

American University Procedures for Addressing Faculty Conflicts of Interest (COIs) Approved by the American University Faculty Senate – May 2013

Introduction

Conflicts of interest (COIs) are an important source of potential biases in the performance of faculty assignments, (i.e., teaching, scholarship and service), biases in favor of personal financial or non-financial interests or personal relationships. Transparency in the performance of faculty annual assignments, through proactive disclosure and management of COIs, promotes the highest ethical standards for teaching, scholarship and service and protects the reputations of both the university and its faculty. The procedures described below supplement existing policies regarding professional standards on conflicts that are stated in the American University, the Washington College of Law, the American University Library, and the Pence Law Library faculty manuals, which are available at:

<http://www.american.edu/provost/academicaffairs/WCL-Library-Faculty-Manual-TOC.cfm>.

Examples of potential COIs include but are not limited to:

- Financial interests in the university's purchase or procurement of goods, services, contracts, investments, property or loans.
- Financial interests in university sponsored research projects, beyond approved project-related salary and release time.
- Financial interests in the commercialization of university intellectual property.
- Anything of monetary value, including, but not limited to gifts, loans, salary or other payments for services (e.g., consulting fees, paid travel, honoraria, or speaker's fees) from university research sponsors or university vendors.
- Equity or other financial interests (e.g., stocks, stock options or other ownership interests) in a non-university entity that sponsors university research projects or provides services to the university. This excludes any financial interest arising solely by reason of investment by a mutual, pension, or other institutional investment fund over which neither the faculty member nor an immediate family member exercises control.
- Receipt by an AU faculty member from non-University sources, of cash, gifts, services or equipment provided in support of the faculty member's scholarly activities, other than through approved sponsored research activity.
- A management position (e.g. director, officer, trustee, partner or management employee) in a non-university entity that sponsors university research projects or provides services to the university.

Examples of what are not considered COIs:

- Salary, royalties, or other remuneration from American University.
- Equity interests that when aggregated for the faculty member and the faculty member's spouse or domestic partner, and dependent children, meets both of the following tests: (1) they do not exceed \$10,000 in value, as determined through reference to public prices or

other reasonable measures of fair market value, and (2) they do not represent more than a 5% ownership interest in any non-university entity that sponsors university research projects or provides services to the university.

- Salary, royalties or other payments that when aggregated for the faculty member and the faculty member's spouse or domestic partner, and dependent children over the next twelve months are not expected to exceed \$10,000 from any non-university entity that sponsors university research projects or provides services to the university.

Disclosure

Each faculty member at American University submits an annual disclosure of perceived, potential or actual COIs. For conflicts that arise between annual faculty reports, the faculty member should submit an amended disclosure form to the appropriate academic unit Dean. The disclosure should include a full description of the situation and a self-assessment regarding whether there is a conflict.

Evaluation of the Disclosure

Disclosures of perceived, potential and actual COIs require review and possibly guidance and management for faculty to pursue the disclosed activities. The appropriate academic unit Dean shall review and will make an assessment as to whether the conflict is minor, potential, actual, or impermissible.

1. Minor conflicts. For COIs, these are situations and activities where (a) financial interests are not significant or (b) no potential for bias exists. These situations and activities may continue without a management plan or other forms of oversight.
2. Potential conflicts. These include situations and activities where COIs may develop into an actual conflict. With adequate safeguards and oversight, these situations and activities are generally allowed to continue.
3. Actual conflicts. These include situations and activities in which COIs exist (e.g., a significant financial interest or potential for bias exists), that may only continue if, following disclosure, an adequate management plan can be implemented to minimize or manage the conflict, ensure ongoing monitoring, and counteract any biases against the interests of the university.
4. Impermissible conflicts. These include situations and activities that will not be allowed to continue if, following disclosure, an adequate management plan cannot be implemented to minimize the conflict, ensure ongoing monitoring, and counteract any biases against the interests of the university.

If the appropriate academic unit Dean determines that the disclosed conflict is a minor conflict, the activities are allowed to proceed. If the disclosed conflict is determined to be a potential or actual conflict, the appropriate academic unit Dean will try to resolve the conflict via a required management plan. Management plans are designed to reduce the magnitude of, eliminate or manage an actual or potential conflict. The form and content of management plans vary depending on the nature of the disclosed activity.

Management plans may involve multiple elements, including:

- The inclusion of a written statement on all research publications, presentations, applications or proposals or projects, describing the disclosed significant financial interest, or how scholarly or creative activities were supported by the significant financial interest or by the relationship with a third party organization.
- A signed statement that the faculty member subject to the management plan and his or her family members will recuse themselves from any contractual negotiations that involve a third party organization specifically included in the content of the management plan.
- A written notification to students who are working on projects related to any disclosed actual or potential conflict. Where appropriate, a management plan may require that students have their work supervised by someone other than the faculty member whose project is related to the conflict.
- Selection of an appropriate form of oversight relevant to the activity or situation covered by the management plan.
- Modification of the financial interest in a way that is relevant to the activity or situation covered by the management plan.
- Modification of the scope or content of the proposed activity, in a way that is relevant to the activity or situation covered by the management plan.
- Written descriptions of the mechanisms by which monitoring of situations and activities in which conflicts exist will be implemented.

Appeal of Management Plan

A faculty member may request an appeal of the appropriate academic unit Dean's decision by submitting a written appeal to the DoF within ten (10) days following receipt of the appropriate academic unit Dean's decision. The appeal must include the rationale for the request. The decision of DoF following the resolution of the appeal is final.

Record Retention

Paper and electronic files related to COIs will be maintained for a minimum of five years by the office of the DoF.

COI Training Opportunities

American University provides annual COI training opportunities for all members of its faculty. In addition, related training materials and guidance will be posted on the University's Academic Affairs webpage.

Compliance with Laws

These procedures are also intended to comply with regulations and policy pertaining to federally sponsored Research promulgated by the U.S. Public Health Service (42 CFR Part 50, subpart F) and the National Science Foundation (NSF Grants Policy Manual 510), as amended from time to time. In the event that at any time this policy is in conflict with the foregoing regulations and policy or any other laws or regulations, the applicable laws and regulations shall control, and this policy shall be applied in a manner consistent with such laws and regulations.

Non-Compliance with the Stated Policy

Non-compliance with American University's *American University Procedures for Addressing Faculty Conflicts of Interest* may occur in multiple ways, including but not limited to:

- Failure to participate in the disclosure process altogether.
- Submissions of disclosure forms with inaccurate or incomplete information.
- Failure to address a conflict as instructed by an academic unit Dean or the DoF.
- Failure to adhere to a management plan.

Noncompliance to the *American University Procedures for Addressing Faculty Conflicts of Interest* makes faculty involved in the noncompliance subject to disciplinary action in accordance with the appropriate faculty manual. Sanctions may range from a reprimand to termination of employment.