

Conflicts of Interest and Commitment: Examples

Examples in research and other scholarly activities

A "conflict of interest" in a university setting generally refers to situations in which the external interests of a university employee have the potential to influence their decisions in their university role. The influence is generally in ways that could lead to personal gain (financial or non-financial) for the individual or immediate family members.

A variety of kinds of conflicts of interest can occur when people conducting research or other scholarly activities as a part of their university positions have external interests related to those activities.

These examples are intended to give an idea of the range of situations that might occur. They are not inclusive of all possible situations that could be or could be perceived to be conflicts of interest.

Situation: An Iowa State investigator is conducting research involving the testing and comparison of commercially available products. The sole supplier of one of the products is an immediate family member of the investigator.

Why could this be perceived to be a conflict of interest? The investigator's family member stands to gain financially if the research finds that the family member's product is superior to others in the market. Thus, the inclusion of the family member's product in the testing protocol may raise questions about the integrity of the research. Inclusion could also result in accusations of the use of state funds (the investigator's salary and research support) for personal or family gain.

What should the employee do? The employee should disclose the conflict via IRBManager. The situation will be reviewed by the Office of the Vice President for Research to determine if there is a way to reduce or eliminate the conflict. If necessary, a system of oversight will be established to assure that the integrity of the research is not compromised by the conflict.

Situation: An Iowa State employee's business or business activities share space or equipment with or are in close proximity to the department or center facilities in which the employee conducts their university research or other scholarly activities.

Why could this be perceived to be a conflict of interest? Iowa code prohibits the use of state resources for personal gain. This includes the use of university space or equipment, including computers and phones. There is no prohibition against a business having close proximity to university facilities; in fact, it can be desirable because it facilitates interaction. However, close proximity can, unless one is careful, give the perception of the use of university space or equipment for private gain. The use of university space or equipment for the employee's business can also result in disputes over the ownership of any intellectual property resulting from the research or other scholarly activities.

What should the employee do? If possible, the employee should keep their business and business activities physically separate from the university. The ISU Research Park and other incubator facilities at Iowa State are designed to help Iowa State entrepreneurs keep their businesses physically separate from but still close to the university. If moving off-campus or to an incubator facility is not feasible, with the permission of the relevant department and college, the employee may be able to rent the needed facilities and/or equipment from the university. They can contact the Office of the Senior Vice President for Business and Finance to establish the necessary rental agreements.

Examples in sponsored funding

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Conflicts of interest can occur any time a university employee or a member of their immediate family is involved in any way on both sides (that is, both the source and the recipient) of a sponsored funding grant or contract.

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Situation: A university employee serves as PI or Co-PI on a grant that includes a subcontract to a member of the employee's immediate family.

Why could this be perceived to be a conflict of interest? Subcontracting to a member of one's family gives the perception of use of state resources for personal gain. Note that when funds are given to the university from any source, they become university funds and therefore are subject to state of Iowa rules.

What should the employee do? The employee should disclose the conflict via IRBManager. The situation will be reviewed by the Office of the Vice President for Research to determine if there is a way to reduce or eliminate the conflict. If needed, a management plan will be established to prevent the university employee from using, or appearing to use, their position to benefit themselves or the family member. This is generally done by transferring the responsibility for the grant to a third party.

Situation: An ISU employee gets a grant from an engineering company to conduct research on the efficiency of energy conversion in various engine designs, one of which is sold by the engineering company. The employee's spouse owns more than 5 percent of the company stock.

Why could this be perceived to be a conflict of interest? The employee's spouse, and therefore the employee, stands to gain financially depending on the outcome of the research, which raises questions about the integrity of the research.

What should the employee do? To protect research integrity, Iowa State policy prohibits investigators from receiving grants from entities in which they or their family members have a management role or a significant financial interest. Therefore, the employee should disclose the situation. A management plan will be needed, and it will likely either 1) transfer the grant to a third party to provide oversight or 2) establish an oversight committee to monitor the integrity of the research.

Examples in consulting

A "conflict of interest" in a university setting generally refers to situations in which the external interests of a university employee have the potential to influence their decisions in their university role. The influence is generally in ways that could lead to personal gain (financial or non-financial) for the individual or immediate family members.

A "conflict of commitment" in a university setting generally refers to situations in which the external activity of a university employee has the potential to reduce the time and attention the employee can devote to their university responsibilities, and thus negatively impact their performance or assigned university duties.

Conflicts of interest and commitment can occur any time an Iowa State employee engages in consulting, whether paid or unpaid, with an external entity.

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Situation: An Iowa State employee, on their own time, consults for a company that develops and sells products related to the employee's research. Because of the employee's expertise, the company decides to give the employee a grant to conduct research of interest to the company.

Why could this be perceived to be a conflict of interest? Accepting sponsored funding from a company for which one also consults, whether paid or unpaid, is considered a conflict of interest because of the perception that the desire to maintain the consulting relationship may prejudice the outcome of the research.

What should the employee do? To protect research integrity, Iowa State policy prohibits investigators from receiving grants from entities for which they consult. Therefore, the employee should disclose the situation via IRBManager, where it will be reviewed by the Office of the Vice President for Research. A management plan likely will be needed that either 1) transfers the grant to a third party to provide oversight or 2) establishes an oversight committee to monitor the integrity of the research.

Situation: An Iowa State employee consults for an external entity from their university office during their normal working hours. They use their university computer, phone, and e-mail account.

Why could this be perceived to be a conflict of interest and commitment? Limited consulting during normal working hours can be acceptable, as long as it is approved by the employee's supervisor. However, Iowa code prohibits state employees from using state resources for personal financial gain. This includes university time, offices, computers, phones, and e-mail accounts. The use of university time for outside activities is a specific form of conflict of interest often called "conflict of commitment."

What should the employee do? The employee should disclose the consulting activity via IRBManager and discuss the situation with their department/unit chair or director. A simple management plan may be needed to protect against inappropriate use, or the appearance of inappropriate use, of university time or other state resources.

Situation: An ISU employee signs a consulting contract with a company that does research in an area closely related to that of the employee. Unfortunately, the employee fails to read the contract carefully before signing.

Why could this be perceived to be a conflict of interest? Consulting contracts often specify that whatever the consultant tells the company belongs to the company. Thus, a researcher who shares valuable intellectual property with the company could inadvertently lose the rights to their own information and/or the right to continue the research along the lines they had intended.

What should the employee do? If asked to sign a consulting contract, the employee should read it carefully before signing. If they accept the terms that give ownership of information provided by the employee to the company, the employee should be cautious about what information they provide.

Examples in procurement

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Conflicts of interest can occur any time the university buys, rents, leases, or accepts donated items that have monetary value from any entity in which a Regent's university employee has a significant interest.

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Situation: The spouse of an Iowa State employee has a graphic design business and is hired by the University of Iowa to design a brochure for an upcoming conference.

Why could this be perceived to be a conflict of interest? Iowa code prohibits the use of one's state position to influence state business in a way that could result in personal or family gain. For conflict of interest purposes, all Iowa Regent's institutions are considered a single state entity, and, therefore, there is the perception that the Iowa State employee could have influenced the decision by the University of Iowa to hire their spouse's graphic design business to design the brochure.

What should the employee do? The spouse should contact the Iowa State director of purchasing to apply for approval as a conflict of interest vendor.

Situation: A university instructor requires students or workshop participants to purchase a book, pamphlet, or training manual from which the instructor will receive royalties.

Why could this be perceived to be a conflict of interest? Requiring people to purchase an item for which one will gain financially raises questions about whether the item is being required because of its appropriateness for the class or workshop or because of the financial benefit to the instructor. This policy is found in the *Faculty Handbook*, 10.9.1.5.

What should the employee do? The employee should determine if there is another viable product (book, pamphlet, etc.) available. If not, they should disclose the royalty issue to their department chair or college curriculum committee to determine whether they agree that the product still should be required. If they do, the employee should work with their department or college to establish a management plan to assure that earned royalties are managed in an account that does not benefit them as an individual. One possibility is to donate the earned royalties to a not-for-profit charity.

Situation: An Iowa State employee's company has invented a novel piece of equipment that Iowa State investigators would like to use in their research. The Iowa State investigators cannot afford to purchase the equipment, and so the company decides to loan it to ISU for free in return for an agreement that the investigators evaluate the equipment and report their evaluation back to the company.

Why could this be perceived to be a conflict of interest? Donations of equipment to the university, although seemingly free, can result in various costs and legal issues (including liability for damages) and are therefore governed by rules similar to those pertaining to purchases. If, for example, the only source of parts, supplies, and

reagents to keep the equipment running is the company, the university would be forced to make repeated purchases from the company. The university also may be held financially liable for damages to the instrument while it is on loan.

What should the employee do? The employee should contact the director of purchasing to make the necessary arrangements. The management strategy will depend on the specifics of the particular situation.

Examples in extension and outreach

A "conflict of interest" in a university setting generally refers to situations in which the external interests of a university employee have the potential to influence their decisions in their university role. The influence is generally in ways that could lead to personal gain (financial or non-financial) for the individual or immediate family members.

A "conflict of commitment" in a university setting generally refers to situations in which the external activity of a university employee has the potential to reduce the time and attention the employee can devote to their university responsibilities, and thus negatively impact their performance or assigned university duties.

Because of its special role in service to external clientele, certain conflict of interest and commitment issues arise that are unique to extension employees.

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Situation: A livestock specialist raises a few pure-bred ewes on their personal acreage and sells lambs for show purposes. A 4-H club asks the specialist to do an extension workshop on selection decisions for breeding ewes.

Why could this be perceived to be a conflict of interest? The specialist's personal interest could appear to affect how they give advice. For example, if they make money from the breeding operation, they could appear to be using the workshop to advertise the ewe breeding services.

What should the employee do? The employee should disclose the situation to their immediate supervisor to determine an appropriate course of action. Management strategies will vary depending on the situation.

Situation: An Iowa State extension employee establishes a private business that is in direct competition with the business of their extension clientele.

Why could this be perceived to be a conflict of interest? The competition may harm the employee's relationship with their extension clientele and thus the ability to fulfill the extension mission.

What should the employee do? The employee should disclose the situation to their immediate supervisor and/or program leader, to determine an appropriate course of action. Management strategies will vary depending on the situation.

Situation: A specialist has a private business of selling cosmetics. The specialist was requested to give a program report at the next extension council meeting, but declined this request because the extension meeting is the same night as a previously scheduled home party for the cosmetics business.

Why could this be perceived to be a conflict of interest? The private cosmetics business could impact on the employees' job performance.

What should the employee do? The employee should recognize their primary commitment is to Iowa State University. The employee should disclose the private business to their supervisor and if the supervisor deems necessary should establish a COIC Management Plan. The specialist should not decline the request of the council only because it conflicts with their private business.

Situation: A 4-H and youth specialist is asked to help write a grant proposal to the county community foundation's competition for one club but declines to help another 4-H club in the county for the same competition because that club "always is successful at outside funding, and the former group never is."

Why could this be perceived to be a conflict of interest? Under the federal Smith Lever rules, extension employees may not give preferential treatment to an individual or a group.

What should the employee do? The employee should disclose the situation to their immediate supervisor and/or program leader to determine an appropriate course of action. Management strategies will vary depending on the situation. It may be appropriate to assist both clubs, or offer a workshop on grant preparation available to all clubs.

Situation: An Iowa State extension employee establishes a private business that involves work that is similar to their Iowa State extension assignment.

Why could this be perceived to be a conflict of interest? The similarity of the work can give the perception that the person is using extension expertise and/or resources for personal gain and is profiting from their extension appointment. It can also cause confusion for external clientele who may think that the private activity is an extension activity. For this reason, extension employees are prohibited from offering the same services privately in the State of Iowa that they offer through their extension appointment.

What should the employee do? The employee should disclose the situation to their immediate supervisor to determine the appropriate course of action. Management strategies will vary depending on the situation.

Examples in employment (nepotism)

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Persons involved in the hiring, supervision, and/or evaluation of employees must be particularly careful to avoid real, or perceived conflicts of interest related to employment. Conflicts of interest related to the hiring, supervision, and/or evaluation of relatives are governed by university policies on nepotism.

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Situation: An Iowa State employee is serving on the search committee to hire a new person into their department. Their spouse applies for the position.

Why could this be perceived to be a conflict of interest? Because of their service on the search committee, the Iowa State employee is in a position to influence the hiring decision.

What should the employee do? The employee should step down from the committee, or, at a minimum, recuse themselves from the hiring decision.

Situation: Two single Iowa State employees in the same department or unit get married. After several years, one of them is promoted to department chair or unit director and thus has control over the employment status and salary increases of the other.

Why could this be perceived to be a conflict of interest? Iowa code prohibits state employees from engaging in nepotism, that is, the employment or supervision of one family member by another family member.

What should the employee do? The employee should discuss the situation with their supervisor, University Human Resources (for staff) or the Office of the Senior Vice President and Provost (for faculty). In general, such situations are resolved by transferring all evaluation and salary decisions regarding the supervised employee to the supervisor's supervisor or to another unit.