

**COLLEGE OF ENGINEERING
IMPLEMENTATION OF POLICY ON FACULTY CONFLICTS OF INTEREST
AND
CONFLICTS OF COMMITMENT
DECEMBER 20, 2007**

The College of Engineering recognizes that faculty participate in a wide range of outside scholarly activities and encourages participation in sponsored research, consultation and other activities that benefit the individual, his or her department, the College, the University as a whole, and the wider community. At the same time, it is important that faculty members understand that their primary professional responsibilities and obligations are to the University of Michigan and ensure that these outside activities do not interfere with the expectations of the institution.

The foundation of our intellectual community is a shared commitment to honesty, integrity, and work in the best interest of the University.

A. *Identification of Potential Conflicts of Interest and Commitment*

Potential conflicts of interest and commitment can arise when faculty are engaged, with individuals and institutions outside the University. The University allows and indeed encourages faculty to engage in such outside activities and relationships that enhance the University's mission. What is required is that faculty disclose any potential conflicts of interest or commitment as soon as they arise so that these conflicts can be evaluated and, if necessary, managed or eliminated. The College of Engineering does not intend to implement a policy that is more restrictive than that required by the existing University rules, policies, and procedures. The present document is intended to clarify policy and, where necessary, supplement current implementation.

A potential **conflict of interest** ("COI") arises when external ties bias or might appear to bias a faculty member's judgment in performing his or her University obligations or when a faculty member uses his/her position inappropriately for financial gain or uses state resources to influence a political campaign. A potential **conflict of commitment** ("COC") arises when a faculty member engages in external activities or assumes external commitments that compromise or might appear to compromise his or her ability to fulfill the responsibilities of his or her University position (as defined in the Standard Practice Guide (SPG) 201.65-1).

The existence of a potential conflict of commitment must be evaluated in light of the minimum expectations for commitment required for the faculty member in question.

The term faculty, as used in this policy, shall include members of the teaching and research staff as outlined in the College of Engineering Rules of the Faculty. Teaching staff includes professors, associate professors, assistant professors and lecturers. Research faculty includes research professors, research associate professors, research

assistant professors, research scientists, associate research scientists, assistant research scientists, and research investigators

All faculty with at least half-time University appointments owe their primary professional commitment to the University. A commensurate commitment of those faculty members' time and intellectual energy must therefore be devoted to activities that further the University's mission. To meet minimum commitments of time and effort within the College of Engineering, these faculty members are expected to adhere to the College policy on baseline faculty workload as practiced within their departments.

Other part-time faculty, including adjunct and visiting faculty, likewise owe the University time and effort commitments commensurate with their appointments. For these faculty members to meet minimum time and effort commitments within the College of Engineering, they must adhere to their commitment as set forth in their offer of appointment letter.

Even where obligations to the University are met, a faculty member may not engage in activities that compete with the University or that otherwise diminish or undermine the University's mission. It is inappropriate for faculty, without prior approval, to divert to other entities or institutions opportunities for research, education, clinical care or financial support which otherwise might flow to the University.

Any work external to the University potentially raises a question of conflict of commitment and must be disclosed. In general, however, any such work that contributes to the scholarly or educational goals of the University is permitted. For full-time faculty, other professional work is permitted up to one work day per week if it does not interfere with the minimum expectations outlined above (as described in the UM Faculty Handbook). If there is any question about whether a particular commitment falls within these categories, or if there is any potential for interfering with the minimum expectations above, the matter must be disclosed and reviewed.

B. *Examples of Potential Conflicts of Interest and Commitment*

Potential conflicts of interest/conflicts of commitment may occur in a number of situations including those outlined in the examples below. The College of Engineering's general approach to managing these examples is also included. This list is not exhaustive.

1. Time

- Faculty members are expected to spend a majority of their working time on their primary professional commitments to the University. However, a faculty member may accept appropriate outside commitments that advance scholarship and University priorities. If a substantial time commitment is required a potential conflict of commitment may arise (see section below on Conflict of Commitment). Significant outside consulting obligations, individually

or collectively, may not conflict with primary commitments to the University but must be disclosed to the College.

- The University year (U-Yr) appointment for a faculty member covers the period of time from September 1st through May 31st each year during which a primary professional commitment to the University is expected (payment for this contract is distributed over 12 months). Faculty members on sabbatical are considered to be on active duty for the University. Faculty who are not receiving compensation for spring/summer term(s) may accept outside commitments during the months of June through August provided the professional activity for pay is wholly performed and completed between June 1 and August 31, and does not conflict with this policy statement.
- Outside employment during the University year by faculty is not allowed except with approval of proper University authorities through the disclosure process, which will be granted only when either or both of the following conditions exist: (1). when the work in question gives promise of enhancing the individual's usefulness as a teacher and scholar in the individual's field to a greater degree than a corresponding amount of work within the walls of the University, (2). when the work is of a distinctly public nature or when for any other reason the University wishes to be actively engaged in its furtherance.
- Faculty members may not hold two active full-time salaried positions (Regent's Bylaws Section 5.12; University of Michigan Faculty Handbook Section 5.G.1.).
- Consistent with principles of avoiding conflict of interest and commitment, faculty with full-time appointments at the University should not use (or permit others to use) their work in ways that compete with the University's courses, or its educational programs or activities – unless prior written permission is obtained from the appropriate dean, director, or executive officer, or their designee(s). This provision applies to works developed exclusively for compensation at other educational institutions, including for-profit and on-line institutions. It does not apply to works created in conjunction with professional activities in conformance with University norms such as but not limited to: sharing syllabi or other course materials with colleagues at other non-profit educational institutions; ordinary outside consulting, participation in professional or scholarly organizations, scholarly presentations and publications, pursuit of future employment opportunities and public service. (UM Copyright policy)
- Start-up ventures in which the faculty member has an outside interest must be disclosed. Conflicts of interest of this nature are regulated by OVPR policy (<http://www.research.umich.edu/policies/um/coi/>), while conflicts of commitment will be reviewed and managed at the College level.

2. Relationships

- Close personal relationships that could affect the outcome of hiring or evaluation decisions must be disclosed to the Chair/Director and written policies for managing any relationships involving supervision or evaluation must be developed by the department/program (SPG 201.23).
- A faculty member may not assign or ask students or staff to contribute services or money to institutions or people external to the University with whom the faculty member has a financial interest. A supervisor may not use the services of a supervised employee during University employment time to advance the supervisor's personal or externally paid professional activities.
- The University Faculty Student Relationship policy must be adhered to in all circumstances. Disclosure to the Chair or Director of any relationships covered by the policy is required (SGP 601.22).

3. Resources

- University resources are normally to be used for university business. These resources include University equipment including copying and fax machines, office and computer supplies, and electronic mail. University policy allows for limited use of electronic resources (computers, email, internet connections) for personal business that does not conflict with the primary business use. Use of office and laboratory space for a venture in which the faculty member has an outside interest must be disclosed.
- A faculty member may incur reasonable meal and travel expenses that are reimbursed either by the University or by external organizations. However, a faculty member may not accept reimbursement that amounts to a gift of more than \$25 value from people or institutions that contract with the University, when the faculty member participates in decisions concerning that contract.
- At the University of Michigan, students often have the opportunity to take courses from leading authors in a discipline. A faculty member may assign his or her own textbook to his or her students according to the guidelines of the American Association of University Professors policy statement:
<http://www.aaup.org/statements/REPORTS/05owntext.htm>.
Excerpting from this policy: "The right of individual professors to select their own instructional materials, a right protected under principles of academic freedom, should be limited only by such considerations as quality, cost, availability, and the need for coordination with other instructors or courses. Professors should assign readings that best meet the instructional goals of their courses, and they may well conclude that what they themselves have written on a subject best realizes that purpose. In some cases, indeed, students enroll in courses because of what they know about the professor from

his or her writings, and because they hope to engage in discussion with the professor about those writings in the classroom. Because professors are encouraged to publish the results of their research, they should certainly be free to require their own students to read what they have written. At the same time, however, students in a classroom can be a captive audience if they must purchase an assigned text that is not available either on library reserve or on a restricted Web site. Because professors sometimes realize profits from sales to their students (although, more often than not, the profits are trivial or nonexistent), professors may seem to be inappropriately enriching themselves at the expense of their students.” Therefore, faculty members intending to assign their own textbooks should disclose this to their Chair/Director for review.

- Faculty may not have direct dealings with students in the sale of books, instruments, lectures, notes, or similar materials.
- The University may have a stake in patents and copyrights issued or acquired as the result of or in connection with administration, research, and other educational activities conducted by members of the University faculty/staff and supported directly or indirectly (e.g. through the use of University resources or facilities) by funds administered by the University. Procedures for managing this are available in OVPR (<http://www.research.umich.edu/policies/um/coi/>)
- No member of the teaching staff shall, for pay beyond his or her university compensation, give private instruction in any course offered by him/her in the University, nor shall that member of the teaching staff give private instruction to enrolled students in any other course without approval of the head of his/her department.
- A faculty member may not direct business to anyone with whom he or she has a close personal relationship or use University resources to promote outside business interests.

4. Gifts

- Irrespective of a gift’s value, it is **always** a conflict of interest for a faculty member to accept a gift where the external person or organization intends to create a *quid pro quo* arrangement with that faculty member. Thus, whatever the value of a gift, it is never appropriate to receive a gift that is given with the expectation of receiving some favor or benefit in return.
- A faculty member may not accept a gift of substantial value (including gifts of service) from anyone over whom he or she has authority.
- In line with state law and IRS regulations, the same rule applies to gifts of \$25 or more from people or institutions that contract with the University where the faculty member participates in decisions concerning that contract.

- Faculty members may not provide gifts to the University with the expectation that they will then be given the authority to control the dispersal of these gifts.

5. Political Endorsement or Outside Affiliation

- There are circumstances in which a faculty member's expertise is relevant to expression of a public opinion. In these cases a faculty member may indicate his or her affiliation with the university in written correspondence to public entities as long as the correspondence includes a statement indicating that he or she is not speaking on behalf of the University but as an individual.
- Faculty members obviously have the full right to political activity outside of work hours but they may not use University resources to further these activities.
- A faculty member may not use University resources (including electronic mail accounts) to support or oppose a political candidate or the qualification, defeat or passage of a ballot initiative. In addition to being contrary to this policy, such action constitutes a violation of State Law for which there are individual fines and penalties (Michigan Campaign Finance Act section, MCL 169.257). University guidelines on this issue are available at:
<http://www.vpcomm.umich.edu/guidelines/>

C. Examples Unique to the College of Engineering for which Disclosure is not Necessary

The spirit of the University Policy on Faculty Conflict of Interest and Conflict of Commitment is full disclosure. However, conditions unique to the College of Engineering deem it advisable to set some reasonable bounds on the requirement for disclosure as follows:

- Honoraria for services from non-profit or government organizations must be reported if the faculty member receives over \$1000 from a single source for single service.
- Honoraria for services from for-profit organizations must be reported if the faculty member receives over \$100 from a single source within one year.
- Similarly, gifts in excess of \$100 must be reported. As noted above, if the gift originates from people or institutions that contract with the University where the faculty member participates in decisions concerning that contract, the \$25 limit applies.
- Financial interest in outside organization must be reported if it exceeds \$10,000.

D. Disclosure, Evaluation, and Management of Potential Conflicts of Interest and Commitment

1. Disclosure of Potential Conflicts

All faculty members must promptly disclose potential conflicts of interest or commitment to his or her Chair or Director via the online outside disclosure entry system, MINFORM (<https://www.umms.med.umich.edu/minform/logon.htm>).

Disclosure need not be made where there is no violation of the general approaches outlined above but disclosure should be made whenever there is any question whether the action falls within the generally permitted situations described above.

Faculty are asked to self identify whether they have a situation which may represent a conflict of interest or commitment to their position at the University of Michigan. They do this by answering four questions:

- Do you or your family members have any paid or unpaid activities or relationships outside of your UM employment related to your UM work or position?
- Do you or your family members receive anything of value from an organization related to your UM work or position?
- Do you or your family members own any interest in an organization related to your UM work or position?
- Do you or your family members have any loans to or from any organization related to your UM work or position?

If the response to any one of these questions is positive, then a situation exists that must be disclosed. If it is felt by the faculty member that the reported activity does not represent a conflict of interest or commitment, as determined through a brief description and answering of a few further questions within the system, then the disclosure is recorded and submitted to the faculty member's reviewer, typically the department chair or program director, for approval. If the chair or program director approves the activity, then no further action is necessary. If the chair or program director disagrees with the faculty member's determination that the activity does not represent a conflict of interest or commitment, then the department chair has the option of returning the reported disclosure to the faculty member for further clarification or indication as a conflict of interest or commitment

If the faculty member indicates that the activity may represent a conflict, then the disclosure is forwarded directly to the college Committee on Outside Interest Conflict Management for review.

Further details regarding the online system can be found at:
<http://www.engin.umich.edu/admin/adaa/disclosure>.

2. Management of Potential Conflicts

During the first year of implementation, the college will create a Committee on Outside Interest Conflict Management to log and review disclosed conflicts and determine best practices for management of conflicts. This committee will be composed of the Associate Dean for Academic Affairs, a senior staff member, the College of Engineering Ombudsman, and one Department Chair. At the close of one year, the college will determine the need for a standing committee.

Upon disclosure of a potential conflict of interest or commitment, the Committee on Outside Interest Conflict Management will evaluate the extent of the potential conflict. The purpose of this evaluation is to determine whether it is necessary to manage or to eliminate the potential conflict. The Committee may require the faculty member to provide additional information or documentation that may be relevant to this evaluation, if necessary.

In some circumstances, evaluation of the potential conflict will require the Committee to consult with and processing by central administration offices. For example, centralized processing is necessary in the following circumstances:

- With the Office of the Vice President for Research, where the disclosure involves sponsored research or technology transfer, (<http://www.research.umich.edu/policies/um/coi/>).
- With the Provost's Office, where there may be a conflict between two academic units,
- With the General Counsel's Office, where legal obligations or potential liability may be involved, and
- With Purchasing, where the disclosure involves a purchase of goods or services.

In many cases, consultation with central administration offices, even when processing by those offices is not required, may help determine how to respond to a given disclosure.

If the Committee determines that management of the potential conflict is necessary, the committee shall develop a conflict management plan in consultation with the faculty member. Management options include, but are not limited to:

- A determination that no action is necessary.
- Documenting the disclosure and Committee's evaluation and determination that no further action is required.
- Disclosing the potential conflict to appropriate sources inside and/or outside the University.
- Modifying or limiting the faculty member's duties to minimize or eliminate the conflict.
- Reducing the faculty member's appointment to accommodate the outside interest or activity;

- Securing the faculty member's agreement to modify or suspend outside activity, use of University resources, or other activities that create the potential conflict.
- Prohibiting certain outside activity as inconsistent with the faculty member's obligations to the University.

3. Record-Keeping and Issues of Confidentiality and Privacy

The Associate Dean for Academic Affairs Office will keep records of action on disclosures made under this implementation. The record may be as simple as identifying the disclosure and, when no further action was required, including a notation to that effect on the disclosure description. Appropriate records may also be maintained in the individual faculty member's personnel file.

The Chair and/or Program Director and Associate Dean for Academic Affairs will make all reasonable efforts to preserve the privacy and confidentiality of personal information revealed as part of this process; to that end, all records that include personal information about named individuals will be kept in a secure file accessible only to the Committee, Chair or Program Director, Associate Dean for Academic Affairs and the Dean of the College of Engineering.

In some circumstances, the University is required to disclose potential conflicts to people within or outside the University. For example, if a conflict exists within the context of a federally sponsored project, the University is required both to disclose the existence of that conflict (without providing identifying information) to the Federal Government and to indicate whether and how it has managed that conflict. Also, the University may be legally required to disclose information in response to requests made under the Michigan Freedom of Information Act (FOIA). Should any individual have a legitimate reason to access the confidential records, whether in the context of a federally sponsored project, a FOIA request, or otherwise, the Associate Dean for Academic Affairs, or the Dean may authorize access to the file, provide copies, or provide oral or written summaries. Where possible, the individual to whom disclosure has been authorized will be required to maintain at least the same level of confidentiality as applicable to the original information or documents.

E. *Dispute Resolution*

A faculty member may dispute any decision made in response to the disclosure or non-disclosure of a potential conflict of interest or commitment. This dispute should follow the Appeal Procedures outlined in Article X of the Rules of the Faculty of the College of Engineering. Following exhaustion of this procedure, the faculty member may dispute any action or decision under this implementation in accordance with applicable University procedures. Disputes regarding sponsored research/tech transfer must be handled in accordance with processes adopted by the OVPR Conflict of Interest Review Committee.

F. *Violations*

Any failure to comply with SPG 201.65-1, its procedures, or this implementation may lead to disciplinary action, up to and including termination of appointment in accordance with applicable disciplinary procedures. Possible violations that may lead to disciplinary action include, but are not limited to, the following: failure to disclose fully a potential conflict; failure to comply fully with a required conflict management plan; failure to maintain the confidentiality of conflict documentation and information; and failure to complete any required training or education regarding the implementation and policy. Violations should be reported in writing to the Chair of the department in which the reporting individual holds primary appointment. The chair will forward the violation to the Associate Dean for Academic Affairs. Resolution of the violation will be developed by the Associate Dean for Academic Affairs in consultation with the chair(s) of the affected department(s) or program(s) and the appropriate central administration office in accordance with existing University procedures governing faculty misconduct.

G. *Education and Training*

Upon hiring, every faculty member shall be provided with the College of Engineering implementation and will be required to certify that they have reviewed the policy. In addition, annual re-certification will be completed at the time of annual disclosure through the implementation of an on-line certification module developed by the office of the Associate Dean for Academic Affairs. The content of the re-certification module will include recognition of common conflicts requiring disclosure, types of management scenarios and acceptable situations. Content will be annually reviewed to reflect frequent conflicts encountered within the College of Engineering.

H. *Implementation Review and Revision*

The Associate Dean for Academic Affairs will annually review all actions taken under this implementation and make recommendations to the Dean regarding any needed revisions to the implementation or any need for increased education. Any revisions in implementation or practices will be discussed with the faculty prior to implementation. If the Dean determines that any of the changes he or she would like to adopt will materially change the implementation, the Dean will follow the procedures used to adopt the original implementation. In particular, the Dean will submit any materially revised implementation to the Office of the Provost and Executive Vice President for Academic Affairs for further review and approval and then to the President for formal adoption. A current version of the College of Engineering's implementation should be on file with the Provost's Office at all times.

I. *Governing Policies*

This document implements SPG 201.65-1, *Conflicts of Interest and Conflicts of Commitment*, incorporates SPG 201.65-1 in its entirety, and includes all elements required under that SPG. Implementation of SPG 201.65-1 within the College of Engineering requires compliance with other University policies and procedures, including all Regents' Bylaws and SPGs, as well as with any relevant external rules of professional conduct and applicable law. Relevant policies, procedures, rules, and law include (but are not limited to) the following:

- Regents' Bylaw [2.16](http://www.umich.edu/~regents/bylaws/bylaws02.html#16), regarding gifts to University employees
<http://www.umich.edu/~regents/bylaws/bylaws02.html#16>;
- Regents' Bylaw [5.12](http://www.umich.edu/~regents/bylaws/bylaws05b.html#3), regarding outside employment of University faculty
<http://www.umich.edu/~regents/bylaws/bylaws05b.html#3>;
- Regents' Bylaw [5.13](http://www.umich.edu/~regents/bylaws/bylaws05b.html#4), regarding governmental elected or appointed service
<http://www.umich.edu/~regents/bylaws/bylaws05b.html#4>;
- Regents' Bylaw [5.14](http://www.umich.edu/~regents/bylaws/bylaws05b.html#5), regarding leaves of absence
<http://www.umich.edu/~regents/bylaws/bylaws05b.html#5>;
- SPG [201.23](#), regarding appointment of individuals with close personal or external business relationships;
- SPG [201.65](#), regarding employment outside the University;
- SPG [201.85](#), regarding special stipends for work performed for other University units, the payment of honoraria, and the payment of travel expenses;
- SPG [500.01](#), [601.03-2](#), and [601.11](#), in particular to the extent that they address copyright and other appropriate use of University resources, such as the libraries, office space, computers, secretarial and administrative support staff, and supplies;
- Office of Vice President for Research (OVPR) [Policy on Conflict of Interest in Sponsored Research and Technology Transfer Agreements](http://www.research.umich.edu/policies/um/conflict_ovpr_drda_tmo.html)
http://www.research.umich.edu/policies/um/conflict_ovpr_drda_tmo.html;
- [Rules of the Faculty of the College of Engineering](#);
- Michigan Compiled Laws [§ 15.321](#) et seq., regarding contracts of public employees with their employers.

In the event of any inconsistency between this implementation and other University or external requirements, those other requirements will prevail. In interpreting this implementation the Dean and the Associate Dean for Academic Affairs should be attentive to preserving the principle of academic freedom of speech and thought. In addition, implementation administrators will make every reasonable effort to preserve confidentiality and protect the privacy of all parties in the course of investigating and managing a potential conflict of interest or commitment.