DEARBORN FACULTY
POLICY ON OUTSIDE FINANCIAL INTERESTS,
CONFLICTS OF INTEREST AND CONFLICTS OF COMMITMENT
University of Michigan-Dearborn

A. IDENTIFICATION OF POTENTIAL CONFLICTS OF INTEREST AND COMMITMENT

Potential conflicts of interest and commitment are inevitable where faculty members are engaged, as they ought to be, with actors and institutions outside the University. These potential conflicts are not necessarily problematic. In fact, faculty members are encouraged to engage in outside activities and relationships that enhance the University’s mission. It is nevertheless important that faculty disclose any potential or perceived conflicts of interest or commitment as soon as they arise so that they can be evaluated and, if necessary, managed or eliminated.

A potential conflict of interest arises when external ties might bias or appear to bias a faculty member’s judgment in performing his or her University obligations.

A potential conflict of commitment arises when a faculty member engages in compensated external activities or assumes external commitments that might compromise or appear to compromise his or her ability to fulfill the responsibilities of his or her University position. (See Standard Practice Guide (SPG) 201.65-1.)

Any outside financial interest (see also Section B.2.) that is related to a faculty member’s University responsibilities has the potential for creating a conflict of interest and/or conflict of commitment. This policy requires certain Dearborn faculty to report outside financial interests which will be reviewed by someone in a supervisory capacity and, if necessary, managed to mitigate a conflict.

In this document, the term faculty applies to University employees normally considered faculty, including tenured and tenure-track faculty, lecturers, research faculty (research scientist and research professor tracks), librarians, and curators. Faculty who are required to submit annual disclosures includes tenured, tenure-track, and research and clinical faculty, research scientists, and librarians and curators. This policy applies to academic department heads, directors, deans, associate provosts, and others who are members of the UM-Dearborn faculty; disclosures from individuals in these categories will be reviewed by their immediate supervisor. Lecturers and adjunct faculty are not required to submit an annual disclosure.

Any Dearborn employee who is aware that an outside financial interest or activity is creating a potential or perceived conflict of interest or conflict of commitment is required to disclose the interest or activity in M-Inform. This requirement to submit an M-Inform disclosure as the situation arises applies to those who are required to submit an annual disclosure and those not required to do so, such as lecturers, staff members, directors and department heads.
1. **Conflicts of Interest**

A non-exhaustive list of situations that do (or do not) create conflicts of interest is presented below. If there is any question about whether a particular situation presents a conflict, disclosure is required as described in section B, below. Disclosure is also required under section B on *every* occasion when a situation potentially raises a conflict of interest or could give rise to the perception that such a conflict exists.

- **Gifts.** A faculty member should not accept a gift of $50 or more (including gifts of services) or payment of any sort from a University student or staff member based on the employee’s faculty position. The same prohibition applies to gifts from people or institutions that contract with the University where the faculty member participates in decisions concerning that contract. Irrespective of a gift’s value or source, it is always a conflict of interest for a faculty member to accept a gift where the person or organization intends to create a *quid pro quo* arrangement with the faculty member.

- **Honoraria and speaker fees.** Generally, a faculty member may accept honoraria and speaker fees. However, a potential conflict of commitment may arise (see Conflict of Commitment, below); if so, permission to assume the time commitment must be sought.

- **Consulting and conflicts of interest.** Faculty are encouraged to consult in their area of expertise to stay abreast of current problems and technologies in their field, provide interesting and relevant case studies in the classroom, and aid Michigan businesses and not-for-profit agencies. To avoid a conflict of interest, consulting should not involve University resources or students; the faculty member should not be a principal investigator on a grant to the University from a company for whom he or she is actively consulting. The amount of time spent on consulting should be within the limits set forth in this document to avoid a conflict of commitment (see Consulting and Conflicts of Commitment, below).

- **Travel Funding.** Generally, a faculty member may incur reasonable (following existing UM travel guidelines) meal and travel expenses that are reimbursable either by the University or by external organizations. However, a faculty member should not accept reimbursements of $5,000 or more from companies or institutions that contract with the University where the faculty member participates in decisions concerning that contract. Specific requirements for reporting external support for travel apply to recipients of Public Health Service research funding.

- **Royalties.** Book royalties and royalties paid through the University need not be disclosed.
• A faculty member may provide pertinent information about—but should not participate in—decisions involving the retention of the services of a business owned by the employee, a family member, or other close relation, whether faculty or staff. Under no circumstances will a faculty member have access to confidential materials surrounding the decision.

• Procurement policy prohibits University employees from providing goods or services to the University if these goods and services are generally available from other sources. Faculty should follow all procedures, including disclosure to Procurement Services and approval by a 2/3 vote of the Board of Regents, when they or a company they have an interest in enters into a contract with the University to sell the University goods or services.

• Faculty should not have direct dealings with students in the sale of books, instruments, lectures, notes or similar materials, except in extenuating circumstances, and then only with the approval of the dean.

• A full-time faculty member should neither establish nor participate in a business that competes with the University.

• **Speaking on Behalf of the University.** A faculty member should not claim (orally or in writing) that their unit, the University of Michigan-Dearborn, or the University of Michigan supports or endorses the mission of an external person, institution, or organization unless a formal decision to do so has been made by the relevant University body. There are circumstances in which a faculty member’s experience is relevant to expression of an opinion to public authorities. In these cases (except where inappropriate, illegal, or when it misrepresents the faculty member’s authority) a faculty member may indicate his or her affiliation with the University in written correspondence to public entities so long as the correspondence does not imply that he or she is speaking on behalf of the University.

• **Nepotism.** A faculty member may provide pertinent information about but should not participate in employment decisions (including hiring and promotion decisions) involving a family member or other intimate relation, whether faculty or staff. Under no circumstances will a faculty member have access to the personnel file and other confidential material regarding such a person.

These statements related to conflict of interest, unless otherwise limited, apply to part-time faculty.
2. **CONFLICTS OF COMMITMENT**

As stated in the UM Standard Practice Guide (SPG 201.65-1), all faculty with at least half-time appointments at UM-Dearborn owe their primary professional commitment to the University. A commensurate commitment of those faculty members’ time and intellectual energy must therefore be devoted to activities that further the University’s mission. In general, faculty obligations are determined by the Dean. To meet minimum time and effort commitments within the unit, regular tenured and tenure-track faculty members are expected to teach a standard course load each year and engage in active and productive scholarship and research. All faculty members must also fulfill administrative obligations consistent with their appointment. These include such matters as participation on assigned committees and involvement in the hiring and tenure processes; regular attendance at faculty meetings; and regular participation in student and faculty educational and collegial functions. Participation in personnel and tenure decisions includes the expectation that faculty should familiarize themselves with the candidate and his or her work to the extent necessary to justify a confident judgment as part of our collective decision-making process. It is particularly important that faculty participate in the hiring and promotion of candidates in fields of their expertise. Obligations of faculty who are governed by collective bargaining agreements are defined subject to those agreements.

The existence of a potential conflict of commitment will be evaluated in light of the minimum time and effort required of the faculty member in question. Even where obligations to UM-Dearborn are met, a faculty member should not engage in activities that compete with the University or that otherwise diminish or undermine the University’s mission. It is inappropriate for faculty, without prior approval, to divert to other entities or institutions financial support that might otherwise go to the University or personal resources that would otherwise flow to the University; these resources include faculty research and teaching as well as opportunities for professional service. Uncompensated services to the community and to the discipline are consistent with service to the University and are ordinarily permitted and even encouraged if they do not interfere with fulfilling obligations to the University.

With these principles in mind, examples of potential conflicts of commitment and our general approach are listed below. This list is not exhaustive.

- **Consulting and conflicts of commitment** (also see Consulting under Conflicts of Interest, above). Any work external to the University potentially raises a question of conflict of commitment. In general, however, any such work that contributes to the scholarly or educational goals of the academic unit is permitted. The Dean should be informed of all compensated external work performed by the faculty member.

- **Consulting time.** “Professional work” is remunerated work related to the professional and scholarly interests of the faculty member; it includes such things as service to the discipline, private consulting, and advising outside organizations. For full-time faculty, professional work is generally permitted up to a total of 4 days a month (calculated as an average over the academic year), if that other professional work does not interfere with the minimum expectations outlined above. If there is any question about whether a
particular commitment falls within these categories, or if there is any potential for interfering with the minimum expectations above, the matter should be disclosed immediately as described in Section B of this policy, below.

- The University year (U-YRD) appointment for a University of Michigan-Dearborn faculty member generally falls within the 8-month period September 1 through April 30 of each year during which a primary professional commitment to the University is expected (payment for this contract is distributed over 12 months). Faculty who are not receiving compensation for spring/summer term(s) may accept outside commitments during the months of May through August provided the professional activity for pay is wholly performed and completed between May 1 and August 31, and does not conflict with this policy (e.g., does not create a conflict of interest).

- Non-professional work is ordinarily acceptable only when it does not interfere with faculty obligations or impair work as a teacher and scholar.

- Modest speaker fees and fees for writing tenure reviews need not be disclosed.

- Note that the University’s consulting time policy does not apply to anyone who is not a tenured or tenure-track faculty member (e.g., lecturers and staff).

- A full-time faculty member must obtain the permission of the Dean before assuming compensated teaching obligations or other time commitments in another department of the University or at another institution. Approval for funded research or other sponsored programs should be obtained by approval from the home department on the Proposal Approval Form at the time the proposal is submitted.

- A faculty member must obtain the permission of the Dean before making any commitments to take a leave, even if it is not funded by the University.

- Faculty members cannot hold two or more active full-time salaried positions.

- Faculty members should not devote effort to preparing course materials for use exclusively at another university or exclusively for use in “internet teaching” outside of the University unless the material is connected with a teaching position that has been approved by the Dean.

- A faculty member must not, for pay, give private instruction in any course offered by him or her in the University, nor, for pay, give private instruction in any other course that competes with the University, without approval of the Dean.

- Part-time faculty members need not disclose external commitments that do not restrict scholarly inquiry or otherwise interfere with the minimum expectations outlined above.
B. Disclosure, Annual Reporting, Evaluation, and Management of Outside Financial Interests and Potential Conflicts of Interest and Commitment

1. Making a Disclosure of Outside Financial Interests

In order to maintain confidentiality, conform to federal research grant requirements (for example, Public Health Service), and keep these details separate from other information requested by the University (such as annual reports), Dearborn will use the University’s web-based disclosure system, M-INFORM, which can be accessed through Wolverine Access. Details are posted on the Dearborn Provost’s website http://www.umd.umich.edu/conflict-of-interest/.

2. What to Disclose

Required to Annually Disclose

All Dearborn tenured, tenure-track, clinical, and research faculty, research scientists, and librarians and curators are required to submit an annual disclosure of all compensated effort, financial interests, and sources of financial support that are related to their University responsibilities; this includes work performed for a unit of the University other than where the individual has an appointment. Reportable outside interests do not include effort or salary that are administered through the University as a sponsored project (e.g., summer salary charged to a research grant).

The phrase “related to one’s institutional or University responsibilities” means an interest, activity, or relationship that relies upon the same expertise as does one’s ability to carry out his or her University responsibilities, as well as any interest, activity, or relationship that has the potential to influence the duties that the University considers to be part of one’s work or job expectations. In this regard, “University responsibilities” means a person’s professional responsibilities on behalf of the University, such as research, teaching, professional practice, and institutional committee membership.

All external employment (for example, consulting) will also be disclosed in M-INFORM; the limits of such approval and management plans will be recorded in M-INFORM.

Faculty Receiving PHS Research Funding

Recipients of Public Health Service (PHS) research funding and funding from sponsors that have adopted the PHS regulations must follow the Department of Health and Human Services (HHS) regulations for “Promoting Objectivity in Research.” These requirements are described in more detail in M-INFORM. The submission of grant proposals and processing of awards may be delayed if an individual’s disclosure is not current.
**De Minimis Support**

One-time speaking fees, fees for writing tenure reviews, and *de minimis* financial support or interests under $5,000 do not need to be disclosed.

Although time commitments and activities that are uncompensated do not need to be disclosed, certain relationships, even if uncompensated, must be disclosed. For example, volunteering to sit on a board without compensation must be disclosed if in that role you make decisions about grants made the University.

Disclosure should be made whenever there is any question whether the activity or interest is reportable or represents an apparent or perceived conflict of interest or conflict of commitment.

3. **WHEN TO DISCLOSE**

Disclosures of conflicts should take place at two different times:

**Annual**

Dearborn faculty must provide annually in the month of July a disclosure of outside financial interests or activities over the previous year and any anticipated in the coming year (at least for the next 30 days); if there are no financial interests to disclose, there is an option to report no outside financial interests. Faculty will use **M-INFORM**, the University’s disclosure system as described above. Each July, a new annual disclosure will be required; starting July 2014, the disclosure must be completed by July 30.

**Update (as needed)**

As changes arise, the annual disclosure may need to be updated; the update should be submitted within 30 days of the change.

4. **MANAGING POTENTIAL CONFLICTS**

Upon disclosure of a potential conflict of interest or commitment, the reviewer in consultation with the dean will evaluate the extent of the potential conflict to determine whether it is necessary to manage or eliminate it. The reviewer or dean may ask the faculty member to provide additional information or documentation if necessary.

In some circumstances, evaluation of the potential conflict will require consultation with and processing by central administration offices. For example, centralized processing is necessary in the following circumstances:
• by the Director of the Dearborn Office of Research and Sponsored Programs and the Office of the Vice President for Research (OVPR), where the disclosure involves sponsored research or technology transfer;
• by the Vice Chancellor for Academic Affairs and Provost, where there may be a conflict between two academic units; and
• by Procurement, where the disclosure involves a purchase of goods or services.

In many cases, consultation with central administration offices, even when processing by those offices is not required, may help determine how to respond to a given disclosure.

In response to a disclosure of a potential conflict, the reviewer or the dean may, after consulting with the faculty member, determine that no further action or management plan is necessary. If the reviewer in consultation with the dean determines that management of the potential conflict is necessary, he or she will develop a conflict management plan in consultation with the faculty member and other central offices as appropriate that addresses and manages the conflict. That plan may include, but is not limited to:

• Disclosing the potential conflict to appropriate sources inside and outside the University;
• In consultation with the Dean, modifying or limiting the faculty member’s duties within the unit in order to minimize or eliminate the potential conflict;
• In consultation with the Dean, reducing the faculty member’s appointment to accommodate the outside interest or activity;
• Securing the faculty member’s agreement to modify or suspend outside activity, use of University resources, or other activities that create the potential conflict; or
• Prohibiting certain outside activity as inconsistent with the faculty member’s obligations to the University.

A management plan may also be developed by a University body authorized to do so, such as the conflict of interest committee established for research and sponsored programs.

5. REVIEWERS’ RESPONSIBILITIES, RECORD-KEEPING, CONFIDENTIALITY, AND PRIVACY

The dean of each unit is responsible for the following:

• Posting annual reminders to faculty of their obligation to report compensated external activities and other potential conflicts, as described above
• Assigning reviewers of disclosures from faculty
• Responding to questions from faculty and staff
• Drafting management plans or taking other action in response to disclosures
- Reviewing actions taken and making recommendations to the Provost for needed revisions to this policy or these procedures

The reviewer will keep a record of action on disclosures made under this policy, in part to help develop a consistent practice of treating like cases alike. The management plan will be uploaded to M-INFORM.

The reviewer will make all reasonable efforts to preserve the privacy and confidentiality of personal information revealed as part of this process; to that end, the reviewer will keep all preliminary records that include personal information about named individuals in a secure file accessible only to the reviewer or the dean. Where any other University faculty or staff member has a legitimate educational or University business reason to access the documentation, then the Dean may authorize access to the file and provide either copies and/or information, as may be required for the stated educational or business purpose. If the Dean provides copies of information in the files to a faculty or staff member, he or she must also ask that individual to maintain at least the same level of confidentiality.

In some circumstances, the University is required to disclose potential conflicts to people within or outside the University, including the Regents. For example, if a potential conflict exists within the context of a federally sponsored project, the University is required both to disclose the existence of that conflict to the federal government and to indicate whether it has managed that conflict. The University may be legally required to disclose information in response to requests made under the Michigan Freedom of Information Act (FOIA) or by subpoena. In addition, the Provost may request annual summary reports from the Deans or request details of specific cases, primarily for the purpose of achieving consistency and equity across Dearborn schools and colleges. Should any other individual have a legitimate reason to access the confidential records, whether in the context of a federally sponsored project, a FOIA request, or otherwise, the Dean may authorize access to the file, provide copies, or provide oral or written summaries. Where possible, the individual to whom the Dean authorizes disclosure will be required to maintain at least the same level of confidentiality as applicable to the original information or documents.

Any faculty or staff member who becomes aware that the reviewer has provided or may have provided unwarranted access to conflict documentation or information, as defined in this policy, should inform the Provost for appropriate action.
C. **Other details**

1. **Dispute Resolution**

A faculty member may appeal to the Dearborn Provost any decision made by the Dean in response to the disclosure or non-disclosure of a potential conflict of interest or commitment.

If the faculty member is dissatisfied with the Provost’s decision, he or she may dispute any action or decision under this policy in accordance with applicable University procedures. Sponsored research or technology transfer must be handled in accordance with processes adopted by the OVPR Conflict of Interest Review Committee. Other disputes between a faculty member and the Dean should be resolved through the normal grievance procedures. Disputes involving faculty who are subject to collective bargaining agreements will be resolved under the terms of those agreements.

2. **Education and Training**

This policy will be provided to new faculty at the time they are hired and begin work at the University. At the beginning of employment, the Provost will insure that this policy is distributed to each new faculty member.

The Provost will post this policy and remind faculty of the policy and their obligations annually.

Whenever there is a reason to think it necessary, the Dean or the Provost will remind the faculty as a whole, or individual faculty members, of the requirements of the policy.

3. **Violations of this Policy**

Any failure to comply with SPG 201.65-1, its procedures, or this implementing policy may lead to disciplinary action, up to and including, in egregious cases, termination of appointment in accordance with applicable disciplinary procedures. Possible violations that may lead to disciplinary action include, but are not limited to, the following: failure to disclose fully a potential conflict; failure to comply fully with a required conflict management plan; failure to maintain the confidentiality of conflict documentation and information; and failure to complete any required training or education regarding the policy. Existing unit, Campus, and University procedures governing faculty misconduct will apply.

4. **Policy Review and Revision**

The Dean will annually review all actions taken under this policy and make recommendations to the Provost regarding any needed revisions to the policy or any need for increased education.
Any revisions in policy or practices will be discussed with the Deans. If the Provost determines that any of the changes he or she would like to adopt will materially change the policy, the modification will be adopted by the same procedures that were followed in adopting the original policy. In particular, each Dean will submit any materially revised policy to their executive committee for approval, then to the Provost for further review and approval, and then to the Chancellor for final adoption. A current version of this policy should be on file with the Provost’s Office at all times.

This policy applies to all faculty of UM-Dearborn, including both full- and part-time faculty, whether classified as regular instructional, lecturer, research faculty, librarians, and curators.

5. Governing Policies

This policy implements Standard Practice Guide (“SPG”) 201.65-1, Conflicts of Interest and Conflicts of Commitment, and incorporates SPG 201.65-1 in its entirety. Implementation of SPG 201.65-1 at the University of Michigan-Dearborn should conform to other University of Michigan policies and procedures, including all Regents’ Bylaws and SPGs, as well as with any relevant external rules of professional conduct and applicable law. Relevant policies, procedures, rules, and law include (but are not limited to) the following:

- Regents’ Bylaw 2.16, regarding gifts to University employees;
- Regents’ Bylaw 5.12, regarding outside employment of University faculty;
- Regents’ Bylaw 5.13, regarding governmental elected or appointed service;
- Regents’ Bylaw 5.14, regarding leaves of absence;
- SPG 201.23, regarding appointment of individuals with close personal or external business relationships;
- SPG 201.65-0, regarding employment outside the University;
- SPG 201.65-1, regarding Conflicts of Interest and Conflicts of Commitment;
- SPG 201.85, regarding special stipends for work performed for other University units, the payment of honoraria, and the payment of travel expenses;
- SPG 500.01, 601.03-2, and 601.11, in particular to the extent that they address copyright and other appropriate use of University resources, such as the libraries, office space, computers, secretarial and administrative support staff, and supplies;
- Office of Vice President for Research (OVPR) Policy on Conflict of Interest in Sponsored Research and Technology Transfer Agreements; and
- Michigan Compiled Laws § 15.321 et seq., regarding contracts of public employees with their employers.
- Where applicable, the relevant collective bargaining agreement.
In the event of any inconsistency between this policy and other University or external requirements, those other requirements will prevail. In interpreting this policy the Dean should be attentive to preserve the principle of academic freedom of speech and thought. In addition, policy administrators will make every reasonable effort to preserve confidentiality and protect the privacy of all parties in the course of investigating and managing a potential conflict of interest or commitment.

6. NOTES ON THE CURRENT REVISION

This revision includes formatting to improve readability, revise text for clarification, and incorporate the procedures for using M-Inform, the University’s Disclosure System. These changes are considered to be not material changes to policy as described in this document.