

# University of Delaware

## Policies and Procedures Manual

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**Section:** Research

**Policy Number:** 6-11

**Policy Name:** Faculty and Professional Staff Involvement in Commercial Enterprises That Have Relationships With The University of Delaware

**Date:** November 15, 1989

**Revisions:** March 1, 1996; February 18, 2002

### I. PURPOSE

To delineate policy and guidelines governing the involvement of faculty and professional staff with commercial enterprises to minimize potential conflicts of interest and to provide means for managing conflicts if they arise.

### II. CONFLICT OF INTEREST

A conflict of interest occurs when there is a divergence between an individual's private interests and his or her professional obligations such that an independent observer might reasonably question whether the individual's professional actions or decisions are influenced by considerations of personal gain, financial or otherwise. A conflict of interest depends on the situation, and not on the character or actions of the individual. Some examples of permissible activities as well as potential conflicts are included as an Appendix to this policy.

### III. POLICY

Involvement of faculty or professional staff with appropriate commercial enterprises is an important part of the transfer of knowledge from the University to industry and an important source of feedback from industry to enhance both teaching and research programs. An involvement of faculty or professional staff with commercial enterprises should be such that it benefits the faculty or staff member, the commercial enterprise, and the University. Involvement of faculty or professional staff with a commercial enterprise to a degree or in a manner that diminishes the effectiveness of teaching or research programs is prohibited. Disclosure of all involvements with commercial enterprises that may take time from University responsibilities or may directly or indirectly have an impact on or be perceived to have an impact on the University is required.

### IV. GUIDELINES AND IMPLEMENTATION

- A. Faculty and professional staff must submit complete written disclosure to the chair, dean, unit head, or supervisor for all of the following:
1. Consulting agreements
  2. Ownership of substantial equity in a commercial enterprise (defined as an equity interest that, when aggregated for the investigator and the investigator's spouse and other dependents as defined by the IRS, or a domestic partner, exceeds \$10,000 as determined through reference to public prices or other reasonable measures of fair market value, and/or represents more than 5% ownership in any single entity)
  3. Participation in an entity that invests in or provides financial support for activities related to the employee's University areas of responsibility
  4. Holding an appointment as an officer, director or any other management position in a commercial enterprise
  5. Participation in the day-to-day operations of a commercial enterprise
  6. Assumption of a key, continuing role in the scientific or technical effort of a commercial enterprise including serving on its scientific advisory board
  7. Transfer to a commercial enterprise of non-patented technology (know-how) or information developed in University research programs and having potential commercial value
  8. Any situation that has the potential for conflict of interest or the perception of conflict of interest
- B. Disclosure of an involvement should include:
1. Nature of the relationship
  2. Short- and long-term commitments of time and effort
  3. Name and address of the enterprise, nature of its business, and its relationship with the University, if any. Financial information need not be disclosed
  4. Expected benefits to the enterprise
  5. Expected benefits to the University
  6. Expected benefits to the faculty or professional staff member.
- Note: Expected benefits may be in terms of professional growth, technology transfer, and commercial feedback and need not include disclosure of financial information.
7. Total time and effort commitment of all outside involvements
  8. Basis of avoiding conflict of interest between the new involvement, other involvements, and professional obligations to the University.
- C. In the event that disclosure reveals a situation in which the objectivity of a faculty or staff member could reasonably be questioned, the dean, director, unit head or supervisor shall review the facts and attempt to resolve the

matter informally with the faculty or staff member. If the situation remains unresolved following this review, the dean, director unit head or supervisor shall submit the matter to a college Conflicts Advisory Committee appointed by the Dean. This committee will consider the situation and recommend to the Dean steps necessary to resolve the matter. The Dean may accept, reject or modify the committee's recommendations.

- D. If the faculty or staff member objects to the resolution offered by the Dean, the matter shall be referred to the Provost who shall seek advice from a University Conflicts Committee. The Committee, which shall include no less than 5 faculty and professional staff representing the colleges and other constituencies as appropriate, shall 1)serve as a University resource with respect to matters involving conflicts, 2)provide oversight of the University policy on conflicts, and 3)serve as a resource in the identification and resolution of specific conflicts of interest. The Provost shall make a final decision regarding the resolution of any conflicts.
- E. The faculty or professional staff person is required to maintain a complete file of information as listed in Section B above.
- F. The faculty or professional staff person will promptly inform his/her administrative unit of changes in any elements included in the disclosure.
- G. The appropriate administrative unit will review the situation biannually and/or whenever substantial changes occur and will follow the procedures outlined in IV.C and IV.D if circumstances warrant.
- H. Advice and guidance concerning this policy can be obtained from the Vice Provost for Research.

### **Appendix**

The following examples are provided as guidance in the identification of potential conflicts of interest under Policy Number 6-11. The list does not cover all possible conflicts and is intended to be illustrative only.

#### Permissible Activities

- Acceptance of royalties under University Policy Number 6-6, Inventions, Discoveries and Patents and/or University Policy Number 6-7, Copyrightable Material, or honoraria for commissioned papers or lectures.
- Services to outside educational, professional, scientific, artistic, cultural, civic, business or other organizations that enhance the value of the employee to the University and do not adversely affect the employee's primary commitment to the University.

#### Apparent Conflicts

- Any lease, sale, rent, or trade of real property to the University by the employee.
- Holding of a substantial financial interest in or participating in the profits of any organization that deals, or seeks to deal, with the University.
- Holding an appointment in or serving on the governing board of any organization that deals, or seeks to deal, with the University.

#### Possible Conflicts

- Situations where students are directed into research areas or other activities from which the employee intends to realize personal financial gain. A conflict may arise if students are directed to areas of lesser scientific or scholarly merit to enhance the potential for monetary gain or if the financial potential exists only for the employee.
- Situations where the employee is asked to advise or serve an organization doing business in the general area of the employee's University responsibility or which is related to the field.
- Situations where an employee is offered a position on a scientific or administrative board of an organization that has research contracts with the employee's unit.
- Situations where an employee is offered research support from an organization in which the employee serves as a director, member of an advisory board or as a consultant, or in which the employee holds a significant equity interest.
- Situations in which the employee is involved in independent business ventures as owner, operator or major investor, particularly if the entity is doing business with the University.

**Submitted by:** Office of the Vice Provost for Research (OVPR)

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