
CONFLICTS OF INTEREST

1. INTRODUCTION

Wake Forest University is committed to meeting the highest ethical and legal standards. This policy is designed to reinforce a standard of conduct that engenders public trust in the University, preserves its reputation and financial well-being and protects it from exposure to unnecessary legal risk.

This policy provides:

- a. A definition of Conflicts of Interest.
- b. A means of disclosing potential Conflicts of Interest.
- c. A process for review of such conflicts.
- d. A means of developing plans to manage such conflicts when needed.
- e. A source of advice regarding management of such conflicts.
- f. An appeal process when differences arise over conflict management plans.

Compliance with the policy is required of all Members of the Wake Forest community, including faculty, staff, administration, and the Board of Trustees. For policies regarding conflicts of commitment, please consult the appropriate Faculty Handbook, Employee Handbook, or Trustee Handbook.

2. DEFINITIONS

Definitions of capitalized terms used within this policy can be found in Appendix A

3. STATEMENT OF POLICY

- a. Members will strive to identify and avoid Conflicts of Interest. While this policy focuses on the relationships of the Member and the Member's Family, it is important to note that any relationship between the Member and an individual or entity that is similar to a Family relationship in loyalty or importance, may need to be disclosed.
- b. When they cannot be avoided, Members must disclose Conflicts of Interest:
 - (1) Annually, Members will submit a Disclosure Form to the Reviewer noted in Appendix B describing any actual or potential Conflicts of Interest as defined in Appendix A.
 - (2) In addition, Members must immediately disclose to their Reviewer new potential conflicts of interest within 15 days of the Member's awareness of such actual or potential conflicts.
- c. Members must work with University officials to manage or resolve identified conflicts.

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Good judgment is essential; no list of rules or guidelines can provide direction for all the circumstances that may arise. Examples of actual and potential Conflicts of Interest are included in Appendix C.

4. REVIEW

The Reviewer (see Appendix B) will determine whether Conflicts of Interest exist and if so, what conditions or restrictions, if any, should be imposed by the University to manage, reduce, or eliminate such Conflicts of Interest. If guidance is needed, either the University Compliance Office or the Committee on Conflicts of Interest (the Committee) should be consulted. All determinations will be made in writing and copies will be retained by the Reviewer and sent to the disclosing Member. The review process will proceed in a timely and confidential manner. A flow chart describing the review and appeals process is in Appendix D.

5. APPEAL

A Member may appeal the determination and disposition made by a Reviewer. A notice of appeal must be made in writing to the Committee within 15 calendar days of the Member's receipt of the Reviewer's determination and disposition.

6. REPORTING AND RECORD KEEPING

Records of disclosures, determinations, conflict management plans, and all supporting documentation (e.g., minutes of meetings) will be maintained in the University Compliance Office and in the applicable Reviewer's office for three years. Such records regarding all Members engaged in sponsored research shall also be maintained in the Office of Research and Sponsored Programs for three years after the close of the relevant grant. Any disclosures determined to present a Conflict of Interest will be forwarded to the Committee along with the respective written determination, disposition, and supporting documentation.

7. FAILURE TO COMPLY

The University expects its Members to comply fully and promptly with this policy. Examples of breaches of the disclosure, review, and appeal process include but are not limited to:

- a. failures to comply with such process, whether by virtue of a Member's refusal to disclose or respond or by his/her disclosing or responding with incomplete or knowingly inaccurate information,
- b. failures to remedy Conflicts, and
- c. failures to comply with a prescribed conflict management plan.

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Alleged breaches will be reviewed by the Committee (failure to make disclosures on a timely basis may be handled in a standard manner approved by the Committee). The Member will have an opportunity to respond to allegations, first in writing and then in person (if invited by the Committee to do so). The Committee will append such written response to its report and recommendations for sanctions if it determines a breach occurred. Sanctions may include disciplinary action ranging from a letter of reprimand to termination of employment. The report and recommendations will be forwarded to the Reviewer; the Reviewer will impose appropriate sanctions and notify the Committee of the sanctions imposed. Instances of deliberate breach of policy – including failure to file a required disclosure form or failure to comply with prescribed conflict management plans – will be handled in accordance with applicable disciplinary policies and procedures of the University. Additionally, instances of a deliberate breach of policy related to a federally sponsored research program will be reported to the appropriate federal funding agency.

8. RESPONSIBILITIES OF THE COMMITTEE ON CONFLICTS OF INTEREST

The Committee is charged with the following:

- a. Providing guidance to Members and Reviewers who have questions,
- b. Ensuring the efficiency, consistency and effectiveness of the Disclosure and Review Process
- c. Acknowledging appeals
- d. Reviewing appeals and, when necessary, developing conflict management plans
- e. Preparing annual reports communicating the results of the disclosure process
- f. Maintaining disclosure records for no less than three years or as required by outside agencies
- g. Assessing overall compliance with the Policy

9. COMPOSITION OF THE COMMITTEE

The Committee is appointed by and reports to the President or his designee, and is comprised of the following members:

- a. Five faculty representatives
- b. Three representatives from the staff
- c. One representative from the Office of Research and Sponsored Programs

Non-voting

- a. One representative from the Compliance Office
- b. One representative from the Legal Department

The members of the Committee are appointed for a term of three years.

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10. APPENDIX A – DEFINITIONS

Committee on Conflicts of Interest means the University body responsible for monitoring the effectiveness of the policy, providing guidance to Members and acknowledging and reviewing Member appeals in a timely manner.

Conflict of Interest means a situation in which a Member's financial or other personal interest or that of the Member's Family impairs or has the appearance of impairing the Member's unbiased judgment in the discharge of the Member's responsibilities to the University; it includes any situation in which the Member or Member's Family possesses a Significant Financial Interest in an entity that involves the Member's University responsibility.

Family means the spouse, domestic partner, and/or dependent children of a Member.

Financial Interest means anything of value, including but not limited to salary or other payments (e.g., consulting fees or honoraria); forbearance or forgiveness of debt; gifts that are meant to, or which appear to, improperly influence a Member's performance of his or her job; equity interests (e.g., stock options or other ownership interests); intellectual property rights (e.g., patents, copyrights, trademarks, trade secrets and royalties from such rights); and any other similar interest a Member may have in an entity outside the University. It does not include income from seminars, lectures, or engagements sponsored by public or nonprofit entities or income from service on advisory committees or review panels for public or nonprofit entities unless this income substantially exceeds the value of services provided; however, the Faculty Handbook, Employee Handbook, or Trustee Handbook may restrict or require prior approval of such activities.

Member means a trustee, officer, employee (including faculty and staff), or other person directly or indirectly responsible for executing the mission of the University. Student employees whose work is supported by federal funding allocated to the University are also Members. (University Mission Statement www.wfu.edu/Administrative-offices/Institutional-Research/)

Reviewer means the person responsible for reviewing a Member's disclosure and determining whether a Conflict of Interest exists.

Significant Financial Interest means either a) having an equity or similar interest that when aggregated for the Member and his or her Family exceeds \$10,000 in value (which amount is subject to change) as determined through reference to public prices or other reasonable measures of fair market value or that represents more than a 5% ownership interest in any one enterprise or entity, or b) receiving a salary, royalties or similar payments that exceed, or are expected to exceed, \$10,000 within any one-year period, when aggregated for the Member and his or her Family.

Third Party or Organization means any legal entity such as partnerships, firms, trusts, joint ventures, and corporations.

University means the Reynolda Campus of Wake Forest University.

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11. APPENDIX B -- REVIEWERS

Member	Reviewer
Faculty	Department Chair or Dean
Academic Department Chair	Dean
Dean	Provost
Staff	Department Head or Designee
Staff Department Head	Vice President, Provost, Athletic Director, or Designee
Provost, Vice President, Athletic Director	President
President	Chair of the Board of Trustees
Trustee	Chair of the Board of Trustees
Chair of the Board of Trustees	Vice Chair of the Board of Trustees
Students Engaged in Sponsored Research	Department Chair or Designee

12. APPENDIX C – EXAMPLES

Note: The following examples are intended to provide guidelines for the possible presence or absence of Conflicts of Interest. This is **not** intended as an exhaustive list.

Activities Unlikely to Constitute Conflicts of Interest

The following are examples of types of activities that normally will not constitute Conflicts of Interest. Disclosure to the University of such activity is not required unless the Member believes a potential conflict exists.

- a. Income or personal gain to the Member or the Member’s Family from activities unrelated in any way to the Member’s relationship with the University.
- b. Service on boards, review panels, accreditation bodies, learned societies, and visiting committees of other educational or nonprofit organizations which enhances the value of the Member to the University, provided such service does not adversely affect the Member’s responsibilities to the University.

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APPENDIX C – EXAMPLES (CONTINUED)

- c. Acceptance of publication royalties or honoraria for commissioned papers, occasional lectures, concerts, exhibits, conferences, or short-term seminars or workshops.
- d. Receipt of royalties for copyrights and patents obtained in accordance with University policy.
<http://www.wfu.edu/organizations/CIT/docs/CopyrightPolicy.htm>.
- e. A Member's interest in a business as a holder of a mutual, pension, or other institutional investment fund in which the Member has no direct control of specific investments.
- f. Ownership of or equity in a corporation used solely for the Member's consulting activities.
- g. A Member's requiring or recommending the Member's or Member's Family's textbook or other teaching aids, materials, software, equipment or the like, to be used in connection with a University instructional program.
- h. Social invitations, if they do not place or appear to place the recipient under any obligation, are not considered a Conflict of Interest.
- i. Use of the telephone for personal local calls.
- j. Use of the library for purposes unrelated to one's University responsibilities.

Activities With Potential to Constitute Conflicts of Interest

The following are examples of types of activities that may or may not constitute Conflicts of Interest depending upon the particular circumstances. Open communication and discussion including written disclosure of such activity should take place in case of doubt between the Member and his or her Reviewer to determine whether a potential Conflict of Interest exists.

- a. Relationships (e.g., consulting, equity interest, etc.) that might enable a Member to influence the University's dealing with an outside entity in ways leading to personal gain for the Member or the Member's Family. For example, a Member may have a Financial Interest in an entity with which the University does or seeks to do business and also hold a University position with the ability to influence relevant business decisions pertaining to that entity.
- b. The Member's service as an officer, director or in any management capacity in an external for profit business that deals or seeks to deal with the University.
- c. Activities (e.g., research projects, summer camps, consulting arrangements, etc.) for which Members are personally compensated and that involve, or might reasonably be perceived to involve, the University, its name or registered marks, its Members, facilities (e.g., labs), equipment (e.g., computers) or other resources.
- d. The Member's devotion of such time or creative energy to paid or unpaid outside activities (e.g., consulting, outside employment, club activities) as to compromise the Member's ability to adequately fulfill University responsibilities.

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APPENDIX C – EXAMPLES (CONTINUED)

- e. Associating one's name or one's work with an external activity in a way that implies endorsement or sponsorship by the University.
- f. Exerting pressure on others associated with the University to purchase a product or to pursue a particular course of action when the Member or Member's Family has a proprietary or personal interest at stake or either will receive or retain something of value.
- g. The Member's participation in University research involving a technology owned by or contractually obligated (by license, option, or otherwise) to a business in which the Member or Member's Family has a consulting relationship that meets the definition of "Significant Financial Interest."
- h. The referral of an individual who comes to a Member in the Member's capacity as an employee of the University to an entity or firm for services if the Member or Member's Family has a Significant Financial Interest in such firm or entity.
- i. A Member's provision of services to an external entity, in which the Member or the Member's Family has a Financial Interest, that competes directly with the University.

Activities that Constitute Unacceptable Conflicts of Interest

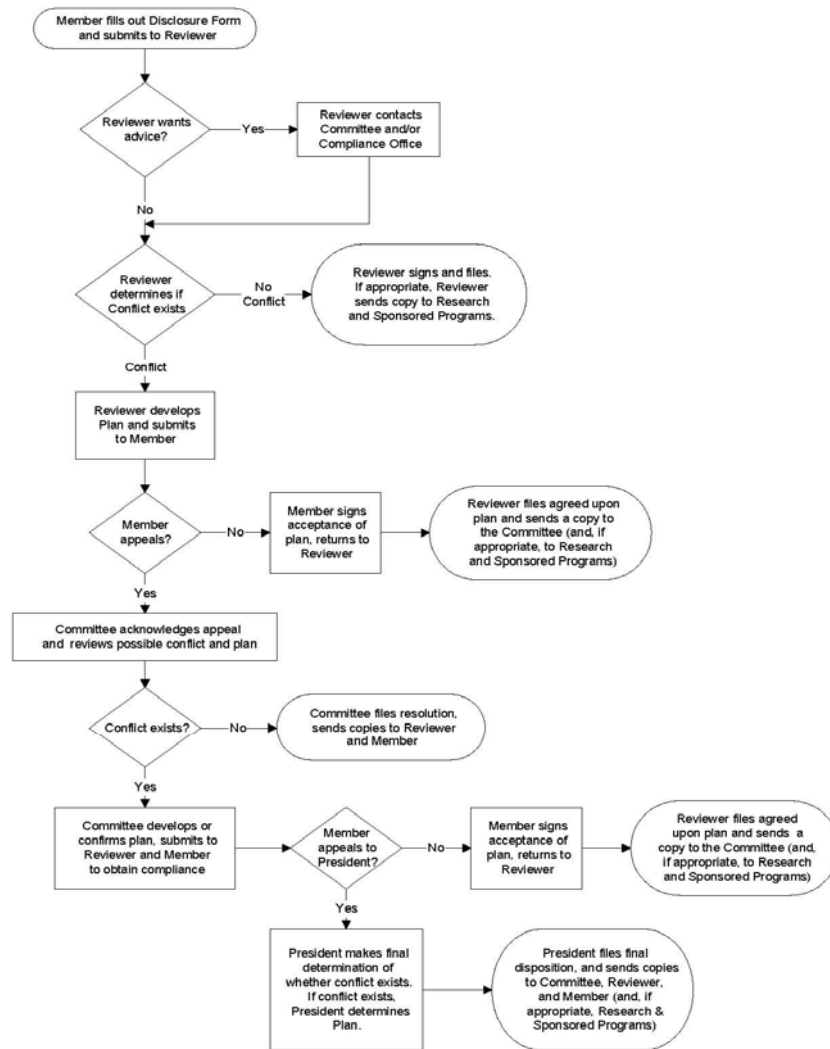
The following are examples of activities constituting Conflicts of Interest. Full disclosure and discussions should take place between the Member and his or her Reviewer. If a conflict does in fact exist, full disclosure will be made to the Committee on Conflicts of Interest.

- a. Use of University time, property, or services for the personal benefit of a Member, the Member's Family or Third Party or Organization in which the Member or the Member's Family has an interest, that entails additional cost to the University.
- b. Influence on or participation in the negotiation of an agreement between the University and an entity or organization in which the Member or the Member's Family holds a key position or has a Financial Interest.
- c. Influence on or participation in the negotiation of an agreement between the University and an individual or entity with whom the Member has a relationship characterized by loyalty or importance similar to that which exists between the Member and the Member's Family.
- d. Use of confidential or proprietary University information resulting from research or accessed from other University sources for the Member's personal gain, or assisting an external entity in which the Member has an interest by giving it access to such information.
- e. A Member's acceptance of personal gifts of cash in any amount, or gifts of property, services or benefits meant to, or that appear to, improperly influence a Member's performance of the Member's job. In addition to items of favor or hospitality, a gift may include, but is not limited to, gratuities or tools of one's profession, such as laboratory equipment.

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13. APPENDIX D

Disclosure, Review, and Appeals Flowchart:



Note: A copy of all disclosure forms will be maintained in the Compliance Office for a period of no less than three years.

Approved by the University Board of Trustees in April, 2003