



UNIVERSITY OF MINNESOTA
BOARD OF REGENTS POLICY

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Administrative

INDIVIDUAL CONFLICTS OF INTEREST

Adopted: April 8, 1994

Amended: July 10, 1998; June 8, 2001; July 6, 2005; March 12, 2010

Supersedes: (see end of policy)

INDIVIDUAL CONFLICTS OF INTEREST

SECTION I. SCOPE.

This policy governs individual conflicts of interest and applies to covered individuals whose relationships with business entities relate to their University of Minnesota (University) expertise and responsibilities.

SECTION II. GUIDING PRINCIPLES.

The following principles shall assist covered individuals and the University in addressing individual conflicts of interest:

- (a) The integrity of the University's research and discovery, teaching and learning, and outreach and public service activities is paramount.
- (b) The University encourages its faculty and staff to engage in relationships with business entities to further the University's mission while acknowledging that inherent in these relationships is the potential for professional judgment to be influenced by the existence of such relationships and result in personal gain.
- (c) The University is committed to ensuring that relationships between its faculty and staff and business entities are transparent, grounded in objectivity, and do not improperly influence covered individuals' professional judgment, exercise of University responsibilities, or performance of University-related activities.

SECTION III. DEFINITIONS.

Subd. 1. Covered Individuals. *Covered individuals* shall mean: (a) faculty and staff; (b) individuals with responsibility for the design, performance, or reporting of University research; and (c) other individuals authorized to act on behalf of the University to fulfill its research and discovery, teaching and learning, and outreach and public service mission.

Subd. 2. Individual Conflict of Interest. *Individual conflict of interest* shall mean a relationship between a covered individual's private business or financial interests, or those of the covered individual's family members, and the covered individual's expertise and responsibilities such that an independent observer might reasonably question whether individual's objectivity in the performance of University responsibilities could be compromised by considerations of personal gain.

Subd. 3. Business Entity. *Business entity* shall mean any corporation, partnership, sole proprietorship, firm, franchise, association, organization, holding company, joint stock company, receivership, business or real estate trust, or any other nongovernmental legal entity organized for profit, nonprofit, or charitable purposes.

Subd. 4. Business Interest. *Business interest* shall mean holding any executive position in, or membership on, a board of a business entity whether or not such activities are compensated.



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Subd. 5. Financial Interest. *Financial interest* shall mean anything of monetary value, including, but not limited to: (a) an interest in a business entity consisting or any stock, stock option, or similar equity interest in such business entity (excluding any interest arising solely because the investment is in a pension, mutual fund, or other institutional investment fund over which the employee does not exercise control) or (b) receipt of, or the right or expectation to receive, any income, such as a consulting fee, honoraria, salary, allowance, royalty, or any other form of compensation.

Subd. 6. Family Member. *Family member* shall mean the covered individual's spouse or domestic partner, dependent children, and any other family member whom the covered individual reasonably knows may benefit personally from actions taken by the covered individual on behalf of the University.

SECTION IV. OVERSIGHT.

Subd. 1. Internal Reporting. As required by administrative policy, covered individuals: (a) shall report annually to the University any business or financial interests and relationships with business entities, and the income earned from those relationships, that relate to their University expertise and responsibilities; and (b) may be required to report to the University between annual reporting periods any substantial changes to their business or financial interests and relationships with business entities, and the income earned from those relationships, that relate to their University expertise and responsibilities.

Subd. 2. Disclosure. To ensure transparency, covered individuals shall disclose conflicts of interest as directed by University conflict of interest management plans.

Subd. 3. Compliance. Covered individuals may not engage in University-related activities in which there is a conflict of interest except in accordance with the terms of a University conflict of interest management plan. Covered individuals who do not comply with internal reporting requirements or conflict of interest management plans may be subject to disciplinary action, consistent with applicable University policies and procedures.

SECTION V. DELEGATION OF AUTHORITY.

The president or delegate shall maintain:

- (a) a process to identify and manage conflicts of interest of covered individuals; and
- (b) administrative policies and procedures to implement this policy, including provisions to:
 - (1) maintain a University review body or bodies to determine whether individual conflicts of interest exist;
 - (2) establish and monitor conflict of interest management plans to manage, reduce, or eliminate conflicts;
 - (3) ensure that the policies and procedures established for identifying and addressing individual conflicts of interest conform to federal regulations and state law related to conflict of interest;
 - (4) define and differentiate responsibilities for covered individuals to fulfill the principles set forth in this policy;



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- (5) identify and prohibit activities that cause or may cause reasonable doubt concerning the integrity of the University's relationships with business entities;
- (6) promote the integrity of covered individuals' consulting relationships with business entities;
- (7) govern the active involvement of covered individuals in business entity sponsored events and activities; and
- (8) establish limits on the acceptance of services, products, benefits, and gifts provided by business entities to covered individuals and University units.

Supersedes: Disclosure of Conflict of Interest Dated May 13, 1988 and Presenting Testimony – Identification of Affiliations Dated March 9, 1973.