

COLLEGE OF ENGINEERING
IMPLEMENTATION OF UNIVERSITY POLICY ON
FACULTY CONFLICTS OF INTEREST AND CONFLICTS OF COMMITMENT
June 2018

The College of Engineering recognizes that faculty participate in a wide range of outside scholarly activities and encourages participation in sponsored research, consultation, and other activities that benefit the individual, his or her department, the College, the University of Michigan (“University” or “UM”) as a whole, and the wider community.

The University allows and encourages outside activities, interests, and/or relationships (“outside activities”) that enhance the mission of the University. Outside activities should not interfere with an individual’s University obligations. It is important that faculty members understand that their primary professional responsibilities and obligations are to the University and ensure that these outside activities do not interfere with the expectations of the institution and the education of UM students. Faculty must not use their official University positions or influence to further gain or for advancement of themselves, parents, siblings, spouse or partner, children, dependent relatives, or other personal associates, at the expense of the University.

Faculty must disclose the outside activities that they are engaged in so potential or actual conflicts of interest and/or commitment associated with the outside activity are promptly and fairly addressed in order to ensure that they are minimized, managed, or eliminated as appropriate.

A. Statements of Principles for College of Engineering’s Policy

This document implements and incorporates the University Standard Practice Guide [201.65-1](#), “Conflicts of Interest and Conflicts of Commitment”. It applies to all faculty, regular or temporary. As outlined in the University policy, “The University is committed to basic values of transparency, integrity of scholarship, and independence as it pursues its mission to create, preserve, and disseminate knowledge through teaching, research, and public service”.

All faculty members are to act with honesty, integrity, and in the best interest of the University when performing their duties, and to abide by the highest standards of research, educational, professional, and fiscal conduct.

The specific definitions for a potential conflict of interest and potential conflict of commitment found within [SPG 201.65-1](#) apply to the required disclosures and procedures:

- A potential **conflict of interest (“COI”)** arises when outside activities bias or might appear to bias a faculty member’s judgment in performing his or her University obligations or when a faculty member uses his or her position inappropriately for financial gain or uses state resources to influence a political campaign.
- A potential **conflict of commitment (“COC”)** arises when a faculty member engages in external activities or assumes external commitments that compromise or might appear to compromise his or her ability to fulfill the responsibilities of his or her University position. The existence of a potential conflict of commitment must be evaluated in light of the minimum expectations for commitment required based on the appointment of the faculty member in question.

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B. Faculty Definition

The term faculty, as used in this policy, shall include members of the teaching and research staff as outlined in the College of Engineering Rules of the Faculty. Teaching staff includes professors, associate professors, assistant professors, professors of practice (clinical faculty) and lecturers. Research faculty includes research professors, research associate professors, research assistant professors, research scientists, associate research scientists, assistant research scientists, and research investigators.

All faculty with at least half-time University appointments owe their primary professional commitment to the University. A commensurate commitment of those faculty members' time and intellectual energy must therefore be devoted to activities that further the University's mission. To meet minimum commitments of time and effort within the College of Engineering, these faculty members are expected to adhere to the College policy on baseline faculty workload as practiced within their departments.

Other part-time faculty, including adjunct and visiting faculty, likewise owe the University time and effort commitments commensurate with their appointments. For these faculty members to meet minimum time and effort commitments within the College of Engineering, they must adhere to their commitment as set forth in their offer of appointment letter.

Even where obligations to the University are met, a faculty member may not engage in activities that compete with the University or that otherwise diminish or undermine the University's mission. It is inappropriate for faculty, without prior approval, to divert to other entities or institutions opportunities for research, education, clinical care or financial support which otherwise might flow to the University.

Any work external to the University potentially raises a question of conflict of commitment and must be disclosed. In general, however, any such work that contributes to the scholarly or educational goals of the University is permitted. For full-time faculty, other professional work is permitted up to one work day per week if it does not interfere with the minimum expectations outlined above (as described in the UM Faculty Handbook). If there is any question about whether a particular commitment falls within these categories, or if there is any potential for interfering with the minimum expectations above, the matter must be disclosed and reviewed. Faculty are required to annually disclose their other professional work.

C. Disclosure of Potential Conflicts of Interest and Commitment

All faculty members must disclose outside activities at the start of each fiscal year and within 30 days of a change (including new outside activities) to his or her chair or director *via* the University's online outside interest disclosure system, M-Inform (<https://minform.it.umich.edu/>). Faculty must disclose outside activities that utilize the same skills/knowledge as their job or that are related to their U-M institutional role or responsibilities that may represent a conflict of interest or commitment. They do this by indicating if the following applied to them, their spouse, domestic partner and/or dependent(s) with respect to [outside interests, activities and relationships](#) that [relate](#) to their [institutional responsibilities](#) for the **past 12 months** or if it will apply **within the next 30 days**:

- Engaged in paid or unpaid outside activities or relationships (including volunteer activities)
- Held ownership in a company or business (including equity, stock, or stock options)
- Optioned/Licensed Intellectual Property (e.g., [Royalties](#), Milestone, Option Fees, etc.)

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- Received compensation, loans (other than student loans), other payment(s) or items of value
- Travel expenses exceeding \$5,000 reimbursed to them from or paid directly by, the outside organization - only required for faculty who have or expect funding from NIH or other agencies that follow the Public Health Services (PHS) FCOI guidelines

If the response to any one of these is affirmative, the faculty member will be asked to add each individual outside activity and answer a set of questions specific to the outside entity and their relationship outside the University. After signing and submitting their disclosure, it is then routed to the faculty member's reviewer, typically the department chair or program director, for approval.

Disclosures may also be reviewed by the UMOR COI Review Committee should the situation require it. Further details regarding the outside interest disclosure process can be found at <http://research-compliance.umich.edu/outside-interest-disclosure-process>.

D. Definition of Specific Conflict Situations and Required Management

Department chairs or program directors will review their faculty disclosures for potential conflict of interest and commitment issues. There are five categories of potential conflicts requiring disclosure and approval.

1. Time Conflicts

a. University Time:

- 1) The University year appointment for a faculty member covers the period of time from September 1st through May 31st each year during which a primary professional commitment to the University is expected (payment for this contract is distributed over 12 months).
- 2) Faculty members on sabbatical are considered to be employed by the University.
- 3) Faculty who are not receiving compensation for spring/summer term(s) may accept outside commitments during the months of June through August provided the professional activity for pay is wholly performed and completed between June 1 and August 31, and does not conflict with this policy statement.

b. Consulting Time:

- 1) Significant outside consulting obligations, individually or collectively, may not conflict with primary commitments to the University. The amount of effort a faculty member devotes to outside commitments should not limit that person's ability to perform their primary commitments to the University. If a substantial time commitment is required, a potential conflict of commitment may arise (see section below on Conflict of Commitment).
- 2) Consulting for legal firms take on an additional risk in that if a faculty is providing expert testimony against an industry that provides research support to the University, faculty need to take extra measures to ensure their testimony is provided as a private citizen rather than a representative of the University.
- 3) Details regarding the College of Engineering policy on consulting can be found at <https://adaa.engin.umich.edu/policies/consulting/>

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c. Outside Employment Time:

- 1) Outside employment during the University year by faculty is not allowed except with approval of proper University authorities through the disclosure process, which will be granted only when either or both of the following conditions exist:
 - a. When the work in question provides promise of enhancing the individual's usefulness as a teacher and scholar in the individual's field to a greater degree than a corresponding amount of work within the walls of the University,
 - b. When the work is of a distinctly public nature or when for any other reason the University wishes to be actively engaged in its furtherance.
- 2) Faculty members may not hold two active full-time salaried positions (Regent's Bylaws Section [5.12](#); University of Michigan Faculty Handbook Section [5.G.1.](#)).
- 3) Start-up ventures in which the faculty member has an outside interest must be disclosed. Conflicts of interest between the start-up and the University related to research or intellectual property are regulated by the U-M Office of Research (UMOR) [Policy for the Identification and Management of Conflicts of Interest in Research and Technology Transfer](#), while any other conflicts of interest or conflicts of commitment will be reviewed and managed at the department level.

2. Relationship Conflicts

- a. Close personal relationships that could affect the outcome of hiring or evaluation decisions must be disclosed to the chair/director and written policies for managing any relationships involving supervision or evaluation must be developed by the department/program ([SPG 201.23](#)). The development of a management plan should be considered in these cases.
- b. A faculty member may not assign or ask students or staff to contribute services or money to institutions or people external to the University with whom the faculty member has a financial interest. A supervisor may not use the services of a supervised employee during University employment time to advance the supervisor's personal or externally paid professional activities.
- c. The University Faculty Student Relationship policy must be adhered to in all circumstances. Disclosure to the chair or director of any relationships covered by the policy is required ([SPG 601.22](#)).
- d. **The faculty member must disclose if any of their students are invited to work/study/perform research for an organization (academic or otherwise) in which the faculty has a paid or significant outside relationship (e.g. paid consulting, equity interest, management interest, etc.).** A review prior to the student establishing a relationship outside the U-M should be completed by the department and the College of Engineering. The review may result in a conflict of interest management plan to ensure the students understand the relationship and acknowledge a potential conflict exists.
- e. Financial and management interests in outside start-up organizations must be reported.

3. University Resource Conflicts

- a. University resources are to be used for university business. These resources include University equipment such as copying and fax machines, office and computer supplies, and electronic mail. University policy allows for limited use of electronic resources

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(computers, email, and internet connections) for personal business that does not conflict with the primary business use. In collaboration with the UMOR Conflict of Interest Review (COI) Committee when appropriate, approval for use of office and/or laboratory space for a venture in which a faculty member has an outside interest must be obtained prior to its use.

- b. A faculty member may assign his or her own textbook to his or her students according to the guidelines of the American Association of University Professors policy statement (<https://www.aaup.org/report/professors-assigning-their-own-texts-students>). **At no time will faculty require students to sign any sort of non-disclosure agreement when using faculty created materials intending to be published.** Faculty may not have direct dealings with students in the sale of books, instruments, lectures, notes, or similar materials. Faculty members intending to assign their own textbooks must familiarize themselves with the guidelines and must disclose this to their chair/director for review.
- c. The University may have a stake in patents and copyrights issued or acquired as the result of, or in connection with, administration, research, and other educational activities conducted by members of the University faculty/staff and supported directly or indirectly (e.g. through the use of University resources or facilities) by funds administered by the University ([SPG 303.04](#)). The Office of Technology Transfer (OTT) should be consulted to determine the potential action required to determine the level of University interest.
- d. No member of the teaching staff shall, for pay beyond his or her university compensation, give private instruction in any course offered by him or her in the University, nor shall that member of the teaching staff give private instruction to enrolled students in any other course without approval of the head of his or her department.
- e. A faculty member may not direct business to anyone with whom he or she has a close personal relationship or use University resources to promote outside business interests.

4. Gift Conflicts

- a. Irrespective of a gift's value, **it is always a conflict of interest for a faculty member to accept a gift where the external person or organization intends to create a *quid pro quo* arrangement with that faculty member.**
- b. A faculty member may not accept a gift of substantial value (including gifts of service) from anyone over whom he or she has authority.
- c. A faculty member may incur reasonable meal and travel expenses that are reimbursed either by the University or by external organizations.
- d. In line with state law and IRS regulations, a faculty member may not accept reimbursement or gifts of \$25 or more from people or institutions that contract with the University where the faculty member participates in decisions concerning that contract.
- e. Faculty members or companies that they have an ownership in may not provide gifts to the University with the expectation that they will then be given the authority to control the dispersal of these gifts.

5. Political Activity Conflicts

- a. There are circumstances in which a faculty member's expertise is relevant to expression of a public opinion. In these cases, a faculty member may indicate his or her affiliation with the University in written correspondence to public entities as long as the

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correspondence includes a statement indicating that he or she is not speaking on behalf of the University but as an individual.

- b. Faculty members obviously have the full right to political activity outside of work hours, but they may not use University resources to further these activities.
- c. A faculty member may not use University resources (including electronic mail accounts) to support or oppose a political candidate or the qualification, defeat or passage of a ballot initiative. In addition to being contrary to this policy, such action constitutes a violation of State Law for which there are individual fines and penalties (Michigan Campaign Finance Act section, [MCL 169.257](#)).

E. Management of Potential Conflicts of Interest and Commitment

As potential conflicts of interest or commitment cases arise (not related to research or intellectual property), the department will evaluate the extent of the potential conflict to determine whether it is necessary to **minimize**, **manage**, or **eliminate** the potential conflict. Should the department need assistance with a determination, they can refer the issue to the College of Engineering Associate Dean for Academic Affairs (ADAA) office for suggestions on next steps.

The department may require the faculty member to provide additional information or documentation that may be relevant to this evaluation, if necessary. The department may also consult with the following offices of the University:

- The **Provost's Office**, where there may be a **conflict between two academic units**.
- The **General Counsel's Office**, where **legal obligations** or potential liability may be involved.
- **Procurement**, where the disclosure involves a **purchase of goods or services**.

If management of the potential conflict is necessary, the department shall develop a conflict management plan in consultation with the faculty member. Management options include, but are not limited to:

- A determination that no action is necessary.
- Documenting the evaluation and determination in the faculty member's M-Inform disclosure that no further action is required.
- Disclosing the potential conflict to appropriate sources inside and/or outside the University.
- Modifying or limiting the faculty member's duties to minimize or eliminate the conflict.
- Reducing the faculty member's appointment to accommodate the outside interest or activity.
- Securing the faculty member's agreement to modify or suspend outside activity, use of University resources, or other activities that create the potential conflict.
- Prohibiting certain outside activities as inconsistent with the faculty member's obligations to the University.

For research and/or intellectual property related conflicts of interest, the UMOR COI Review Committee (<http://research-compliance.umich.edu/coi-policies>) will review and minimize, manage, or eliminate the potential conflict. The department can refer such cases to UMOR COI. The College of Engineering Associate Dean for Research (ADR) office may be involved with these issues.

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All reasonable efforts will be made to preserve the privacy and confidentiality of personal information revealed as part of this process. In some circumstances, the University is required to disclose potential conflicts to people within or outside the University. For example, if a conflict exists within the context of a federally sponsored project, the University may be required to disclose the existence of that conflict and to indicate whether and how the University has managed that conflict. Also, the University may be legally required to disclose information in response to requests made under the Michigan Freedom of Information Act (FOIA).

A faculty member may **dispute** any decision made in response to the disclosure or nondisclosure of a potential conflict of interest or commitment. This dispute should follow the Appeal Procedures outlined in Article X of the Rules of the Faculty of the College of Engineering. Following exhaustion of this procedure, the faculty member may dispute any action or decision under this implementation in accordance with applicable University procedures. Disputes regarding sponsored research/tech transfer must be handled in accordance with processes adopted by the UMOR Conflict of Interest Review Committee.

F. Violations

Any failure to comply with [SPG 201.65-1](#), its procedures, or this implementation may lead to disciplinary action, up to and including termination of appointment in accordance with applicable disciplinary procedures. Possible violations that may lead to disciplinary action include, but are not limited to, the following: failure to disclose fully a potential conflict; failure to comply fully with a required conflict management plan; failure to maintain the confidentiality of conflict documentation and information; and failure to complete any required training or education regarding the implementation and policy. Violations should be reported in writing to the chair of the department in which the reporting individual holds primary appointment. The chair will forward the violation to the ADAA and/or ADR, as appropriate. Resolution of the violation will be developed by the ADAA and/or ADR in consultation with the chair(s) of the affected department(s) or program(s) and the appropriate central administration office in accordance with existing University procedures governing faculty misconduct.

G. Implementation and Review of this Policy

Upon hiring, every faculty member shall be provided with the College of Engineering COI/COC implementation policy and will be required to certify that they have reviewed the policy. Thereafter, an annual re-certification will be required.

The ADAA and/or ADR will annually review this implementation policy and make recommendations to the Dean regarding any needed revisions to the policy or any need for increased education. Any revisions in implementation or practices will be discussed with the faculty prior to implementation. In particular, the Dean will submit any material used to revise the implementation to the Office of the Provost and Executive Vice President for Academic Affairs for further review and approval and then to the President for formal adoption. A current version of the College of Engineering's COI/COC implementation policy should be on file with the Provost's Office at all times.

H. Governing Policies

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This document implements [SPG 201.65-1](#), *Conflicts of Interest and Conflicts of Commitment*, incorporates [SPG 201.65-1](#) in its entirety, and includes all elements required under that SPG. Implementation of [SPG 201.65-1](#) within the College of Engineering requires compliance with other University policies and procedures, including all Regents' Bylaws and SPGs, as well as with any relevant external rules of professional conduct and applicable law. Relevant policies, procedures, rules, and law include (but are not limited to) the following:

- Regents' Bylaw [2.16](#), regarding gifts to University employees
- Regents' Bylaw [5.12](#), regarding outside employment of University faculty
- Regents' Bylaw [5.13](#), regarding governmental elected or appointed service
- Regents' Bylaw [5.14](#), regarding leaves of absence
- SPG [201.23](#), regarding appointment of individuals with close personal or external business relationships;
- SPG [201.65](#), regarding employment outside the University;
- SPG [201.85](#), regarding special stipends for work performed for other University units, the payment of honoraria, and the payment of travel expenses
- SPG [500.01](#), [601.03-2](#), and [601.11](#), in particular to the extent that they address copyright and other appropriate use of University resources, such as the libraries, office space, computers, secretarial and administrative support staff, and supplies
- U-M Office of Research (UMOR) [Policy for the Identification and Management of Conflicts of Interest in Research and Technology Transfer](#)
- [Rules of the Faculty of the College of Engineering](#):
- Michigan Compiled Laws [§ 15.321](#) et seq., regarding contracts of public employees with their employers.

In the event of any inconsistency between this implementation policy and other University or external requirements, contact the College of Engineering to determine which requirements will prevail. In interpreting this implementation policy, the College of Engineering Dean, Associate Dean for Academic Affairs, and the Associate Dean for Research should be attentive to preserving the principle of academic freedom of speech and thought. In addition, COI implementation administrators will make every reasonable effort to preserve confidentiality and protect the privacy of all parties in the course of investigating and managing a potential conflict of interest or conflict of commitment.

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APPENDIX A:

General Tenets Regarding Outside Interests of U-M Employees

A U-M employee may not use their U-M position for the benefit of family members or business associates to the detriment of the U-M (<http://spg.umich.edu/policy/201.65-1>). This admonition implies that a faculty member must not allow outside activities and interests to compromise the educational program of a student or to bias that program to the student's detriment.

A U-M employee may not make more than incidental use of U-M resources (e.g. facilities, personnel, students, equipment, etc.) to pursue or fulfill their outside interests/obligations without an explicit Agreement with the U-M, including provisions to repay the cost of those resources (<http://www.spg.umich.edu/policy/201.65-1> and <http://spg.umich.edu/policy/520.01>).

The use of U-M marks, including but not limited to, the U-M name, logo, and block M, is generally prohibited for outside entities. All outside entities must obtain prior written permission from the U-M to use the U-M marks (<https://vpcomm.umich.edu/brand/usage-policies/permissions-guide>).

A U-M employee must disclose to the U-M significant outside interests related to their U-M work/knowledge/skill set (<http://spg.umich.edu/policy/201.65-1>). Disclosure of outside interests related to one's U-M work is encouraged to colleagues, students, and trainees outside of their research group.

The U-M owns intellectual property (IP) developed or discovered during the performance of an employee's duties, (e.g. Inventions or IP that result from the Company related research). The inventor(s) will, however, receive a share of any income derived from licensing such IP (<https://techtransfer.umich.edu/for-inventors/policies/bylaws/>).

U-M employees are expected to disclose IP developed or discovered at the U-M to the Office of Technology Transfer (<https://techtransfer.umich.edu/for-inventors/policies/technology-transfer-policy/>).

U-M employees are expected to abide by the rules of their own schools or colleges, including unit policies for disclosure and review of outside activities (https://www.provost.umich.edu/programs/COI_COC/units.html).

In cases where a U-M employee with a 50% appointment or greater also works for the Company, the U-M will be considered the primary employer. Any outside work must not detract from the performance of the duties and responsibilities of the U-M employee. (<http://spg.umich.edu/policy/201.65-1>).

A U-M employee may not disclose or use U-M confidential information for the benefit of outside entities or interests (<http://orsp.umich.edu/unfunded-agreement-types>).

A U-M employee may not disclose an outside entity's confidential information to other U-M employees without appropriate formal Agreements (<http://orsp.umich.edu/unfunded-agreement-types>) including, as necessary, provision for declaring such information exempt from disclosure to requests under the Michigan Freedom of Information Act (<http://orsp.umich.edu/glossary/foia-freedom-information-act>).