



A Message from the Vice President

On March 3, 1995, the Board of Trustees approved a resolution regarding conflict of interest. Compliance with the resolution requires trustees, officers, deans, department heads, faculty (research and teaching), academic and administrative leaders, and other key staff members by virtue of their position of responsibility, to complete a financial conflict of interest and commitment disclosure form.

On an annual basis, all portfolio owners are asked to identify faculty and staff who are required to complete the financial conflict of interest and commitment disclosure form. All faculty, and administrative staff with budget authority are required, as a condition of their employment, to complete the financial conflict of interest and commitment disclosure form.

The Division of Human Resources distributes the disclosure form electronically. Responses are reviewed by the Vice President for Human Resources, the General Counsel of the Institute, and an Institute-wide Conflict of Interest and Commitment Committee.

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The primary mission of Rensselaer is to offer strong educational programs. Our goal is to be a top-tier world-class technological research university with global reach and global impact. Our basic objectives are to provide the best possible educational experience for Rensselaer's students, to provide the proper environment for Rensselaer's faculty to teach and conduct research, and to maintain sound financial footing.

Rensselaer's policy is now designed to avoid ethical, legal or financial conflicts of interest and commitment whether apparent, potential or perceived. We recognize, however, that faculty and staff activities, such as, outside employment, consulting and their financial interests, extend beyond that of Rensselaer. Engagement in outside activities is permitted provided such activity is disclosed in advance leading to a discussion of the conflict of interest and/or conflict of commitment so that it can be managed, reduced or eliminated when necessary.

This policy applies to all Rensselaer employees (full and part-time), including faculty (research and teaching), academic and administrative leaders, staff, officers, trustees, deans, department heads, students, and post-doctoral fellows, unless otherwise excluded.

A. Definitions

Business Transaction refers to the procurement of goods and services (including consulting and other types of contractual agreements), disposition of Institute property, and use of Institute facilities. Being involved in a business transaction includes initiating, recommending or approving a purchase order or contract or a gift, grant or contract, preparing and/or negotiating the terms of a transaction or authorizing a payment from Institute accounts.

Conflict of Interest (Individual) occurs when the private interest of Institute employees interferes with their loyalty to Rensselaer, either in practice or appearance. Relationships or activities with outside entities may impair an individual's ability to be objective in the administration, management, instruction or research activities concerning their responsibilities at Rensselaer.

Conflict of Interest (Institutional) occurs when the financial interests of the Institute, as an entity, its trustees, departments or schools could benefit from the outcome of a research program or licensed technology. Institutional conflicts can also exist when trustees or academic and administrative leaders serve on boards that have significant commercial transactions with the Institute.

Conflict of Commitment occurs when an employee's involvement in outside activities substantially interferes with their primary commitment to Rensselaer, even if the outside activity is valuable to the Institute or contributes to the employee's professional development and competence.

Institute Employees means all faculty, staff, academic and administrative leaders, officers, deans, department heads, trustees, and post-doctoral fellows.

Family means: spouse; domestic partner; parents; siblings; children; dependents; or a member of the immediate household.

Investigator means the principal investigator, co-investigator and any other person (e.g. post-doctoral fellow, graduate students, research assistants, business managers) who are responsible for the administration, design, conduct and reporting (progress and financial) of sponsored research.

Outside Activity involves work, either professional or non-professional, for a non-Rensselaer entity or for oneself. Outside professional activities involve the use of an employee's expertise, the practice of their profession, or any interest that contributes to their professional competence and development.

Research means the study, training and instructional projects that are funded from outside sources under agreements which contain any of the following:

- Binds the Institute to scientific inquiry at a specified level of detail;
- A line-item budget is included (expenses by activity, indirect costs, project period);
- Submission of financial and technical reports;
- Subject to external audit;
- Unexpended funds must be returned; and/or
- Disposition of property.

Researchers conducting research funded by the Public Health Service (including the National Institutes of Health) and the National Science Foundation are subject to agency specific regulations.

Significant Financial Interest means:

- salary or other payments for services (e.g. consulting or honoraria);
- equity interests (e.g. stocks, stock options or other ownership interests); and/or
- intellectual property rights (e.g. patents, trademarks, copyrights and royalties from such rights).

The term does not include:

- salary or other remuneration from the Institute;
- income from seminars, lectures or teaching engagements sponsored by public or nonprofit entities, or editorial activities on behalf of professional journals;
- income from service on advisory committees or review panels for public or nonprofit entities; or
- salary, patents, copyrights, royalties or other payments that, when aggregated for the employee or family member are not expected to exceed \$10,000 over the next 12 months or does not represent an amount equal to or greater than a 5% ownership interest.

Small Business Innovation Research (SBIR) is a set-aside program to provide resources to domestic small businesses so they may complete the research and development activities that are needed for the commercialization of owned or licensed intellectual property. This was established under Public Law 97-217, the Small Business Innovation Development Act, as amended. For purposes of this policy, the term **Small Business Technology Transfer (STTR)** established under Public Law 102-564 is also included.

B. Individual Conflict of Interest

An individual conflict of interest occurs when the private interest of Institute employees interferes with their loyalty to Rensselaer, either in practice or appearance. Relationships or activities with outside entities may impair an individual's ability to be objective in the administration, management, instruction or research activities concerning their responsibilities at Rensselaer.

The potential for a perceived or actual conflict of interest in a **business transaction** can occur when:

- An Institute employee (or member of their immediate family) is an officer, director, employee, proprietor, partner, trustee or stockholder in or is in a position to personally profit from the company seeking to do business with Rensselaer;
- An Institute employee has an interest in a company that is in competition with a firm already doing business with Rensselaer and that employee's position provides him/her with access to proprietary information about a company which could help the company in which he/she has an interest; and/or
- Use of information received as an Institute employee for personal purposes.

The potential for a perceived or actual conflict of interest in **research** can occur when an employee's interest in personal financial gain outweighs the employee's professional objectivity. Caution must be exercised when:

- A faculty member is being paid consulting fees; or
- A faculty member is sharing in royalties as a result of commercialization of their research.

C. Conflict of Commitment

A conflict of commitment relates to an individual's distribution of effort between Institute employment and commitment to external business, professional or other activities. A conflict of commitment occurs when the external activities interfere with the employee's primary obligations and commitments to Institute responsibilities.

D. Institutional Conflict of Interest

The potential for institutional conflict of interest occurs when the financial interest of the Institute might affect, or appear to affect, the oversight, conduct, direction, or review of research.

E. Disclosure Reporting Requirements

It is the responsibility of every employee to discuss with his or her supervisor who will then involve their Portfolio Vice President or the Provost **AND** the Vice President of Human Resources in any situation or activity that might result in a conflict of interest/commitment or a violation of this policy before participating in that situation or activity.

Updates of such information will be requested on an annual basis by the Vice President for Human Resources. Disclosure applies to the activities of the immediate family of Institute employees as well.

This policy can also be found at the Division of Human Resources' web page at: <http://www.rpi.edu/dept/hr/policy/COIJan2011.pdf>