

Policies and Procedures Handbook

Illinois Institute of Technology

Procedure No.: P.1

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Subject: Administrator and Non-Investigator
Faculty Member Conflict of Interest and
Conflict of Commitment Policy

Page 1 of 5

I. Background

In conformance with long-standing policy, IIT requires Administrators and Non-Investigator Faculty Members, as defined herein, to disclose certain financial interests. The purpose of this disclosure is to identify and avoid Conflicts of Interest, actual or apparent. In addition to addressing issues related to Conflicts of Interest, this policy also seeks to ensure that Administrators and Non-Investigator Faculty Members, as employees of IIT, fulfill their commitments to IIT.

II. Definitions

“Administrator” is an individual who (i) is defined by university policy as having budgetary or financial responsibility, and (ii) does not qualify as an Investigator.

“Conflict of Interest” means the existence of a personal or private interest that reasonably could lead an independent observer to question whether one’s professional actions, judgments or decisions related to university matters are or could be determined or influenced by considerations of a Significant Financial Interest.

“Investigator” means the project director or principal investigator and any other person, regardless of title or position, who is, or has been within the preceding 24 months, responsible for the design, conduct or reporting of funded research, or proposed for funding, which may include, without limitation, all full-time faculty members, collaborators, consultants and visiting and part-time faculty members with research privileges. Senior/key personnel, as such term is defined in IIT’s *Investigator Conflict of Interest and Conflict of Commitment Policy*, are deemed to be Investigators.

“Non-Investigator Faculty Member” means a faculty member who (i) is not a visiting or part-time faculty member who only provides classroom instruction, and (ii) has not been an Investigator within the immediately preceding 24 months.

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

1. salary, royalties or other remuneration from IIT;
2. income from seminars, lectures or teaching engagements sponsored by public or nonprofit entities;
3. income from service on advisory committees or review panels for public or nonprofit entities;
4. an equity interest that, when aggregated for the discloser and the discloser's spouse and dependent children, meets both of the following tests: does not (i) exceed \$10,000 in value as determined through reference to public prices or other reasonable measures of fair market value, and (ii) represent more than a 5% ownership interest in any single entity; or
5. salary, royalties or other payments that when aggregated for the discloser and the discloser's spouse and dependent children, are not reasonably expected to exceed \$10,000 during the next twelve-month period.

III. Disclosure Obligation

All Administrators and Non-Investigator Faculty Members must annually disclose Significant Financial Interests that create, may create or be perceived to create a Conflict of Interest. This disclosure must be promptly updated when any new such interests are obtained during the course of the year. Disclosures are to be made using the electronic version of the Disclosure Form attached hereto, which is available on the Office of General Counsel webpage (http://www.iit.edu/general_counsel/) under the *Conflict of Interest* heading located in the left-hand column. In making disclosures pursuant to this policy, Administrators and Non-Investigator Faculty Members must also report any Significant Financial Interests of their spouses and/or dependent children that create, may create or may be perceived to create a Conflict of Interest.

Any Administrator or Non-Investigator Faculty Member who currently is or becomes an Investigator is subject to and must comply with and make disclosures as required by IIT's *Investigator Conflict of Interest and Conflict of Commitment Policy*.

The managing Vice President and the General Counsel, or their respective designees, will review disclosures, assess their potential for Conflicts of Interest and develop, as appropriate, resolution plans to manage, reduce or eliminate such conflicts. If a Vice President has a Conflict of Interest, then his or her resolution plan must be approved by the President.

Elements of a Conflict of Interest resolution plan may include but are not limited to:

- disclosure by the Administrator or Non-Investigator Faculty Member to his or her supervisor of the Significant Financial Interest and, if applicable, a waiver of the Conflict of Interest from the supervisor;
- disqualification from participation in the portion of the project or the decision-making process that is affected by the Significant Financial Interest;
- divestiture of the Significant Financial Interest; or
- severance of the relationship creating the actual or potential Conflict of Interest.

IV. Enforcement Mechanisms and Sanctions

For Non-Investigator Faculty Members, potential violations of a Conflict of Interest resolution plan shall be handled by the Provost, who will establish and enforce appropriate sanctions based on the specific conduct of the individual failing to follow his or her approved resolution plan. For Administrators, potential violations of a Conflict of Interest resolution plan shall be handled by the managing Vice President, who will establish and enforce appropriate sanctions based on the specific conduct of the individual failing to follow his or her approved resolution plan. For Vice Presidents, potential violations of a Conflict of Interest resolution plan shall be so handled by the President.

V. Documentation and Record Maintenance

The General Counsel will establish a reasonable system to maintain the records of all disclosures and of all actions taken to resolve Conflicts of Interest for at least three years thereafter.

VI. Conflict of Commitment

All full-time Administrators and Non-Investigator Faculty Members owe their primary professional allegiance to IIT, and their primary commitment of time and intellectual energy should be to their IIT-related duties. Whenever an individual's outside activities interfere with his or her professional obligations to IIT, a "conflict of commitment" exists.

In the case of part-time Administrators and Non-Investigator Faculty Members, this general principle applies to the extent of their employment. Non-Investigator Faculty Members and Administrators employed less than full-time may engage in consulting relationships and other employment to the degree that those activities do not interfere with their obligations to IIT.

The following points relate to conflicts of commitment:

1. With respect to Non-Investigator Faculty Members, under no circumstances may their outside consulting work exceed the limits imposed by the Faculty Handbook. With respect to Administrators, under no circumstances may they undertake outside consulting activities without the express permission of their supervisors. Neither Non-Investigator Faculty Members nor Administrators may use university resources, including facilities, personnel or equipment, except in a purely incidental way, or university confidential information, in connection with outside consulting activities or for any other purposes unrelated to the mission of the university.
2. Neither Non-Investigator Faculty Members nor Administrators should allow other professional activities to detract from their primary allegiance to IIT or deny IIT a business opportunity.

**ILLINOIS INSTITUTE OF TECHNOLOGY
ADMINISTRATOR AND NON-INVESTIGATOR FACULTY MEMBER
CONFLICT OF INTEREST AND CONFLICT OF COMMITMENT POLICY
DISCLOSURE FORM**

All Administrators and Non-Investigator Faculty Members, as defined in the IIT *Administrator and Non-Investigator Faculty Member Conflict of Interest and Conflict of Commitment Policy*, must complete a Disclosure Form. In brief, all Administrators and Non-Investigator Faculty Members must annually disclose Significant Financial Interests, as defined in the policy, which create, may create or be perceived to create a Conflict of Interest. They must also promptly update this information as new interests arise over the course of the year. Please refer to the foregoing policy when completing the Disclosure Form; however, in summary, this policy states:

A “conflict of interest” exists when one’s personal or private interests are such that they reasonably could lead an independent observer to question whether the person’s professional actions, judgments or decisions related to university matters are or could be determined or influenced by considerations of a Significant Financial Interest.

An “Administrator” is an individual who (i) is defined by university policy as having budgetary or financial responsibility, and (ii) does not qualify as an Investigator.

A “Non-Investigator Faculty Member” is a faculty member who (i) is not a visiting or part-time faculty member who only provides classroom instruction, and (ii) has not been an Investigator within the immediately preceding 24 months.

An “Investigator” is a project director or principal investigator and any other person, regardless of title or position, who is, or has been within the preceding 24 months, responsible for the design, conduct or reporting of funded research, or proposed for funding, which may include, without limitation, all full-time faculty members, collaborators, consultants and visiting and part-time faculty members with research privileges. Senior/key personnel, as such term is defined in IIT’s *Investigator Conflict of Interest and Conflict of Commitment Policy*, are deemed to be Investigators.

Any Administrator or Non-Investigator Faculty Member who currently is or becomes an Investigator is subject to and must comply with and make disclosures as required by IIT’s *Investigator Conflict of Interest and Conflict of Commitment Policy*.

When completing this Form, please note that “I” includes you, your spouse and dependent children. All amounts referred to are in the aggregate. For example, if you have one arrangement with an entity for a medical advisory board position for \$5,000 and your spouse has an arrangement with the same entity as part of a speaker’s bureau for \$7,000, the aggregate amount is \$12,000, and these arrangements must be reported.

You may attach additional sheets of paper as needed. If further information is required to complete any conflict analysis, the General Counsel’s Office will contact you.

DISCLOSURE FORM

1. I have received payments (e.g., salary, honoraria, consulting fees, free travel, royalty payments and/or other such remuneration) that qualify as a significant financial interest over the past 12 months or expect to receive such payments that may qualify as a significant financial interest over the next 12 months that create, may create or may be perceived to create a conflict of interest.

- No.
- Yes. Please specify: _____

2. I have an equity interest (e.g., stock, stock options or other ownership interests) in an entity which is valued at more than \$10,000 or equals more than 5% of the entity, as determined through reference to public prices or other reasonable measures of fair market value, which creates, may create or may be perceived to create a conflict of interest.

- No.
- Yes. Please specify, including how fair market value was determined: _____

3. I am a director, trustee or officer of a non-IIT affiliated entity, which creates, may create or may be perceived to create a conflict of interest.

- No.
- Yes. Please specify: _____

I hereby certify that I have received and have read the IIT *Administrator and Non-Investigator Faculty Member Conflict of Interest and Conflict of Commitment Policy*, that I understand my obligations under this policy and that the above information is true and accurate as of the date hereof.

Signed: _____

Printed Name: _____

Date: _____