MARSHALL B. KETCHUM UNIVERSITY

MBKU Policy on Conflict of Interest, Including Research

Revised 3/25/2013

Basic Principles

The pursuit of knowledge and its open and timely communication and dissemination are the essential and core elements of the Marshall B. Ketchum University (MBKU). MBKU will encourage and facilitate its members of the Board of Trustees/faculty/administrators/staff efforts to obtain and share their knowledge and expertise broadly through sponsored research, consultation, and other activities that are beneficial to the employee, the University, and the public at large. It is also recognized that a faculty active in research and scholarship can and will generate proprietary forms of knowledge that, while bringing added value to the institution, are also encumbered with potential conflicts of interest. This policy lays a framework to facilitate the responsible involvement of members of the Board of Trustees/faculty/administrators/staff in a broad range of activities, while simultaneously protecting the scholarly activities of MBKU. The aim of the policy is to increase the awareness of the members of the Board of Trustees/faculty/administrators/staff of the potential for Conflicts of Interest and to establish procedures whereby such conflicts may be avoided or properly disclosed and managed.

Conflict of Interest

What is Conflict of Interest? Conflicts of Interest arise naturally from an individual’s engagement with the world outside the University. A Conflict of Interest exists when an individual has an outside interest (influential position or a financial interest through ownership or remuneration) that affects or appears to affect the individual’s professional judgment in carrying out University responsibilities. The outside interest may be directly for the employee or indirectly through others, such as immediate
family, or those with whom the individual has significant business or other ties. An outside interest is a conflict if:

- The outside interest may influence the individual’s decisions regarding University business or research.
- The outside interest may or may appear to influence the individual’s activities or decisions in teaching, research, and services.

What is Financial Interest?
Financial Interest means anything of monetary value to the individual or immediate family member, including but not limited to:

- salary or other payments or services by an outside organization (e.g., recurring consulting fees or honoraria);
- payments received from the University for goods or services not included in W-2 wages
- direct equity interests greater than 5% or $10,000 (e.g., stocks, stock options, warrants or other ownership interests);
- intellectual property rights (e.g., patents, copyrights and royalties from such rights).

The term does not include:

- salary or stipends paid to an individual by the University;
- income from casual, non-recurring seminars, lectures, or teaching engagements sponsored by public or nonprofit entities;
- mutual fund holdings
- direct equity interest in a business enterprise or entity that when aggregated for the individual and the individual’s spouse and all dependent children meets both of the following criteria: does not exceed $10,000 in value as determined through reference to public prices or other reasonable measures of fair market value, and does not represent more than 5% ownership interest for any single enterprise or entity;
MBKU Policy on Conflict of Interest

The existence of a conflict of interest does not imply wrongdoing. When Conflicts of Interest arise, they must be recognized, disclosed, reviewed, and managed.

Why Does the University Need a Conflict of Interest Policy? It is most important that we know where the boundaries of conflict of interest lie, so that we can protect the integrity and academic mission of the University. Furthermore, Federal government regulations require that conflicts be 1) disclosed in writing annually and as circumstances change, 2) reviewed by designated officials, and 3) properly managed, reduced, or eliminated. It is imperative that every individual knows, understands, and complies with the Conflict of Interest Policy, because non-compliance threatens the institution’s integrity, access to its tax-exempt status, and availability of federally sponsored funds.

What are the Benefits to All of a Conflict of Interest Procedure? Conflicts of Interest usually arise from a well-intentioned person having two worthy objectives that conflict with one another. The University fulfills its legal obligations and the employee is protected when the individual reports the conflict and receives appropriate administrative approval before proceeding with a potentially conflicted situation. The Conflict of Interest reporting and management procedures are intended to keep the Board of Trustees and employees aware of their Conflicts of Interest and then to help them to manage, reduce, or eliminate those conflicts.

What Happens If There is a Conflict? Conflicts of Interest are common and are bound to arise. They are not inherently bad and can exist as long as they can be managed. In fact, the disclosure and review process seldom requires elimination of the conflict – many conflicts are properly managed by the simple act of disclosure. Others can be managed with assistance from the appropriate individual or committee.
Conflicts in Externally Sponsored Research

As a recipient of externally sponsored activities, MBKU has an obligation to assure that the principles of objectivity in research are upheld to ensure that there is no reasonable risk that the design, conduct, or reporting of research will be biased by any conflicting financial interest of an investigator.

Researchers engaged in externally sponsored activity must, in accordance with Federal and University policy, disclose all significant financial interest, royalties, equity, consulting or salary payments (including those of their spouse and dependent children) that would reasonably appear to affect or be affected by the sponsored activity. Researchers may choose to disclose any other financial or related interest that could present an actual or perceived Conflict of Interest. Any such disclosure should provide sufficient detail to permit an accurate and objective evaluation. Such disclosures must be reviewed to determine whether further action is required before the University expends any awarded funds or issues a purchase order or subcontracts for the acquisition of goods and services related to that project. The Dean will review the researcher's annual disclosure form prior to approving the internal grant application form.

Specific Conflict of Interest Requirements for Recipients of Federal research funds:

In addition to the general requirements regarding financial conflicts for Faculty engaged in externally sponsored research, any MBKU individual involved with Federal research grants must adhere to the following additional requirements, as mandated by Federal law (CRF 42, Part 50, Subpart F, sections 50.603, 50.604 and 50.605:

- Minimum disclosure threshold of $5,000 of salary or other payments or services by an outside organization, including sponsored/reimbursed travel (e.g., recurring consulting fees, honoraria), or direct equity (i.e., stocks, stock options, etc.) interests greater than 5% or $5,000.
• Financial conflict of interest training every four years for all investigators, for all new investigators, or each time the MBKU COI policy is updated (training accessible at: [http://grants.nih.gov/grants/policy/coi/tutorial2011/fcoi.htm](http://grants.nih.gov/grants/policy/coi/tutorial2011/fcoi.htm).

• Posting of identified investigator conflicts on the MBKU website (under research) OR by a written response to any requestor within five business days of a request.

As with all other Conflicts of Interest, disclosures pertaining to research are required at least annually or more frequently, if new reportable information is obtained during the period of an award.

Collaborators/sub-recipients/subcontractors from other institutions involved in externally sponsored research of the University must either comply with this policy or provide a certification from their institutions that they are in compliance with Federal policies (i.e. National Institute of Health, Department of Health and Human Services, Internal Revenue Service) regarding disclosure of Conflicts of Interests and that their portion of the project is in compliance with their institutional policies.

**Procedures**

University-wide reporting requirements: In the event that a member of the Board of Trustees/faculty/administrator/staff has a financial, personal or professional interest that could potentially create a Conflict of Interest or the perception of one in any transaction involving the University or being considered by the Board of Trustees (including committees of the Board) or University administrator, faculty, staff (including committees of the University) shall take the following actions:

**Annual and Timely (Advance) Disclosure**

The primary responsibility for avoiding Conflicts of Interest rests with the individual employee, board member, or volunteer. This responsibility is addressed, initially, by full disclosure of a possible conflict to the appropriate person or committee. In addition, faculty members engaged in sponsored research bear the additional obligation of written disclosure of significant financial interests as research findings are published or
distributed. These often overlapping obligations are fulfilled using a single form, the Annual Disclosure Short Form or Annual Disclosure Long Form (available on the intranet), which will be submitted each Spring to the appropriate person or committee. The individual will complete only one form depending on the circumstances – short form if there are no potential conflicts to disclose or long form if there are potential conflicts. Furthermore, whenever financial interests or external activities change, the employee should inform the appropriate person or committee in writing. Whenever possible, individuals should attempt to disclose expected changes or newly anticipated conflicts before they occur.

**Non-Participation**

The individual who has a possible Conflict of Interest or an appearance of conflict with the University interest will be required to refrain from participation in any University business that could be considered relative to that conflict, including committee participation, discussions or deliberation with respect to the subject of the conflict (other than to present factual information or to answer questions), making motions, voting, and executing agreements on issues that pertains directly or indirectly relative to the conflict. At the discretion of the top governing body or a committee, a person with a real or apparent Conflict of Interest may be excused from all or any portion of discussion or deliberations with respect to the subject of the conflict.

**Initial Review**

The appropriate individual or committee will review each individual’s Annual Disclosure Form to determine whether a Conflict of Interest appears to exist. When an employee reports updated disclosures these will be reviewed promptly (within 10 working days). When the individual is a Member of the Board of Trustees, the Executive Committee will review. When the disclosing individual is a faculty member the VP/Dean will initially review. Volunteers would need to disclose Conflicts of Interest to the Vice President for University Advancement (Alumni) or Vice President for Human Resources (all others). When the disclosing individual is an Administrator or Staff, the Vice President for Human Resources will initially review. If a potential Conflict of Interest is disclosed, the
initial reviewer will recommend the appropriate action and bring forward to the President. The initial reviewer and the President will take one of the following actions:

a) Deem the issue not a conflict

b) Accept the conflict as presented provided certain conditions or restrictions are imposed so that the conflict will be managed, reduced or eliminated

Each Conflict of Interest disclosure will be reviewed in confidence to determine whether an apparent or actual Conflict of Interest exists. If so, the initial reviewer and President will recommend by what means the conflict can be avoided or managed. Actions may include disclosure, modification of the activity, monitoring-oversight of the activity, or discontinuance of the activity. The initial reviewer will communicate the recommendations in writing to the individual in a timely manner (usually within 20 working days) after all requested information has been received.

Examples of possible conditions or restrictions are:

- Monitoring of activity or research by internal, independent reviewers
- Public disclosure of significant financial interests – at lectures or in articles
- Discontinuance or disqualification from participation in the portion of the areas of Conflict of Interest or sponsored funded research that would be affected by the significant financial interest
- Divestiture of significant financial interest
- Sever relationships that create actual or potential conflicts

**Appeals and Non-Compliance**

An individual may appeal a University decision to the President who will review. The findings and recommendations of the President will be the final decision.

In the event of non-compliance, the University holds the right to take the appropriate action, which may include, but is not limited to:

- Formal verbal warning
- Written warning
• Restrictions in University committee involvement, ineligibility for external grants, IRB approval, or supervision of intern/students
• Non-renewal of appointment
• Dismissal

The purpose of the University Conflict of Interest Policy is to establish a thorough, fair, transparent, and compliant set of practices at the University. This policy is also in compliance with the 2008 IRS 990 - Disclosure of Conflict of interest Requirement.