

**DRAFT**  
**Auburn University Policy**  
**On**  
**Faculty Conflict of Interest**

**POLICY**

The integrity of the University as a community of scholars requires the open exchange of ideas in an atmosphere free from commercial conflict and influence. This is especially important in those cases where relationships with external parties could lead to personal financial benefit from scholarly work or ideas sponsored by external sources. It is the intent of Auburn University to effectively manage potential conflicts and to prevent outcomes that may be harmful to Faculty or the University at large. This policy and related procedures are intended to provide guidance to University employees and officials in the management of conflicts and is not intended to substitute for compliance with the Alabama code of ethics for public officials and employees. (Code of Alabama 1975 Title 36, Chapter 25). Further, this policy fulfills Federal grant requirements to report certain financial interests.

Financial conflicts of interest are common and often unavoidable in a research university. A conflict of interest occurs when there is a divergence between an individual's private interests and his or her professional obligations to the University and its constituents. The conflict may be either actual or apparent – apparent conflicts of interest arise in circumstances in which an independent observer might reasonably question whether the individual's professional objectivity in that situation is affected by considerations of financial or reputational gain. As long as conflicts are disclosed and managed a conflict need not be a problem. It is not appropriate, however, for an individual's professional objectivity to be affected by considerations of personal financial or reputational gain. This policy and related procedures address the management of conflict of interest for faculty engaged in sponsored activities and is consistent with the Auburn University Faculty Handbook Chapter 7.1.A. "Consulting Policy, General Considerations".

**PROCEDURES**

**Definitions**

**Authorized Institutional Representative** – is, for the purposes of this policy, the Vice President for Research. The Authorized Institutional Representative is responsible for certifying that the institution has implemented a written and enforced conflict of interest policy that is consistent with the provisions of Federal and State Governmental regulations; that to the best of his or her knowledge all financial disclosures required by the conflict of interest policy have been made; that all identified conflict of interest have been satisfactorily managed, reduced, or eliminated. Conflicts which cannot be satisfactorily managed, reduced or eliminated shall be disclosed to sponsoring agencies as applicable.

**Business Enterprise** – means any corporation, partnership, proprietorship, firm, enterprise, franchise, trust or other entity.

**Conflict of Interest** – exists when the Reviewer reasonably determines that a Significant Financial or Reputational Interest could directly and significantly affect the design conduct or reporting of externally funded research or educational activities.

**Conflict of Interest Committee** – refers to the University committee that advises the Deans and Vice President for Research on conflict of interest matters. The Committee consists of at least five full-time faculty members appointed by the Vice President for Research, and others as deemed appropriate by the Vice President. The Director of the Office of Sponsored Programs serves as an ex-officio, voting member of the Committee. The Director of the Office of Technology Transfer serves as ex-officio, voting member of the Committee. The Executive Director of the Department of Internal Auditing serves as Chair. Ad hoc members can be added at the direction of the Committee.

**Conflict Management Plan** – refers to a written document signed by appropriate individuals and supervisors outlining the specific steps to be taken to manage or reduce conflict of interest.

**Dean** – refers to a college or school's senior academic dean or counterpart.

**Disclosure Form** – is initially submitted at the time a Faculty member is hired and is updated either on an annual basis or as new reportable Significant Financial or Reputational Interests are obtained. The Auburn University disclosure form is attached hereto as Appendix A to this policy.

**Investigator** – means the principal investigator, co-principal investigators, and any other person at the university who is responsible for the design, conduct, or reporting of research or educational activities funded or proposed for funding by an outside sponsor.

**Investigator's Immediate Family** – means the Investigator's spouse and any dependent children. Throughout this policy statement, Significant Financial Interest of the Investigator also shall include the interest of the Investigator's Immediate Family.

**Reviewer** – is a responsible representative of the university who reviews the disclosure form to determine if a conflict of interest exists and determines what conditions or restrictions, if any, should be imposed by the University to manage, reduce, or eliminate such conflict of interest. This individual is the appropriate Dean (or designated Associate Dean for Research) or Vice President whomever is closest to the Investigator in the university's reporting hierarchy but does not themselves have a conflict of interest associated with the issue at hand.

**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 other ownership interests); and intellectual property rights (e.g., patents, copyrights and royalties from such rights). The term does not include:

- Salary, royalties or other remuneration from Auburn University;
- Any ownership interests in the University, if the University is an applicant under the Small Business Innovation Research Program or Small Business Technology Transfer Program;
- Income from seminars, lectures, or teaching engagements sponsored by public or nonprofit entities;
- Income from service on advisory committees or review panels for public or non-profit entities;
- an equity interest that, when aggregated for the Investigator and the Investigator's spouse and dependent children, meets both of the following tests:

- Does not exceed \$10,000 in value determined through reference to public prices or other reasonable measures of fair market value; and
  - Does not represent more than a 5% ownership interest in any single entity;
- Salary, royalties or other payments that, when aggregated for the Investigator and the Investigator's spouse and dependent children are not expected to exceed \$10,000 during the next twelve month period.

**Significant Reputational Interest** – means any relationship that the Investigator feels is critical to career success and that might affect or be affected by the Investigator's activities and that might affect or appear to affect the Investigator's objectivity in research and educational activities associated with employment at Auburn University.

### Disclosure

Each Investigator must disclose to the Reviewer all Significant Financial and Reputational Interests of the Investigator and the Investigator's immediate family:

- That would reasonably appear to be affected by the research or educational activities undertaken as an employee of Auburn University; and
- In entities whose financial interests would reasonably appear to be affected by such activities.

All Conflict of Interest disclosures must be on file shortly after hire, annually at performance review time and at the time any proposal is submitted to an outside sponsor. The disclosure also must be updated on an annual basis or as new reportable Significant Financial or Reputational Interests are obtained.

Upon receipt of a disclosure, the Reviewer must:

- Determine whether a conflict of interest exists;
- Determine what conditions or restrictions, if any, should be imposed by the institution to manage, reduce or eliminate such conflicts of interest;
- Certify that the investigator's disclosure has been filed before a proposal will be approved by the University's Authorized Institutional Representative; and
- Certify that no actual or potential conflict of interest exists or that appropriate conditions or restrictions will be imposed to ensure protection of the funded research and educational activities before an award can be accepted by the University.

If the University carries out sponsored research through subgrantees, contractors or collaborators, the University must ensure that investigators working for such entities comply with Federal rules on objectivity in research or Auburn University's Conflict of Interest policy by requiring a signed assurance of compliance from the subgrantees, contracts, collaborators.

### **Management of Potential or Actual Conflict of Interest**

Within 30 days after identification of a conflict of interest, the Reviewer may impose conditions or restrictions on an Investigator or a funded project to manage, reduce, or eliminate conflicts of interest through a written Conflict of Interest Management Plan (see Appendix B for a sample). The following are examples of actions which might be taken:

- Public disclosure of Significant Financial Interests;

- Monitoring of the project by independent reviewers;
- Modification of the project plan;
- Disqualification from participation in the portion of the sponsored project that would be affected by the Significant Financial Interests;
- Divestiture of Significant Financial Interests;
- Or severance of relationships that create conflicts.

If the Reviewer is unable to devise an acceptable management plan, the Reviewer will submit the disclosure and written comments about how or why the conflict is problematic to the Conflict of Interest Committee. The Committee will deliberate and determine a plan to manage, reduce, or eliminate the conflict or to determine if the project can be conducted at all. If the Committee determines that imposing conditions or restrictions that would be either ineffective or inequitable, and that the potential negative impacts that may arise from a Significant Financial or Reputational Interest are outweighed by interests of scientific progress, technology transfer, or the public health and welfare, then the Committee may allow the project to go forward without imposing such conditions or restrictions. The Committee's recommendations shall be submitted in writing to the Authorized Institutional Official, the Reviewer, and the Investigator. If the Conflict of Interest Committee is unable to satisfactorily resolve the question of conflict, the Committee will notify the Authorized Institutional Representative for further review and possible communication to the sponsor's appropriate counsel or contracting authority.

The Investigator has the right for a timely decision by all parties in the process. The time from disclosure to final resolution should not exceed 90 days. The Investigator shall have the right to appeal the decision of the Conflict of Interest Committee by submitting concerns, in writing, to the Authorized Institutional Representative. The decision of the Authorized institutional Representative shall be final.

### **Sanctions for Non-disclosure**

As with any policy of Auburn University, sanctions shall apply for non-compliance with the Auburn University Conflict of Interest policy. The appropriate Deans (or designated Associate Dean for research) or Vice President shall utilize the standard disciplinary procedures set forth as a condition of each person's employment with Auburn University. Other sanctions which might be imposed include but are not limited to:

- Prompt notification of the corrective action taken or to be taken to the sponsor
- Freezing expenditures from involved accounts
- Terminating sponsored or other agreements entered into in violation of this policy
- Penalties if conflict of interest is determined to be in violation of the Alabama Ethics Act
- Suspension or dismissal.

### **Maintenance of Records**

A disclosure form must be filed with the Reviewer upon hire, annually upon performance review and before submission of a proposal to an outside sponsor. The reviewer will maintain such disclosures with due care for their confidential nature. Updates shall be filed before an award can be accepted by the University, but not less frequently than annually.

The Reviewer shall be responsible for maintenance of records relative to all decisions regarding whether or not a conflict exists. Additionally, the Review shall maintain all documentation of university sanctions to manage, reduce or eliminate conflicts of interest.

These records shall be maintained until at least three (3) years after the later of the termination for completion of the award to which they relate, or the resolution of any Federal Government action involving those records. These records shall be available for audit by Auburn University and Government Officials.

To the extent permitted by law, all reporting forms, conflict management plans, and related information will be confidential. However, such information will be made available to an agency funding research of the Investigator upon written request if permitted or otherwise required by law.

### **Certifications**

The signature of the Reviewer will be required to certify that the disclosure has been filed. To ensure compliance with sponsor regulations, Auburn University will require such certification before approval for submission of the proposal is given by the Authorized Institutional Representative. The Investigator and the Reviewer will provide additional certification that any conflict has been managed, reduced or eliminated before the Authorized Institutional Representative will accept an award on behalf of the University. A copy of any Conflict of Interest Management Plan will be provided to the Office of Sponsored Programs for the file.

The Authorized Institutional Representative will certify to the sponsor that the University has implemented a written and enforced conflict of interest policy that is consistent with the provisions of the sponsor's regulations; that to the best of his/her knowledge, all financial disclosures required by that conflict of interest policy have been made. And that all identified conflicts of interest will have been satisfactorily managed.