

UNIVERSITY OF ILLINOIS

Chicago • Springfield • Urbana-Champaign

University Senates Conference
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GP.11.02
November 8, 2010

September 14, 2010

Professor Philip A. Patston, Chair
UIC Senate Executive Committee
Dept. of Oral Medicine and Diagnostic Sciences
Room 558 DENT MC 838

Professor Joyce L. Tolliver, Chair
UIUC Senate Executive Committee
Dept. of Spanish, Italian, and Portuguese
4080 Foreign Languages Building MC 176

Professor Tih-Fen Ting, Chair
UIS Campus Senate
Dept. of Environmental Studies
PAC 308

Re: Policy on Conflicts of Interest and Commitment (USC OT-259)

Dear Colleagues:

Enclosed is a revised Policy on Conflicts of Interest and Commitment document and supporting information submitted by a university-wide Conflicts of Interest and Commitment (COIC) Policy Review committee. The summary report from the committee explains the review process and indicates that a target date of July 1, 2011 has been set to have the policy in place.

In July 2006 and again in April 2007, the senates were asked to review a revised Policy on Conflicts of Interest and Commitment that was proposed by the University Intellectual Property (UIP) Committee. The comments from the senates were taken into consideration by the UIP Committee. In the fall of 2009, Vice President Rao convened the current COIC committee to look at the previous recommendations and a report issued by the internal auditors, who did an independent review of the policy. Careful consideration went into the structure and content of the current policy revisions.

On behalf of the University Senates Conference, I ask that each senate review the policy and utilize your senate's procedures for considering the policy for approval.

Sincerely,



Matthew B. Wheeler, Chair
University Senates Conference

Enclosures

cc: Kristine J. Campbell
Robert C. Damrau
Elizabeth A. Dooley

Mrinalini C. Rao
Kathy L. Rutherford
Members, University Senates Conference

University Senate Conferences

August 30, 2010

COIC Policy Committee COIC Policy Review Subcommittee Summary Report

Reporting and management of conflicts of interest and commitment is growing in complexity and oversight from the state and federal levels; therefore, it is essential that the University of Illinois have a sound policy and procedures in this area. The current policy has served the University well for over two decades. However, given the central importance of the policy and increasing national attention to conflict issues, it is appropriate for the University to take a fresh look at our existing policy.

The current University "Policy on Conflicts of Interest and Commitment" was adopted in 1988, amended in March 1996, and further reviewed without any amendments in 1998. This document was then extensively revised and updated in 2007, but the changes were not formally adopted at that time. In Fall 2008, the Office of the Vice President for Academic Affairs convened an inter-campus and UA group to review the current policies and the recommendations were presented to the Board of Trustees in November 2008. Over a similar time period the internal auditors conducted an independent review of our current policies, and issued their report in June 2009. While many of the recommendations of the two reviews were similar, some were distinct. Vice President Mrinalini Rao and Chief Financial Officer Walter Knorr agreed that the Office of the VPAA would convene the necessary committees to develop a comprehensive revised policy and response to both sets of recommendations. A target date of July 1, 2011, was set for final implementation and the internal auditors approved of this plan of response.

Vice President Rao convened a Committee in 2009 to assess the management of the University's *Policy on COIC*. The group included individuals from across the University with knowledge of conflicts of interest and commitment, the management, and procedures of our *Policy on COIC*. Two subcommittees were formed, one to examine the Policy on COIC per se and a Technology group to work on implementation of an electronic data collection system.

The COIC Policy Review Subcommittee began meeting biweekly beginning in late December 2009. Using the 2007 12-Point COIC Policy (which was heavily reviewed but never adopted) as a starting point, the committee completed their review and editing of the Conflict of Interest and Commitment Policy in August 2010. Significant effort focused on ultimately creating a consistent, organized, clearly defined document that would be flexible enough to meet the needs of academic staff across all campuses and university administration while clearly defining what does and does not constitute a conflict. Committee membership involved faculty, academic professionals, legal counsel, procurement, and administrators whose portfolios include COIC from the three campuses and UA. The faculty names were obtained from the Senates Conference leadership and it is our hope that the respective Senates and the Senate Conference will use this resource and the VPAA's office as this important policy passages through the Senates. It is our hope that we can have final Senate Conference approval by May, 2011 so we can meet the target of July 1, 2011.

COIC Policy Review Subcommittee Members:

Melanie Loots, Chair (Office of the Vice Chancellor for Research, Urbana)
Dimitri Azar (Department of Ophthalmology and Visual Science, Professor and Head, Chicago)
Michael Bragg (College of Engineering, Executive Associate Dean and Professor, Urbana)
Kristine Campbell (Office of the Vice President for Academic Affairs, University Administration)
Matt Finkin (College of Law, Professor, Urbana)
Heather Haberaecker (Office of Business and Financial Services, Chicago)
Deb Koua (Office of the Provost, AP, Springfield)
Rebecca Lind (Office of the Vice Chancellor for Research, Chicago)
Keith Miller (Department of computer Science, Professor, Springfield)

Michael Moss (Office of Business and Financial Services, AP, Chicago)
Lynn Pardie (Office of the Vice Chancellor for Academic Affairs, Springfield)
Maxine Sandretto (Office of Business and Financial Services, University Administration)
Alex Scheeline (School of Chemical Sciences, Professor, Urbana)
Wayne Stahl (University Office of Human Resources, University Administration, AP)
David Ucker (Department of Microbiology and Immunology, Professor, Chicago)
Steve Veazie (University Counsel, University Administration)

University Senate Conferences
August 30, 2010

COIC Technology Subcommittee
Summary Report

An important component of the COIC policy review is the possible implementation of an electronic data collection and conflict management system. The current paper process has served the University well for over two decades. However, given the central importance of the policy and increasing national attention to management of conflict issues in research, it is appropriate for the University to take a fresh look at available technologies to enhance the management, storage, and processing of conflicts of interest and commitment information.

The Technology Subcommittee worked in parallel with the COIC Policy Review Committee to examine current University procedures as well as software options. The decision to implement an electronic system was based on the recommendations of the Policy Review Subcommittee as well as recommendations from the Administrative Review and Restructuring Committee on Regulatory Burden and the Urbana Stewarding Excellence review of the Office of the Vice Chancellor for Research.

The goal of the subcommittee was to review the technology needs for data collection and management of the University's "Policy on Conflicts of Interest and Commitment." The committee began meeting in January 2010 and since then has performed the following steps:

1. Held initial meetings to discuss and mutually understand the diverse University business processes that involve data collection and management of COIC information.
2. Conducted stakeholder interviews and documented current processes for collecting and managing COIC information.
3. Analyzed the current processes to identify common attributes. This was used to create a framework of technical requirements in order to research the marketplace for candidate vended solutions.
4. The technical requirements framework was used to create a Request for Information (RFI) that was issued on March 23. The goal of the RFI was to solicit responses from vendors of COIC software and determine whether or not we could expect to find viable vended products in terms of meeting our diverse requirements.
5. Five responses were received; three vendors (Click Commerce, COI: Pilgrim Software, and Smart) were the most promising and demonstrated their products between April 12 & May 4.
6. An analysis of the products from the three vendors who presented was prepared and discussed at the May 27th committee meeting.
7. Based upon the results of the RFI, it appears that we can find a vended product that will meet the University's diverse needs and funding has been identified through the Office of the Vice President for Academic Affairs.
8. A formal Request for Proposal (RFP) is in the final stages of distribution.
9. New electronic services can be in place by June 2011.

COIC Technology Subcommittee Members:

Michael Hites, Chair (Office of Administrative Information
Technology Services, University Administration)

Kristine Campbell (Office of the Vice President for
Academic Affairs, University Administration)

Roy Campbell (Department of Computer Science,
Professor, Urbana)

Farokh Eslahi (Department of Information Technology
Services, Office of the Provost, Springfield)

John Evans (Office of Planning and Budget, University
Administration)

Dick Harris (Office of Administrative Information
Technology Services, University Administration)

Deb Koua (Office of the Provost, AP, Springfield)

Rebecca Lind (Office of the Vice Chancellor for Research,
Chicago)

Carol Livingstone (Division of Management Information,
Urbana)

Melanie Loots, (Office of the Vice Chancellor for Research,
Urbana)

Lynn Pardie (Office of the Vice Chancellor for Academic
Affairs, Springfield)

Maxine Sandretto (Office of Business and Financial
Services, University Administration)

John Tolar (Office of Business and Financial Services,
University Administration)

Notes for the Senate Review

University of Illinois Policy on Conflicts of Commitment and Interest

August 14, 2010

These notes compare the August 2010 revised version of the Policy with the revised version that was submitted and approved by Senates Conference in 2007.

Comments on the Table of Contents, pages 1-2

Section III.B adds definitions of Immediate Family (previously “Family”), Responsible Official, Management Plan, Management Mechanisms, and Significant Financial Interest (was “Significance”).

Section III.C has been re-titled “Basic Considerations” and adds a section III.C.3 Conflicts of Commitment and Interest in Teaching. These conflicts were previously addressed in the Appendix to the Policy.

Section III.D now has three sections, III.D.1 Overall Responsibility, III.D.2 Duty of Cooperation and III.D.3 Reporting, Review and Approval. Sanctions were originally addressed in this section; they are now addressed in IV.E only.

Section III.E has been re-titled “Examples of Allowable Income-Generating Activities, Generally Not Requiring Prior Approval.”

Section III.F has been re-titled “Examples of Potential or Actual Conflicts of Commitment of Interest Requiring Prior Approval.

Section IV PROCEDURES has been extensively edited and re-organized to clarify the processes for review, approval and appeals.

Section IV.A now has three sections, IV.A.1 Annual Disclosure, IV.A.2 Situation Specific Disclosures, and IV.A.3 Reports from Third Parties.

Section IV.B Review and Approval was added to describe the review and approval process.

Section IV.C has been re-titled “Managing Potential Conflicts.”

Section IV.D Appeals replaces and clarifies the previous Section IV.F Appeals.

Section IV.F Periodic Review replaces the previous Section IV.G Periodic Review of this policy.

Section IV.G Exceptions has been added.

Section V. Appendix: Documents, Laws and Regulations Providing a Foundation for this Policy no longer contains “Policy Clarification: Conflicts of commitment and interest in teaching.” This topic is addressed in Section III.C.3.

Information on federal procurement standards and links to the relevant CFR have been included.

Annotations to the Revised Policy

- (1) “Such” was replaced with “external” for clarity.
- (2) The word “remedies” was changed to “mechanisms.”

Section I. PREAMBLE page 3

- (3) Throughout the document, the Committee has standardized references to “non-university income producing activities.”
- (4) This paragraph was added to the Revised Policy.

Section II. OVERVIEW pages 3-4

- (5) Small changes in wording in this bullet.
- (6) Small changes in wording.
- (7) The concept of involvement of students was added to this bullet.
- (8) This bullet was added.
- (9) Small changes in wording.
- (10) The bullet “Reports of potential conflicts and remedies are reviewed on each campus by the vice chancellor for research, who is advised by a Conflict Review Committee of three or more academic staff members” was removed. The Conflict Review Committee is now discussed in Section III.D.3.e.
- (11) These bullets were added.
- (12) This bullet formerly referred to sanctions.
- (12a) Replaces a bullet that previously read, “If remedies mutually satisfactory to the academic staff member and the university are not reached, the university may impose a sanction, subject to appeal.”
- (13) This formerly read “confidentiality of reports, remedies and sanctions.”

Section III. POLICY pages 4-15

III.A. Persons Covered

(14) The list of academic staff was reordered, putting academic professionals first to emphasize that the Policy applies to academic professionals as well as faculty. Civil service staff (who have been and continue to be covered under a separate policy) are now explicitly excluded. There is recognition that civil service staff, students and medical residents may be required to make situation-specific disclosures.

(15) Because some people have been explicitly excluded from this policy, this statement was added to cover situations where transactional (situation-specific) reporting may be required (e.g., research, procurement, use of university facilities, economic development activities).

III.B. Definitions

(16) The definition of “conflict of interest” now includes two parts. The second part refers to conflict of interest issues that may arise in the procurement process.

(17) “Immediate” was added to reflect more clearly this limited definition of family.

(18) This definition of “responsible official” is new and is intended to simplify references to the chief research officer or president’s designee.

(19) Conflict management plans are generally developed when conflicts of interest exist as defined in 2(a). Thus here we first address the question of management of conflicts associated with the procurement process, as defined in 2(b) so that this can be set aside and we can focus on 2(a).

(20) This is a new definition.

(21) These requirements for units to define thresholds for situation-specific disclosures are new, and the definition of “significant interest” has been revised to be more consistent with applicable federal regulations.

Previously: “The definition of ‘significant interest’ varies according to whether human research subjects are involved in the activities. If human research subjects are not involved, ‘significant interest’ is defined as a current or anticipated income of at least \$10,000 from the company in any 12-month period, or ownership exceeding \$10,000 or 5% equity (regardless of dollar value) in the company, or service as a director, officer, manager or other key employee of a company, even if unpaid. If human research subjects are involved, any interest (regardless of dollar value or percentage of ownership/equity) is deemed significant. Specifically, ‘significant interest’ is defined as any income from the company, any ownership or equity stake in the company, or any service as a director, officer, manager or other key

employee of a company, even if unpaid.” This definition was changed to incorporate the Public Health Service regulations, which represent the standard. Currently, there is a push from the federal government for this consistency across all federal organizations.

(21a) It is important to note that the federal regulations are being revised, and the definition of “significant financial interest” will change. This is one of several reasons for not including dollar amounts (etc.) in the Policy. It is important to note that the changed regulations are likely to affect the lists of activities that do and do not need to be reported (Sections III.E and III.F.), which here reflect the existing regulations, *and which may need to be revised*.

(22) Previously: C. General Principles, C.1 Conflict of Commitment Principles, C.2 Conflict of Interest Principles. These headings were changed for accuracy, as these are considerations, not principles.

III.C. Basic Considerations

(23) “As a result” replaces “because of.”

(24) Reworded slightly. “Are viewed positively” replaces “are promoted.”

III.C.1

(25) “The involvement of/in” was previously written as “Interaction between/and”.

(26) The content of the first paragraph is now reorganized and expanded into three paragraphs.

(27) “(T)he average of” one day per “seven-day” week was added for clarity. The “equivalent of eight hours = one day” metric, which was not specifically articulated in the prior version of the Policy, is used across campuses and has appeared in our supplemental guidance documents and resources for many years.

(28) The Committee concluded that outside employment of part-time staff would generally be permitted, but that the UEO should still review and approve these activities if they occur during the appointment period.

(29) Previously written as follows: “As a practical guide and subject to prior approval, the university may approve the equivalent of up to one day per week for full-time faculty (40 days per academic year appointment and 52 days per calendar year appointment). Release time is not an automatic entitlement and requires prior written approval by the unit executive officer. Such release time is not intended to result in the faculty member’s decreased level of commitment or service to the university.

Assuming prior approval has been given for an external activity, academic staff members are expected to arrange the outside obligations, financial interests, and activities so they do not impede or conflict with their university duties and responsibilities.

Released time is not normally available for activities that are primarily personal in nature, that do not enhance the academic staff member’s professional skills, or that are not a potential benefit to the university. University obligations must be met first and foremost.”

(30) The Committee concluded that since the remunerated activities in Section III.E do not generally present a conflict of commitment or interest, they would not generally need to be reported during the annual disclosure process, and that unremunerated activities are generally not reported. This paragraph replaces the last two paragraphs of III.C.1. If the new regulations change the nature of exempt (and hence unreported) activities, we would need to revise as necessary. (See comment 21a, above.)

III.C.2

(31) This section has been extensively rewritten and reorganized to discuss specific areas of concern – Research, Non-University Income Producing Activities, Business Relationships, Procurement-Related Conflicts, Intellectual Property, and Involvement of Students and Staff.

The Conflict of Interest Principles section of the 2007 Revised Policy was composed of nine paragraphs. Below is an attempt to map the subsections in the new III.C.2 to these nine paragraphs, which are numbered in the attached 2007 revised version of the *Policy*.

New Subsection	Addresses Content in Former Paragraphs in the 2007 Revised Policy
Research	1, 2, 4, 7
Non-University Income Producing Activities	2,3
Business Relationships	6
Procurement-Related Conflicts	Not addressed explicitly (though the third bullet in Section IV.D referenced Presidential approval of contracts)
Intellectual Property	5 (Text is the same.)
Involvement of Students and Staff	8 (The concept of monitoring is reinforced in the newly revised Policy.)

Paragraph 9 in the 2007 Revised Policy is addressed in **Section III.D.2 Duty of Cooperation.**

(32) Previously included the language “that are required by the legitimate needs of the sponsor,” which was removed for clarity and to prevent minimization of the principle of freedom of dissemination.

(33) Sentence was changed to clarify the type of relationship that makes this activity improper.

(34) This heading was added to refer to procurement issues. The previous policy’s reference to presidential approval of contracts has been incorporated into this section.

III.C.3

(35) This is a condensation of what was previously in an Appendix on this topic.

III.D. Specific Responsibilities

(36) This section has been extensively reorganized and revised to reflect the specific responsibilities of the individual, the UEO, the responsible official, and the president’s designee under the newly revised policy.

In the Specific Responsibilities section of the 2007 revised policy, there were eight bullets. Below is a table mapping the newly revised policy to those eight bullets.

New Bullet	Bullets in Specific Responsibilities section of 2007 Revised Policy
1. Overall responsibility	Not previously in this section
2. Duty of Cooperation	Previously addressed in the “Conflict of Interest Principles” earlier in the document
3.a. Academic staff	1, 2
3.b. UEO	3
3.c. Responsible Official	4
3.d. UEO review multiple units	Not previously addressed; but see comment (40), below
3.e. Conflict Review Committee	4, 7
3.f. Additional disclosure processes	Not previously addressed
3.g. Management Plan	5
3.h. Confidentiality	8
3.i. Communications with Agencies	4
3.j. Reporting to Agencies	8
3.k. Public Disclosure	Not previously addressed
3.l. Reporting and Training	Not previously addressed

(37) We have deleted the bullet “Individuals must fully meet their university responsibilities,” as this is handled earlier in the document.

(38) The portion of this bullet that referred to the need for the university to possess sufficient information has been moved.

(39) This has been reworded to refer to the responsible official.

(40) This is a new bullet intended to provide clarification regarding multiple appointments. Though this had not been explicit in the previous versions of the Policy, we have operated under this principle; our processes and supporting materials require individuals with paid joint appointments to seek approval from each unit.

(41) Reworded and expanded to allow for additional disclosure processes.

(42) This has been shortened with a reference to other sections.

(43) This bullet was split into two bullets and has been reworded.

(44) Replaced “federal” with “governmental.”

III.E Examples of Allowable Income Producing Activities Generally Not Requiring Prior Approval (see also comment 21a, above)

(45) This bullet point is the combination of two previous points.

III.F Examples of Potential or Actual Conflicts of Commitment or Interest Requiring Prior Approval (see also comment 21a, above)

(46) These bullets expand and clarify what was previously a single bullet.

(47) Bullets 10, 11, 12, 14, 15 are new. They expand upon previous content.

Section IV. PROCEDURES

(48) Section IV has been extensively reorganized to lay out procedures and avoid duplication with other sections. Since responsibilities were laid out in Section III, we tried to avoid duplicating that information in Section III. This section now moves from disclosure, to review and approval, to management, to appeals, to sanctions, to provision for periodic review of the Policy and exceptions.

The role of the UEO is described earlier in the document, so is no longer described in this section.

The need to address situation specific disclosures and reports from third parties is addressed.

The management section IV.C has been rewritten. It is clear that if agreement on management of a conflict cannot be reached, the outside activity cannot be approved.

A process is specified for conflict management for employees with appointments in more than one unit.

The appeals process is clarified.

The Policy recognizes that sanctions may be applied under existing university policies.

It provides for periodic review of the Policy.

It provides for interim administrative action if needed.

It provides an exceptions process.

(49) These two paragraphs have been reworded to refer to staff in the plural, to refer to non-university income producing activities, to avoid reference to a specific disclosure document, and to refer to III.F as a list of activities that must be disclosed.

(50) The need to rescind approval of activities is addressed. It is not addressed in the current policy.

(51) This paragraph previously read, "Arrangements agreed upon to minimize or manage the conflict must be reduced to writing by the unit executive officer, signed by the staff member and attached to that member's Report of Non-University Activity." This Report shall be routed through regular reporting channels for approval (e.g., unit executive officer, dean, director, vice chancellor for research)." This paragraph attempts to avoid specifying a specific written report.

(52) New language.

(53) Legal Counsel drafted new language for this section. Also note large portions of the original policy have been removed from this section 5/21/10. See earlier drafts for comparison.

(54) Original language included reference to dismissal. Committee concluded this was not necessary in this policy.

(54a) The entity which conducts the periodic review of the Policy is changed from the Intellectual Property Committee to the president's designee, and incorporates review of the revisions by the faculty senates.

(55) The needs for interim administrative action and for exceptions to the Policy are addressed. Neither is addressed in the current policy.