

**CONFLICT OF INTEREST AND CONFLICT OF COMMITMENT, INCLUDING OUTSIDE ACTIVITY**

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## 1 Definitions

<b>Conflict Management Plan (CMP)</b>	A document detailing the steps that will be taken by the conflicted party to minimize or eliminate real or perceived conflicts of interest or commitment. A CMP must be created when an actual or potential conflict of interest or commitment is disclosed in order to ensure that an employee's conflict is managed to protect the University's interests as well as those of other faculty, staff, and students.
<b>Conflict of Commitment (COC)</b>	A conflict of commitment may arise when a University faculty or staff member's time and effort given to outside activities and interests interferes or competes with that individual's obligations and responsibilities to the University.
<b>Conflict of Interest (COI)</b>	A conflict of interest is a situation in which a faculty or staff member may have the opportunity to influence University administrative, business, or academic decisions in ways that could lead to personal gain, give improper advantage to self or others, or interfere with objective preservation, generation, or public dissemination of knowledge.
<b>Externally Reimbursed Travel</b>	Externally Reimbursed Travel is travel which is paid for either directly or by reimbursing the employee through a means other than the University's Travel Claim.
<b>Faculty Start-up Company</b>	A faculty start-up company is a company in its initial phases of development with founders including at least one faculty member. Typically, founders initially support such companies financially as they search for additional funding from investors, loans, grants or other sources of capital. Faculty start-ups are unique in that they often seek to commercialize a product or service that resulted from technology developed by a faculty member while performing their University job duties. (Faculty interested in starting a company must comply with BOT Policy 340.1, if applicable, before starting the company. Any license to or other agreements with the company shall comply with BOT Policy 210.1). The University recognizes and desires to encourage and stimulate the development of a high-tech economy and job growth in the State of Arkansas through faculty start-up companies, subject to the safeguards contained in this policy.
<b>Financial Conflict of Interest (FCOI)</b>	A financial conflict of interest may occur when a faculty or staff member receives or has the potential to receive compensation (whether directly or indirectly) from an outside entity or holds an equity position (or any other form of controlling or ownership interest) in a company.
<b>Financial Interest</b>	A financial interest means anything of monetary value, whether or not the value is readily ascertainable.
<b>Institutional Responsibilities</b>	Institutional responsibilities shall mean an individual's professional responsibilities to the University, including, but not limited to, research, research consultation, teaching, professional practice, administrative responsibilities, committee memberships, and service on professional review panels or advisory boards.

## **Significant Financial Interest (SFI)**

A significant financial interest consists of one or more of the following interests of the employee (and those of the employee's spouse, domestic partner, parents, siblings, and dependent children) that reasonably appears to be related to the employee's institutional responsibilities:

- (a) With regard to any publicly traded entity, a significant financial interest exists if salary and other payments received from the entity in the past twelve months and the value of any equity interest in the entity, when aggregated, exceeds \$5,000.
  - i. Payments include, but are not limited to, consulting fees, honoraria, and paid authorship;
  - ii. Equity interests include, but are not limited to, any stock, stock option, or other ownership interest, as determined through reference to public prices or other reasonable measures of fair market value;
- (b) With regard to any non-publicly traded entity, a significant financial interest exists if:
  - i. the salary and other payments received from the entity (whether directly or indirectly) in the past twelve months, when aggregated, exceeds \$5,000, or
  - ii. when any equity or ownership interest exists;
- (c) Receipt of income related to intellectual property rights and interests (e.g., patents, copyrights);
- (d) Externally Reimbursed Travel.
- (e) Service as senior executive or board member of an entity, regardless of current value or compensation received, if there is potential for future compensation or equity.

A significant financial interest shall not include:

- (a) Salary, royalties, or other remuneration paid by the University, including intellectual property rights assigned to the University and agreements to share in royalties related to such rights.
- (b) Income from:
  - i) seminars, lectures, or teaching engagements or
  - ii) service on advisory committees or review panels for federal, state or local government agencies, academic medical centers, or accredited public or non-profit institutions of higher education or their affiliated research institutes;
- (c) Income from investment vehicles, such as mutual funds and retirement accounts, as long as the employee does not directly control the investment decisions made in these vehicles;

## **2 Introduction**

It is the policy of the University of Arkansas to ensure that all University employees perform the functions of their positions in an ethical manner and that employees of the University abide by applicable law and policies governing ethical conduct and contracting. UA Board of Trustees (BOT) Policies 330.1 and 450.1 require each campus to establish policies and procedures governing conflict of interest, conflict of commitment, and outside activity. This campus policy is designed to collect, summarize and provide guidance on a number of important University policies and legal provisions concerning conflict of interest and commitment.

UA faculty and staff members owe their primary professional allegiance to the University, and their primary commitment of time and intellectual energies should be to the education, research, scholarship, and administration of programs relevant to the institution. Faculty and staff efforts to balance University responsibilities with external activities - such as consulting, public service or pro bono work - can result in

real or perceived conflicts regarding allocation of time and priorities. University employees must be proactive in disclosing and addressing, if necessary, activities which may present a conflict of interest or commitment.

A conflict of interest may arise when a faculty or staff member is or may be in a position to influence the University's business activity, externally or internally funded research, or other decisions in ways that could result in personal or professional gain for that individual, or for others closely associated with that individual. A conflict of commitment may arise when a faculty or staff member devotes time and energy to outside activities in a way that competes with the employee's obligations to the University. Board Policy 450.1 encourages the pursuit of extracurricular involvements that may affirmatively contribute to the professional advancement of University personnel or correlate usefully with their University work, while recognizing the potential for conflicts of interest and commitment and the need to manage such conflicts in a manner that best reflects the University's interest. The failure to disclose situations that have the potential for or involve actual conflicts of interest or commitment may be unethical and/or illegal.

For all full-time faculty (both 9-month and 12-month) and non-classified staff, outside employment requires prior approval. In addition, situations that have the appearance of, potential for, or involve actual conflicts of interest or commitment must be reported. When a real or perceived conflict is allowed to exist, a CMP shall be written that defines procedures for managing the conflict. Covered activities must neither interfere in any substantial way with the employee's University duties nor conflict with his/her University assignments.

This policy is subject to all applicable University policies and governing law.

### **3 Applicability**

This conflict of interest and commitment policy applies generally to all University of Arkansas, Fayetteville faculty and staff. Provisions in this policy also apply to the employee's spouse and dependent children.

### **4 Related Laws and Policies**

A non-exclusive list of laws and regulations and University of Arkansas policies pertaining to conflict of interest and outside activities may be found in Appendix A.

### **5 Disclosure of Conflicts of Interest and Commitment**

It is the responsibility of each individual covered under this policy to disclose annually to University officials any potential conflicts of interest and commitment, including, but not limited to, any SFIs, as defined in this policy (including sponsored or reimbursed travel), by submitting a fully completed Disclosure of Potential Conflict of Interest and Commitment form to appropriate University administrators.

In addition, each individual must, within thirty (30) days of discovering or acquiring (e.g., through marriage, purchase or inheritance) a new SFI or other potential conflict of interest or commitment, submit an updated Disclosure of Potential Conflict of Interest and Commitment form. Disclosures must be current any time a grant application or research protocol is submitted and must remain current throughout the duration of the research project.

Disclosure forms must also be completed by all new employees within the first two weeks of employment, and prior to participation in any funded research.

All employees shall receive an annual notice regarding this policy and a link to the location of the University's conflict of interest disclosure and outside employment authorization forms on the University web site. The forms shall be available throughout the year for employees who need to disclose any change in circumstances as those changes occur.

As necessary, the University shall have the right to address or review all potential conflicts of interest.

### **5.1 Prior Approval of Outside Employment; Submission of Form**

Pursuant to Board Policy 450.1, outside employment must be approved in writing before full-time University faculty and non-classified staff may undertake any such work. Potential conflicts of interest that may arise from consulting or other outside employment must be identified when submitting the form Prior Approval of Outside Employment, a copy of which is attached as Appendix B. Specifically, employees seeking approval for outside employment must indicate if the proposed activity may constitute a possible conflict of interest. If so, then the employee must also complete the Disclosure of Potential Conflict of Interest and Commitment form. Documentation such as a contract, letter, or other communication that specifies the nature and extent of the University employee's obligation and duties may be included as part of the disclosure. Faculty and staff engaging in outside employment must make clear that they are acting on their own behalf and are not acting as an agent or representative of the University.

Each dean or unit head shall keep records on outside employment by personnel in his/her college or administrative unit, as required by Board Policy 450.1. Deans or unit heads must submit reports to the Provost by September 15 each year summarizing outside employment for compensation by their faculty and staff who have such employment. These reports will be submitted to the Chancellor by September 30 of each year.

The report form is attached in Appendix C.

### **5.2 Disclosure of Potential Conflict of Interest and Commitment; Submission of Form**

The Disclosure of Potential Conflict of Interest and Commitment form, a copy of which is attached as Appendix D, must be completed and submitted annually, and as needed throughout the year, by all faculty, and by all classified and non-classified staff. This form provides a mechanism for disclosing any relationships or activities that might give rise to conflicts, or the appearance thereof, with assigned duties, responsibilities or obligations to the University of Arkansas. Faculty considering the creation of a start-up company should submit this form before actually creating the entity.

### **5.3 Review of Disclosures**

All disclosures of potential conflict of interest must be reviewed by the employee's department level supervisor (Chair or Head), the Dean or Unit Head, and the VPRED, considering whether an actual or potential conflict of interest or commitment exists, the ramifications for the University, and any remedial steps that may be necessary to manage or eliminate conflicts.

A copy of the disclosure form, either approved (outlining any steps necessary to manage the potential or actual conflict) or disapproved, shall be returned to the employee completing the form and to the employee's unit. The Office of the VPRED shall retain the original form.

University officials shall, within sixty days, review a disclosure and determine whether a COI exists, and, if so, implement, on at least an interim basis, a management plan that shall specify the actions required to manage the conflict.

Any conflicts of interest associated with sponsored research must be reported to the Sponsor in accordance with federal regulations and/or sponsor policy by the University.

For sponsored research, if a COI is not identified or managed in a timely manner, the University shall, within 120 days of determination of noncompliance, conduct a retrospective review of the individual's activities to determine whether such research was biased in design, conduct or reporting, and take such other steps as required by federal regulations and/or sponsor policy.

- **Departmental Level:** The employee's department level supervisor shall review the disclosure to determine whether a) no conflict exists, b) a potential or actual conflict exists and therefore a management plan must be generated, or c) an actual conflict exists and the situation will not be allowed. After review, the department level supervisor routes the form to the college or

administrative level with his/her recommendation. If the supervisor is a party to the enterprise being disclosed, then the first review is at the college or administrative unit level.

The department level supervisor may choose to seek the advice of a departmental *ad hoc* review committee or personnel committee to assist in the evaluation.

- **College/ Administrative Unit Level:** The college dean or unit head shall likewise review the employee's disclosure and provide a recommendation as to whether a) no conflict exists, b) a potential or actual conflict exists and therefore a management plan must be generated, or c) an actual conflict exists and the situation will not be allowed. The dean or unit head shall then route the recommendation and disclosure to the Office of Research Compliance (ORC).

A dean may choose to seek the advice of a college-constituted committee in reviewing disclosures.

- **University Level:** The ORC shall route all disclosures to the Vice Provost for Research and Economic Development (VPRED) or his/her designee. If the department, college, and VPRED reviews determine that no conflict exists, the ORC shall retain the signed form in accordance with Section 10 below.

If the reviewers determine that there is a potential or actual conflict, the ORC shall forward the disclosure form to the Conflict of Interest and Commitment Review Committee (CICRC). The CICRC shall review the conflicts of interest and commitment issues referred to it, and recommend remedies resolving, reducing or eliminating potential or real conflicts. When appropriate, the CICRC shall invite the employee, department level supervisor, and college level supervisor to meet with the CICRC to review the case.

If the CICRC determines that an actual conflict of interest or commitment exists that cannot be managed, the ORC shall inform the employee and his/her management that the situation will not be allowed. If the CICRC determines that a manageable potential or perceived conflict of interest or commitment exists, the ORC shall work with the employee and his/her management to develop a CMP.

The ORC shall submit all disclosures of situations that involve the transfer of technology to an organization in which the employee or the employee's immediate family has equity or other ownership interest for review by the CICRC.

#### **5.4 Disclosures of Employee and Family Businesses**

Employee- and family-owned businesses which may seek to conduct business with the University must be disclosed to the UA Business Affairs office (Section 6.9). A copy of any disclosure form that identifies an employee- or family-owned business will be forwarded to the Office of Business Affairs to assist University procurement officials in monitoring transactions for any potential issues.

#### **5.5 Expedited Review of Disclosures**

If a disclosure identifies a COI that has been previously disclosed, the disclosure may be handled through an expedited review. Through an expedited review process the VPRED can approve any CMP which has previously been reviewed by the CICRC. For example, if the CICRC previously required a CMP then the VPRED could continue (or update) the CMP without requiring another CICRC review.

The employee or anyone in the conflict review chain may request that a full review be conducted instead of an expedited review.

#### **5.6 Appeal of Review Decisions**

At each level of review, the employee disclosing a potential COI may appeal a disputed decision on the authorization or disclosure to the next level of supervision. The Chancellor, in consultation with the Provost or appropriate Vice Chancellor, as necessary, shall make the final decision on all appeals based on recommendations from the CICRC.

## **6 Conflict of Interest and Commitment Review Committee (CICRC)**

The Conflict of Interest and Commitment Review Committee (CICRC) shall review all disclosure forms that indicate a potential, perceived, or actual conflict. The Committee shall make a recommendation as to whether an actual or potential conflict exists, and, if so, whether the conflict should be allowed to exist or can be managed through a CMP.

If a CMP already exists, the VPRED may through the expedited review process (see Section 4.4) review the CMP to determine if it is still appropriate for the conflict or if it needs to be revised. The VPRED may ask the CICRC to review any changes to the CMP.

### **6.1 CICRC Appointment**

The Provost shall appoint tenured faculty to the CICRC based on recommendations from the deans of several colleges. Such appointments shall include one tenured faculty member each from the Dale Bumpers College of Agriculture, Food, and Life Sciences; the Sam M. Walton College of Business; the College of Education and Health Professions; the College of Engineering; the School of Law; and two tenured faculty members from the J. William Fulbright College of Arts and Sciences (one from the arts, humanities, or languages and one from biological, physical, or social sciences). In addition, one faculty representative shall be appointed by the Faculty Senate, and one staff representative shall be appointed by the Staff Senate. Individual appointments shall be for three years. The Dean of the Graduate School shall recommend one graduate student to be appointed for one year. Ex-officio non-voting members to the CICRC shall include: Vice Provost for Research and Economic Development (Chair), Vice Chancellor for Finance and Administration, and the Director of the Office of Research Compliance. General Counsel shall serve as legal advisors.

### **6.2 Guidelines and Responsibilities of the CICRC**

Based on applicable University of Arkansas policies, the CICRC shall review all pertinent records, and may gather additional information orally or in writing as necessary. The CICRC shall provide the employee an opportunity to address the potential or actual conflict in person and in writing.

The CICRC Chair shall ensure that, within ten (10) working days of the conclusion of a review, or as soon as possible thereafter, a written report will be delivered to the faculty or staff member, the Department Chair, the Dean, or appropriate supervisors, the VPRED, and the Provost. The report shall include policies and procedures the CICRC followed in arriving at its conclusions. This timeline may be extended by the CICRC, in consultation with the VPRED, as the CICRC deems necessary and reasonable.

If the CICRC determines that a conflict warrants the creation of a CMP, the Committee Chair will request that the ORC work with the employee, his/her Department Head and Dean (or Unit supervisor) to develop a plan that describes steps to be taken to manage, reduce, or eliminate any actual or potential COI identified. The VPRED shall receive the plan within ten (10) working days of the request or as soon as practical thereafter.

In all situations, the Provost or appropriate Vice Chancellor, for non-research related disclosures, shall have the final decision regarding the recommendations of the CICRC, subject to appeal as outlined in Section 5.6.

### **6.3 Conflict Management Plan**

A CMP establishes all necessary measures to address and/or mitigate any potential or actual conflicts of interest. The CMP may include, for example and without limitation, provisions for student advising, hiring other employees, employee roles in start-up companies, purchasing rules, intellectual property ownership, and facility use. Conditions or restrictions in the CMP might include public disclosure of conflicts, such as when presenting or publishing research, appointment of an independent monitor, modification of the research plan, change of personnel or responsibilities, full or partial disqualification of personnel, reduction or elimination of the financial interest, or severance of relationships that create a conflict. Other provisions may be added to the CMP whenever appropriate or as needed.

A CMP will be generated for each employee and each instance of potential, apparent, or actual conflict. For example, a faculty member involved in two different start-up companies would have a CMP for each company.

Each CMP should be reviewed annually, at a minimum. It should also be reviewed and revised, if necessary, if the potential conflict changes. The CMP will be terminated when the potential for a conflict is removed.

The CMP should cover all of the following items, at a minimum:

- An oversight structure for the activity at issue should be developed that is reasonable for the employee and University. The oversight structure should be approved by the College or similar unit and the VPRED.
- The target approval chains for cost centers associated with such projects will reflect the proposed oversight structure through the electronic protocols set up by the University. Through this protocol no purchase can be made without electronic approval. The only exceptions are purchases made 1) through blanket purchase orders, but the formation of these blanket purchase orders must also be approved by the proposed oversight structure and 2) use of a "P" card. All P card purchases must be reviewed for compliance with the CMP and the sponsored project budget.
- The faculty member must use University travel funds solely to conduct University business. All travel for any outside entity must be paid for by that entity and the time and effort issues related to such travel shall be coordinated with the department head and receive prior approval. Such travel shall be reported in accordance with Section 6.2 of this Policy.
- The use of University facilities shall be only through a Sponsored Research Agreement, Facilities Use Agreement with the appropriate University entity, a lease agreement with the University of Arkansas Technology Development Foundation, or other agreements or measures approved by the University. The agreement shall provide for appropriate user fees for the use of any University equipment and/or facilities.
- Unless otherwise allowed under University policies and procedures, no faculty member may have involvement in the final disposition of equipment from their research and education programs to an external entity in which they also have an interest, including, without limitation, surplusing, auctioning, selling or donating any such equipment.
- For any full-time employee of the University, intellectual property developed by the employee under a consulting arrangement must be disclosed to and is the property of the University of Arkansas under BOT Policy 210.1.
- All reports or deliverables to be submitted to the sponsor must be reviewed and approved by the oversight structure described in the CMP.

A CMP template is provided in Appendix E.

## **7 Conflict of Interest and Commitment Limitations**

This section defines procedures and sets limitations on certain areas of potential conflict of interest and commitment that are common to the academic setting. Note that such situations are not limited to those involving a financial interest. Furthermore, note that the variety of situations involving potential or actual conflicts of interest is significant. It is not feasible, therefore, to delineate exhaustively each and every situation that may involve a potential or actual COI that may need to be addressed by the University.

### **7.1 Consulting Activities**

Faculty (both 9- and 12-month) who are fully and successfully meeting their teaching, research/creative and other assigned duties to the University may be allowed to commit up to a maximum of 15 work days, exclusive of weekends, per semester, and for 12-month employees, a maximum of 15 work days,

exclusive of weekends, over the summer term, to an outside interest whether it be commercializing technology through their own private companies, consulting, public service or pro bono work. External activities should improve a faculty member's effectiveness as a teacher or researcher, contribute to scholarly attainments, or in some manner further the interests of the University or University-related activities in the community.

For staff members, consulting is limited to vacation time and other non-work hours. In all cases, outside employment must be approved in advance using the campus Prior Approval of Outside Employment Form (Appendix B). Faculty must demonstrate their ability to meet their University responsibilities in a successful manner in order to engage in and sustain such outside consulting activity. Per Board Policy 420.1(IV), paid service as an expert witness requires use of vacation leave.

**Teaching for other Academic Institutions.** UA-Main Campus faculty may have the opportunity to teach for other academic institutions, including other UA entities. However, as stated above, UA tenured and tenure-track faculty must receive prior permission from the department head/chair, dean, and Provost before teaching for another academic institution. Requests to teach for other academic institutions should be submitted on the Prior Approval of Outside Employment form. Information on the form must include (1) why the teaching assignment will benefit UA and (2) certification that the faculty member is meeting expectations in all appointment areas (teaching, research, and service). Distance learning and other instructional delivery methods for other academic institutions are also included and the faculty member must have prior approval.

## **7.2 Externally Reimbursed Travel**

Faculty and staff must affirmatively disclose, as a potential COI, the occurrence of reimbursed or sponsored travel related to their institutional responsibilities. Reporting is required only for those sponsors whose sponsorship exceeds \$5,000, in aggregate, over the course of a given calendar year. This affirmative disclosure requirement does not apply to travel that is reimbursed or sponsored by a Federal, state, or local government agency, an institution of higher education, an academic teaching hospital, a medical center, or a research institute that is affiliated with an institution of higher education, provided that no travel costs supported by any other entity shall be charged to the University. Disclosures must specify the purpose of the trip, the identity of the sponsor/ organizer, the destination, and the duration. University officials will determine if further information is needed to determine whether the travel represents a COI.

The travel disclosure form is shown in Appendix F.

## **7.3 Start-up Company Sponsored Research**

A faculty start-up company typically maintains a close relationship with the faculty member's research. The University encourages the start-up company to sponsor additional research by the faculty member. This relationship between the faculty member and his/her start-up company creates a potential COI. The faculty member may serve as a Principal Investigator (PI) on such a grant provided that the CMP establishes sufficient guidelines to manage any COI.

## **7.4 Management Roles in Outside Entities**

The amount of time available for faculty or staff to consult is limited; therefore, it is not feasible for a full-time University employee to manage the day-to-day operations of an outside entity. Faculty or staff roles in a start-up company or other related entity shall be limited to Chief Technology Officer (CTO), Chief Scientific Officer (CSO), or an equivalent administrative contribution, but shall not include being Chief Executive Officer (CEO) or President for an extended period of time. Whatever position a faculty or staff member holds in a start-up company shall not interfere with that individual's primary responsibilities to the University whether due to a conflict arising from the use of time or otherwise.

If it is necessary for the individual to take on such a leadership role initially, such a role should not last longer than nine months from the date of incorporation; provided, however, that the faculty or staff member shall remain responsible for performing his or her University job functions fully during any such

period of time. Faculty shall obtain prior approval from the department chair/head, dean and VPRED to extend this period further. To receive approval for a longer period as CEO or President, the faculty member may need to take an unpaid leave of absence. Subject to a faculty or staff member's ongoing responsibilities to perform his or her University job duties, this initial leadership period provides time to find an individual who can take on the business responsibilities on behalf of the entity. This structure is necessary to allow the faculty or staff member to focus his or her primary attention on the individual's professional responsibilities to the University and its mission.

Except for any limited period when the University employee is the CEO of the entity, a University employee shall not participate as a negotiator representing his or her outside entity during contract negotiations with the University.

Under BOT Policy 210.1(I)(G), if the University has equity in and an agreement relating to the commercialization of University intellectual property with an outside entity, faculty and staff must obtain prior review and approval by the Chancellor before serving as a member of the board of directors or as an officer or an employee (other than as a consultant) of any such outside entity.

This section providing special guidance on management roles is not designed to apply to single-person consulting companies that faculty and staff have created solely for their own individual consulting activities with third-party clients, provided, however, that all other provisions of this COI policy shall fully apply.

#### **7.5 Role in Student Advising**

There is a potential COI when a student's faculty advisor has a financial interest in a company that employs the student or sponsors the student's research. Potential issues in this situation include, for example and without limitation, holding a course grade until the work for the faculty member's company is finished, not allowing a student to defend a thesis or dissertation, not allowing a student to publish his or her work, or having a student work on the faculty member's research but charge their hours or assistantship to another cost center (grant or research contract).

To protect the student and the University in these situations, the CMP should require a person without a conflict to serve as a co-advisor, to certify the student's time and effort, and/or to serve as dissertation or thesis committee co-chair, subject to approval by the Graduate School. Additional restrictions, as necessary, may be placed in the CMP.

Potential or actual conflicts of interest and any CMP should be disclosed to any students involved in the above circumstances. It should be made clear to the student that a potential COI inherently arises from the faculty member's dual role in such a situation and not from the character or actions of the individual, and that acknowledging a potential COI does not mean the faculty person is being accused of unethical behavior. Once all potential conflicts of interest involving students are explained, students will sign a statement acknowledging they have been adequately notified, that they understand the circumstances, and that a faculty or staff member has been identified who can provide assistance should they encounter any difficulties with these circumstances.

#### **7.6 Involvement of Staff in Outside Activities**

University staff may have opportunities related to outside entities. In particular, staff may have the opportunity to participate in entities started by faculty with whom they work at the University. In the event such a circumstance should arise, staff involvement is limited by University policy.

No staff person shall perform paid work for an outside entity during his or her normal working business hours. Classified staff may perform work for such entities outside of University hours pursuant to existing UA policies and procedures. Non-classified staff may also perform work for such entities outside of University hours provided they receive the appropriate approvals for outside employment according to University policy. Staff shall not make University work assignments to other staff for purposes of benefitting their own outside entity or employment activity.

## **7.7 Intellectual Property and Consulting**

A potential COI may arise when an employee consulting at a company generates intellectual property (e.g., a patentable idea). Under Board Policy 210.1, inventions generated as a result of any research or development activity directly related to the duties and responsibilities for which a person has been compensated by or through the University or for which facilities owned, operated, or controlled by the University are used must be disclosed to and assigned to the University.

Ownership of copyright is governed by Board Policy 210.1 and Board Policy 210.2 (which addresses technology enhanced course materials) and faculty should consult those policies on this issue.

## **7.8 Assignment of Instructor's Course Materials**

Faculty members who derive direct or indirect financial benefit from materials required to be used by their students are engaged in outside employment for compensation that constitutes a COI. As provided in Academic Policy Series 1550.30, faculty members must disclose the COI in writing and obtain prior written approval from their department chair and dean to require the purchase of their own proprietary materials by their students or to require the purchase of any other materials for which the faculty member receives compensation (including, but not limited to publishers' incentive payments). The request for approval must include a description of the material(s) and a justification for their use. The request must state the provision made for disposition of payments, revenues and royalties from the sales of the material(s). These revenues must be paid to a unit not directly related to or associated with the faculty member, but one (e.g., college or school) that will benefit students academically at the University of Arkansas, Fayetteville.

## **7.9 Contracting with Employees & Family Members**

University of Arkansas Board of Trustees Policy 330.1 provides that the University shall not, without approval of the Chancellor, enter into a contract with a current or former state employee or a direct family member, including spouse, of any current or former state employee, or a company owned or controlled by the employee or family member. Procedures exist to seek approval in limited circumstances when such a purchase is in the best interests of the institution and when the relevant University employee does not participate in the purchasing decision. Likewise, Ark. Code Ann. § 19-11-705 prohibits any employee from participating directly or indirectly in any contract or solicitation where, to the employee's knowledge, the employee or an immediate family member has a financial interest, or where the entity being negotiated with has an arrangement with the employee concerning prospective employment.

# **8 Additional Disclosure Requirements**

## **8.1 Statement of Financial Interest**

Pursuant to Ark. Code Ann. § 21-8-701(a)(4), as interpreted by the Arkansas Ethics Commission,<sup>1</sup> the Chancellor, the Provost, Vice Chancellors, and deans<sup>2</sup>, as persons in charge of departments or divisions within the University, responsible for the supervision of employees and the administration of department budgets, must file a Statement of Financial Interest with the Arkansas Secretary of State by January 31 of each year. Forms and guidance are available from the Arkansas Ethics Commission at [arkansasethics.com/forms](http://arkansasethics.com/forms).

## **8.2 Reporting Extra Income**

Pursuant to Ark. Code Ann. §§ 21-8-201 - 21-8-204 and University-wide Administrative Memorandum 404.10, on or before January 31 of each year, all salaried employees of the University on full-time regular nine-month or twelve-month appointments are required to file with the President a statement reflecting income in excess of \$500 earned from a single source during the past calendar year as wages or salary or as fees or payment for professional or consultant services rendered to any public agency of the State

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<sup>1</sup> Advisory Op. No. 2012-EC-002 (Feb. 17, 2012).

<sup>2</sup> UA General Counsel opinion "Filing Statement of Financial Interest", January 16, 2013

other than the salary the person receives on a regular salary basis. Each such individual source from which income exceeds \$500 must be reported. If the cumulative total exceeds \$500, but income from no single source exceeds \$500, no report needs to be filed. This includes payment for adjunct teaching at another campus or unit of the University or services rendered to another state agency. A copy of the reporting form is attached as Appendix G.

### **8.3 Disclosure of Benefit Received from State Contract**

#### **8.3.1 State Contracts Generally**

Pursuant to Ark. Code Ann. § 19-11-706, any employee who has or obtains any benefit from any state contract with a business in which the employee has a financial interest shall report such benefits to the Director of the Arkansas Department of Finance and Administration. This is a continuing obligation to disclose and is not restricted to annual reports each January. Forms are available on the Department of Finance and Administration web site at

<http://www.dfa.arkansas.gov/offices/accounting/internalaudit/Documents/discform.pdf>.

#### **8.3.2 Contracts Involving Patents, Copyrights or other Proprietary Information**

Pursuant to Ark. Code Ann. § 19-11-717, as amended in 2009, no later than January 31 of each year an employee or former employee contracting or receiving benefits under contracts involving patents, copyrights or other proprietary information, shall file with the Secretary of State a disclosure of the type and amount of the contract or benefits received during the previous year. The statute provides for a form to be issued by the Secretary of State, but in the absence of such form an employee may wish to use the form provided by the Department of Finance and Administration for disclosures under 19-11-706.

### **9 Training**

Each faculty or staff member must complete training, available through the ORC, regarding objectivity in research and the institution's policies for managing significant financial conflicts of interest and disclosure responsibilities prior to engaging in research and at least every four years thereafter, and immediately when any of the following circumstances apply:

- a) UA revises its FCOI policies or procedures in any manner that affects the requirements of investigators;
- b) An individual is new to the University; or
- c) The University finds that an individual is not in compliance with the Institution's FCOI policy or CMP.

### **10 Sanctions**

Failure to comply fully with this policy and with all related University policies and legal requirements concerning conflict of interest and commitment may lead to disciplinary action, including, but not limited to, suspension or termination of research studies or funding or suspension or termination of employment. Failure to comply may also lead to civil and criminal liability under state and federal law.

Full compliance includes, but is not limited to, completion of mandatory training, timely and complete submission and updating of all applicable COI disclosures and outside employment authorizations and obtaining any required approvals, as well as full compliance with any management plans.

### **11 Records Retention and Access**

#### **11.1 Retention**

Subject to other applicable law or policies, all COI disclosures, outside employment forms, and CMPs shall be retained by the Office of VPRED for a period of three (3) years from the date of approval, provided that, in the case of federally funded research, all materials shall be retained for a period of three (3) years from the end of the final expenditure report. In the event of litigation or audit prior to record

destruction, applicable records shall be retained until litigation or audit findings involving the records have been resolved and final action taken.

### **11.2 Reporting of Financial Conflicts of Interest to Research Sponsors**

The University shall provide to any research sponsor, if required, a FCOI report regarding any individual's SFI found by the University to be conflicting and ensure that the University has implemented a management plan.

### **11.3 Records Requests and Exemptions**

To facilitate the public disclosure of records regarding conflict of interest and outside employment, employees shall be asked to identify, at the time of disclosure, any specific information which they have a good faith belief should be considered exempt from public disclosure under the Arkansas Freedom of Information Act or other applicable law because the information falls within a specific, established exemption to disclosure. For example, under Ark. Code Ann. § 25-19-105(b)(12), personnel records are not required to be publicly disclosed under the FOIA if their disclosure would constitute a "clearly unwarranted invasion of personal privacy." Likewise, under Ark. Code Ann. § 25-19-105(b)(9)(A), records are not required to be released "which, if disclosed, would give advantage to competitors or bidders."

Employees claiming that portions of their disclosed information are not subject to public release must include a detailed statement of explanation regarding why the specific information is exempt under the law. Blanket claims of exemption or submissions which do not identify specific information and a rationale for exemption will be returned to the employee for clarification and may delay approval of the disclosures. Note that federal regulations specifically require that significant financial conflicts of interest related to certain funded research projects must be made publicly accessible, upon request. Accessible information must include the individual's name, position on the research project, name of the entity in which the SFI is held, the nature of the financial interest, and the dollar value (within a numeric range), or a statement that the interest cannot be readily valued.

Specific information which employees claim is exempt from public disclosure will be reviewed by University officials and a determination made on whether the information is exempt prior to such disclosure. In the event an employee disagrees with the University's determination on the exempt status of records under the Arkansas FOIA, the employee may request an Attorney General's opinion on the matter, consistent with Ark. Code Ann. § 25-19-105(c)(3)(B).

In signing their disclosure forms, employees acknowledge that all non-exempt information may be publicly released upon request.

## Appendix A. Related Laws and Policies

The following is a non-exclusive list of laws and regulations and University of Arkansas policies pertaining to conflict of interest and outside activities.

### Code of Federal Regulations

42 CFR Part 50, Subpart F	Promoting Objectivity in Research (Revised Financial Conflict of Interest Regulation)
42 CFR Part 94	Responsible Prospective Contractors

### Arkansas Code

6-63-307; 19-4-1604	Concurrent Employment with Other Agencies or Institutions of Higher Education
19-11-701 - 19-11-714	Ethics
19-11-716	Participation in Business Incubators
19-11-717	State-supported Institutions of Higher Education (Patents, Copyrights and other Proprietary Information)
21-8-201 - 21-8-204	Extra Income Reporting
21-8-701	Statement of Financial Interests

### Arkansas Ethics Commission

Rules on Gifts<sup>3</sup>

### Board of Trustees Policies

210.1 – 210.2	Patent and Copyright; Copyright and Distance Learning
410.1	Nepotism
330.1	Employee and Contractor Conflict of Interest
340.1	Related Entities
450.1	Outside Employment
465.1	Political Activity

### University-wide Administrative Memoranda

404.10	Reporting of Income from Public Agencies
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### Fayetteville Policies and Procedures

406.0	Personal Use of University Equipment/Services
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### Academic Policy Series

1450.10	Outside Employment for Compensation and Conflict of Interest and Commitment
1550.30	Financial Benefit to Instructor from Student Materials: Conflict of Interest Resolution

### Staff Handbook

3.17	Conflicts of Interest and Commitment
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<sup>3</sup> Available at [www.arkansasethics.com](http://www.arkansasethics.com).

- 3.18 Outside Employment
- 3.19 Employment by Two State Agencies or Institutions
- 9.6 Political Activities

## Appendix B: Prior Approval of Outside Employment

### University of Arkansas

This form implements the University of Arkansas Board Policy on outside employment (450.1) and related provisions in the campus conflict of interest policy (404.0). Full-time faculty and non-classified administrative staff members are required annually or as needed to obtain written approval from the department head/supervisor and dean/ administrative unit head **prior** to undertaking outside employment, and required to report on time spent in outside employment during the previous year.

I request to undertake outside employment as follows:

Beginning Date: \_\_\_\_\_ Ending Date: \_\_\_\_\_

Estimate of average hours per week to be spent over the period: \_\_\_\_\_ hrs/wk

In the space below or in an attached explanation include: name and address of employer; specific explanation of the nature of the employment, location, schedule; how assigned University responsibilities will be covered during your absence; whether or not the use of University facilities, property, or personnel are requested in the employment, and the expected benefit of the outside employment to faculty professional development and to the University.

**NOTE: If outside employment is approved, the employee must also submit Appendix D. "Disclosure of Potential Conflict of Interest and Commitment."**

**The information disclosed to the University may be subject to public disclosure. To request that specific information be reviewed to determine if it is exempt from public disclosure, attach all the information required by Section 11.3 of the campus conflict of interest policy (404.0).**

In signing this disclosure, the employee acknowledges that all information not determined to be exempt may be released by the University upon public request, without further notice.

Signature \_\_\_\_\_ Date \_\_\_\_\_  
Name (Print or Type) \_\_\_\_\_  
Title/Position \_\_\_\_\_  
Employee ID # \_\_\_\_\_  
Do not use the Personal ID # on your UAF Identification Card  
Department/Unit \_\_\_\_\_

**Approvals (This certifies that the faculty or staff member is fully and successfully meeting their assigned duties to the University.)**

\_\_\_\_\_  
Department Chair or Unit Head Date

\_\_\_\_\_  
Dean or Unit Head Supervisor Date

**PROVOST APPROVAL REQUIRED FOR TENURED AND TENURE-TRACK FACULTY TEACHING AT ANOTHER ACADEMIC INSTITUTION**

\_\_\_\_\_  
Provost Date

Approved copy to employee

**Appendix C. Annual Report on Outside Employment of Faculty/Administrative Staff Members**

College/Administrative Unit \_\_\_\_\_

Fiscal Year \_\_\_\_\_

Name & ID#	Rank or Title	Department	Period of Employment	Estimated Hrs. Per Mo.	Approval Date	Nature of Outside Employment and Relationship to University Assignment

Effective 8/18/97

Revised 8/24/12



## Appendix E: Conflict Management Plan Template

*NOTE: This template is meant as an example only. It should be modified to fit a given situation/conflict.*

**Employee Name and ID#:**

**Company or Entity:**

### **Rationale**

This Conflict Management Plan (CMP) is in order because \_\_\_\_\_.

### **Company or Entity Role**

Dr. \_\_\_\_\_ serves as \_\_\_\_\_ to \_\_\_\_\_. S/he will be limited to \_\_\_\_\_ days per \_\_\_\_\_ to \_\_\_\_\_. If S/he serves as CEO, that shall be a temporary position limited to nine months after \_\_\_\_\_.

### **Travel**

Given the potential conflicts of interest, Dr. \_\_\_\_\_ must be careful to properly document all University travel funds spent and to conduct only University business during such travel. All travel for \_\_\_\_\_ must be paid for by \_\_\_\_\_ and the time and effort issues related to such travel shall be coordinated with the department head and receive prior approval.

### **Supervision and Advising of Students**

If any of Dr. \_\_\_\_\_ students are to be employed by this Entity, another faculty member will be appointed as their academic advisor. Any certification required regarding the students' time and effort shall be completed by the academic advisor. If any of the students are graduate level and have a dissertation or thesis committee chaired by Dr. \_\_\_\_\_, these committees will be co-chaired by another appropriate faculty member to insure objectivity.

### **Supervision of Other Personnel**

If other personnel or subcontracts are to be employed by this Entity, another supervisor(s) will be appointed for these individuals and will pay personal attention to all work completed by these individuals.

### **Expenditure of funds**

All expenditures will be approved by Dr. \_\_\_\_\_ through the electronic protocols set up by the University. Through this protocol no purchase can be made without electronic approval. The only exceptions are purchases made through blanket purchase orders but the formation of these must also be approved by Dr. \_\_\_\_\_.

### **Equipment and Facilities**

While the University wishes to support the creative and entrepreneurial endeavors, the educational and research mission must take precedence. It is imperative that the interests of the entity not supplant the mission of the University. All projects for the entity shall include in the budget, appropriate user fees for the use of any University equipment. The use of University facilities shall be only through a Sponsored



## Appendix F: Disclosure of Externally Reimbursed Travel

Name & Emp. ID#

Last	First	ID#
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Department/Unit

---

College/School

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Dates of Travel

From	To
------	----

Travel Sponsor

---

Destination

---

Total Reimbursement \$

---

Purpose of Travel:

**Note:** Disclosure not required for travel that is reimbursed or sponsored by a U.S. Federal, state, or local government agency, an institution of higher education, an academic teaching hospital, a medical center, or a research institute affiliated with an institution of higher education, provided that no travel costs supported by any other entity shall be charged to the University.

**REVIEWED:**

Department/Unit

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Typed Name

---

Signature/Date

College/School

---

Typed Name

---

Signature/Date

Director/RSCP

---

Typed Name

---

Signature/Date

Vice Provost for Research

---

Typed Name

---

Signature/Date

**Appendix G: Annual Report of Extra Income In Excess of \$500**

Campus Where Employed: \_\_\_\_\_

Filing for Year: \_\_\_\_\_

1. Name of Employee: \_\_\_\_\_ ID # \_\_\_\_\_

2. Source and Amount of Income in Excess of \$500:

(a) \_\_\_\_\_ \$ \_\_\_\_\_  
(Name of Public Agency) (Amount In Excess of \$500)

(b) \_\_\_\_\_ \$ \_\_\_\_\_  
(Name of Public Agency) (Amount In Excess of \$500)

(c) \_\_\_\_\_ \$ \_\_\_\_\_  
(Name of Public Agency) (Amount In Excess of \$500)

(d) \_\_\_\_\_ \$ \_\_\_\_\_  
(Name of Public Agency) (Amount In Excess of \$500)

**-VERIFICATION-**

I do solemnly swear that the foregoing *Annual Report of Extra Income in Excess of \$500* filed herewith is in all things true and correct, and fully shows all the information required to be reported by me.

\_\_\_\_\_  
Employee Signature

State of Arkansas

County of \_\_\_\_\_

Subscribed and sworn to before me, a Notary Public, this the \_\_\_ day of \_\_\_\_\_

\_\_\_\_\_  
Notary Public

My Commission Expires: \_\_\_\_\_