Conflict of Financial Interest Policies

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Conflict of Financial Interest for Employees

Relationships between higher education institutions and government, nonprofit, and business sectors have increased greatly over the past several decades. St. Olaf College recognizes that many such relationships benefit the College's mission and its students. At the same time, the College strives to vigilantly guard against both actual and perceived abuses of these relationships. As professionals, those engaged in relationships with external entities have a responsibility to ensure that those relationships do not create any actual or perceived conflicts of interest, and to fully disclose all relevant information about potential conflicts of interest.

1. Policy Statement. It is the policy of St. Olaf College that all employees who make decisions that influence the financial actions of the College or its students must do so in accordance with the highest professional and ethical standards. In order to preserve the integrity and reputation of the College, such an employee is expected to avoid giving an unfair advantage—or even the appearance of an unfair advantage—to any person or organization (a "Vendor") doing business with the College or its students. To comply with this policy, an employee must be aware of and seek to avoid any situation where the employee's personal interests conflict with the interests of the College and/or the students it serves, and where the College's interests conflict with the purchasing interests of its students. It is particularly important for an employee to avoid conflicts of interest when the employee is in a position to:

(1) enter into contracts on behalf of the College; or

(2) influence purchasing decisions made on behalf of the College; or

(3) influence the purchasing decisions of students at the College.

An employee who is in a position to do any of the above is referred to in this policy as a "Responsible Person."

2. Procedure When a Conflict of Interest Arises. The College cannot guard against a Vendor's improper influence over the actions of a Responsible Person unless the College is aware of potential conflicts of interest. Therefore, any employee of the College who becomes aware that a conflict of interest may exist, regardless of whether the Responsible Person is himself or herself, or another, must disclose to his or her immediate supervisor and the Vice President and Treasurer that an employee's relationship with a Vendor may produce a conflict of interest. The supervisor and the Vice President and Treasurer will assist in determining whether there is a conflict of interest, and if there is, will determine the course of action necessary to protect the interests of the College and/or its students.

If a Responsible Person is uncertain about whether a relationship with a Vendor could create an actual or apparent conflict of interest, he or she should always err on the side of disclosure so that the College is aware of the situation. However, a Responsible Person is not required to disclose a relationship with a Vendor if he or she is certain that no actual conflict exists and that no reasonable person would perceive that a conflict exists.

3. Areas in Which a Conflict of Interest May Arise. A conflict of interest may arise when a Vendor has, or could reasonably be believed to have, improper influence over the actions or judgment of a Responsible Person.

a. Examples of Vendors

A Responsible Person should be especially alert to conflicts of interest that may arise in the Responsible

Person's relations with:

(1) Vendors that supply goods and services to the College, or to students of the College in connection with their attendance at the College;

(2) Vendors from whom the College leases property, equipment or real estate; or from whom its students lease property, equipment or real estate in connection with their attendance at the College;

(3) Vendors of student loans or other financial aid, or representatives of such Vendors, with whom the College is dealing or planning to deal.

b. Examples of Relationships That May Produce a Conflict

A Vendor's influence, or apparent influence, over a Responsible Person is most likely to result from either a personal or a financial relationship between the Responsible Person and the Vendor with whom the Responsible Person deals. A Vendor's influence or apparent influence over a Responsible Person also can result from offers made by the Vendor to finance trips, travel, seminars, educational materials, or the like, that may in fact benefit the College or its students, but that also may be perceived as providing personal benefit to the Responsible Person or inappropriate benefit to the College.

The following relationships commonly produce a conflict of interest:

(1) A Responsible Person, or a family member of the Responsible Person, has an investment or ownership interest in the Vendor.

(2) A Responsible Person, or a family member of the Responsible Person, has a compensation arrangement with the Vendor. A compensation arrangement specifically includes any payment to a Responsible Person from a Vendor in return for service on an advisory board or advisory panel related to the Vendor's business.

(3) A Responsible Person, or a family member of the Responsible Person, is an officer, director, or employee with substantial influence over the actions of the Vendor.

(4) A Responsible Person, or a family member of the Responsible Person, has received a gift or favor of more than nominal value (in excess of $25) from a Vendor.

(5) A Vendor has paid for, or reimbursed a Responsible Person for, goods or services of more than a nominal value, even if those goods or services assists the Responsible Person in carrying out his or her duties for the College, or lodging, meals, travel, or tuition in connection with a conference, travel abroad scouting trip, or training seminar.

(6) A Vendor who offers services or goods to the College's students in connection with their attendance at the College has provided a financial or other benefit to the College for which the College has not paid a fair market value price.

(7) A Responsible Person, who is a faculty member, assigns a textbook that he or she has written and for which he or she receives a royalty payment from the publisher for each textbook sold. (The College recognizes that in almost all cases, such assignments are made for appropriate academic reasons. This policy is not intended to deter or prohibit faculty from assigning books or articles that they have written; it merely requires that such situations be disclosed so that the College is aware of them.)

c. Examples Where No Conflict Exists

Examples of situations where no actual or perceived conflict exists include:

(1) The Responsible Person selects a vendor and it so happens that, unbeknownst to the Responsible Person, the

stock of the vendor is among dozens of stocks that are selected by and held in a large mutual fund in which the Responsible Person owns shares.

(2) The Responsible Person, who is a faculty member, receives no personal, financial, or business benefit from assigning a particular textbook that happens to be published by the same publisher that published a different book written by the Responsible Person.

(3) A Responsible Person, or a family member of the Responsible Person, has received a gift or favor of nominal value (less than $25) from a Vendor.

4. Violations of the Conflicts of Interest Policy. A Responsible Person who fails to disclose a relationship required to be disclosed under this policy is subject to discipline up to and including termination or dismissal. Other employees who fail to make such disclosures also may be subject to discipline or termination or dismissal.

Conflict of Financial Interest for Grant-Funded Research or Other Academic Projects

1. Policy Statement. In accordance with federal regulations and in keeping with St. Olaf's commitment to the highest standards of integrity and ethics in research, St. Olaf College has a responsibility to assess and manage any actual, potential or perceived conflicts of interest that may be presented by research grant applications and the financial interests of researchers. Researchers who propose to receive funds from an external source for research or academic projects must disclose any significant financial interest that may reasonably appear to be affected by external funds. A possible conflict of interest does not preclude acceptance of external funding, but appropriate disclosures or other safeguards may need to be implemented and accepted by both the researcher(s) and the College.

2. Definitions.

a. For purposes of this Policy, the term "Researcher" shall mean the principal investigator, the co-principal investigator and any other person who is responsible for the design, conduct, or reporting of research or other educational activities funded or proposed for funding by the National Science Foundation ('NSF"), the Public Health Service ("PHS"), or any other external public or private entity. Any individual responsible for a task that could have a significant effect on the research design, conduct or reporting is considered to be a Researcher, even if the individual does not have sole or primary responsibility for the task or the research.

b. For purposes of this Policy, the term "Significant Financial Interest" means anything of monetary value, including salary or other payment for services (consulting fees, honoraria, paid authorships), equity interests, and intellectual property rights. While this term is intended to be read broadly, the following items of monetary value will not be considered a Significant Financial Interest: (i) salary or other remuneration from St. Olaf College, (ii) income from seminars, lectures, or teaching engagements sponsored by *public* or *non-profit* entities; (iii) income from service on advisory committees or review panels for *public* or *non-profit* entities; (iv) an equity interest that, when aggregated for the Researcher and the Researcher's spouse and dependent children, does not represent more than a 5% ownership interest in any single entity *and* does not exceed $5,000 in value as determined through reference to public prices or other measures of fair market value; and (v) salary, royalties or other payments, from an entity other than St. Olaf College that when aggregated for the Researcher and the Researcher's spouse and dependent children exceed $5,000 during the preceding twelve-month period.

2. Procedure. Each Researcher must complete and sign a Disclosure of Financial Interest Form, at the time of application for an award and annually for the duration of the award. The form requires researchers to disclose Significant Financial Interests: (i) that would reasonably appear to be affected by research or educational activities funded or proposed for funding by an external source, such as the NSF or PHS; or (ii) in entities whose financial interests would reasonably appear to be affected by such activities, or (iii) that reasonably appear to be related to the Researcher's Institutional Responsibilities. A copy of this form is available from the

Office of Government and Foundation Relations. Additional disclosures may be required based on the specific grant or other funding requirements.

The Assistant Provost has been designated to review disclosures of Significant Financial Interests, to determine whether an actual, potential or perceived conflict of interest exists, and to determine what conditions or restrictions, if any, should be imposed by the College to manage, reduce or eliminate such actual, potential, or perceived conflict of interest. A conflict of interest exists when the Assistant Provost reasonably determines that a Significant Financial Interest could directly and significantly affect the design, conduct, or reporting of research or educational activities funded by the grant.

Examples of conditions or restrictions that might be imposed to manage, reduce or eliminate conflicts of interest include, but are not limited to:
a. public disclosure of Significant Financial Interests;

b. monitoring of research by independent reviewers;

c. modification of the research plan;

d. disqualification from participation in the portion of the funded research that would be affected by significant financial interests;

e. divestiture of Significant Financial Interests; or

f. severance of relationships that create conflicts.

If the Assistant Provost determines that imposing conditions or restrictions would be either ineffective or inequitable, and that the potential negative impacts that may arise from a Significant Financial Interest are outweighed by interests of scientific progress, technology transfer, or the public health and welfare, then the College may allow the research to go forward without imposing such conditions or restrictions.

3. Enforcement and Violations. A Researcher who fails to disclose a Significant Financial Interest or to comply with the conditions or restrictions imposed by the College is subject to discipline up to and including termination or dismissal.
The Assistant Provost is responsible for keeping the NSF's Office of the General Counsel, the PHS, and other relevant public and private entities appropriately informed if the College finds that it is unable to satisfactorily manage a conflict of interest.

The College shall maintain records of all financial disclosures and of all actions taken to resolve conflicts of interest for at least three years beyond the termination or completion of the grant to which they relate, or until the resolution of any NSF or other administrative or legal action involving those records, whichever is longer. The College shall strive to maintain the confidentiality of all financial disclosures; however, such disclosures may be subject to government audit, court subpoena, or other legally required disclosure.

Collaborators from other institutions must either comply with this policy or provide a certification that their institutions are in compliance with federal regulations regarding research conflicts of interest and that they have complied with their institutional policies with regard to disclosures of significant financial interests.

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