

Montana Tech

PERSONNEL POLICIES

Policy: Conflict of Interest and Financial Disclosure
Date Adopted: 12-18-1998
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Effective Date: 7-01-2015
Approved By: Donald M. Blackketter

I. Introduction

Montana Tech of the University of Montana [hereafter referred to as "Montana Tech"] actively encourages interactions with both the public and private sectors as an important component of its research, education, and public service activities. Research, educational, and public service activities supported by grants, contracts, or gifts from public and private entities and individuals provide a valuable source of funds, equipment, and topics for Montana Tech activities. Professional interactions, including consulting arrangements, between faculty and governmental entities and private businesses, advance Montana Tech's ability to provide a high-quality research and educational experience for students, and thus enhance their employment opportunities. Montana Tech's licensing of technology, assisting in new business start-ups, and other forms of technology transfer to both public and private entities, are critical to meeting society's needs. This policy describes Montana Tech's principles for identifying and managing potential conflicts and for eliminating real conflicts of interest. It is accompanied by procedures for reviewing, eliminating, and managing such conflicts.

II. Policy

Montana Tech and its employees are committed to conducting themselves and their activities in accordance with the highest standards of integrity and in compliance with state and federal ethics and conflict of interest laws and regulations and with Montana University System Board of Regents policy. Montana Tech is responsible to ensure that potential conflicts of interest are identified and for managing or eliminating them so that they do not improperly affect Montana Tech, decisions made by Montana Tech, or any Montana Tech research, education, and public service activities. The purpose of this policy is simultaneously to comply with state and federal laws and regulations (including those of the Public Health Service, see <http://www.gpo.gov/fdsys/pkg/FR-2011-08-25/pdf/2011-21633.pdf>), to ensure the integrity of research and sponsored work, to maintain public trust and confidence, and to protect the University and its faculty, staff, and students.

Conflict of Interest. A conflict of interest occurs when there is a potential divergence between the employee's private interests and professional obligations to the Montana Tech, such that an independent observer might reasonably question whether the employee's professional actions or decisions could be influenced by

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considerations of personal gain (financial or otherwise). Potential conflicts of interest that involve the employee, spouse, domestic partner, and dependent children must be disclosed as if they applied directly to the employee. Examples of conflicts that must be disclosed include the following:

- Salary or other payment for services (e.g., consulting fees or honoraria) from any business entity that exceeded \$5,000 during the past 12 months.
- Equity interests (e.g., stocks, stock options, or other ownership interests) in publicly traded entity valued in excess of \$5,000 or greater than 5% ownership, or a combination of stock and income from that entity that exceeds \$5,000.
- Any ownership interest in a non-publicly-traded entity (such as a start-up company), regardless of its value.
- Any relationship with an entity that would be affected by the employee's research, or could be directly affected by a decision the employee participates in at Montana Tech or involving Montana Tech funds.
- Income from intellectual property rights (e.g., patents, copyrights, and royalties) paid by any source other than Montana Tech.
- Any travel which is paid for or reimbursed by another organization and which is related to the employee's Institutional Responsibilities; provided however, that the disclosure requirement does not apply to travel that is reimbursed by a Federal, State, or local government agency, or an institution of higher education.
- Service as an advisor, consultant, or in another capacity with a public or private agency that grants money to Montana Tech or decides policy for grants that could materially affect Montana Tech's eligibility for funds from that agency.
- Management or consulting position, board membership, or role as agent or representative of or participant in the day-to-day operations of a commercial enterprise active in field(s) related to the employee's Montana Tech responsibilities.
- Supervision and/or authority to influence the hiring, salary, promotion, retention, or tenure or other employment benefits of an immediate family member or a close business associate or employee of an entity in which the employee has an ownership interest.

The following interests are not considered conflicts and do not require disclosure:

- Income or travel payments from occasional seminars, workshops, or lectures sponsored by public or non-profit entities.
- Income or travel payments from service on advisory committees or review panels for public or non-profit entities.
- Financial interests arising solely by reason of investment in a business by a mutual fund, pension, or other institutional investment fund over which the employee does not exercise control.
- Salaries, royalties, or other remuneration received from or through Montana Tech.
- Equity interests of less than 5% ownership and a market value below \$5,000 (aggregated for the employee and immediate family) in a publicly-traded company.

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Disclosure. All employees working 0.5 FTE or greater must provide a written certification and disclosure of conflicts of interest, potential conflicts of interest, and situations which could be perceived as a potential conflict of interest. Faculty members, students, and other employees working less than half time are exempt from submitting the annual disclosure, but nonetheless are required to comply with this policy and to make disclosures of any potential conflicts of interest whenever they occur, or if they are required by the sponsor of a project.

The disclosure must be made at least annually, and updated promptly whenever new potential conflicts arise. In this disclosure statement, the employee states that he/she has read and understands this policy, and whether or not he/she has any relationships or financial interests described above, or other relationships or interests that could be perceived as being in conflict with his/her professional responsibilities at Montana Tech. If he/she has potential conflicts, these conflicts must be disclosed on the form or in an attached statement. The written disclosure must be reviewed and acknowledged by the employee's supervisor, dean, or director and by the Vice Chancellor for Research.

When a potential conflict of interest is disclosed, the Vice Chancellor for Research determines with the responsible Vice Chancellor whether a conflict exists, and they determine whether the appropriate action is to waive the conflict or to manage the conflict. A conflict that is not prohibited by statute or regulation may be waived on the basis of a written determination of the following: that the potential conflict of interest is so remote or so small that there is no probability for bias; that any resolution beyond disclosure would be ineffective or inequitable; or that any bias reasonably expected would be outweighed by the interests of research progress, public health or welfare, or technology transfer. A conflict of interest that cannot be waived must be addressed by taking actions or imposing restrictions that will eliminate, reduce, or manage the conflict of interest. These actions and restrictions are to be described in a written Conflict Management Plan, signed by the employee, the supervisor, and the Vice Chancellor for Research.

Appeals. If an employee believes the conditions or restrictions imposed in the Conflict Management Plan are inappropriate, the employee may appeal or request reconsideration. The employee initiates an appeal by sending a written request to the Vice Chancellor for Research with a copy to his/her supervisor and the Vice Chancellor in his/her reporting chain. Students copy the department chair and dean for their major program. The Vice Chancellor for Research will refer the appeal to a Conflict of Interest Review Committee (CIRC), and will consider the CIRC's recommendation in revising the Conflict Management Plan. If the employee believes there is justification for further review, he/she must follow the standard appeal process in effect for Montana Tech Employees.

Conflict of Interest Review Committees (CIRCs). The Vice Chancellor for Research will determine whether a CIRC should be organized to assist in reviewing the potential for conflicts of interest regarding research and gifts. The Vice Chancellor for Research will organize a CIRC to assist in reviewing an employee's appeal regarding conditions or restrictions imposed in his/her Conflict Management

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Plan. The Vice Chancellor will consult with the employee's Vice Chancellor and for appeals by faculty members, with the Faculty Senate Chairperson and the member's dean to select and appoint CIRC members. Three-quarters of the CIRC's voting members will be from the applicable department(s) or area(s). Some of the members should be individuals with experience with approved external relationships. The principal objective for the CIRC is to help guard Montana Tech employees and Montana Tech from engaging in activities where the risk to integrity and reputation outweighs the value of the activity to academic and societal goals. Relevant factors to consider are the nature of the financial or other interest, where and when the relationship commenced, recent changes in the relationship's conditions, the likelihood of a conflict of interest (will the results of the activity likely affect or be affected by the significant financial or other interests), mechanisms to ensure integrity (peer review, other independent research sites, and independent monitors and controls), the importance of the proposed activity, and the availability of alternatives to avoid the conflict of interest.

Compliance. Montana Tech expects employees to comply fully, accurately, and promptly with all requirements of this policy and with applicable federal and state regulations. Breaches of this policy include, but are not limited to: submitting an intentionally incomplete, erroneous, or misleading Disclosure form, failing to submit a Disclosure form annually or when a new conflict arises, and failing to provide additional information requested, and failing to comply with the conditions specified in a Conflict Management Plan. Violation of this policy may be the basis for discipline, which, if necessary, will be imposed in accordance with applicable Montana University System policies and any applicable collective bargaining agreement. Potential sanctions may include, but are not limited to the following:

- Letter of admonition;
- Ineligibility to submit grant applications;
- Withholding of research approvals or privilege of supervising graduate students;
- Suspension;
- Non-renewal of probationary appointment; and
- Termination.

Recordkeeping and Reporting. The signed disclosures, waivers, and Conflict Management Plans are kept on file by the Research Office, in original paper copy or electronic form for a minimum of three years after they are created, for a minimum of three years after the completion and closure of any sponsored project they involve, or until the resolution of any action by Montana Tech or government agencies related to the records or projects, whichever is longer. All records will be maintained in a manner to protect sensitive and confidential information consistent with state and federal law. The Vice Chancellor for Research will report to external sponsoring agencies as required by the agencies the existence of any conflict of interest found by Montana Tech along with actions taken to manage, reduce, or eliminate the conflict. To the extent required by law or requested by the sponsor, the Vice Chancellor for Research will inform the University of Montana Legal Counsel, the Chancellor, and the affected sponsor whenever Montana Tech is unable to manage or satisfactorily resolve any conflict of interest related to the sponsor's activities at Montana Tech.

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Campus Review Completed: June 8, 2015

Approved by the Chancellor: June ~~8~~¹⁰, 2015

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