to serve another institution, agency, or industrial organization other than NDSU, therefore, should be made only after satisfying an employee's primary commitment to NDSU and after appropriate disclosure and approvals.

3.1.1 Where potential for conflict exists, it must be disclosed, analyzed and dealt with immediately and directly. Although not all conflicts can be prevented or avoided, failure to disclose, properly supervise, or manage an identified conflict will constitute a violation.

3.1.2 Conflict of interest is categorized as

3.1.2.1 Clearly allowable;

3.1.2.2 Allowable after disclosure, review, approval and oversight;

3.1.2.3 Not allowable or prohibited.

3.1.3 Upon receipt of the disclosure, the process should be completed within 20 working days unless there are circumstances which can be documented to indicate reasons for exceeding this 20 working day period.

3.2 Institutional Encouragement. When a relationship enhances the professional skills of NDSU employees or constitutes public service, interactions involving service, consulting, and research activities between institutional employees and external entities for reasonable periods of time and for personal remuneration are acceptable and encouraged. *(The reasonableness of time allowable will vary among individuals, discipline, activity, and will be affected by specific departmental or unit needs.)*

3.3 Institutional Benefit. Participation by NDSU employees in the activities that serve the interests of NDSU is encouraged, where such participation affords experience and exposure to the individual, and accrues standing to NDSU. Donation of professional services to external organizations and professional societies, and serving as officers of such societies for reasonable periods of time without substantial allocation of NDSU resources is encouraged.

3.4 Institutional Resources. Subject to law and policy, NDSU permits some use of its facilities, space, equipment, or support staff for external activities. If a substantial allocation of NDSU resources is required to support an external activity, there must be a prior written financial arrangement that has been agreed upon that adequately compensates NDSU for their use.

3.5 Confidentiality of Disclosure Information. NDSU will assure the confidentiality of individual disclosure information to the extent possible under applicable state and federal requirements and/or the North Dakota Open Records Act. Whenever requests for such information are requested by any external entity, the individual will be notified.

#### 4. GUIDING PRINCIPLES AND MAJOR CONSIDERATIONS: EMPLOYEE

4.1 Employee Disclosure. As a public institution, NDSU must possess sufficient information and control to discharge its obligations of public accountability and responsibility. NDSU employees have the responsibility to report promptly and in sufficient detail, all activities that may involve actual or potential conflicts. Regular, timely, and full disclosure is a key element in this policy and is necessary to identify, resolve, or manage any actual or potential conflict of interest situation. The requirement of disclosure cannot be waived by any university employee.

4.2 Employee Obligations & Representations. When arranging relationships with external agencies, NDSU employees are expected to make known their NDSU obligations. Where

appropriate, they should provide copies of relevant NDSU policies to their contracted entities and inform the external agencies that their work is contracted in their individual capacity and does not in any way represent NDSU. Listing of an employee's institutional affiliation in public or commercial documents needs to comply with Policies [152 - External Professional Activities](#) and [700.1 - Use of University Name](#).

- 4.3 Academic Freedom. Subject to University policies and requirements, NDSU employees are free to choose the subject matter and strategies of their individual teaching and research activities on the basis of scientific or scholarly criteria, insofar as they are unencumbered by external commitments.
- 4.4 Freedom to Publish. Subject to limited delays to permit filing of document(s) to protect intellectual property\* or findings as in a patent application, or to allow a third party to review documents to protect confidential information pursuant to sponsored program agreements or contracts, NDSU will vigorously ensure its employees' free and open dissemination of information including the right to publish.  
(See also NDSU Policy regarding [Classified Research, Policy 344](#))
- 4.5 Accountability for Review. NDSU expects that responsible individuals will exercise their duty and responsibility, at all levels of review and action, to evaluate carefully all potential conflict situations disclosed or known to them before acting to approve or disapprove the same.
- 4.6 Time Commitment. NDSU will allow an average of up to one day per week (40 days for academic year and 52 days for calendar year appointments) within the contract period for acceptable and approved external professional activities ([Policy 152](#)). This released time, subject to unit needs, is not an automatic entitlement but is approved at the administrative head's discretion. Such released time is not available for:
  - 4.6.1 Activities or businesses that are purely personal in nature.
  - 4.6.2 Activities that are neither related nor contribute to the advancement of the employee's professional skills.
  - 4.6.3 Activities, which do not provide an opportunity for professional growth.

## 5. SPECIFIC RESPONSIBILITIES

- 5.1 NDSU employees are required and expected to take the initiative to report promptly and in detail to the administrative head of their units, for prior written approval, all activities or situations which may involve, or appear to involve, a conflict of commitment, a conflict of interest, or an incompatible obligation\* or commitment, and to respond to inquiries from the administrative head in connection with any such report. The mere existence of a conflict, real or potential, however, will not necessarily preclude a particular activity.  
(See also NDSU Policies [151 - Code of Conduct](#) and [152 - External Professional Activities](#).)
- 5.2 Administrative heads of units\* have the duty and responsibility to evaluate carefully all potential conflict situations reported or known to them before acting to approve or disapprove the same. As a public institution, NDSU is expected to possess sufficient information and control to discharge its obligations of public accountability.
  - 5.2.1 In a specific conflict situation, it may be appropriate for the administrative head to inquire into a number of factors, including:

- 5.2.1.1 The extent of time commitment to external entities by academic staff member from consulting activities;
  - 5.2.1.2 The extent of financial or other interest the academic staff member or staff member's family have in external entities;
  - 5.2.1.3 The extent to which such financial or other interests may influence or affect the entities' general policy or specific decision.
- 5.2.2 Careful scrutiny is called for when:
- 5.2.2.1 The employee's acquisition of financial interests or assumptions of external executive or administrative responsibilities appear to be in conflict with the employee's duties and obligations to NDSU;
  - 5.2.2.2 Activities may influence research or business decisions in ways that could lead to the employee's direct or indirect personal financial gain, or give improper advantage to the employee's immediate family, associates, or others.
- 5.2.3 In such circumstances, if the proposed activities are to be approved, appropriate control mechanisms must be established and reduced to writing, and be subject to continuous review and monitoring. Such monitoring may include, among other requirements appropriate to the circumstances, higher administrative level review of expenditures (including those for travel), periodic detailed reviews of programmatic objectives and/or progress, removal of the affected employee from decision making authority, granting a leave of absence without pay when the external commitment is inappropriate to the employee's University duties or responsibilities.
- 5.2.4 Provision might be made for consulting authorization request approval process, whereby if the duration of the activity is longer than one year, or is indefinite, indeterminate, occasional or ongoing for a period longer than one year, for the authorization to be renewed annually through electronic correspondence, provided there are no material changes to the original activity. Substantial changes to the activity would require formal reauthorization.
- 5.3 Research agreements with external sponsors must maintain basic academic values and must not promote a secrecy that will harm the development of knowledge, impair the educational experience of students or postdoctoral fellows, diminish the role of NDSU as a credible and impartial resource, interfere with the choice by employees of the scientific or scholarly subjects they pursue, or divert an employee's energies or NDSU resources from primary educational and research missions.
- 5.4 Those situations are to be avoided or remedied in which academic staff members, through use of their University positions or by their conduct, may be tempted to disregard the interests of the University and its students, or to dilute or divert their attention from their NDSU responsibilities in order to seek direct or indirect advantage for themselves, their families, or close associates, or exert sufficient influence over a business to be able to affect its general policy or specific decision.

## 6. DISCLOSURE

- 6.1 The policy on disclosure is the key mechanism to identify potential conflict(s) of interest and commitment for further evaluation, oversight, and remediation. Usually, and most importantly, this will involve financial disclosure\*. For situations subject to review and approval, an NDSU employee shall submit a request in writing, explaining all pertinent circumstances, to the administrative head of the unit in which he or she is employed. Items that need consideration in the written request may include:
  - 6.1.1 Listing any consulting relationship, managerial role, or a significant financial interest\* in a company that does business with the University;
  - 6.1.2 Disclosing a company that is involved with, or sponsors activities, related to the field of research and/or service;
  - 6.1.3 Listing any non-University income-producing activities that involve NDSU students or other staff.
  - 6.1.4 Employees of NDSU authorized (including delegated authority) by [NDSU Policy 712](#) to enter into contracts on behalf of the University must sign the North Dakota State University Conflict of Interest Disclosure Statement. All other employees will be provided notice about this Policy but need only sign the statement if they have a conflict. Notices and collection of statements shall be administered by the Purchasing Office.
- 6.2 If an actual or potential conflict of interest is not believed to exist, the reviewing authority will complete the Administrative Review Form. One copy each will be returned to the individual submitting the form, forwarded to the respective Vice President, and retained on file with the Administrative Head. The action requested may be approved, provided it is in compliance with all other University policies and procedures.
- 6.3 If an actual or potential conflict of interest is determined to exist, there are three options. These include:
  - 6.3.1 Permitting the requested action or activity.
  - 6.3.2 Attaching conditions to the approval.
  - 6.3.3 Prohibiting the activity.
- 6.4 If the administrative head believes that an actual or potential conflict of interest situation exists, he or she shall refer the matter to the appropriate Vice President. The Vice President shall exercise his or her authority to approve, disapprove, or approve with conditions any actual or potential conflict of interest, or refer the matter to the Conflict of Interest Advisory Committee (CIAC; see Section 9) for recommendation. Where special arrangements to accommodate an actual or potential conflict of interest are desired, they shall be reduced in writing, on the basis of which the Vice President may appoint an individual to monitor the approved arrangement.
- 6.5 The Vice President shall indicate his or her decision on the Administrative Review Form, a copy each of which will be forwarded to the individual submitting the request, the initial reviewing authority, and filed with the office of the Vice President.

- 6.6 Upon receipt of the disclosure, the process should be completed within 20 working days unless circumstances which can be documented, in writing, to indicate reasons for exceeding this 20 working day period.

## **7. CONFLICTS INVOLVING ADMINISTRATORS**

- 7.1 In the case of potential conflicts of interest and/or commitment involving administrators at the level of dean, director, or higher, initial disclosure shall be made with the appropriate Vice President, who shall then make a recommendation consistent with policy, and who may exercise the option to make the final decision. Disclosures for Vice Presidents shall be fixed with the President, who shall have the final approval authority, but who may also consult with CIAC for its recommendation.

## **8. UNIVERSITY REVIEW OF SPONSORED ACTIVITIES**

- 8.1 Any sponsored program agreement between the University and external sponsor(s) must be authorized in advanced through established University review procedures to ensure conformity of the proposed activity to the academic, administrative, fiscal, space utilization, and other policies of the University. In addition, such an agreement must not conflict with the rights of other University scholars, with other University commitments, or with the basic academic values of the institution.

## **9. REVIEWS AND APPEALS**

- 9.1 A Conflict of Interest Advisory Committee (CIAC) shall be established, comprised of five members recommended by the Faculty Senate Executive Committee and appointed by the President of the Faculty Senate. The Committee shall serve as an advisory body to the University administration on conflict of interest issues, and shall also hear appeals of decisions in conflict of interest cases.
- 9.2 If an activity is subject to restrictions or prohibited, the employee concerned may request a hearing by the CIAC. After the written request is received by the President of the Faculty Senate, the CIAC should meet with the appellant within 15 working days. If a member of the CIAC has any personal or working relationship with the appellant, that member should recuse him or herself and be replaced by another member appointed by the President of the Faculty Senate. More than one meeting may be scheduled to decide the case, if necessary.
- 9.3 The appellant has the right to call any witnesses and produce any evidence that could bear on a recommendation to allow the activity, as well as to have an advisor accompany him/her to any committee deliberations. The committee, however, will come to its conclusions and write its final recommendations in private. The recommendation to either uphold or change the original decision shall be sent to the appropriate Vice President. If the committee finds that the original decision should be upheld, then a final appeal may be made to the President of the University. If the recommendation is to change the original decision, the Vice President shall take appropriate action as he or she deems fit. All records of the proceedings shall be maintained on file in the office of the appropriate Vice President for three years. A copy of the final recommendations shall be provided to the appellant.

## **10. VIOLATIONS**

- 10.1 Violation of this policy shall be subject to disciplinary procedures, including sanctions up to and including suspension and termination of employment at the University. In addition, any

NDSU employee who has received financial benefit from transactions in violation of this policy shall be liable for repayment (to the appropriate entity) of all financial benefits resulting from such violation. Compliance with this policy may also be enforced through the exercise of administrative oversight of funded research and management of NDSU facilities and other property. Such enforcement measures may include, but not be limited to:

10.1.1 Freezing research funds or accounts.

10.1.2 Rescinding contracts entered in violation of this policy or state law.

10.1.3 Bringing legal action for restitution to the appropriate entity or entities of the amount of financial benefit received by the NDSU employee as a result of the employee's violation of this policy.

## 11. EXAMPLES OF CONFLICT OF INTEREST SITUATIONS

11.1 Conflict of Interest situations are not always easy to identify. This section categorizes and identifies activities that have differing potentials for presenting a risk. The list below represents examples of possible conflict situations that may be of some concern and is not meant to be exhaustive. Each situation, therefore, calls for an analysis of the potential benefits and risks. The administrative head or the CIAC must decide if the benefit is worth the risk.

11.2 Potential conflict situations/activities may also be categorized as:

11.2.1 Adverse effects on educational programs;

11.2.2 Bias/subversion of research agendas;

11.2.3 Unreasonable impairment of the flow of information/knowledge

11.2.4 Misuse of NDSU resources and facilities for private gain; and

11.2.5 Theft and/or misuse of NDSU intellectual property.

11.3 Potential conflict situations/activities may also be categorized as:

11.3.1 Clearly allowable;

11.3.2 Allowable after disclosure, review, approval and oversight;

11.3.3 Not allowable or prohibited.

11.4 Activities that are clearly allowable:

11.4.1 Activities in this category have very low potential for conflict of interest. Participation does not require disclosure and is allowable if it is consistent with other NDSU policies such as those regarding time commitment and employee's ability to meet job obligations. Examples of such activities include, but are not exclusive to:

11.4.1.1 Acceptance of royalties and honoraria for published scholarly works and intellectual property (if disclosed to and managed by NDSU or the

NDSU Research Foundation), occasional lectures, commissioned papers, and creative works;

11.4.1.2 Acceptance of honoraria or payment for service as a special reviewer or service on a review panel for academic, government, and not-for-profit entities;

11.4.1.3 Acceptance of royalties under NDSU or another academic institution's royalty policies insofar as the employee does not have any other relationship with the royalty-granting entities.

*(See NDSU Policies [323](#), [323.3.1](#) and [152.4.3](#) for exceptions and exclusions to receiving honoraria and royalties.)*

11.4.2 In such cases, the use of NDSU property or facilities is acceptable, if the use of such property or facilities has a legitimate relationship to the University employee's responsibilities, provided such use is not significant. No disclosure or approval is required in these situations by this policy, although individual administrative units may have their own approval or scheduling procedures. Examples include using institutional resources to author a book, host a meeting, conduct research related to one's disciplinary field(s), or to serve a professional organization as an officer.

11.4.3 In such cases, it is acceptable to utilize institutional employees (e.g., research assistants, secretaries, work study students) to provide assistance, provided the work activity is in keeping with the responsibilities of both parties, does not interfere with the performance of their primary activities, and does not result in significant additional costs to the University. This policy does not require any disclosure, other than intellectual property disclosures as required by policy, or approval process, although individual administrative units may require reporting and approval.

11.4.4 In such cases, it is acceptable for employees to acknowledge an affiliation with NDSU, provided this identification is accurate, is not used as part of any endorsement or promotional activities for business or personal gain, and is in keeping with the actual roles and responsibilities at the University ([Policy 700.1](#)). University personnel may use University stationery for activities that are related to their assigned University responsibilities. Such identification does not imply, however, that the employee is acting in anything other than in his or her individual capacity.

11.5 Activities that may be allowable after disclosure, review, oversight and approval:

11.5.1 Activities in this category have minimal-to-moderate potential for conflict of interest. These activities may be allowable after disclosure and appropriate review, provided prior administrative approval is obtained. Where appropriate or necessary, conditions or provisions for oversight may be imposed. Examples of such activities include, but are not limited to:

11.5.1.1 Any ownership or majority control in a commercial enterprise that conducts activities closely related to the employee's area of academic work;



- 11.5.1.2 Holding an executive position in a commercial (private or public) enterprise or participation in the day-to-day operation of an enterprise directly related to one's University responsibilities;
- 11.5.1.3 Assuming a "key" continuing consulting role in an enterprise (including serving as a director of a company);
- 11.5.1.4 Consulting for additional compensation (e.g., providing services to individuals or firms, presenting educational programs sponsored by private firms or independently by faculty members) through approval (see [Policy 152, External Professional Activities](#));
- 11.5.1.5 Situations in which the time or creative energy devoted to external activities appear substantial enough so as to compromise the amount or quality of the employee's participation in the instructional, scholarly, or administrative work of the University;
- 11.5.1.6 Situations in which a faculty member directs students in a research area from which the faculty member may realize a financial gain, thereby diminishing the faculty member's ability to render objective, independent judgment on the student's efforts.
- 11.5.1.7 Conducting research for any commercial entity.

11.5.2 In such cases, approval is required for use of University resources and facilities that lie outside usual work responsibilities that result in clearly identifiable additional costs to the University. Approval of such situations will generally be conditioned on reimbursement of costs. The executive head of the administrative unit in which the activity occurs must approve the exceptions to the requirement for reimbursement. Examples include writing a book for outside compensation, hosting a conference, giving private lessons, performing research utilizing University research instruments for an external entity, or serving as an editor for a journal.

11.5.3 In such cases where an activity will personally benefit the recipient approval is required for the use of services of other University employees. If the costs are more than trivial, approval shall only be granted if the requested services are in keeping with the usual University activities of both employees, and the activity is in keeping with the mission of the University.

11.5.4 Approval must be granted for student involvement in research activities that have the potential to substantially benefit a business entity in which a University employee has a significant financial interest.

11.5.5 Restrictions on publication rights that may adversely impact the fulfillment of degree requirements are permitted only to the extent reasonably necessary to obtain protection of intellectual property rights if they do not prevent publication of student research in a timely manner. In such instances, the student must be informed of the limitations prior to commencing the work and must agree in writing to those limitations.

11.6 Activities that are clearly prohibited:

11.6.1 Activities in this category pose such serious conflicts with University policy and such high potential for abuse that they cannot be allowed under any circumstances, and are subject to disciplinary action in accordance with NDSU Policies and Procedures. Examples include, but are not limited to:

- 11.6.1.1 Any circumstances in which a substantial body of research or services that could and ordinarily would be carried on within the University are conducted elsewhere to the detriment of the University and its legitimate interests;
- 11.6.1.2 Any activity outside the purview of the University:
  - 11.6.1.2.1 Involves or appears to involve the University significantly through the use of its resources, facilities, or the participation of academic colleagues, students, and staff, except in those cases where prior approval has been granted;
  - 11.6.1.2.2 Involves the use of the University's name or implied endorsement; or,
  - 11.6.1.2.3 Violates any of the principles set forth in the University Research Policy ([805](#)) (for example, giving the outside organization the right to censor or prohibit publication rights for research, any part of which is performed under University auspices);
- 11.6.1.3 Any use for personal profit, unpublished information or data emanating from sponsored agreements or confidential University sources, or assisting an outside organization by giving it exclusive access to such information.
- 11.6.1.4 Consulting with outside organizations that impose obligations upon the faculty member or the University that conflict with the faculty member's or University Intellectual Property Policy or with the University's obligations under sponsored activity.
- 11.6.1.5 Any use of the University's name in connection with private activities in a manner that inappropriately suggests that the University endorses, sponsors, promotes, advertises, or approves the activities or views of the faculty of staff member.
- 11.6.1.6 Any evaluation of junior faculty, staff, or students based on participation in (or refusal to participate in) outside activities involving business entities in which the evaluating faculty member has a significant financial interest.
- 11.6.1.7 Any assignment of students to research and/or creative activities that involve secrecy or confidentiality requirements beyond best institutional practice.
- 11.6.1.8 Any use of uncompensated student labor for research or creative activity outside of the University that will result in personal gain for the supervising University employee.

- 11.6.1.9 Any use of the services of University employees for personal gain such as answering telephones for a private business, typing reports, or conducting research activities or accepting personal compensation for work performed by University employees for external activities.
- 11.6.1.10 Any conduct of library research by librarians on a product/technology for personal gain or any use of University facilities or resources for personal financial gain or conducting a private business and using University supplies for non-university activities.
- 11.6.1.11 Any use of University employees and students, on University time and without reimbursement, for work motivated primarily by commercial concerns or intended to benefit a business entity in which the University employee has significant financial interest;
- 11.6.1.12 Any soliciting or receiving, either by the University employee or a member of his or her immediate family, a gift, compensation, loan of money, or a non-pecuniary gift, the value of which exceeds the amount permitted by state law; any soliciting or receiving of remuneration from a person or business entity that is an actual or potential provider of goods or services to the University, in connection with any transaction between the University and any persons or business entity, or under circumstances where it would tend to influence the University employee's performance of his or her University duties;
- 11.6.1.13 Any use of university resources (databases, subscriptions, tools, software, etc.) for personal gain or for the gain of a business in which the employee has an interest, except in those cases where prior approval has been granted.

## 12. DEFINITIONS

- 12.1 Administrative Head of a Unit is defined as a Department Chair or Head, Dean, Director, Vice President, President or equivalent officer who has primary authority for administering an administrative unit.

*(In case a conflict exists for an administrative head of a unit, the matter shall be referred to the next level of administrative authority in the normal reporting lines.)*

- 12.2 Conflicts of Commitment primarily relate to the employee's distribution of effort between obligations to an academic appointment and commitments to external activities. Conflicts of commitment may also occur or exist when professionally related external activities of the employee are so substantial or demanding of the employee's time and attention as to interfere or appear to interfere with the employee's responsibilities to NDSU, to his/her work unit, or to students.

- 12.3 Conflict of Interest is said to occur or exist when:

- 12.3.1 An NDSU employee is involved in an activity, commitment, or interest that may adversely affect, compromise, or otherwise be incompatible with the obligations that the employee has to NDSU; or,

- 12.3.2 The University is influenced in such a way as to lead to improper financial gain for either the University, its employee, the employee's immediate family\* or for others; or,
- 12.3.3 The employee's involvement in and/or commitment to external activities interferes with the employee's primary obligations to his or her students, colleagues, and the institutional mission.
- 12.4 Consulting is defined as a professional activity related to the University employee's academic field or discipline that involves a fee-for-service or equivalent relationship with a third party (See [Policy 152](#)).
- 12.5 External Activities are defined as activities (e.g., consulting) in which an outside organization or entity provides remuneration directly to the faculty member who, in turn, provides a service directly to the entity. There is no direct university involvement except the employment of the faculty/staff member.
- 12.6 Financial Disclosure is defined as the formal filing of information with a designated NDSU administrator, disclosing any direct and indirect financial interests that the employee, or spouse, or any dependent(s) has in the sponsor of a sponsored activity for which the person filing the disclosure is serving or will serve as an investigator.
- 12.7 Immediate Family is defined as the spouse, parents, siblings, and children (*see also under Investigator*).
- 12.8 Incompatible Obligation is defined as any agreement:
- 12.8.1 Between an NDSU employee and an external entity which is incompatible with the employee's obligations to NDSU;
- 12.8.2 Which unduly restricts or impairs the employee's ability to perform research or other activities at NDSU;
- 12.8.3 Which results in the transfer or compromise of existing or potential NDSU rights in intellectual property; or,
- 12.8.4 Which utilizes NDSU resources without prior written approval of the appropriate University official or designee.
- 12.9 Intellectual Property is defined as any ideas, inventions, technology, biological organisms, software, creative expression (and derivatives thereof), in which a proprietary interest may be claimed including, but not limited to, patents, patent applications, plant variety protection, copyrights, trademarks, data sets, know-how, show-how, and biological materials. (See [Policy 190](#).)
- 12.10 Investigator is defined as the principal investigator, co-investigator, and any other person at the institution who is responsible for the design, conduct, or reporting of research or educational activities funded or proposed for funding by an external sponsor. (*As it relates to financial interests, "Investigator" also includes the investigator's immediate family.*)

12.11 Significant Financial Interest is defined as:

- 12.11.1 Anything of monetary value, including, but not limited to, salary or other payment for services (e.g., consulting fees or honoraria);
- 12.11.2 Equity interests (e.g., stocks, stock options, or other ownership interests);
- 12.11.3 Intellectual property rights (e.g., copyrights, trademarks, patents, PVP, and royalties for such rights).
- 12.11.4 The term does not include:
  - 12.11.4.1 Salary, royalties, or other remuneration from North Dakota State University or the NDSU Research Foundation, if such payments have not originated with the sponsoring agency;
  - 12.11.4.2 Income for seminars, lectures, or teaching engagements sponsored by public or nonprofit entities;
  - 12.11.4.3 Income from service on advisory committees or review panels for public or nonprofit entities; or,
  - 12.11.4.4 Financial interest in business enterprises or entities if the value of such interests (industry equity interest, salary, fees, or other continuing payments) does not exceed \$10,000 per annum or represents more than 5% ownership interest for any one enterprise or entity when aggregated for the investigator, the investigator's spouse, and children.

12.12 Sponsored Activity is defined as research, training, instruction, construction, and service projects involving funds, materials, or other compensation from outside sources (sponsor) under agreements that contain any of the following:

- 12.12.1 The agreement binds NDSU to a line of scholarly or scientific inquiry or service that is specified to a substantial level of detail;
- 12.12.2 A line-item budget is involved which details expenses by activity, function, or project period.  
*(The designation of overhead [indirect costs] qualifies for inclusion in a budget as "line-item.")*
- 12.12.3 Financial reports are required, as also progress, technical, and other reports as appropriate;
- 12.12.4 The award is subject to external audit;
- 12.12.5 Unexpended funds must be returned to the sponsor at the conclusion of the agreement;
- 12.12.6 The agreement provides for the disposition of either tangible (buildings, equipment, records, technical reports, theses, or dissertations) or intangible (rights in data, software copyrights, or inventions), or patent, patent applications, or other intellectual property that may result from activity.

12.13 Technology Transfer is defined as (and includes) any license, assignment, or conveyance of any legal or equitable interest in intellectual property that is owned by NDSU, or the NDSU Research Foundation, including but not limited to, the right to make, market, copy, sell, or use such property in any way.

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HISTORY:

New	December 2007
Amended	January 2008
Housekeeping	August 2009
Housekeeping	February 14, 2011
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