

# Wake Forest University

## Reynolda Policy

### *Conflicts of Interest*



July 1, 2003

## 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 definition of Conflicts of Interest.
- A means of disclosing potential Conflicts of Interest.
- A process for review of such conflicts.
- A means of developing plans to manage such conflicts when needed.
- A source of advice regarding management of such conflicts.
- 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.

## Definitions

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

## Statement of Policy

1. [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.
2. When they cannot be avoided, [Members](#) must disclose Conflicts of Interest:
  - 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**.
  - 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.
3. [Members](#) must work with [University](#) officials to manage or resolve identified conflicts.

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**.

## 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**.

## 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.

## 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.

## 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:

- 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,
- failures to remedy Conflicts, and
- failures to comply with a prescribed conflict management plan.

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.

## **Responsibilities of the Committee on Conflicts of Interest**

The [Committee](#) is charged with the following:

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

## **Composition of the Committee**

The [Committee](#) is appointed by and reports to the President or his designee, and is comprised of the following members:

- Five faculty representatives
  - Three representatives from the staff
  - One representative from the Office of Research and Sponsored Programs
- Non-voting
- One representative from the Compliance Office
  - One representative from the Legal Department

The members of the [Committee](#) are appointed for a term of three years.

## 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/](http://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.

## Appendix B -- Reviewers

<u>Member</u>	<u>Reviewer</u>
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

## 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.

1. 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](#).
2. 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](#).
3. Acceptance of publication royalties or honoraria for commissioned papers, occasional lectures, concerts, exhibits, conferences, or short-term seminars or workshops.
4. Receipt of royalties for copyrights and patents obtained in accordance with [University](#) policy. <http://www.wfu.edu/organizations/CIT/docs/CopyrightPolicy.htm>.
5. 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.
6. Ownership of or equity in a corporation used solely for the [Member](#)'s consulting activities.
7. 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.
8. Social invitations, if they do not place or appear to place the recipient under any obligation, are not considered a [Conflict of Interest](#).
9. Use of the telephone for personal local calls.
10. Use of the library for purposes unrelated to one's [University](#) responsibilities.

## Appendix C – Examples (continued)

### 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.

1. 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.
2. 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](#).
3. 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.
4. 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.
5. Associating one's name or one's work with an external activity in a way that implies endorsement or sponsorship by the [University](#).
6. 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.
7. 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](#)."
8. 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.
9. 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](#).

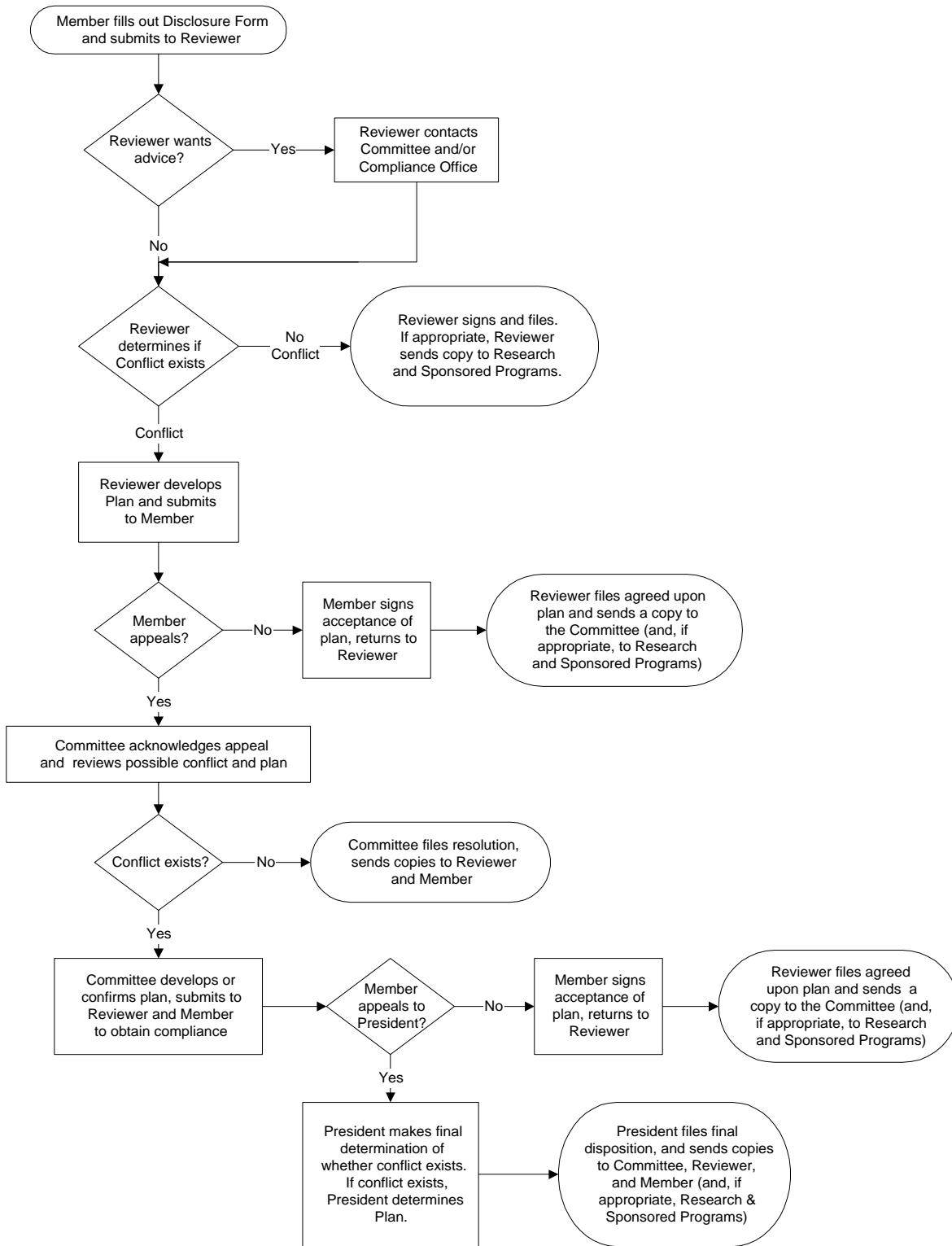
## Appendix C – Examples (continued)

### 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](#).

1. 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](#).
2. 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](#).
3. 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](#).
4. 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.
5. 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.

## 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.