Subject: FW: DRAFT Conflict of Interest Policy for Consideration by UCFA on January 31
Date: Thursday, January 26, 2012 2:07 PM
From: Terry May <mayte@msu.edu>
To: "William A. Anderson" <ander113@msu.edu>, "L. Karl Olson" <olsonla@msu.edu>
Cc: Terry Curry <thcurry@msu.edu>, Lee Bollinger <bollin24@msu.edu>, "Dr. J. Ian Gray" <gray@msu.edu>
Conversation: DRAFT Conflict of Interest Policy for Consideration by UCFA on January 31

Bill / Karl:

Lee Bollinger and I are pleased to transmit a draft Conflict of Interest Policy for consideration by the UCFA at its meeting this coming Tuesday, January, 31, 2012. Also attached is a draft of a proposed annual reporting form to address how this might be applied through a password protected, electronic system and a formal transmittal memo.

Key recommendations in the draft proposal include:

- Renaming the Faculty Conflict of Interest Information Officer to “Faculty Conflict of Interest Officer” and revising its role and responsibilities.

- Revising the applicability of the Policy to “individuals appointed through the academic personnel system with research, teaching, outreach, or service institutional responsibilities. This Policy also applies to individuals who have independent responsibility for proposing, conducting or reporting the results of University research and other sponsored projects.”

- Revising what must be reported from a conflict of interest to all “significant financial interests [defined in the Faculty Conflict of Interest Handbook] that are related to the faculty member’s institutional responsibilities.”

- Revising the timing of reporting from an event-based system of conflicting interests to an annual system of related significant financial interests with no presumption of whether or not there is a conflict of interest.

- Revising the specified composition, role, and responsibilities of the Conflict Review Committee (CRC) from being advisory (three persons) to having explicit responsibilities and decision-making authority (a minimum of five persons).
Revising the authority and responsibility for initial assessment about the existence of a conflict of interest and recommendation for a conflict management plan from the Unit Administrator/Dean to the FCOIO/CRC. The CRC would have authority to vote concerning recommendations to the Vice President for Research & Graduate Studies.

Adding a section addressing compliance with specific Federal requirements imposed for funded projects that would enable rescinding of the “Guidelines for Potential Conflicts of Interest Pertaining to Applications for NSF and PHS Research Support” from the Faculty Handbook.

Associate Provost Curry is available to meet with you after tomorrow’s Board meeting but prior to Tuesday’s UCFA meeting if you wish. He will distribute these materials to the full committee and post them to the agenda.

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Conflicts of Interest, Faculty/Academic Staff (Draft, Jan. 2012)

This policy was approved by the Board of Trustees on [approval date].

I. PREAMBLE

As a modern research-intensive land-grant university, Michigan State University is committed to maintaining the trust of the general public which supports it and which it serves. For the University to do so, its faculty must pursue their research, teaching, outreach, and service responsibilities with integrity and proper professional judgment in a manner consistent with the highest standards of their respective disciplines and in the best interests of the University. A faculty member's reputation for integrity and for exercising proper professional judgment can be seriously compromised, however, if the faculty member fails to disclose a significant financial interest that is related to his/her institutional responsibilities. Moreover, an individual faculty member's unmanaged and unresolved conflict of interest can undermine confidence in the University and, thus, harm its standing and that of its entire faculty.

This Policy addresses the disclosure, review, management, and resolution of conflicts of interest relating to the performance by faculty of their research, teaching, outreach, and service responsibilities at the University. For purposes of this Policy, a "conflict of interest" exists when a faculty member's financial interests or other opportunities for tangible personal benefit may compromise, or reasonably appear to compromise, the independence of judgment with which the faculty member performs his/her responsibilities at the University.¹

II. APPLICABILITY²

This Policy applies to individuals appointed through the academic personnel system with research, teaching, outreach, or service institutional responsibilities. This Policy also applies to individuals who have independent responsibility for proposing, conducting or reporting the results of University research and other sponsored projects.³

III. IMPLEMENTATION

A. Disclosure

Faculty members must annually disclose all significant financial interests⁴ and other opportunities for tangible personal benefit that are related to the faculty member's institutional responsibilities. Faculty members must also submit an updated disclosure within thirty days of acquiring any new significant financial interest or other opportunity for tangible personal benefit. "Institutional responsibilities" refer to the faculty member's

¹ For example, a conflict of interest exists if a faculty member's financial interests (or other opportunities for tangible personal benefit) directly and significantly affect the design, conduct, or reporting of the results of research or other sponsored projects.

² For purposes of this Policy, the individuals described in Section II (Applicability) will generally be referred to as "Faculty." Although the term "personnel" appears in the Policy, the Policy applies to employees in other employment categories.
Faculty, although the term encompasses, and the Policy applies to, employees in other appointment categories.

3 For a more detailed description of this Policy's application to individuals involved in University research and other sponsored projects, refer to the Faculty Conflict of Interest Handbook.

4 A "significant financial interest" is defined in the Faculty Conflict of Interest Handbook.
Annual Report of Disclosable Personal Interests

In order to comply with legal requirements and to maintain the trust of the general public, Michigan State University (MSU) has adopted a Conflict of Interest Policy that requires individuals with research, teaching, outreach, or service responsibilities and/or independent responsibility for proposing, conducting or reporting the results of research and other sponsored projects to annually report their significant financial interests or other opportunities for tangible personal benefit that relate to their MSU responsibilities. Reported personal interests will be assessed for whether they create a conflict of interest and whether the conflicting interest should be managed.

The following financial interests are excluded from consideration and do not need to be included in your annual report:

- Salary or other remuneration from the University or paid at the University's behest (including remuneration from a University-approved practice plan)
- Financial interests arising solely by means of investment in a mutual, pension, or other institutional investment fund over whose management and investments neither you nor any immediate family member has control
- Indebtedness from a bank, credit union, or other commercial lender

Income from seminars, lectures, service on committees or review panels, or other educational activities sponsored by public or not-for-profit entities are also excluded for all but PHS Investigators who are required to disclose non-profit entities, foreign governments, and foreign institutions of higher education providing such income.

Disclosable financial interests, or other opportunities for tangible benefit, include not only an individual's personal interests, but also the interests on an aggregate basis with their immediate family (spouse, domestic partner, dependent child(ren), and other dependents) and any legal entity that one or more of them owns or controls. Financial interests in entities must be reported when they exceed specific threshold values (i.e., de minimis amounts). De minimis amounts are set at $10,000 unless required to be lower by Federal requirements (e.g., $5,000 for Public Health Service sponsors), by college specific policies (e.g., any $ value by College of Human Medicine clinical departments), or by MSU.

The following questions are intended to help establish the de minimis values that apply.

Is your primary appointment in a clinical department of the College of Human Medicine?
   Yes [ ]  No [ ]

Are you currently an investigator on a PHS-funded project or plan to serve as an investigator on a proposal submitted to a PHS agency?
   Yes [ ]  No [ ]
January 26, 2012

TO: William Anderson, Chair and BOT Liaison
    University Committee on Faculty Affairs

FROM: Terry A. May
    Faculty Conflict of Interest Information Officer

SUBJECT: Recommended Draft Conflict of Interest Policy

I am writing to transmit a draft Conflict of Interest Policy that is scheduled for consideration by the UCFA at its meeting on January 31, 2012. Also included is a draft of a proposed annual reporting form to address how this might be applied through a password protected, electronic system.

Key recommendations include:

- Renaming the Faculty Conflict of Interest Information Officer to “Faculty Conflict of Interest Officer” (FCOIO) and revising its role and responsibilities.

- Revising the applicability of the Policy to “individuals appointed through the academic personnel system with research, teaching, outreach, or service institutional responsibilities. This Policy also applies to individuals who have independent responsibility for proposing, conducting or reporting the results of University research and other sponsored projects.”

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C: Terry Curry, Associate Provost Academic Human Resources
J. Ian Gray, Vice President Research & Graduate Studies
Lee Bollinger, Assistant General Counsel