



Vanderbilt University
Staff Conflict of Interest and Commitment

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Article I: Policy Statement

All individual members of the Vanderbilt University community (including Trustees, University officials, and all full-time, part-time, temporary, or adjunct faculty and staff of the University) must fulfill the education, research, patient care, and public service missions to which Vanderbilt University is dedicated.

The University's core values include a commitment to the following goals: educating students; protecting academic freedom; advancing and communicating knowledge about the world; protecting the safety of patients and participants in research; protecting the integrity and objectivity of research and instruction; supporting the ideals of goodwill, fair play, and transparency; and encouraging public service.

Accordingly, all individuals in the University community have a clear obligation to make decisions and conduct the affairs of the University based upon the desire to promote the best interests of the University in a manner consistent with those goals. Trustees and members of senior administration are fiduciaries and owe special duties of care and loyalty to the University as a whole and must keep the University's interests paramount to all others.

The relationships between Vanderbilt University, the individual members of the University community, private industry, federal and state governments, and the non-profit sector have grown increasingly complex. As a result, there are opportunities for professional interactions and development that may benefit the University community and its individual members, but which may also present the potential for or the appearance of conflicting loyalties

and responsibilities for the individuals within the University community. The purpose of the Vanderbilt University Conflict of Interest and Commitment Policy is to set forth a policy statement regarding conflicts of interest and commitment and to provide guidelines to protect the University and its mission.

A conflict of interest refers to a situation in which an individual's financial, professional, or other personal considerations may directly or indirectly affect, or have the appearance of affecting, an individual's professional judgment in exercising any University duty or responsibility, including the conduct or reporting of research. Typically, a conflict of interest may arise when an individual has the opportunity or appears to have the opportunity to influence the University's business, administrative, academic, research, or other decisions in ways that could lead to financial, professional, or personal gain or advantage of any kind.

A conflict of commitment refers to a situation where an individual engages in external activities, either paid or unpaid, that interferes with their primary obligation and commitment to the University. Individuals in the University community should evaluate and arrange their external interests in order to avoid compromising their ability to carry out their primary obligations to the University, and most conflicts of interest or commitment should generally be avoided or resolved through the exercise of personal judgment or discretion.

All individuals in the University community are expected to (i) abide by the conflict of interest and commitment policy and standards set forth in this policy (including any

specific procedures adopted by specific schools or departments pursuant to or in furtherance of this policy), (ii) fully and continually disclose professional and relevant personal activities and relationships that create a conflict of interest or commitment or have the appearance of creating a conflict of interest or commitment as required by the University, (iii) remedy conflicts of interest or commitment or comply with any management or monitoring plan prescribed by the University, (iv) remain aware of the potential for conflicts of interest and commitment, and (v) take initiative to manage,

disclose, or resolve conflicts of interest or commitment as appropriate. All senior administrators have the responsibility to understand and implement this policy, including, as necessary, the adoption of specific procedures for their respective schools and departments in furtherance of and in accordance with this policy. It is the responsibility of all managers to facilitate the disclosure, review, and conflict management process in conjunction with the Office of Conflict of Interest and Commitment Management.

Article II: Conflict of Interest Guidelines

Conflicts of interest can arise under many situations. These guidelines set forth principles for members of the University community to follow. Disclosure and approval are required before engaging in activities that are inconsistent with these guidelines.

A. University Administration

The internal administration of the University can present the potential for conflicts of interest. Members of the University community with administrative responsibilities must take particular care to avoid relationships in which financial interests or other personal interests intersect with the University's interests and have the potential for inappropriate factors to be considered in administrative decisions, including hiring decisions. In particular, individuals who have University duties involving the procurement, exchange, or sale of goods, services, or other assets; the negotiation or formation of contracts or other commitments affecting the assets or interests of the University; the handling of confidential or privileged information; the provision of patient care; the conduct of sponsored research and the handling of any research results or resulting

transfer of technology; or the rendition of professional advice to the University must be particularly conscious of potential conflicts of interest or the appearance of conflicts of interest.

B. Business Relationships

In general, when individual members of the University community or their family members have financial interests in a business or are involved in a business as an owner, operator, or as an executive officer, they must be alert to the possibility that a conflict of interest may arise, if the business has a relationship with the University. If the enterprise does business with the University, or proposes to do business with the University, the individual is expected to disclose that fact. Generally, there will be no conflict of interest if the individual is not in a position to influence the University with respect to the business in which the individual or family member has an interest. Members of the University community may not review, approve, or administratively control contracts or business relationships when the contract or business relationship is between the University and a business in which the individual or a family member has a financial interest or

when the individual or a family member is an employee of the business and is directly involved with activities pertaining to the University. This section is not intended to apply to the adoption of textbooks, software, or other teaching aids written by faculty members or their family members for use in their own course of instruction.

C. Gifts

No gifts or accommodations of any nature, including unrestricted grants, may be accepted by the University or individual members of the University community when to do so would place them in a prejudicial or compromising position, interfere in any way with the impartial discharge of their duties to the University, or reflect adversely on their integrity or that of the University. Individuals may, however, accept gifts, meals, entertainment, and other normal social amenities no greater in value than \$300 per year from a single source, whether an individual or a business, provided that such amenities are not otherwise extravagant under the circumstances.

D. Use and Appropriation of University Assets

The University possesses both tangible and intangible assets. These assets include buildings, personnel, equipment, patents, copyrights, technology, and work products, as well as the University's reputation and prestige. As custodian of these assets, members of the University community owe a fiduciary duty to the University to act in accordance with applicable University procedures regarding the proper expenditure of the University's funds, as well as the use and control of University assets, including confidential and privileged information. Where specific procedures regarding the disposition and control of University assets do not exist, individuals are expected to protect the best interests of the University in its tangible and intangible assets.

Conduct constituting the misappropriation or unauthorized use of University assets in connection with any external activity is prohibited (including implying sponsorship or endorsement by the University or otherwise trading on the reputation or goodwill of the University). Mere identification of the University as one's employer and of one's position at the University is permitted, provided that such identification is not used to imply University sponsorship or endorsement.

E. Research and Healthcare Activities

Conflicts of interest in sponsored research and the provision of patient care involve situations in which financial, professional, or other personal considerations may compromise, or have the appearance of compromising an individual's judgment in the provision of patient care or the conduct or reporting of sponsored research. The bias which may result from such conflicts of interest may impact not only on the collection, analysis, and interpretation of data, but also on the hiring of staff, procurement of materials, clinical referrals, sharing of results, choice of protocol, the use of statistical methods, the use of human participants, or otherwise influence the provision of patient care or the course of a sponsored research project.

Individual members of the University community may not review, approve, or administratively control contracts, grants, clinical trials, or other business relationships when such contract, grant, clinical trial, or other business relationship pertains to sponsored research involving the University and a business in which the individual or a family member has a significant financial interest or when the individual or a family member is an employee of the business and directly involved with activities pertaining to

the sponsored research. Absent compelling circumstances, individuals may not participate in research involving human research subjects if they have a significant financial interest in the sponsor of the research or any technology that could be affected by the outcome of the research. This presumption against human subjects' research by financially interested individuals may be rebutted by compelling circumstances that are reviewed in advance by appropriate University officials. No research with human subjects that involves a conflict of interest may receive final approval from the Institutional Review Board until the conflict of interest is addressed under this policy. Every individual participating or involved in University research or healthcare activities is responsible for learning and complying with all other applicable policies and procedures.

F. Activities Related to Students

An individual member of the University community may not assign students, postdoctoral fellows, or other trainees to University projects sponsored by any business if the individual or a family member has a significant financial interest in the business. An individual also may not assign students or permit students to participate in any consulting relationship in which the individual or a family member has a significant financial interest.

Deans and department chairs have the responsibility for protecting the interests of students, fellows, and trainees who may be directly or indirectly involved in a conflict of interest situation related to a member

of the University community or a family member with a financial interest in the situation. Students and trainees should not be permitted to participate in research or consulting activities if the terms and conditions of those activities would prevent the students or trainees from meeting applicable University degree or training requirements. Students, postdoctoral fellows, and trainees involved in any conflict of interest situation should be informed that the conflict of interest situation exists; and that their concerns, if any, can be discussed with the appropriate University official or, if applicable, the monitor or monitoring panel.

Additionally, deans or their designees and department chairs must meet regularly (at least annually) with any students, post-doctoral fellows, or trainees involved in a conflict of interest situation. Deans and department chairs may also consider assigning an observer to the research advisory committee/theses or dissertation committee of any student involved in a conflict of interest situation.

G. Activities Related to Family Members

Members of the University community may not participate in the hiring process or any employment-related decisions pertaining to their family members. Likewise, they may not be in a position to supervise a family member as an employee of the University or otherwise review or participate in reviewing a family member's work as an employee of the University.

Article III: Conflict of Commitment Guidelines

One type of conflict of interest is conflict of commitment. A conflict of commitment relates to an individual's distribution of effort between University employment and commitment to external employment or personal activities. It is possible to have a conflict of commitment even if the individual does not receive compensation for the external activity. External activities may include employment outside the university, involvement with professional societies, community service, conferences, consulting, other professional activities, and business activities related to outside entities including start-up companies.

A conflict of commitment can arise when the external activities burden or interfere with the staff member's primary obligations and commitments to the University. It is the policy of the University that all full-time staff members are expected to devote their primary professional loyalty, time, and energy to their position at Vanderbilt.

Although a specific work-week may not be defined for senior administration and full-time exempt staff, it is expected that their employment constitutes a full-time obligation. Employment outside Vanderbilt or other activities that could

create a conflict of commitment, or the appearance of a conflict of commitment, should be disclosed as outlined in this policy and discussed with the staff member's supervisor to ensure it will not create a conflict of commitment. Hourly paid staff, or part-time exempt staff, should also disclose and discuss with their supervisors external obligations so that a conflict of commitment does not arise.

Accordingly, external activities must be arranged so as not to interfere with a staff member's primary commitments. External activities must be of such a nature and conducted in such a manner as will not bring discredit to the University and must not compromise any intellectual property owned by the University.

Staff members should periodically re-examine the nature and extent of their external activities and conscientiously avoid engaging in activities that constitute conflicts of commitment. The Vice Chancellors may grant exceptions to this policy in extraordinary cases upon recommendation of the University Conflicts Committee.

Article IV: Disclosure

A. Duty to Disclose

In order to identify and review conflicts of interest or commitment, and the appearance of conflicts of interest or commitment, members of the University community must disclose in advance all outside activities and financial interests that create or have the appearance of creating conflicts of interest to the appropriate University officials.

Appropriate University officials may include supervisors, deans, department chairs, and the Office of Conflict of Interest and Commitment Management. Such disclosures shall be sufficiently detailed and timely as to allow accurate and objective evaluation prior to making commitments or initiating activities that create conflicts of interest or commitment. The information must be accurate and not false, erroneous, misleading, or incomplete. Each member of the University community has an obligation to cooperate fully in the review of the pertinent facts and circumstances. Individual schools and departments may implement more specific procedures and require additional information in furtherance of this policy.

Certain University activities will involve more specific procedures with respect to conflicts of interest either because of governmental requirements or corporate fiduciary duty. Trustees and General Officers, as well as anyone involved with sponsored research or the development and licensing of intellectual property under the auspices of the University, is responsible for complying with all applicable procedures.

Disclosure required by any governmental, accreditation, or other self-regulatory agency, such as the Public Health Service or the Joint

Commission on Accreditation of Healthcare Organizations regulations, should be made to the appropriate University official and the Division of Sponsored Research or the Office of Research, as the case may be, on the required forms before grant application submission. Additionally, disclosure should be made to publications and journal editors when research manuscripts are submitted and to the audience during any oral presentation of research if the presenter has a conflict of interest.

The Office of Conflict of Interest and Commitment Management is available as a resource for questions involving University policies and procedures and for guidance on any issues related to the disclosure process.

B. Annual Disclosure Process

In addition to the duty of advance disclosure discussed above, all members of the University community are required to provide a disclosure of situations or relationships that create or have the appearance of creating a conflict of interest or commitment upon initial employment and annually thereafter. Updated disclosures must also be provided throughout the year if changes in circumstances arise that either (a) create a new conflict of interest or commitment or (b) change or eliminate a conflict of interest or commitment previously disclosed. All disclosure statements and management plans are official records and will be maintained according to an appropriate retention schedule. The disclosure statements contain information that may have a direct bearing on an individual's employment. The disclosure statements will be considered confidential, however, the information may be released in accordance with and as required by federal, state, or local law or court order.

Article V: University Conflicts Committee

A. Composition

There shall be established a University Conflicts Committee which shall be a University resource on conflict of interest matters and conflict of commitment matters. The Committee shall have representatives from relevant areas across the University, appointed by the Chancellor, including faculty, audit, research, legal, administrative, and compliance. At least one representative on the Committee shall be a person from outside the University community. The University's General Counsel shall serve as the chair of the Committee, and the representatives on the Committee shall serve for a renewable three-year term.

B. Duties and Responsibilities

1. The Committee's primary responsibility is to serve as a resource to the University on conflict of interest and conflict of commitment matters in which the University's mission, philosophy, and overall purpose could be compromised by the University's relationships with the individual members of its community.

2. The Committee is responsible for reviewing all conflict of interest cases involving the University as a party or an institutional conflict of interest. The Committee will also review all cases where a management plan is being proposed and the individual has a significant financial interest, as well as cases where the initial review committee cannot reach a decision. The Committee may also review appeals from adverse decisions and cases that may be referred to it. The Committee will conduct a thorough review of each case and will either approve or deny the proposed activity, management plan, and/or monitoring plan.

3. In the event of an appeal, the Committee shall be provided with a copy of any disclosure statement which reveals a real or apparent conflict of interest, together with a recommendation from the appropriate University official. The Committee must provide individuals the opportunity to appear before the Committee and/or submit written comments regarding the recommendation. The response of the individual will become an official part of the conflict of interest review record.

4. The Committee shall maintain oversight of the annual and periodic disclosures from all faculty and staff that address conflicts of interest. The Office of Conflict of Interest and Commitment Management shall provide the Committee with such summaries, reports, or disclosure statements as it may require.

5. The Committee shall maintain an ongoing awareness of procedures, practices, and standards with regard to conflicts of interest with a view to assuring consistency with the terms of this policy. It shall carry on whatever dialogue is necessary with college deans and directors or administrative officers to insure that its knowledge is sufficiently current and complete. It shall also insure that a proper balance is maintained between confidentiality and its operations and standards.

6. The Committee shall maintain an awareness of externally imposed conflict of interest requirements.

7. The Committee shall review this policy periodically and may make amendments to the policy, in consultation with the Office of Conflict

of Interest and Commitment Management, the Office of Compliance, and the Office of General Counsel, by a majority vote of all current Committee members.

8. Upon request, the Committee shall make recommendations relating to the enforcement of this policy and any disciplinary action.

9. The Committee shall perform such additional functions as may be assigned from time to time by the Chair of the Committee.

10. The Committee will report semiannually to the Audit Committee of the Board of Trust on matters within its scope of responsibility. At the discretion of the chair of the Committee, conflicts of interest or commitment involving the Chancellor or other General Officers of the University may be referred to the

Audit Committee of the Board of Trust for review and approval.

C. Procedures

The Committee shall establish procedures to implement this policy, in cooperation with the University's schools and other departments, and may make use of subcommittees to carry out its various functions. The Committee shall maintain confidential minutes of its deliberations. In the case of research or other activities subject to applicable governmental regulations on conflicts of interest, the requirements of such governmental regulations shall apply and supplement and/or, to the extent inconsistent with this policy, supersede the provisions of this policy. In that event, applicable reporting procedures and other substantive and procedural requirements will be followed.

Article VI: Oversight

The Office of Conflict of Interest and Commitment Management is responsible for overseeing the implementation of this policy. They will review all violations of this policy, including: (a) failure to comply with the disclosure process (by refusal to respond, by deliberately responding with incomplete, inaccurate, or misleading information, or otherwise); (b) failure to remedy conflicts of interest; and (c) failure to comply with a prescribed management or monitoring plan. Such cases may be forwarded to the University Conflicts Committee for review and recommendations by the Office of Conflict of Interest and Commitment Management.

Penalties for deliberate violations of this policy will be adjudicated in

accordance with applicable disciplinary policies and procedures of the Human Resources Staff Guidelines. Possible penalties include reimbursement to the University for misused resources; formal admonition; inclusion in a staff member's file of a letter from their dean or supervisor indicating that the individual's good standing has been called into question; ineligibility to participate in grant applications, Institutional Review Board approval, or working with graduate students; performance improvement counseling, up to and including dismissal from employment consistent with the Staff Guidelines.

Any member of the University community may report a situation involving a conflict of interest or commitment or a violation of this

policy to an appropriate University official, the Office of Compliance anonymous helpline at 322-1033, the Medical Center Compliance Office anonymous helpline at 343-0135, or the Office of Conflict of Interest and Commitment Management at 322-2401. The University will make every

effort to protect anyone who reports a violation from reprisal.

General questions about the policy or disclosure requirements should be directed to the Office of Conflict of Interest and Commitment Management at 322-2401.

Definitions

- ❖ **Business:** Any company or corporation, any partnership, sole proprietorship, firm, franchise, association, organization, holding company, joint stock company, receivership, trust (business, real estate, estate planning, or otherwise), enterprise, or any other legal entity whether organized for profit or not-for-profit, including any entity controlled by, controlling, or under common control with any such entity, but excluding the University.
- ❖ **Family or Family Member:** Spouse, child, stepchild, parent, sibling, or domestic partner (individual not related by blood or marriage, but currently in a committed relationship and residing in a common household sharing joint responsibility for the household) of a member of the University community. For purposes of the employment of family members at Vanderbilt University, grandparent, grandchild, father-in-law, and mother-in-law are also included.
- ❖ **Financial Interest:**
 - Salary or other payments for services (including fees, honoraria, “gifts,” or other “in kind” compensation whether for consulting, membership on a board of directors or advisory board, or any other purpose such as partial, interim, or milestone payments). Payments for services would not include income from editorial activities on behalf of professional journals and from seminars, lectures, engagements sponsored by governmental or not-for-profit entities or service on advisory committees or review panels for governmental or not-for-profit entities.
 - Intellectual property rights (including patents, copyrights, and royalty income or the right to receive future royalties under a patent or other intellectual property rights, whether pursuant to a license or otherwise).
 - Ownership and equity interests or entitlement to such interests in a publicly or non-publicly traded business (including stock, stock options, partnership interests, and convertible debt but excluding interests in publicly-traded mutual funds where the individual investor has no control over the selection of holdings).
- ❖ **Significant Financial Interest:** A financial interest that exceeds \$10,000 in value over a twelve-month period or a 5% ownership interest. Receiving stock options or founders shares will also be considered having a significant financial interest due to the difficulty of valuing these instruments.