

# **1. CONFLICT OF INTEREST POLICY**

## **A. GENERAL CONSIDERATIONS**

Although the primary function of Auburn University is to render service to the people of Alabama through its established programs of instruction, research, and extension, the University recognizes its obligation to make available the services of the many highly trained specialists on its faculty to business, industry, governments, professional societies, or other appropriate groups. Moreover, outside services of a professional nature generally strengthen the faculty member and contribute to improvement of teaching and research programs. Therefore, the University encourages the involvement of its faculty in extramural activities which are consistent with their primary responsibilities to the institution. These activities typically invite a faculty member to use his or her specialized knowledge to provide advice or judgment about a problem, situation, or area of scholarship in an academic discipline.

The following guiding principles and policies have been established to prevent conflicts of interest, interference with University functions, or unethical practices:

1. The major criteria to be used in determining whether a particular extramural activity shall be encouraged or permitted are:
  - a. The effect of the activity on the individual and the University, professionally and academically.
  - b. The extent to which the activity will complement the University's programs or interfere with the effective discharge of the faculty member's responsibilities to the University. These responsibilities include not only formal classroom and laboratory activities, but also such other duties as student counseling, committee work, preparation of scholarly publications, and continued professional development.
2. It is the responsibility of the department head, dean or director and faculty member to ensure that no University functions are neglected.

3. The following joint American Association of University Professors and the American Council on Education policy statement "On Preventing Conflicts of Interest in Government-Sponsored Research at Universities" has been adopted as Auburn's basic policy on conflicts of interest (AAUP Redbook, 1990, pp 83-85):

The increasingly necessary and complex relationships among universities, government, and industry call for more intensive attention to standards of procedure and conduct in government-sponsored research. The clarification and application of such standards must be designed to serve the purposes and needs of the projects and the public interest involved in them and to protect the integrity of the cooperating institutions as agencies of higher education.

The government and institutions of higher education, as the contracting parties, have an obligation to see that adequate standards and procedures are developed and applied; to inform one another of their respective requirements; and to ensure that all individuals participating in their respective behalves are informed of and apply the standards and procedures that are so developed. Consulting relationships between university staff members and industry serve the interests of research and education in the university. Likewise, the transfer of technical knowledge and skill from the university to industry contributes to technological advance. Such relationships are desirable, but certain potential hazards should be recognized.

4. The President is directed to formulate, implement and publicize procedures to enforce this policy as required by applicable regulations.

### **Conflict Situations**

1. Favoring of outside interests. When a university staff member (administrator, faculty member, professional staff member, or employee) undertaking or engaging in government-sponsored work has a significant financial interest in, or a consulting arrangement with, a private business concern, it is important to avoid actual or apparent conflicts of interest between government-sponsored university research obligations and outside interests and other

obligations. Situations in or from which conflicts of interest may arise are the:

- a. Undertaking or orientation of the staff member's university research to serve the research or other needs of the private firm without disclosure of such undertaking or orientation to the university and to the sponsoring agency;
- b. Purchase of major equipment, instruments, materials, or other items for university research from the private firm in which the staff member has the interest without disclosure of such interest;
- c. Transmission to the private firm or other use for personal gain of government-sponsored work products, results, materials, records, or information that are not made generally available (this would not necessarily preclude appropriate licensing arrangements for inventions, or consulting on the basis of government-sponsored research results where there is significant additional work by the staff member independent of the government-sponsored research);
- d. Use for personal gain or other unauthorized use of privileged information acquired in connection with the staff member's government-sponsored activities (the term "privileged information" includes, but is not limited to, medical, personnel, or security records of individuals; anticipated material requirements or price actions; possible new sites for government operations; and knowledge of forthcoming programs or of selection of contractors or subcontractors in advance of official announcements);
- e. Negotiation or influence upon the negotiation of contracts relating to the staff member's government-sponsored research between the university and private organizations with which the staff member has consulting or other significant relationships;
- f. Acceptance of gratuities or special favors from private organizations with which the university does, or may conduct, business in connection with a government-sponsored research project, or extension of gratuities or special favors to employees of the sponsoring government agency, under circumstances which might reasonably be interpreted as an attempt to influence the recipients in the conduct of their duties.

2. Distribution of effort. There are competing demands on the energies of faculty members (for example, research, teaching, committee work, outside consulting). The way in which a faculty

member divides his or her effort among these various functions does not raise ethical questions unless the government agency supporting the research is misled in its understanding of the amount of intellectual effort the faculty member is actually devoting to the research in question. A system of precise time accounting is incompatible with the inherent character of the work of faculty members, since the various functions they perform are closely interrelated and do not conform to any meaningful division of a standard work week. On the other hand, if the research agreement contemplates that a faculty member will devote a certain fraction of effort to the government-sponsored research, or the faculty member agrees to assume responsibility in relation to such research, a demonstrable relationship between the indicated effort or responsibility and the actual extent of the faculty member's involvement is to be expected. Each university, therefore, should--through joint consultation of administration and faculty--develop procedures to ensure that proposals are responsibly made and complied with.

3. Consulting for government agencies or their contractors. When the staff member engaged in government-sponsored research also serves as a consultant to a federal agency, such conduct is subject to the provisions of the Conflict of Interest Statutes (18 U.S.C. 202-209 as amended) and the president's memorandum of May 2, 1963, Preventing Conflicts of Interest on the Part of Special Government Employees. When the staff member consults for one or more government contractors, or prospective contractors, in the same technical field as the staff member's research project, care must be taken to avoid giving advice that may be of questionable objectivity because of its possible bearing on the individual's other interests. In undertaking and performing consulting services, the staff member should make full disclosure of such interests to the university and to the contractor insofar as they may appear to relate to the work at the university or for the contractor. Conflict-of-interest problems could arise, for example, in the participation of a staff member of the university in an evaluation for the government agency or its contractor of some technical aspect of the work of another organization with which the staff member has a consulting

or employment relationship or a significant financial interest, or in an evaluation of a competitor to such other organization.

## **B. COMPENSATION**

### **1. UNIVERSITY ACTIVITIES NOT INVOLVING EXTRA COMPENSATION**

Faculty participation in programs and projects administered or conducted by the University and supported by extramural contracts, grants, or other types of agreements shall be considered a part of the faculty member's responsibilities to the University. During the time that a faculty member is under contract to the University, be it on a nine-month or a 12-month appointment, the individual is expected to fulfill his or her total responsibilities. Therefore, if a faculty member is participating in an extramural program or project within the University, whether it is in his or her own or a different department or division of the University, an appropriate part of the faculty member's salary shall be provided by the program or project budget. Under these circumstances, no increase in the faculty member's base compensation shall be permitted.

### **2. UNIVERSITY ACTIVITIES INVOLVING EXTRA COMPENSATION**

Consulting for extra compensation on projects or activities internal to the University generally will be limited to engagements for which release from normal duties is not feasible. In such cases, the University's policy shall be to recognize the situation and to permit extra compensation to be paid provided that the following conditions exist:

1. The work is done in addition to a normal full load.
2. No qualified person is available to do the work as part of his or her normal load.
3. The project or program budget includes sufficient funds to cover the costs of the extra compensation.

4. The additional duties shall not be so heavy as to interfere with the performance of regular duties. The acceptable limit on these activities is considered to be the equivalent of an average of 1 day per work week during a given semester which includes a faculty member's full time appointment unless additional time for these activities is approved by the provost.
5. Approval is obtained in advance.

It should be understood that the rate of extra compensation will be determined by the complexity of the assignments and the availability of funds, as negotiated between the faculty member and the program administrator.

### **3. EXTERNAL CONSULTING ON A FACULTY MEMBER'S TIME**

A faculty member doing consulting work on his or her own time is not subject to restrictions on the amount of compensation he or she can earn. Such consulting work, however, shall not interfere with the faculty member's obligations to the University. The acceptable limit on these activities is considered to be the equivalent of an average of 1 day per work week during a given semester which includes a faculty member's full time appointment unless additional time for these activities is approved by the provost.