Conflicts of Interest and Commitment

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Introduction

Iowa State University encourages active participation of university personnel in external activities that promote the university's mission, enhance professional skills, expand knowledge, and/or contribute to public service. At the same time, the university expects all employees to have an allegiance to the university and to conscientiously guard against possible adverse effects of their activities on the performance of their university duties and the reputation of the university. Possible adverse effects of these activities include, but are not limited to:

- Failure to make decisions objectively and in the best interests of the university
- Inappropriate use of university or state resources
- Insufficient time and attention dedicated to university duties to perform them satisfactorily

Activities or financial interests with the potential to lead to such adverse effects are termed "conflicts."

This policy provides a broad framework for understanding, disclosing and managing conflicts. Details of procedures for disclosing and managing specific types of conflicts are provided in the guidelines and policies linked at the end of this document. Included are guidelines related to:
• Financial conflicts of interest (financial interests in, management roles in and consulting for external entities, as well as ownership of patents, patent applications and royalty rights)
• Professional Activity Leave
• Service to government and professional associations

The Resources below include related policies dealing with conflicts of interest in procurement (conflict of interest vendors), nepotism, and consenting relationships.

The failure to perform university duties in a satisfactory manner, whether or not substantially related to an external activity or financial interest, is expected to be handled as a performance issue by the employee's supervisor. In the case of performance issues arising from activities covered by a conflict policy or guideline, performance management measures may be invoked in addition to any management required or recommended by the policies and guidelines.

This policy complies with federal and state law and Board of Regent policies and rules regarding all forms of conflicts. All university employees are required to comply with Iowa Code Chapters 68B and 71, Iowa Administrative Code Section 681, and the policies of the Board of Regents, State of Iowa. University employees receiving sponsored funds must also comply with the policies of their sponsoring agencies. The university must comply with federal circular OMB A110 which specifies that universities receiving federal funding must maintain a written and enforced policy on conflict of interest.

See the Resources section below for related laws, policies, and rules.

Policy Statement

Iowa State University requires the disclosure, review/approval, and management of external activities or financial interests with the potential to interfere with one or more of the following:

• **Performance of Duties:** University employees are expected to devote sufficient time and attention to their university duties to perform them conscientiously. An external activity with the potential to interfere with the employee's university duties is known as a conflict of commitment.

• **Objectivity:** University employees are expected to be objective in the decisions they make while performing their university responsibilities. Financial or other personal considerations with the potential to compromise an employee's objectivity are known as conflicts of interest.

• **Appropriate Use of State Resources:** State law prohibits the use of state resources, including the university name and trademarks, for personal benefit when such use is detrimental to the state or university.

All university employees are required to comply with this policy and the Procedures, Applications, and Guidance established for disclosure, approval, and management of conflicts of interest and commitment.
Definitions

- **Conflict of Commitment**: An external activity with the potential to reduce the time and attention an employee can devote to his/her university responsibilities, and thus negatively impact his/her performance of assigned university duties, constitutes a "conflict of commitment."

- **Conflict of Interest**: Any external activity, significant financial interest or management role that has the potential to negatively impact objectivity in the execution of university duties is a "conflict of interest."

- **Consulting**: The term "consulting" refers to professional services to a non-university entity that are not a part of the employee's position responsibilities.

- **External Activities**: For the purposes of this policy, "external activities" means service and/or organized activities/employment which require a substantial and regular commitment of time, whether compensated or not, for a non-university entity. This term excludes scholarly activities undertaken as a part of the employee's position responsibilities.

- **Immediate Family Members**: For purposes of this policy, an "immediate family member" refers to spouse and dependent children. Domestic partners shall be treated as spouses for purposes of this policy. The definition is different in policies related to nepotism and purchasing.

- **Management Role**: Management role refers to a position in a non-university entity with oversight over or responsibility for the entity's strategies and/or operations. Examples include director, scientific director, board member, line officer, etc.

- **Non-University Entity**: The term "non-university entity" includes for-profit or not-for-profit entities outside of the university, such as corporations, companies, partnerships, sole proprietorships, associations and governmental entities (federal, state or local). The term excludes affiliated entities which act for the benefit of the university (such as the Board of Regents, Alumni Association, ISU Research Foundation, ISU Foundation or the like).

- **Professional Activity Leave**: Supervisor-approved leave granted to faculty and P&S staff for external activity such as consulting.

- **Significant Financial Interest**: A "significant financial interest" is any financial interest that has the potential to compromise an individual's objectivity. The dollar value that is considered "significant" for the purposes of this policy is determined by the relevant federal or state law, or agency policy. See the Procedures, Applications, and Guidance for dollar values specific to each situation. Significant financial interest includes, but is not limited to:
  - Equity ownership or stock options. Excepted are equities held in retirement accounts or mutual funds.
  - Sole proprietor, partner, owner or member of a partnership or limited liability for-profit entity (includes remuneration from private consulting activities).
  - Consulting substantially related to patented or patentable intellectual property in which the employee has an interest.
  - Consulting for an entity that has a financial interest in or sponsors the employee's university scholarly activities.
  - Ownership of, or rights held in, intellectual property or research materials (which may include rights to receive royalties), the value of which may be affected by the outcome of the employee's university activities. Excepted are intellectual property and research materials held by ISURF.
  - Any of the above applicable to the employee's spouse and/or dependent children.

- **University Employee**: University employees for the purposes of this policy include all full-time and part-time faculty, professional and scientific staff, merit staff, contract employees,
graduate assistants, and post doctoral scholars. For the purposes of this policy those persons
designated as emeritus faculty who receive sponsored funding through the university and those
persons with uncompensated faculty rank, such as affiliates, collaborators, and visiting faculty
are considered university employees; casual hourly employees are not considered university
employees. The definition of employee is different for conflict of interest vendor and nepotism
policies. See Resources below.

Disclosure of Conflicts

It is the responsibility of every university employee covered by this policy to fully disclose the nature
and degree of conflicts of interest and conflicts of commitment, as defined above. The disclosures must
be made prior to initiating the activity, annually, and whenever the employee's situation changes. The
appropriate method of disclosure varies with the type of activity as described in the Procedures,
Applications, and Guidance.

Management Plans

Management plans are required for external activities, significant financial interests and/or
management roles with the potential to impair an employee's ability to perform his/her university
duties responsibly and with integrity. The form and content of management plans vary depending on
the nature of the financial interest or management role and the presumed risks. For some activities,
disclosure and approval by the supervisor may be sufficient. Other activities require a written plan that
describes the conflict; specifies the actions to be taken to manage, reduce, or eliminate the conflict; and
defines the effective period of the plan.

Specific guidelines for when and how to develop management plans are described in the Procedures,
Applications, and Guidance. All written plans must be reviewed and updated no less than annually for
as long as the conflict exists.

Disciplinary Actions

Failure to comply with this policy may result in sanctions or disciplinary actions in accordance with
the Iowa State University misconduct policies and procedures.

Procedures, Applications, and Guidance

The principles underlying disclosure and management, as described in this policy, are similar for a
wide variety of types of conflict. However, because of the diversity of applicable federal and state laws
and rules and funding agency policies, the precise mechanisms for disclosure and management vary
depending on the type of conflict and the applicable laws, rules and policies.

For guidelines on the application of this Conflicts of Interest and Commitment policy to various types
of conflict, see the online Procedures, Applications, and Guidance document. Included are:
General Application of the Conflict of Interest and Commitment Policy

- Disclosures
- Review of Disclosures
- Retention of Disclosures
- Supervisory Responsibility
- Professional Activity Leave
- Use of Facilities

Application of the Conflict of Interest and Commitment Policy in Specific Situations

- Management Role and/or Significant Financial Interest
- Consulting
- Service to Government and Associations
- Multiple Interests or Roles
- Other Outside Employment
- Special Conditions in Sponsored Agreements

See also the Frequently Asked Questions.

Resources

Links

- Conflict of Interest website - Senior Vice President and Provost
- Procedures, Applications, and Guidance - Conflicts of Interest and Commitment [PDF]
- FAQ (Frequently Asked Questions) about the Conflict of Interest and Commitment (COIC) Policy [PDF]
- Conflict of Interest Vendors / Employees, Procurement (ISU Policy)
- Conflicts of Interest - Purchasing Department Guidelines
- Extension COIC Policy [PDF]
- Nepotism: Employment and Supervision of Immediate Family Members (§4.11, Regents Policy Manual)
- Consenting Relationships (ISU Policy)
- Government Ethics and Lobbying Act (Iowa Code Chapter 68B)
- Office for Responsible Research