

I. Significant Financial Interest.

A Significant Financial Interest is anything of monetary value, including but not limited to, salary or other payments for services (e.g., consulting fees or honoraria); ownership interests (e.g., stocks, stock options or other ownership interest); and intellectual property rights (e.g., patents, copyrights and royalties from such rights). Significant Financial Interest includes the interests of the employee's Immediate Family. The term **does not** include:

- An equity interest that when aggregated for the employee and the employee's Immediate Family, meets **both** of the following tests: has a value of \$10,000 **or less** as determined through reference to public prices or other reasonable measures of fair market value, **and** represents a five percent **or less** ownership interest in any single entity.
- Annual salary, royalties, or other payments that when aggregated for the employee and the employee's immediate family amount to \$10,000 **or less** over 12 months.
- Salary, royalties, or other remuneration received from or through the University.
- Income from seminars, lectures, or teaching engagements sponsored by public or nonprofit entities.
- Income from service on advisory committees or review panels for public or nonprofit entities.
- A financial interest arising solely by reason of investment in a business by a mutual, pension or other institutional investment fund over which the employee does not exercise control.

II. Potential and Actual Conflicts of Interest

Significant Combinations of Activities and External Relationships

The potential for a conflict of interest arises when certain activities are proposed by the employee and are coupled to the existence of other external relationships. Some combinations (Category I below) are assumed not to represent a conflict of interest. Other combinations represent sufficient potential for conflict of interest (Category II below) to require review and prior Montana Tech of The University of Montana approval before the employee can engage in the activity. Category III below addresses a specific combination that is presumed to be a conflict of interest and is therefore not allowed.

The following is a representative, though not inclusive, list of activities and external relationships covered by this policy. The categories are general guidelines, and the application of appropriate review and oversight will always be in accordance with the goal of maintaining the full integrity and reputation of Montana Tech of The University of Montana and its employees.

Any combination of activity and external relationship not specifically represented in Categories I-III that an employee reasonably believes constitutes a potential conflict of interest must be reported in writing according to the procedures described within this policy before the employee proceeds with such activity.

Category I - Allowable combinations of activities and external relationships.

The following are not considered conflicts of interest and do not require disclosure. They are allowable if they are consistent with other applicable federal and state laws and policies of Montana Tech of The University of Montana and the Montana University System, including applicable System and University consulting and intellectual property ownership and disposition policies:

- An equity interest that when aggregated for the employee and the employee's Immediate Family, meets **both** of the following tests: has a value of \$10,000 **or less** as determined through reference to public prices or other reasonable measures of fair market value, **and** represents a five percent **or less** ownership interest in any single entity.
- Annual salary, royalties, or other payments that when aggregated for the employee and the employee's immediate family amount to \$10,000 **or less** over 12 months.
- Salary, royalties, or other remuneration received from or through the University.
- Income from seminars, lectures, or teaching engagements sponsored by public or nonprofit entities.
- Income from service on advisory committees or review panels for public or nonprofit entities.
- A financial interest arising solely by reason of investment in a business by a mutual, pension or other institutional investment fund over which the employee does not exercise control.

Category II - Combinations of activities and external relationships for which there are a minimal to moderate potential for conflict of interest.

The following combinations range from those that are considered to have minimal to moderate potential for conflict of interest (Section A) to those that have a moderate to high potential for conflict of interest (Section B). The activities in Section A are ordinarily allowable following disclosure and, where necessary, the implementation of oversight or other management procedures. The activities and external relationships listed in Section B require case-by-case review. Special oversight or management procedures are likely to be required (see Part V for disclosure and approval procedures).

Section A - Combinations of activities and external relationships for which there is a minimal to moderate potential for conflict of interest.

1) Research Activities

- a) An employee participates in research on a technology, process, or product developed in whole or in part by that employee for which the employee, an immediate family member, or an associated entity is entitled to receive royalties not in excess of \$10,000 per year from an existing agreement with a business pursuant to the provisions applicable to intellectual property ownership and disposition of the Montana University System.
- b) An employee assigns students, postdoctoral fellows, or other trainees to research projects for which the employee, an immediate family member, or an associated entity is entitled to receive royalties not in excess of \$10,000 per year from an existing agreement with a business pursuant to provisions applicable to intellectual property ownership and disposition of the Montana University System.

Section B - Combinations of activities and external relationships for which there is a moderate to high potential for conflict of interest.

1) Research Activities

- a) An employee participates in clinical trials, evaluation, or development of a technology, process, or product owned or controlled by a business in which the employee, an immediate family member, or an associated entity has a significant financial interest, other than royalty income or the entitlement to future royalty income (where such actual and future royalty income does not exceed \$10,000 per year), pursuant to provisions applicable to intellectual property ownership and disposition of the Montana University System.
- b) An employee assigns students, postdoctoral fellows, or other trainees to projects supported by a business (through sponsored research or a gift) in which the employee, an immediate family member, or an associated entity has a significant financial interest, other than royalty income or the entitlement to future royalty income (where such actual and future royalty income does not exceed \$10,000 per year), pursuant to provisions applicable to intellectual property ownership and disposition of the Montana University System.

- c) An employee receives Montana Tech of The University of Montana supervised sponsored research support or gifts (whether in dollars or in kind) for research from a business in which the employee, an immediate family member, or, an associated entity has a significant financial interest, other than royalty income or the entitlement to future royalty income (where such actual and future royalty income does not exceed \$10,000 per year), pursuant to provisions applicable to intellectual property ownership and disposition of the Montana University System.

2) Board Memberships

An employee receives research support (sponsored research or a gift) from a business in which the employee or an immediate family member serves on the board of directors or advisory board, whether or not compensation is received for such services.

3) External Activities

- a) An employee holds an executive position in a business engaged in commercial or research activities directly related to the employee's Montana Tech of The University of Montana responsibilities.

4) Administrative Responsibilities

- a) An employee has administrative responsibilities (e.g., dean, department chair, or director) on behalf of Montana Tech of The University of Montana with respect to the operation of Montana Tech of The University of Montana or any Montana Tech of The University of Montana-affiliated organization that is beneficial to a business in which the employee, an immediate family member, or an associated entity has a significant financial interest.
- b) An employee has administrative responsibilities on behalf of Montana Tech of The University of Montana with respect to any supported research activity (sponsored research or a gift) in which the employee, an immediate family member, or an associated entity has a significant financial interest in the sponsor or donor.

5) Professional Referrals

- a) Except for consulting activities that conform to applicable Montana Tech of The University of Montana and Montana University System consulting policies, an employee, while performing Montana Tech of The University of Montana duties, makes professional referrals to a business in which the employee,

an immediate family member, or an associated entity, has a significant financial interest of which the employee is aware or reasonably should be aware.

Category III - A combination of an activity and an external relationship that is prohibited.

The following activities create a conflict of interest and are not allowed:

- 1) Purchasing goods or services: An employee participates in decisions to purchase goods or services for Montana Tech of The University of Montana in a manner which violates applicable federal or state purchasing laws, plus applicable Montana Tech of The University of Montana or MUS purchasing policies.
- 2) Improper employment relationship: An employee receives a significant undisclosed financial interest or other benefit in return for employing another person on a Montana Tech of The University of Montana project.

