

FAYETTEVILLE STATE UNIVERSITY

CONFLICTS OF INTEREST AND COMMITMENT EXTERNAL PROFESSIONAL ACTIVITIES FOR PAY

- Authority:** Issued by the Chancellor. Changes or exceptions to administrative policies issued by the Chancellor may only be made by the Chancellor.
- Category:** Employment – General
- Applies to:** •Administrators •Faculty •Staff
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- Related Policies:**
- *Copyright Use and Ownership* [FSU Policy]
 - *Conflicts of Interest and Commitment Affecting Faculty and Non-Faculty EPA Employees* [UNC Policy #300.2.2]
 - *Patent and Copyright Policies* [UNC Policy #500.2]
 - *Regulations on External Professional Activities for Pay by Faculty and Non-faculty EPA Employees* [UNC Policy #300.2.2.1 [R]]
 - *Regulations for Senior Academic and Administrative Officers on External Professional Activities for Pay and Honoraria* [UNC Policy #300.2.2.2[R]]
 - *University Equity Acquisitions Policy* [UNC Policy #500.6]
 - *University Policy on Research Misconduct* [UNC Policy #500.7]
 - *University Research Relations with Private Enterprise and Publication of Research Findings* [UNC Policy #500.1]
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I. INTRODUCTION

The Code of the University of North Carolina affirms that the basic mission of the faculty is "the transmission and advancement of knowledge and understanding." Faculty employment entails the three (3) responsibilities of teaching, scholarly research and publication, and other professional service to the institution and to society. Realization of those objectives is facilitated and encouraged by certain distinctive characteristics of employment within an academic community, which differs markedly from the conventional work-day and work-week employment models in most business and industrial settings.

Within the academy, time-specific assignments, such as classroom contact hours, constitute only a limited part of the workload. Typically, actual teaching hours account for no more than one quarter of a faculty member's time. However, activity directly affecting the education of students also includes class preparation and student evaluation, scheduled and unscheduled office hours for individual student counseling, and meetings of committees within departments, divisions and schools of the institution which are responsible for curriculum development, syllabus preparation,

and program evaluation. Faculty members are also expected to hold membership on various committees, at the department, division, school and institutional levels, which address personnel, financial and other administrative issues. Finally, every member of the faculty is expected to pursue research or creative activity in his or her area of specialization. Such scholarly activity may be specifically relevant to instruction, it may add generally to the body of information and understanding in a particular field, or it may have direct practical applications, as in business, industry, government, primary and secondary education, public health, national defense, and the arts.

Faculty members also pursue their specialized professional interests in other contexts, collateral to their immediate University employment. They hold memberships in and attend meetings of professional associations and learned societies; they serve on review or advisory panels; they present lectures, papers, concerts and exhibits; they participate in seminars and conferences; they review and edit scholarly publications; and they participate in accreditation reviews.

Employees also have opportunities to use their specialized competencies in secondary professional employment, as paid consultants to public and private agencies, and thereby contribute to the transfer and application of knowledge.

As relationships between University employees and private industry, federal and state governments, and nonprofit agencies have grown in number and scope, there has been a corresponding increase in concern about conflicts of commitment and interest. While employees are encouraged to engage in appropriate relationships with public and private agencies outside of the University, there is a need for commonly understood principles and corresponding procedures that will identify and address conflicts that would detract from or interfere with an employee's dedication of primary professional loyalty, time, and energy to University teaching, research, and service.

This *Policy* is implemented to govern external relationships between the University and its employees (those subject to and exempt from the State Personnel Act) and to ensure that University employees adhere to federal regulations related to conflicts of interest in research and non-research activities that are funded by federal agencies.

II. DEFINITIONS

A. Conflict of Commitment

A *conflict of commitment* relates to the distribution of effort between obligations to an employee's University employment and the employee's participation in other activities outside of the employee's University employment. The latter may include such generally encouraged extensions of professional expertise as professional consulting. Such activities promote professional development and enrich the individual's contributions to the University, to the profession, and to society. However, a conflict of commitment occurs when the pursuit of such outside activities involves an inordinate investment of time that interferes with the employee's obligations to students, to colleagues, and to the mission of the University.

B. Conflict of Interest

A *conflict of interest* relates to situations in which financial or other personal considerations may compromise, may involve the potential for compromising, or may

have the appearance of compromising an employee's objectivity in meeting the employee's University duties or responsibilities, including research activities. The bias that such conflicts may impart can affect many University duties, including decisions about personnel, the purchase of equipment and other supplies, the collection, analysis and interpretation of data, the sharing of research results, the choice of research protocols, the use of statistical methods, and the mentoring and judgment of student work. An University employee may have a conflict of interest when the employee, or any member of the employee's immediate family, has a personal interest in an activity that may affect decision making with respect to University teaching, research, or administration.

C. Department or Unit

Department or Unit means an academic department, or any other administrative unit designated by the Chancellor. *Department Chair or Unit Head* refers to the person with supervisory responsibility for the employee, whether in an academic or non-academic department.

D. EPA Employee

EPA employee (employee) refers to any person – faculty or non-faculty – who is employed by the University and who is not subject to the State Personnel Act. Part-time employees are covered by this *Policy* insofar as their University responsibilities are concerned, except that part-time employees are not required to complete the *Notice of Intent to Engage in External Professional Activities for Pay* form (Appendix B). Employees on leave are covered if the leave is funded at least partially from University sources.

E. External Professional Activity for Pay

An *external professional activity for pay* is defined as any activity that includes the following:

1. is not included within one's University employment responsibilities;
2. is performed for any entity, public or private, other than the University employer;
3. is undertaken for compensation; and
4. is based upon the professional knowledge, experience and abilities of the EPA employee.

An activity for pay not involving such professional knowledge, experience and abilities are not subject to the advance disclosure and approval requirements of Section III of this policy, although such an activity is subject to the basic requirement that outside activities of any type not result in neglect of primary University duties, conflicts of interest, conflicts of commitment, inappropriate uses of the University's name or resources, or claims of University responsibility for the activity.

F. Inappropriate Use or Exploitation of University Resources

Inappropriate use or exploitation of University resources means using any services, facilities, equipment, supplies or personnel which members of the general public may not freely use. An employee engaged in external professional activities for pay may use, in that connection, his or her office and publicly accessible facilities such as University

libraries; however, an office shall not be used as the site for compensated appointments with clients, e.g., for counseling or instruction. Under no circumstances may a supervisory employee use the services of a supervised employee during University employment time to advance the supervisor's external professional activities for pay.

G. University Employment Responsibilities

University employment responsibilities include both "primary duties" and "secondary duties." Primary duties consist of assigned teaching, scholarship, research, institutional service requirements, and other assigned employment duties. Secondary duties consist of professional affiliations and activities traditionally undertaken by employees outside of the immediate University employment context that redound to the benefit of the profession and to higher education in general. Such endeavors, which may or may not entail the receipt of honoraria or the reimbursement of expenses, include membership in and service to professional associations and learned societies; membership on professional review or advisory panels; presentation of lectures, papers, concerts or exhibits; participation in seminars and conferences; reviewing or editing scholarly publications and books; and service to accreditation bodies. Such activities are encouraged, as extensions of University employment, so long as there does not exist a conflict of interest or commitment.

III. COMPLIANCE

A. Responsibility for Compliance

The responsibility for compliance with any law, policy, or regulation on conflict of interest and commitment resides with the employee (employee). In the case of research, the *Principal Investigator* on a project is responsible for ensuring that any potential conflict of any member of the research team is reported and managed as required by this *Policy*.

B. Federal Regulations

An investigator submitting a grant or contract proposal for external funding through the University, or conducting research or other activities pursuant to such a federal grant or contract, must report any *Significant Financial Interest* that would reasonably appear to affect the proposed or funded research activities. Under the federal regulations, if a *Significant Financial Interest* may directly and significantly affect the design, conduct, or reporting of the research, a conflict will be deemed to exist.

The University will not execute award documents or allow expenditures of research or service funds from external sponsors if the employee's *Conflict of Interest and Commitment Disclosure Form* required by this *Policy* is not completed or if the Department's review and resolution of any conflict is not yet completed and approved. Thus, conflicts which cannot be satisfactorily managed, reduced, or eliminated will be disclosed to the sponsoring federal agency.

1. Federal Requirements

In addition to the procedures for reporting external activities for pay and general conflicts of interest and commitment set forth in this *Policy*, federal funding

agencies require that the University manage, reduce, or eliminate any actual or potential conflicts of interest that may exist in relation to instruction, research, and service activities funded by the federal government. The primary purpose of the federal regulations is to prevent bias in the design, conduct, and reporting of federally funded research. This *Policy* is designed to address those concerns and to comply with the research policies of federal agencies.

Specifically, to receive such federally funded research, the University is required to certify in the application for funding the following:

- a. the University has in place a written *and enforced* administrative process to identify and manage, reduce or eliminate conflicting interests;
- b. the University will, before expending any funds under an award, report to the federal agency the existence of an identified conflicting interest (but not the nature of the interest or other details) and assure that the conflicting interest has been managed, reduced or eliminated in accord with the regulation (and will do the same for any conflicting interest first identified after the initial report);
- c. the University will make available to the federal agency on request information regarding all conflicting interests identified by the University and how those interests have been managed, reduced or eliminated to protect research from bias; and
- d. the University will otherwise comply with all aspects of the regulations.

2. **Definitions**

a. **Investigator**

An *investigator* is defined as the principal investigator, co-principal investigator, or any other individual responsible for the design, conduct, or reporting of the proposed or funded research activities.

b. **Significant Financial Interest**

A *Significant Financial Interest* refers to any of the following:

- i. ***Salary, royalties or other payments for services such as consulting fees or honoraria.*** In the case of salary, (including those distributed to the individual through the University), or other payments, including consulting fees or honoraria, when aggregated from a single entity for the employee and his or her family, are expected to exceed \$10,000 over the next twelve months
- ii. ***Equity, interests, such as stock and stock options.*** In the case of equity interest in publicly-traded entities, when aggregated for the employee and his or her family, meets either of the following tests: exceeds \$10,000 in value as determined through reference

to public prices or other reasonable measures of fair market value or represents more than a (5%) ownership interest in any single entity. In the case of entities that are not publicly traded, consists of any equity interest held by the employee or his or her family.

- iii. intellectual property rights, such as patents, copyrights, and royalties from such rights.

When the project or proposed project requires the use of human subjects and approval from the Institutional Review Board, the above minimum remuneration and equity thresholds do not apply. In such cases, the disclosure threshold is *any* amount of payment and *any* equity holding by the employee or his or her family

c. Family

The term *family* of the employee includes his or her spouse and dependent children.

3. Disclosure of Significant Financial Interests

Significant Financial Interests must be disclosed by the employee annually and at the time of the submission of a research proposal in accordance with procedures set forth in this *Policy*. The Office of Sponsored Programs will not submit a proposal to a funding agency if it does not have on file a *Conflict of Interest and Commitment Disclosure Form*. The disclosure statement must be updated annually during an award period and at any time new *Significant Financial Interests* arise.

4. Human Subjects Research

Absent compelling circumstances, an employee who has a *Significant Financial Interest* in a company sponsoring human subject's research **may not** conduct such research.

C. North Carolina Law

The following activities that have the potential for creating conflicts of interest are prohibited by North Carolina law and, therefore, may not be undertaken:

1. North Carolina law prohibits state employees involved in making or administering contracts on behalf of a state agency from deriving a direct benefit from the contract; and, even if not making or administering a contract on behalf of the state agency, if the employee will derive a direct benefit from the contract, he or she may not attempt to influence any other person who is involved in making or administering the contract. N.C.G.S. 14-234(a)(1), (2).
2. North Carolina law prohibits state employees from soliciting or receiving any gift, reward, or promise of reward in exchange for recommending, influencing, or

attempting to influence the award of a contract by the state agency for which the employee works. N.C.G.S. 14-234(a)(3).

3. A state employee may not benefit financially, or help someone else benefit, from non-public information gained by the employee in his or her official capacity. N.C.G.S. 14-234.1

IV. CONFLICTS OF COMMITMENT AND CONFLICTS OF INTERESTS

A. Conflict of Commitment

Conflicts of commitment include activities such as consulting or participation in a private business endeavor, involving time commitments that would interfere with an employee's university employment responsibilities. Such activities are unacceptable. Conflicts of commitment may also arise in connection with non-compensated activities. If an employee's university employment responsibilities are not met due to time spent on an outside activity, a conflict of commitment exists notwithstanding that the employee may receive no economic benefit from the outside activity

The formal method that should be used by a department head to determine whether an employee is devoting sufficient time and energy to University employment include regular reviews of performance in connection with annual salary decisions and scheduled reviews incident to promotion, reappointment or tenure decisions. In addition, complaints from students, colleagues, or administrators about possible failures to meet assigned responsibilities may arise and require investigation. The issue, in each case, is whether the employee is meeting the requirements of the job. If presented with evidence that the employee is not meeting full-time responsibilities to the University, *The Code of the Board of Governors of the University of North Carolina (the Code) and University policies* include "neglect of duty" as a grounds for disciplinary action, including the possibility of discharge.

B. Conflict of Interest

An employee has a conflict of interest when the employee, or any member of the employee's immediate family, has a personal interest in an activity that affects, or has the appearance of affecting, the objectivity of the employee's decision making with respect to the employee's University responsibilities. The Board of Governors, through its *Conflict of Interest and Commitment* policy has established some basic parameters of general applicability throughout the University of North Carolina that will permit institutions and their employees to recognize more readily and clearly those situations that are improper or that may be questionable. The parameters are as follows:

1. **Categories of Potential Conflicts of Interest**

Activities that may involve conflicts of interest can be classified under three (3) categories. Examples are included that are merely illustrative and do not purport to include all possible situations within the three (3) categories.

a. **Category 1 Activities – Allowable With No Reporting Required**

Category 1 activities include activities external to University employment that may present the appearance of a technical conflict, but they in fact do not have the potential for affecting the objectivity of the employee's performance of the employee's University responsibilities. At most, some situations could prompt questions about conflicts of interest. Examples of such activities are as follows:

- An employee receiving royalties from the publication of books or for the licensure of patented inventions subject to the UNC Patent and Copyright Policies.
- An employee having an equity interest in a corporation, the exclusive function of which is to accommodate the employee's external consulting activities.
- An employee receiving nominal compensation, in the form of honoraria or expense reimbursement, in connection with service to professional associations, service on review panels, presentation of scholarly works, and participation in accreditation reviews.

b. **Category 2 Activities - Requires Disclosure and Administrative Review**

Category 2 activities include activities that suggest a possibility of conflicting loyalties that can impair objectivity, but disclosure and resulting analysis of relationships may render the activities permissible, perhaps with certain types of limitation or monitoring. Examples are as follows:

- An employee requiring students to purchase the textbook or related instructional materials of the employee or members of his or her immediate family, which produces compensation for the employee or family member.
- An employee receiving compensation or gratuities (other than occasional meals, gifts of desk copies of textbooks, and the like) from any individual or entity doing business with the University. Note that no university employee may seek or receive any gift, reward, or promise of reward for recommending, influencing, or attempting to influence the award of a contract by his or her employer (*See the University's policy on Ethics*).
- An employee serving on the board of directors or scientific advisory board of an enterprise that provides financial support for University research, and the employee or a member of his or her immediate family may receive such financial support.
- An employee serving in an executive position in a for-profit or not-for-profit business which conducts research or other activities in an area related to the University duties of the employee.

- An employee having significant equity in a for-profit business which conducts research or other activities in an area related to the employee's University duties.
- An employee having a financial interest in a business that competes with services provided by the University.
- An employee accepting support for University research under conditions that require research results to be held confidential, unpublished, or inordinately delayed in publication. Research conducted by employees or students under any form of sponsorship must maintain the University's open teaching and research philosophy and must adhere to a policy that prohibits secrecy in research. Such conditions on publication must be in compliance with *UNC Policy Manual*, 500.1 and 500.2, and with the University's intellectual property policy.

c. **Category 3 – Activities/Relationships Generally Not Allowable**

Category 3 activities include activities or relationships that generally are not allowable which involve situations that present obvious opportunities or inducements to favor personal interests over University interests. Before proceeding with such endeavors, the employee must demonstrate that in fact the employee's objectivity would not be affected or University interests otherwise would not be damaged. Examples include the following:

- An employee participating in University research involving a technology owned by or contractually obligated to (by license or exercise of an option to license, or otherwise) a business in which the individual or a member of his or her immediate family has a consulting relationship, has an ownership interest, or holds an executive position.
- An employee participating in University research which is funded by a grant or contract from a business in which the individual or a member of his or her immediate family has an ownership interest.
- An employee assigning students, post-doctoral fellows or other trainees to University research projects sponsored by a business in which the individual or a member of his or her immediate family has an ownership interest.
- An employee making referrals of University business to an external enterprise in which the individual or a member of his or her immediate family has a financial interest.
- An employee associating his or her own name with the University in such a way as to profit financially by trading on the reputation or goodwill of the University.
- An employee making unauthorized use of privileged information acquired in connection with one's University responsibilities.

2. Disclosure Form

a. Submission

All employees, including part-time employees are required to complete and submit a *Conflict of Interest and Commitment Disclosure Form (COIC Form)* before October 1st of each year. The COIC is attached to this policy as Attachment A. Additionally, employees are required to supplement the information elicited on the *COIC Form* at any time during the year when a contemplated new venture might entail conflicts of interest.

All such forms must be submitted to the Department Chair (faculty/staff) or Unit Head (staff). Updated forms must also be submitted throughout the year if changes arise that the employee believes may either: (a) give rise to a potential conflict of interest activity, as specified in **Category 2** or **Category 3**; (b) eliminate a potential conflict previously disclosed; or (c) result in an affirmative answer to any question previously answered in the negative on the *COIC Form*.

Employees will be reminded annually to complete and to return the *COIC Form*, and will be encouraged to seek assistance from their Department Chair Unit Head, or the General Counsel, if questions or special circumstances arise.

The *COIC Form* contains information that may have a direct bearing on the employee's employment. The form, therefore, shall be included in the employee's personnel file. As a part of the personnel file, the forms will be considered confidential. The information disclosed in the forms will be made available only to individuals duly charged with the responsibility for review, and the information may be released only in accordance with and as required by North Carolina law or lawful court order.

b. Review and Approval of COIC Forms

The Department Chair (faculty/staff) or Unit Head (staff) has the initial responsibility to review the forms filed by the employee within that department or unit. The Department Chair or Unit Head *may* refer any question regarding a conflict to the Dean (faculty/staff), or Vice Chancellor (staff), respectively, for review and decision and *must* refer to the Dean (faculty/staff) or the Vice Chancellor (staff), for review and approval any monitoring system that is proposed for **Category 2** activities and any request for an exception and monitoring for **Category 3** activities.

The Dean or Vice Chancellor may at his or her discretion refer the conflict evaluation of any **Category 2** or **Category 3** activity to the *Standing Committee on Conflict of Interest and Commitment* (described below) for its recommendation prior to making a decision on the activity.

The Dean must report all of his or her actions under the *Policy* to the Provost and Vice Chancellor for Academic Affairs (Provost) by sending a copy of the decision or approval letter to the Provost.

In the case of employees who hold administrative positions, the conflict evaluation and review process will proceed as follows: Department Chairs will report directly to their respective Dean; Deans and Directors will report to the appropriate Vice Chancellor; and Vice Chancellors and others reporting directly to the Chancellor will report to the Chancellor.

C. Standing Committee on Conflicts of Interest and Commitment

The Chancellor shall appoint a *Standing Committee on Conflicts of Interest and Commitment* (Committee). The Committee shall be responsible for reviewing cases that are submitted to it by any Dean or Vice Chancellor or by the Chancellor. The Committee will conduct a thorough review of each case and will make recommendations for conflict resolution to the University official who referred the matter to the Committee.

In any case before the Committee, the employee will be provided the opportunity to respond in person and in writing to the issues raised in the course of such review. Any such written response will be appended to the Committee's report for review by the referring University official.

D. Appeals

Any employee shall have the right to appeal any decision under this *Policy* involving the employee to the appropriate Vice Chancellor and then the Chancellor. The Chancellor's decision shall be final.

V. EXTERNAL PROFESSIONAL ACTIVITIES FOR PAY
(Applicable to EPA Faculty and Non-Faculty employees only)

The University seeks to appoint and to retain, as faculty and non-faculty employees, individuals of exceptional competence in their respective fields of professional endeavor. Because of their specialized knowledge and experience, such employees have opportunities to apply their professional expertise to activities outside of their University employment, including secondary employment consisting of paid consultation with or other service to various public and private entities. Through such practical, compensated applications of their professional qualifications, University employees enhance their own capabilities in teaching, research, and administration. Thus, participation of employees in external professional activities for pay, typically in the form of consulting, is an important characteristic of academic employment that often leads to significant societal benefits, including economic development through technology transfer. However, such external professional activities for pay are to be undertaken only if they do not:

- Create a conflict of commitment by interfering with the obligation of the individual to carry out all primary University duties in a timely and effective manner;
- Create a conflict of interest vis-a-vis the individual's status as an employee of the University;
- Involve any inappropriate use or exploitation of University resources;
- Make any use of the name of the University of North Carolina or Fayetteville State University for any purpose other than professional identification; or

- Claim, explicitly or implicitly, any University responsibility for the conduct or outcome of such activities.

An employee who wishes to engage in external professional activity for pay must adhere to this *Policy* to provide satisfactory assurances that such activity will not interfere with the employee's University employment obligations. These regulations may not apply to employees serving on academic year (9-month) contracts, if the external professional activity for pay is wholly performed and completed outside of the academic year and the activity does not conflict with any policy of the University or Board of Governors and is not conducted concurrently with a contract for teaching, research, or other services to be provided to the University during a summer session.

An employee who is out of work due to an external professional activity for pay, or who wishes to retain an honorarium, may choose to use periodic uncompensated leave rather than annual leave. The periodic uncompensated leave may be taken in full days and partial days. External professional activities for pay performed for another institution or agency of the State of North Carolina also must comply with State policies governing dual employment and compensation, unless an exception to those State policies is expressly authorized by the Chancellor. The Board of Governors has also established rules for monitoring and regulating the involvement of University employees in political candidacy and office-holding that could interfere with full-time commitment to University duties. *Please refer to UNC Policy Manual, 300.5.1 et seq. for specific policy details.*

A. Disclosing an External Professional Activity for Pay

Any full-time employee who plans to engage in an external professional activity for pay shall complete the *Notice of Intent to Engage in External Professional Activity for Pay* (hereinafter referred to as *Notice of Intent*, see Appendix 1), which shall be filed with the Department Chair (faculty) or Unit Head (staff). **A separate *Notice of Intent* shall be filed for each such activity in which an employee proposes to engage.** Unless there are exceptional circumstances, the *Notice of Intent* shall be filed not less than ten (10) calendar days before the date the proposed external professional activity for pay is to begin. University employees not complying with these procedures shall be subject to disciplinary action.

1. Review of the *Notice of Intent*

The Department Chair (faculty) or Unit Head (staff) has the initial responsibility to review the *Notice of Intent* submitted by the employee within that unit. If a decision is made to approve or disapprove the activity, the Department Chair (faculty) or Unit Head (staff) shall notify the employee within ten (10) calendar days of his or her receipt of the *Notice of Intent*.

a. Approval of a *Notice of Intent* Activity

Approval of a *Notice of Intent* activity may be granted for a period not to exceed the balance of either of the following:

- i. the fiscal year (in the case of 12-month employees and employees with contract service periods that include the summer session); or

- ii. the academic year (in the case of 9-month employees with no summer session contract) remaining as of the date of approval; if the approved activity will continue beyond the end of the relevant fiscal or academic year in which it was begun, an additional *Notice of Intent* must be filed at least ten (10) days before engaging in such activity in the succeeding relevant year.

b. Denial of a Notice of Intent Activity

If, after a review of the *Notice of Intent* and consultation with the employee, the Department Chair (faculty) or Unit Head (staff) determines that the proposed activity is *not* consistent with the policies of the University or Board of Governors, the employee shall be notified of that determination within ten (10) calendar days of the date the *Notice of Intent* is submitted to the appropriate individual. In the event of such notification by the Department Chair (faculty) or Unit Head (staff), the employee shall not proceed with the proposed activity, but may appeal that decision, in writing, to the to the Dean (faculty), or Vice Chancellor (staff), respectively, and then, in writing, to the Chancellor or the Chancellor's designee. A decision on any such appeal shall be given to the employee within ten (10) calendar days of the date on which the appeal is received. The decision of the Chancellor shall be final.

2. Summary of Activities

Departmental summaries of all *Notices of Intent* filed and of actions taken in response to such *Notices of Intent* during the preceding fiscal year shall be submitted by the Department Chairs and Unit Heads to the Chancellor's designee on or before July 1st of each year.

B. Activities Performed for Other State Institutions/Agencies

External professional activities for pay performed for another institution or agency of the State of North Carolina also must comply with State policies governing dual employment and compensation, unless an exception to those State policies is expressly authorized by the Chancellor.

C. Honorariums

When State-reimbursed travel, work time, or resources are used or when the activity can be construed as related to the employee's State position or official duties on behalf of the State, the employee **shall not** receive an honorarium. In these instances the employee may request that the honorarium be paid to the University. The honorarium may be retained by the employee only for activities performed during non-working hours or while the employee is on annual leave, if all expenses are the responsibility of the employee or a third party that is not a State entity and the activity has no relation to the employee's State duties.

An employee who is out of work due to an external professional activity for pay, or who wishes to retain an honorarium, may choose to use periodic uncompensated leave rather

than annual leave. The periodic uncompensated leave may be taken in full days and partial days.

D. Inappropriate Use or Exploitation of University Resources

Inappropriate use or exploitation of University resources includes the use of any services, facilities, equipment, supplies or personnel that members of the general public may not freely use. An individual engaged in external professional activity for pay may use, in that connection, his or her University office on a limited basis and publicly accessible facilities such as University libraries; however, a University office shall not be used as the site for compensated appointments with clients, e.g., for counseling or instruction. Other inappropriate use or exploitation of University resources, include but are not limited to the following:

1. Use of University Employees

Under no circumstances may a supervisory employee use the services of a supervised employee during University employment time to advance the supervisor's external professional activities for pay.

2. Use of the University's Telephone System

The University's telephone system should not be used for activities associated with external professional activities for pay, even if there is reimbursement for such calls. Fax machines and cellular telephones similarly should not be used.

3. Use of University Letterhead

For written communications, under no circumstances should University letterhead or postage be used for external professional activities, nor should other representations be made that imply University sponsorship or endorsement.

4. Use of the University's Library and its Databases

Use of the University's library resources would not be inappropriate, to the extent the services used are available to the public. However, use of certain on-line library research services and data bases is often restricted to University use by licensing arrangements and thus such services may not be used in connection with external professional activities.

E. Senior Academic and Administrative Officer (SAAO)

Senior Academic and Administrative Officers (SAAOs) who engage in an activity from which external income is earned, that is not a part of the SAAO's University employment, must take annual leave if such activities take place within the conventional work week (i.e., between 8:00 a.m. and 5:00 p.m., Monday through Friday). SAAOs must also file appropriate *Notices of Intent*, in accordance with this *Policy*, to provide satisfactory assurances that such activity will not interfere with their University employment obligations

SAAOs may engage in employment-related activities for which an honorarium is received. When State-reimbursed travel, work time, or resources are used or when the activity can be construed as related to the SAAO's State position or official duties on behalf of the State, the SAAO shall not receive an honorarium. The SAAO may request that the honorarium be paid to the University. The honorarium may be retained by the SAAO only for activities performed during non-working hours or while the SAAO is on annual leave, if all expenses are the responsibility of the SAAO or a third party that is not a State entity and the activity has no relation to the SAAO's State duties.

F. Activities Performed for Other State Institution/Agencies

External professional activities for pay performed for another institution or agency of the State of North Carolina also must comply with State policies governing dual employment and compensation, unless an exception to those State policies is expressly authorized by the Chancellor or the President.

FAYETTEVILLE STATE UNIVERSITY
Conflicts of Interest and Commitment Disclosure Form

Name: _____

Title/Rank: _____ Department/Unit: _____

Campus Address: _____ Campus Phone: _____

CONFIDENTIAL PERSONNEL RECORD

This document constitutes a confidential personnel record under State law. It contains information relating to the above named individual's employment with the State of North Carolina and is part of that individual's official personnel file. The information disclosed in this form is available only to individuals duly charged with the responsibility for review, and the information may be released only in accordance with and as required by North Carolina law, federal law or lawful court order.

A. Potential Category 2 Conflicts

(If the answer to any of these questions is yes, please complete Appendix A-1.)

Do you now, or are you planning within this academic year to do any of the following:

Yes No

- | | | |
|-----|-----|--|
| [] | [] | 1. Serve on the board of directors or scientific advisory board of an enterprise that provides financial support for University research conducted by you or a member of your immediate family or household? |
| [] | [] | 2. Serve in an executive position in a for-profit or not-for-profit business which conducts research or other activities in an area related to your University duties and responsibilities? |
| [] | [] | 3. Require students to purchase the textbook or related instructional materials produced or authored by you or members of your immediate family or household, which produces compensation for you or a member of your immediate family or household? |
| [] | [] | 4. Receive compensation or gratuities from any individual or entity doing business with the University? |
| [] | [] | 5. Have a <i>significant</i> financial interest in a for-profit business which conducts research or other activities in an area related to your University duties? (<i>See the Conflict of Interest and Commitment and External Professional Activities for Pay policy for a definition of significant financial interest.</i>) |

- 6. Have a *significant* financial interest in a business that competes with services provided by the University?
- 7. Have non-university professional or income-producing activities involving either Fayetteville State University students or other staff?
- 8. Have any other relationships, commitments, or activities that might present or appear to present a conflict of interest or commitment with your University employment?

B. Potential Category 3 Conflicts

(If the answer to any of these questions is yes, please complete Appendix A-2.)

Do you now, or are you planning within this academic year to do any of the following:

Yes No

- | | | | |
|--------------------------|--------------------------|----|---|
| <input type="checkbox"/> | <input type="checkbox"/> | 1. | Participate in University research involving a technology owned by or contractually obligated to (by license or option to license) a business in which you or a member of your immediate family or household, has a <i>significant</i> financial interest or holds an executive position? |
| <input type="checkbox"/> | <input type="checkbox"/> | 2. | Participate in University research which is funded by grant or contract from a business in which you or a member of your immediate family or household has a <i>significant</i> financial interest? |
| <input type="checkbox"/> | <input type="checkbox"/> | 3. | Assign students or other individuals to University research projects sponsored by a business in which you or a member of your immediate family or household has a <i>significant</i> financial interest? |
| <input type="checkbox"/> | <input type="checkbox"/> | 4. | Accept support for University research under conditions that require research results to be held confidential or unpublished, or inordinately delayed in publication (other than as allowed by the University's and/or UNC Patent and Copyright policies). |
| <input type="checkbox"/> | <input type="checkbox"/> | 5. | Make referrals of University business for an external enterprise in which you or a member of your immediate family or household has a <i>significant</i> financial interest? |
| <input type="checkbox"/> | <input type="checkbox"/> | 6. | Have non-university professional or income-producing activities involving either Fayetteville State University students or other staff? |
| <input type="checkbox"/> | <input type="checkbox"/> | 7. | Have any other relationships, commitments, or activities that might present or appear to present a conflict of interest or commitment with your University employment? |

I hereby acknowledge that I have read and understand the University's policy on Conflicts of Interest and Commitment and that the information I have provided includes all potential conflicts of interest and commitment with regard to my position at Fayetteville State University.

Additionally, I acknowledge that I have a continuing obligation to file an updated form prior to filing the next annual report if changes arise that I believe may either: (a) give rise to a potential conflict of interest, or (b) eliminate a conflict previously disclosed.

Signature

Date

Conflicts of Interest and Commitment Disclosure Form
Report of Activities Constituting Potential Category 2 Conflicts

Name: _____

Title/Rank: _____ Department/Unit: _____

Campus Address: _____ Campus Phone: _____

Please provide the information requested below for each item to which you answered “yes” on the annual disclosure form under *Section A, “Potential Category 2 Conflicts.”*

1. Service on the board of directors or scientific advisory board of an enterprise that provides financial support for University research conducted by you or a member of your immediate family or household.

a. Name of the enterprise: _____

b. Position you hold: _____

c. Describe your duties: _____

d. Describe the University research in which you or your family/household members participate that is funded by the enterprise:

2. Service in an executive position in a for-profit or not-for-profit business which conducts research or other activities in an area related to your University duties and responsibilities.

a. Name of the business: _____

b. Position you hold: _____

c. Describe your duties in that position: _____

d. Describe the research or other activities conducted by the business and how they relate to your University duties: _____

3. Require students to purchase the textbook or related instructional materials produced or authored by you or members of your immediate family or household, which produces compensation for you or a member of your immediate family or household.

a. Give the name and description of the textbook or related instructional materials:

b. List the authors and their relationship to the University:

c. State why this text or related materials is the best choice for the class:

4. Receive compensation or gratuities from any individual or entity doing business with the University.

a. Name of the individual or entity: _____

b. Describe the nature and value of the compensation or gratuities:

5. Have a *significant* financial interest in a for-profit business, which conducts research or other activities in an area related to your University duties.

a. Name of the business: _____

b. Describe the research or other activities conducted by the business and how they relate to your University duties:

c. Describe the nature and amount of your financial interest in the business:

6. Have a *significant* financial interest in a business that competes with services provided by the University

a. Name of the business: _____

b. Describe the activities conducted by the business and how they compete with services provided by the University:

c. Describe the nature and amount of your financial interest in the business:

7. Have non-University professional or income-producing activities involving either University students or other staff.

Describe: _____

8. Have any other relationships, commitments or activities that might present or appear to present a conflict of interest or commitment with your University employment.

Describe: _____

Signature

Date

**Conflicts of Interest and Commitment Disclosure Form
Report of Activities Constituting Potential Category 3 Conflicts**

Name: _____

Title/Rank: _____ Department/Unit: _____

Campus Address: _____ Campus Phone: _____

Please provide the information requested below for each item to which you answered “yes on the annual disclosure form under Section B, “Potential Category III Conflicts.”

1. Participate in University research involving a technology owned by or contractually obligated to (by license or option to license) a business in which you or a member of your immediate family or household, has a *significant* financial interest or holds an executive position.

a. Name of the business: _____

b. Position you or your family/household member holds, if any: _____

c. Describe the duties of the position: _____

d. Describe the nature and amount of the financial interest that you or your family/household member holds in the business:

e. Describe the University research in which you or your family/household member participates, if any:

f. What is the licensed or obligated technology? _____

2. Participate in University research that is funded by grant or contract from a business in which you or a member of your immediate family or household has a *significant* financial interest.

a. Name of the business: _____

b. Describe the nature and amount of the financial interest that you or your family/household member holds in the business: _____

c. Describe the University research in which you or your family/household member participates:

3. Assign students, postdoctoral fellows or other trainees to University research projects sponsored by a business in which you or a member of your immediate family or household has a *significant* financial interest?

a. Name of the business: _____

b. Describe the nature and amount of the financial interest that you or your family/household member holds in the business:

c. Identify the University research assignments to which the students are assigned:

4. Accept support for University research under conditions that require research results to be held confidential or unpublished or inordinately delayed in publication (other than as allowed by UNC and University policies).

a. Name of the individual or entity providing support: _____

b. Describe the conditions imposed or agreed to: _____

5. Make referrals of University business for an external enterprise in which you or a member of your immediate family or household has a *significant* financial interest.

a. Name of the external business enterprise: _____

b. Describe the nature and amount of the financial interest that you or your family/household member holds in the business:

c. Describe the referrals of University business made: _____

6. Have non-University professional or income-producing activities involving either University students or other staff.

Describe: _____

7. Have any other relationships, commitments or activities that might present or appear to present a conflict of interest or commitment with your University employment.

Describe: _____

Signature

Date

**Conflicts of Interest and Commitment Disclosure Form
Administrative Review**

I. First Level Administrative Review*

Based on the activity reported, and to the best of my knowledge and in my judgment:

- a. _____ No conflict of interest or commitment exists
- b. _____ A **Category 2** conflict was reported, but does not appear significant, or has been resolved with the employee to my satisfaction. (*Attach explanation.*)
- c. _____ A **Category 3** conflict was reported, but the employee has
 - (1) _____ provided an explanation (attach explanation), or
 - (2) _____ requested and been recommended for a waiver (*Attach explanation for recommending a waiver and forward to Dean/Vice Chancellor for approval.*)
- d. _____ A conflict was reported, but it cannot be satisfactorily managed, reduced or eliminated.

Signature

Title

Date

II. Second Level (Dean or Vice Chancellor) Administrative Review of Waivers Granted/Denied for Category 3 Conflicts

I have reviewed the reported Category 3 conflict and the materials submitted in support of the employee's request for a waiver. I hereby:

- a. _____ Approve the waiver
- b. _____ Approve the waiver with modifications (*Attach explanation.*)
- c. _____ Disapprove the waiver.

Signature

Title

Date

* Employees report to their unit head, unit heads report to their dean or director, deans and directors report to their vice chancellor, vice chancellors and other direct reports to the Chancellor report to the Chancellor.

FAYETTEVILLE STATE UNIVERSITY

NOTICE OF INTENT TO ENGAGE IN
EXTERNAL PROFESSIONAL ACTIVITIES FOR PAY

Name: _____

Title/Rank: _____ Department/Unit: _____

Campus Address: _____ Campus Phone: _____

Please provide the information requested below if you are requesting authorization to engage in external professional activity for pay.

1. Name and address of contracting organization: _____

2. Nature of proposed activity: _____

3. Beginning date and anticipated duration of activity: _____

4. On average, how many hours per week will be devoted to this activity?

a. **For 10, 11 and 12-month employees**, for the anticipated duration of the activity, within the current fiscal year ending June 30: _____ hours per week.

b. **For 9-month employees**, for each component part of the academic year, as applicable, within the current fiscal year ending June 30:

Second summer session (post July 1) _____ hours per week

Fall semester _____ hours per week

Spring semester _____ hours per week

First summer session (pre July 1) _____ hours per week

5. Total number of hours to be devoted to activity: _____.

6. Identify any classes, meetings or other University duties that will be missed because of involvement in the proposed activity (respond separately for each applicable component part of the academic

calendar if 9-month employee) and state what arrangements have been made to cover any such duties:

Duties Missed

Arrangements to Cover

7. Use of University resources in connection with proposed activity:

a. Will the activity entail the use of any University resources (see the *University's policy on Conflict of Interest and Commitment and External Professional Activities for Pay.*)

Yes No

b. If yes, describe what resources will be used.

8. To your knowledge, does the contracting organization above provide funding which directly supports any of your University duties or activities?

Yes No

9. To be completed if the contracting organization is a private company:

a. Do you or any member of your immediate family own an equity interest in the contracting organization? If yes, please explain.

Yes No

b. Do you hold an office in the contracting organization? If yes, please explain

Yes No

I have reviewed the University's policy on Conflict of Interest and Commitment and External Profession Activities for Pay and agree that the above described activity is consistent with this policy.

Signature

Date

ADMINISTRATIVE REVIEW AND ACTION ON NOTICE OF INTENT

Any administrative action approving a "Notice of Intent" shall be effective only for the remaining balance of the fiscal year (in the case of 12-month employees) or for the balance of the academic year (for 9-month employees).

Department Chair/Unit Head

I have reviewed the reported activity and the materials submitted in support of the employee's request. I hereby:

- a. _____ Agree that the activity is consistent with University policy and approve the activity.
- b. _____ Do not agree that the activity is consistent with University policy and I do not approve the activity.

Signature

Date

Dean, Vice Chancellor or Chancellor

Approval by a Dean, Vice Chancellor or Chancellor to whom Department Chair or Unit Head reports is required if question 8 or question 9a or 9b is answered in the affirmative.

I have reviewed the reported activity and the materials submitted in support of the employee's request. I hereby:

- a. _____ Agree that the activity is consistent with University policy and approve the activity.
- b. _____ Do not agree that the activity is consistent with University policy and I do not approve the activity.

Signature

Date