

North Dakota State University

Policy Manual

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

North Dakota State University is committed to preserving and furthering ethical conduct, institutional integrity, and public confidence. North Dakota State University personnel engaged in University work shall act at all times in a manner consistent with their public responsibilities to the University and shall exercise particular care that no detriment to the University results from conflicts between their personal interests and the interests of the University. Such interests can threaten – or seem to threaten – the integrity of educational programs and research agendas, the free dissemination of scholarship, and the appropriate use of public resources for public benefit. Accordingly, University Members shall disclose all significant interests they may have and shall adhere to any conditions or restrictions imposed by the University to manage, eliminate, or reduce conflicts relating to those interests.

This policy outlines the obligations of University personnel to disclose personal interests that create potential conflicts of interest, including significant financial interests and immediate family relationships, and the responsibility of the University to review such information and take appropriate steps to manage, reduce, or eliminate related conflicts. Certain interests are inherent in the structure of the university enterprise, yet not inherently bad. It is not the intent of this policy to prohibit all activities in which investigators hold a significant interest, however, it is required that these interests be disclosed and that projects be conducted in a way that such interests do not compromise, or appear to compromise, an University Member's professional judgment.

2. APPLICABILITY

This policy applies to all University Members, including employees and students in their various University roles. Sub-awardees and their personnel, and collaborators at other institutions (collectively 'Sub-Awardees') must either comply with this policy or document that their institutions or organizations are in compliance with USDHHS PHS rules. **If they cannot so certify, they will be subject to North Dakota State University's COI policy.**

3. DEFINITIONS

- 3.1 A ***Conflict of Interest*** is a divergence between an individual's private interests and their professional obligations to the University such that an independent observer might reasonably question whether the individual's professional actions or decisions are determined by considerations of personal gain, financial or otherwise. For example, situations in which personal considerations may compromise or appear to compromise a researcher's professional judgment in conducting or reporting research.

- 3.2 ***Types*** of Conflicts of Interest are:

1. **Commitment** – Commitment conflicts of interest arise when university members' involvements in outside activities substantially interfere with their primary commitments to the university: to teach, to conduct research and to meet related institutional obligations.
2. **Financial** – Financial conflicts of interest arise when university members' involvements in outside business activities substantially interfere with their primary commitments to the university: to teach, to conduct research and to meet related institutional obligations.
3. **Personal** – Personal conflicts of interest arise when university members' involvements in personal activities or relationships may impair their ability to act impartially and substantially interfere with their primary commitments to the university: to teach, to conduct research and to meet related institutional obligations.
4. **Research** – Research conflicts of interest arise when university members' involvement with research substantially interfere with their other primary commitments to the university: to teach and to meet related institutional obligations.

3.3 ***Family*** refers to the University Member's spouse, domestic partner/significant other, child(ren), sibling(s), parent(s), or in-law(s).

3.4 ***Investigator*** refers to any person identified as Senior/Key personnel in a grant application, progress report, or other report submitted to an external sponsor, and others, regardless of title, who directs or can materially influence the research, or who is responsible for the design, conduct, and reporting of such research

3.5 ***Student*** refers to any NDSU graduate or undergraduate student over whom the University Member has supervisory authority.

3.6 ***Significant Family Interest*** means that a University Member's family member is in a position to benefit personally, directly or indirectly, from the family member's relationship with a person or entity conducting business with the University. Furthermore, Significant Financial Interest also includes situations where the University Member has the ability to appoint, employ, hire, assign, transfer, promote, evaluate, reward, discipline, demote, or terminate the family member, or cause others to act in such a manner.

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

3.7.1 Specifically ***excluded*** from the definition of Significant Financial Interest are:

3.7.1.1 Income from seminars, lectures, or teaching engagements sponsored by public or nonprofit entities.

3.7.1.2 Income from service on advisory committees or review panels for public

or nonprofit entities.

3.7.1.3 Investments in mutual funds or retirement programs if the investigator has no practical control over the management of those investments.

3.7.1.4 Royalties paid by the University.

3.7.1.5 Regular salary, summer salary, or overload compensation paid by the University when the rate of compensation is set by the University. (Note: consulting fees or other forms of overload compensation paid by the University at rates other than that established by the University are not necessarily excluded from the definition of significant financial interest; see item 7 below.)

3.7.1.6 An equity interest that, when aggregated for the University Member and the University Member's family satisfy both of the following conditions: (a) does not exceed \$5,000 in value as determined through reference to public prices or other measures of fair market value, and (b) does not represent more than a 5% ownership interest in any single entity.

3.7.1.7 Overload salary, consulting fees, royalties or other payments that reasonably appear to be unrelated to the University Member's institutional responsibilities.

3.8 ***Significant Personal Interest*** means any significant commitment, financial, or research interest, and any significant family interest.

3.9 *University Member* is any employee or student.

4. OBLIGATIONS TO DISCLOSE POTENTIAL CONFLICTS OF INTEREST

By submitting a Conflict of Interest Disclosure form, University Members must disclose for themselves, and for their family any significant personal, financial, commitment, and research conflict of interest.

Regardless of the above minimum requirement, University Members in their best interest may choose to disclose other financial or related interests that could present, or be perceived to present, a conflict of interest.

Also, it is not possible to specify all the possible personal relationships or business arrangements which might result in conflicts of interest for University Members. In completing a Conflict of Interest Disclosure form, however, University Members are expected to follow the spirit of this Policy and disclose other significant personal interests that might be anticipated to threaten the same harm. For example, the financial interests of a parent, sibling, independent child, unmarried domestic partner, or a close associate may be perceived as grounds for the same kind of conflict of interest, and should be reported, if known. Similarly, the promise of future gifts, or the offer of a loan on advantageous terms not available to the general public, might represent a significant financial interest that should be disclosed.

For all PHS, NSF, or sponsors that follow the PHS guidelines, all Investigators will complete, no less frequently than annually, the Conflict of Interest Disclosure form for the duration of the funding. If applicable, the Investigator will submit the form with supporting documentation that specifies all business enterprises or entities involved and the nature and amount of each interest. All documentation must be submitted to Research Integrity; **this information must be received before a proposal will be submitted by Sponsored Programs.**

In addition, each Investigator disclosing a significant financial interest shall describe such interest in the proposal narrative or in an attachment thereto, to make certain that the potential sponsor will be fully aware of the possibility of a conflict of interest situation before a final decision on the potential award is made.

If grant funding is approved, a Conflict of Interest Management Plan will be required, if necessary.

To the extent allowed by law, Research Integrity will treat disclosures and supporting documents as confidential materials prepared for the University Conflict of Interest Committee.

5. REVIEW OF DISCLOSURES

5.1 A standing University Conflict of Interest Committee (UCIC) shall be responsible for (a) reviewing significant interest and conflict disclosures and (b) developing, approving, and monitoring plans to manage or eliminate conflicts of interest.

5.2 A conflict of interest exists if a reasonable determination can be made that the potential conflict of interest could significantly affect the University Member's professional obligations to the University.

5.3 The Committee shall be comprised of the Vice President for Research and Creative Activity or designee (Chair), the Chair of the Faculty Senate's Research and Consulting Committee, one tenured faculty member from each College, appointed by their respective Deans to staggered, three-year terms, one member from the office of the Vice President of Finance and Administration or Technology Transfer, one staff member, and one to three community members with relevant experience.

6. UPDATING DISCLOSURES

All University Members are responsible for updating information on new conflicts when they arise, such that accurate and current information is on file with the University at all times. Prior to updating the disclosure with Research Integrity, University Members should first consult with their supervisor. Updated disclosures must be submitted to Research Integrity within fourteen (14) business days of discovering such interests.

7. REPORTING

The Vice President for Research and Creative Activity will report the actions of UCIC to the Provost and President. Sponsored Programs will also report the existence of conflicting interests, financial disclosures, and/or related Conflict of Interest Management Plans to the sponsor of the relevant project, if such reporting is required by the pertinent program regulations or guidelines.

8. RECORD KEEPING

Research Integrity will be responsible for maintaining records related to all disclosures, associated reviews and actions (whether or not a disclosure resulted in a determination of a conflict of interest), reporting/updating information, etc.

9. INFRINGEMENTS

Infringements of this policy shall be subject to disciplinary procedures, including sanctions up to and including suspension and termination of employment at or enrollment in 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:

1. Freezing funds or accounts,
 2. Rescinding contracts entered in violation of this policy or state law, and
 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.
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HISTORY:

New	December 2007
Amended	January 2008
Housekeeping	August 2009
Housekeeping	February 14, 2011
Housekeeping	November 8, 2011
Amended	October 24, 2019
Housekeeping	October 28, 2019