

Research Policy Handbook

See also...

- [Relationships Between Students, including Postdoctoral Scholars, and Outside Entities](#), Research Policy Handbook 2.11
- [School of Medicine - Conflict of Interest information and forms](#)
- [Conflict of Interest Resource Page](#)
- [Annual Certification and Disclosure Form \(OPACS\)](#)

Questions?

Contact [Ann George](#)

Stanford University reserves the right to amend at any time the policies and other materials contained in this handbook. Currently applicable versions are provided here, superseding any previous versions.

Chapter 4: Conflicts of Commitment and Interest

4.1 [Faculty Policy on Conflict of Commitment and Interest](#)

See also:

- [Faculty Annual Certification and Disclosure Form \(OPACS\)](#)
- [Administrative Guide Memo 1, University Code of Conduct \[pdf file\]](#)
- [Administrative Guide Memo 15.2, Staff Policy on Conflict of Commitment and Interest \[pdf file\]](#)
- [Ad Hoc Conflict of Interest Disclosures](#)

4.2 [PHS and NSF Requirements Regarding Financial Disclosures and Agency Notifications](#)

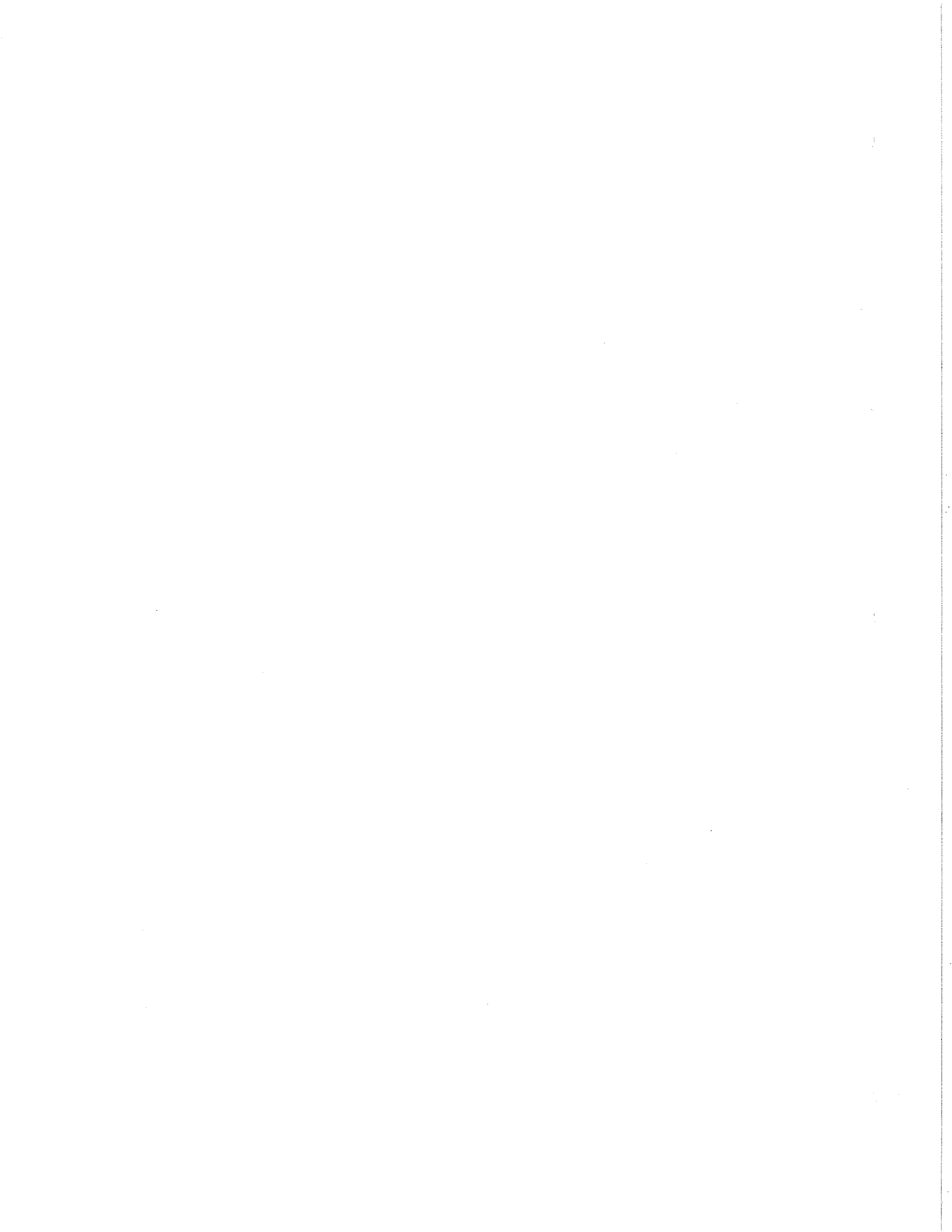
4.3 [Outside Consulting Activities by Members of the Academic Council](#)

4.4 [Conflict of Commitment and Interest for Academic Staff](#)

4.5 [University Investments in Start-Up Companies Involving Stanford Faculty](#)

4.6 [Equity Acquisition in Technology Licensing and Distance Learning Agreements](#)

4.7 [Institutional Conflict of Interest](#)



Research Policy Handbook

Document 4.1

- Faculty Policy on Conflict of Commitment and Interest

Classification

- Stanford University Policy

Originally issued

- April 14, 1994

Current version

- December 2, 2004

Authority

- Developed by the Committee on Research and approved by the Senate of the Academic Council. Sections on Intellectual Property also approved by the Board of Trustees.

Contact

- Vice Provost and Dean of Research

Related RPH Documents

- 2.1 Principles Concerning Research
- 2.2 Rights and Responsibilities in the Conduct of Research
- 2.6 Openness in Research
- 2.11 Relationships Between Students (including Postdoctoral Scholars) and Outside Entities
- 4.2 PHS and NSF Requirements Regarding Financial Disclosures and Agency Notifications
- 4.3 Outside Consulting Activities by Members of the Academic Council
- 4.4 Conflict of Commitment and Interest for Academic Staff
- 4.5 University Investments in Start-Up Companies Involving Stanford Faculty
- 4.6 Equity Acquisition in Technology Licensing and Distance Learning Agreements
- 4.7 Institutional Conflict of Interest
- 5.1 Inventions, Patents, and Licensing
- 5.2 Copyright Policy
- 5.3 Tangible Research Policy

Attachments

- None for this document

See also...

- Statement on Faculty Discipline
- Administrative Guide Memo 1, University Code of Conduct [pdf file]
- Administrative Guide Memo 15.2, Staff Policy on Conflict of Commitment and Interest [pdf file]
- Online disclosure format: <http://coi.stanford.edu>
- Guide to Ad Hoc Conflict of Interest Disclosures

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Faculty Policy on Conflict of Commitment and Interest (RPH 4.1)

Current version: December 2, 2004

Summary:

Presents and discusses circumstances which can create real or perceived conflicts of commitment and conflicts of interest for faculty. Establishes requirements for annual certifications and financial disclosures.

This statement, approved on April 14, 1994, and modified on December 2, 2004, by the Senate of the Academic Council, contains Stanford's policy and procedures regarding conflict of commitment and conflict of interest as they apply to all members of the Stanford faculty (Academic Council and Medical Center Line), including faculty members serving as University officers. School Deans are responsible for ensuring implementation of this policy. The Vice Provost and Dean of Research is responsible for interpretation and overall coordination of the policy. Violation of any part of this Policy may cause a faculty member to be subject to sanctions as described in the Statement on Faculty Discipline. This policy will be modified as necessary to be in compliance with external agencies.

GENERAL PRINCIPLES

Conflict of Commitment:

Stanford faculty members owe their primary professional allegiance to the University, and their primary commitment of time and intellectual energies should be to the education, research and scholarship programs of the institution. The specific responsibilities and professional activities that constitute an appropriate and primary commitment will differ across schools and departments, but they should be based on a general understanding between the faculty member and his or her department chair and school dean.

Even with such understandings in place, however, attempts of faculty to balance University responsibilities with external activities - such as consulting, public service or pro bono work - can result in conflicts regarding allocation of time and energies. Conflicts of commitment usually involve issues of time allocation. Whenever an individual's outside consulting activities (as defined in Stanford's policy on outside consulting) exceed the permitted limits (normally thirteen days per quarter), or whenever a full-time faculty member's primary professional loyalty is not to Stanford, a conflict of commitment exists.

Conflict of Interest:

A conflict of interest occurs when there is a divergence between an individual's private interests and his or her professional obligations to the University such that an independent observer might reasonably question whether the individual's professional actions or decisions are determined by considerations of personal gain, financial or otherwise. A conflict of interest depends on the situation, and not on the character or actions of the individual.

Conflicts of interest are common and practically unavoidable in a modern research university. At Stanford, conflicts of interest can arise out of the fact that a mission of the University is to promote public good by fostering the transfer of knowledge gained through University research and scholarship to the private sector. Two important means of accomplishing this mission include faculty consulting and the commercialization of technologies derived from faculty research. It is

appropriate that faculty be rewarded for their participation in these activities through consulting fees and sharing in royalties resulting from the commercialization of their work. It is wrong, however, for an individual's actions or decisions made in the course of his or her University activities to be determined by considerations of personal financial gain. Such behavior calls into question the professional objectivity and ethics of the individual, and it also reflects negatively on the University. Stanford University is an institution of public trust; faculty must respect that status and conduct their affairs in ways that will not compromise the integrity of the University.

Faculty members should conduct their affairs so as to avoid or minimize conflicts of interest, and must respond appropriately when conflicts of interest arise. To that end, the purposes of this policy are to educate faculty about situations that generate conflicts of interest, to provide means for faculty and the University to manage conflicts of interest, to promote the best interests of students and others whose work depends on faculty direction, and to describe situations that are prohibited. Every Stanford faculty member has an obligation to become familiar with, and abide by, the provisions of this policy. If a situation raising questions of conflict of commitment or interest arises, faculty are urged to discuss the situation with the department chair, school dean, or the Vice Provost and Dean of Research ("Dean of Research").

SUMMARY

Below is a summary of the key provisions of this Policy. Faculty are urged to read the document in its entirety to fully understand the spirit of these provisions, the bona fide exceptions, and requirements for compliance. [Links in these summary statements connect with more detailed discussion on each point.]

1. Faculty must maintain a significant physical presence on campus (main or overseas) throughout each quarter they are on active duty.
2. Faculty must not allow other professional activities to detract from their primary allegiance to Stanford. For example, a faculty member on full-time active duty must not have significant outside managerial responsibilities nor act as a principal investigator on sponsored projects that could be conducted at Stanford University but instead are submitted and managed through another institution.
3. Faculty must foster an atmosphere of academic freedom by promoting the open and timely exchange of results of scholarly activities, ensuring that their advising of students and postdoctoral scholars is independent of personal commercial interests, and informing students and colleagues about outside obligations that might influence the free exchange of scholarly information between them and the faculty member.
4. Faculty may not use University resources, including facilities, personnel, equipment, or confidential information, except in a purely incidental way, as part of their outside consulting activities or for any other purposes that are unrelated to the education, research, scholarship, and public service missions of the University.
5. Faculty must disclose on a timely basis the creation or discovery of all potentially patentable inventions created or discovered in the course of their University activities or with more than incidental use of University resources. Ownership of such inventions must be assigned to the University regardless of source of funding. The inventor will share in royalties earned.
6. Faculty must disclose to the University whether they (or members of the immediate family, as defined below) have consulting or employment relationships with, and/or significant financial interests (also defined below), in an outside entity before the University will approve the following proposed arrangements involving them between such entities and Stanford: a) gifts; b) sponsored projects; c) technology licensing arrangements; and d) certain procurements. In such cases, approval by the school dean will be required prior to entering into each proposed arrangement.

7. In situations in which the objectivity of a faculty member could reasonably be questioned, the dean of a school may establish an independent oversight committee to take steps including (but not limited to) the following: to review the appropriateness of the proposed research to be conducted at Stanford, to oversee the conduct of the research, and to ensure open and timely dissemination of the research results. Such oversight committees will be required for all clinical trials raising questions of conflict interest.
8. On an annual basis all faculty members must certify to their school deans their compliance with Stanford's policies related to conflict of interest and commitment. They must also disclose information about their (and their immediate family members', as described below) financial relationships with outside organizations that are sponsors of their teaching or research programs or are otherwise involved in current, proposed or pending financial relationships with the University that involve the faculty member. In addition, faculty must disclose to their school dean on an ad hoc basis current, proposed or pending situations that may raise questions of conflict of commitment or interest, as soon as such situations become known to the faculty member.
9. School deans shall establish procedures to ensure timely review of their faculty's annual and ad hoc disclosures of potential or apparent conflicts, and to ensure (in consultation with the Dean of Research office) the appropriate management of such conflicts. Such procedures may involve representatives from the school's faculty as part of a reviewing body. School deans will file their own annual disclosures and certifications of compliance with the Dean of Research.
10. The Dean of Research shall approve each school dean's plans for implementing this policy, interpret policy provisions in consultation with school deans, respond to faculty wishing to appeal school deans' decisions, and report to the Committee on Research annually on the status of this policy and its implementation.
11. Should a faculty member wish to appeal a decision made by the Dean of Research, he or she may present the appeal to the Provost, who will consider the case in consultation with the Advisory Board.

DISCUSSION AND DETAIL

1. PRESENCE ON CAMPUS:

Appointment as a faculty member of Stanford University confers the privilege and obligation to pursue teaching, research, scholarship, and clinical care (whichever are appropriate to the position held). In addition, Academic Council members are expected to participate in University governance, in the formulation of academic policy, and in the determination of the intellectual directions and academic priorities of the University. Fulfillment of these obligations requires a primary commitment of expertise, time, and energy.

A full-time appointment conveys an obligation for a faculty member to have a significant physical presence on campus (main or overseas), to be accessible to students and staff, and to be available to interact with Stanford colleagues throughout every quarter during which he or she is on active duty, unless the department chair and/or school dean has granted specific prior approval for extended or frequent absences from campus. Because requirements for field research and other reasons for absence from campus differ across the University, schools and departments should define for their faculties what qualifies as inappropriate, extended or frequent absences.

2. LIMITATIONS ON OUTSIDE PROFESSIONAL ACTIVITIES:

Stanford encourages faculty to become involved in the transfer of knowledge from the University laboratory into the commercial marketplace. It is an appropriate role for the University to facilitate the transfer of the knowledge gained through academic research to applications that can benefit the

general population. Moreover, experience gained by faculty in the course of outside professional activities can enhance their teaching and research or scholarship within the University. But the process of technology transfer can create the potential for conflicts of commitment and/or interest, particularly when there is opportunity for personal gain on the part of the faculty. The intent of this provision of the policy is to minimize these conflicts and provide means of managing them when they arise.

An implicit assumption underlying the University's Policy on Outside Consulting Activities by Members of the Academic Council is that such outside professional activities are a privilege and not a right and must not detract from a faculty member's full-time obligation to his or her University duties. When any outside activity detracts from the conduct of University duties, a conflict of commitment will result. Even activities such as pro bono work, government service in the public interest, and any outside employment unrelated to the faculty member's University responsibilities (therefore not included as "consulting" in the policy on outside consulting), should be managed so they do not take precedence over a faculty member's primary commitment to the University.

Outside professional activities can also generate conflicts of interest regardless of the time involved. For example, direction of a program of research or scholarship at another institution that could be conducted appropriately at Stanford as part of the faculty member's normal duties can deprive Stanford students and colleagues of the benefits of the faculty member's primary intellectual energies. Another example is submitting research proposals through channels other than Stanford to support work that could be performed at Stanford. First, the use of Stanford resources in the course of that work is practically unavoidable. Second, it becomes difficult, if not impossible, for the University to review and reward the contributions of Stanford faculty, staff, and students for work managed and/or conducted elsewhere. Third, the action can result in situations that place students and staff in conflicts of interest. For these reasons Stanford faculty members on active duty normally are prohibited from serving as principal investigators on sponsored projects submitted and managed through other institutions. This stipulation is not intended to limit faculty from participating in multi-site training or research programs. Nor is it intended to apply to circumstances in which the faculty member's research requires access to facilities not available at Stanford.

Significant management roles (those that involve supervision of the work of others and/or day-to-day responsibility for operating decisions) in private business typically are demanding both in terms of time and energy. It is unlikely that such roles can be fulfilled by the manager working only 13 days per quarter, the maximum time permitted for full-time faculty to engage in outside consulting activities. Because full-time faculty are expected to devote their primary energies and professional interests to their University obligations, they may not accept significant managerial responsibilities as part of their outside consulting activities. Normally it will be necessary for faculty to take a full leave of absence from their University responsibilities in order to take on a significant management role in an outside entity; doing so while on sabbatical is not appropriate.

Whenever faculty members are involved in research as part of their outside consulting or business activities, they must establish clear boundaries that separate their University and outside obligations, so as to avoid questions about their appropriate use of resources and attributions of products of their work.

3. FREE AND OPEN EXCHANGE OF RESEARCH RESULTS:

The integrity of the University as a community of scholars requires the free and open exchange of ideas and the results of scholarly activities. Faculty are obligated to maintain an atmosphere free from unwarranted external influences. Students and collaborators must be able to pursue topics of interest, have access to available information and facilities, and be able to communicate the results of their work to other scholars and the public. Therefore, faculty must ensure that:

- a. the results of research or scholarship undertaken at Stanford are disseminated on an open and timely basis to the broader scholarly community and public in keeping with Stanford's Openness in Research Policy;

- b. the academic activities of students and postdoctoral scholars are free from the personal commercial interests of the faculty member; and
- c. the work of students, staff, postdoctoral scholars and collaborators is not exploited in the course of a faculty member's outside obligations. To this end, faculty members should be open about their involvements with and obligations to outside third parties who could benefit from the work or ideas of their students, staff, and colleagues. Similarly, students, associates, and staff should have access to information about the sources of funds that support their research.

4. APPROPRIATE USE OF UNIVERSITY RESOURCES, INCLUDING FACILITIES, PERSONNEL, EQUIPMENT, AND INFORMATION:

Faculty may not use University resources, including facilities, personnel, equipment, or confidential information, except in a purely incidental way as part of their outside consulting activities or for any other non-University purposes. Inappropriate use of University resources includes the following:

- a. Assigning the faculty member's students, staff or postdoctoral scholars University tasks for purposes of potential or real financial gain of the faculty member rather than the advancement of the scholarly field or the students' educational needs.
- b. Involvement of the faculty member's students or staff in his or her outside consulting or business activities without prior approval of the department chair or school dean.
- c. Granting access to external entities to Stanford resources or services for purposes outside the University's missions, or offering inappropriate favors to outside entities in an attempt to unduly influence them in their dealings with the University.
- d. Using for personal gain, or granting unauthorized access to others, of confidential information acquired through conduct of University business or research activities. Confidential information includes, but is not limited to, medical, personnel, or security records of individuals; proprietary knowledge about corporate anticipated material requirements or price actions; and proprietary knowledge of possible new sites for government operations or information about forthcoming programs or selection of contractors or subcontractors in advance of official announcements.
- e. Providing preferential access to research results, materials or products generated from University teaching or research activities to an outside entity for personal financial gain. (This would not preclude appropriate licensing arrangements for inventions, or consulting on the basis of sponsored project results where there is significant additional work or expertise involved.)

5. DISCLOSURE AND OWNERSHIP OF INTELLECTUAL PROPERTY:

Stanford wishes to encourage faculty members to be involved in technology transfer as part of their University duties without raising questions as to their motives. However, faculty ownership of inventions created in the course of their University activities or with more than incidental use of University resources creates conflicts of interest. First, most research and scholarly work conducted at Stanford has been supported directly and indirectly by numerous sources with which the University has entered into contractual agreements. It is the responsibility of the University to honor the terms of those contracts regarding commercialization of results of the work they sponsored. For faculty members to decide ownership of intellectual property based on source of support when they stand to gain financially from such decisions constitutes a serious conflict of interest. Second, for faculty members to claim ownership of an invention resulting from their University activities calls into question whether they are using University resources for personal financial gain. Third, the opportunity for a faculty member to assume ownership of an invention and then grant exclusive access to it to a sponsor or potential sponsor of his or her university research creates an incentive for inappropriate relationships. Faculty are expected to exercise scientific objectivity in the conduct of research and guidance of students and associates. To the extent that the financial interests of a faculty member and

a corporate sponsor become intermingled, the scientific objectivity of the faculty member can be called into question.

To manage and minimize conflict over intellectual property rights, all potentially patentable inventions created or discovered by faculty in the course of their University activities, or with use of University resources, must be disclosed to the University on a timely basis. Ownership of these inventions must be assigned to the University regardless of source of funding. Institutional management of the commercialization of technologies developed using University resources guarantees that contractual obligations to sponsors are fulfilled. Stanford management of technology also reduces the potential for individual conflicts of interest, since the institutional managers of the assets do not have personal financial interests in the outcomes of licensing processes nor do they participate in making academic or future research decisions.

In this context, "invention" includes tangible research property. The term does not, however, include books, scholarly articles, musical and artistic works, and other forms of educational media, title to which remains with the creator. In accord with academic tradition, except to the extent required by the terms of funding agreements, Stanford does not claim ownership to pedagogical, scholarly, or artistic works, regardless of their form of expression. Such works may represent the personal or scholarly beliefs of the author. The protection of academic freedom of the faculty requires that the University not attempt, nor have the right, to control the content or distribution of such works. An additional consideration is that the University does not wish to accept liability for a faculty member's works that are individual forms of expression.

Ownership of computer software requires special consideration. Some forms of software are patentable, and thus must be assigned to the University. Other forms of software are more like books in that they are digital expressions of scholarly, artistic, or educational works, in which case title rests with the creator. Rights to software that is not patentable rest with the individual faculty creator except in the following circumstances: the work is supported by a direct allocation of funds through the University for the pursuit of a specific project, is commissioned by the University, or is otherwise subject to contractual obligations. Title to software created jointly with students or other faculty shall be jointly owned by the creators. Title to software created jointly by faculty and University staff members will be jointly owned between the faculty creator and the University. Faculty must be aware, however, that the creation, upgrade, or maintenance of commercializable software, when done as part of a faculty member's University activities, can lead to the same types of conflicts of commitment and interest as patentable inventions. It is the responsibility of the faculty member to avoid such conflicts. One way of doing so is to voluntarily assign copyright and licensing authority to the University.

This policy is not intended to go beyond any contractual obligations to restrict the creator of a technology from placing his or her creation in the public domain if he or she believes that would be in the best interest of technology transfer, unless such an action is restricted by contractual obligations. Also, this policy is not intended to slow or restrict the transfer of technology, so if the University does not proceed in a timely manner (e.g., sixty days) to patent a technology and/or license it, the ownership may be reassigned to the creator at his or her request if permitted by contractual obligations. In those cases where the sponsor requires the University to take title, the University may recommend to the sponsor that ownership be assigned to the inventor.

When the University is successful in the licensing of a technology created by a faculty member, he or she will share in the royalties earned under the terms of the applicable University policy.

6. FACULTY INVOLVEMENT IN TRANSACTIONS BETWEEN OUTSIDE ENTITIES AND STANFORD:

Faculty involvement in gifts, sponsored projects, technology licensing or certain procurement arrangements between Stanford and an outside entity, where the involved faculty member (or members of the immediate family, which includes the faculty member's spouse or dependent children as determined by the Internal Revenue Service, or a domestic partner) has any consulting or

employment relationships with, and/or significant financial interests in, that entity, raises particular questions of potential or apparent conflicts of interest; such situations require special ad hoc disclosures, review and approval.

For this purpose, "significant financial interests" in an entity means:

- o any current or pending ownership interests (including shares, partnership stake, or derivative interests such as stock options) in a privately-held entity (e.g., in a "start up" company);
- o any current or pending ownership interests (including shares, partnership stake, or derivative interests such as stock options) in a publicly-traded entity, amounting to at least one-half percent (0.5%) of that entity's equity or at least \$10,000 in ownership interests (except when the ownership interest is managed by a third party such as a mutual fund); or
- o any income amounting to at least \$10,000 per year (other than from employment, consulting, or ownership interests as covered above) -- including for example honoraria, licensing or royalty income.

NOTE: Where the faculty member is participating in research involving human subjects, and has **any** financial interest in the sponsor (or a member of the immediate family has such an interest), that interest must be disclosed on an ad hoc basis, regardless of its value (see Section 7, below).

Additionally, faculty members seeking funding from an external sponsor must ensure compliance with that sponsor's disclosure requirements.

Prior to the University entering into any of the following arrangements, the involved faculty member must submit to the school dean a complete written disclosure of his or her (or his or her immediate family member's) consulting or employment relationship with, and/or significant financial interest in the outside entity, the nature of the proposed transaction, and the means by which the faculty member will ensure separation of his or her University role from the faculty member's (or family members, as described above) role or interests in the company:

- a. gifts to Stanford of cash or property which will be under the control, or will directly support the teaching or research activities of a faculty member from an entity in which that faculty member (or members of the immediate family as described above) has a consulting or employment relationship with, and/or significant financial interests (as defined above) in;
- b. sponsored project proposals in which any of the involved investigators (or members of their immediate families as described above) have a consulting or employment relationship with, and/or significant financial interests in (or, in the case of research involving human subjects, ANY financial interest in) the proposed sponsor, or with proposed subcontractors, vendors, or collaborators;
- c. University technology licensing arrangements with companies for which the faculty inventor (or members of the immediate family as described above) has a consulting or employment relationship with, and/or significant financial interests in; and
- d. sole-source procurement of materials or services from an outside entity, or procurements involving a privately-held entity where the faculty member involved in the procurement (or members of the immediate family as described above) has a consulting or employment relationship with, and/or significant financial interests in, the proposed supplier.

Common sense must prevail in the interpretation of these provisions. That is -- no matter what dollar amounts are involved -- if an independent observer might reasonably question whether the individual's professional actions or decisions are determined by considerations of personal gain, the relationship should be disclosed and approval sought for the proposed transaction.

When such proposed arrangements are disclosed, the school dean shall, in consultation with the Dean of Research office, determine an appropriate resolution for the situation. Either the school dean or the

Dean of Research may convene an ad hoc committee to advise him or her on any such proposed arrangements. The committees may include other members of the faculty and/or individuals not otherwise affiliated with Stanford, as long as none of them has vested interests in the outcome of the proposed arrangements.

SITUATIONS RAISING QUESTIONS OF SCIENTIFIC OBJECTIVITY:

In cases where the University has approved arrangements as described in Section 6 above, or in Clinical Technology Assessment Agreements (clinical trials) in which the investigators have any personal financial interests (including consulting or employment relationships), the scientific objectivity of the faculty member's activities may be questioned by reasonable people. To address these situations, oversight committees may be established by the school dean to take steps including (but not limited to) the following: to review the appropriateness of the proposed activity, to monitor the conduct of the activity (including use of students and postdoctoral scholars), and to ensure open and timely dissemination of the research results.

Clinical trials and other research involving human subjects raise particularly sensitive issues in those cases where the investigator has any personal financial interests -- no matter what dollar amounts are involved -- in the outcomes and these financial interests must therefore be disclosed to the school dean. The demand for therapeutics requires that new agents be developed and tested. The processes that must be followed in the testing and development of therapeutics raise an inherently contradictory situation for faculty, since frequently the inventors of therapies or medical devices are those who do research on the disease in question, are the leaders in the field, and are the most qualified to carry out pre-clinical and clinical testing. Also, the most qualified laboratories and individuals to conduct trials may receive, or be candidates to receive, research support from the external organization. In neither case could the faculty member be disinterested with respect to the outcome of the trials.

Therefore, the faculty member (and the school dean to whom the disclosure is made) must take appropriate steps to guarantee objective evaluation of the agent or device, especially for advanced clinical trials (FDA phase II and phase III). Testing might involve other members of the department or division, but if the faculty member is a department chair or division chief, the referral for testing the therapy/device to another faculty member (particularly to a junior faculty member) may carry implied coercion. Integrity should be protected by an independent oversight group for evaluation and monitoring of the research (e.g., to an ad hoc committee appointment by the school dean) whenever:

- a. a faculty member is involved in clinical trials of his or her inventions;
- b. a company licensed to use a faculty member's invention is sponsoring the trial;
- c. there may exist a reason to question a faculty member's objectivity;
- d. the outcome of the trial could be seen as influencing existing or potential research support
- e. such testing is referred to other members of the faculty member's department or division.

Under appropriate circumstances, the University may require that the investigator either divest any financial interest or not perform the work at Stanford.

8. CERTIFICATION OF COMPLIANCE:

On an annual basis all faculty members must certify to their school deans their compliance with Stanford's policies related to conflict of interest and commitment. Faculty members must disclose information about their (and their immediate family members') interests in outside entities that are sponsors of their teaching or research programs, or that are otherwise involved in current, proposed or pending transactions with the university in which they are involved. Faculty members must also disclose on an ad hoc basis other arrangements with outside entities with which they are involved as

described above in Sections 6 and 7. In addition, faculty must disclose if they have served as principal investigators or managers of outside research or business activities in their professional fields, or if they have involved their students or staff in their outside consulting or business activities. Faculty members supply this information for confidential review by the University and for such other purposes as are required by law, contract or regulation; in schools where the established review mechanism includes the department chair and/or a faculty committee, faculty members may request that the certification and disclosures be reviewed by the school dean instead.

An electronic "disclosure and certification form" is available online at <http://coi.stanford.edu>. Individual schools of the University may request additional information, but not less than that requested on the electronic form.

In addition, faculty members must disclose to their school dean (with a copy to the department chair) on an ad hoc basis current, proposed or pending situations that may raise questions of conflict of commitment or interest, as soon as such situations become known to the faculty member.

9. RESPONSIBILITIES OF THE SCHOOL DEANS:

Each school dean is responsible for the timely collection and review of annual certifications as well as ad hoc disclosures, and (in consultation with the Dean of Research office) for the management of conflict situations that arise. The dean should use his or her discretion and knowledge of local conditions to set up a system that works well for the school. Each school's plans for distribution, receipt, processing, and review of disclosure forms shall be submitted to and approved by the Dean of Research. The review process in each school may be assigned to a Senior Associate Dean and/or to a faculty review committee. However, if for reasons of confidentiality, a faculty member wishes to have his or her disclosure reviewed personally and exclusively by the school dean, that option must be made available. Individual schools may have more, but not less, restrictive internal policies than those set forth by the University.

School deans will file their own annual disclosures and certifications of compliance with the Dean of Research.

10. RESPONSIBILITIES OF THE DEAN OF RESEARCH:

The Dean of Research is the University officer responsible for interpreting and overseeing implementation of and compliance with this policy. He or she is responsible for reviewing and approving each school's mechanisms for implementing this Policy, for consulting with school deans to determine appropriate strategies for managing conflict situations, and for reporting annually to the Committee on Research on the effectiveness of the policy throughout the University. In addition, the Dean of Research shall adjudicate situations in which faculty wish to appeal a decision of a school dean. The Dean of Research shall work with school deans to ensure that this policy is implemented with reasonable consistency across the University.

11. APPEALS OF DECISIONS MADE BY THE DEAN OF RESEARCH:

Should a faculty member wish to appeal a decision made by the Dean of Research, he or she may present the appeal to the Provost, who will consider the case in consultation with the Advisory Board.

[Back to top](#)

Research Policy Handbook

Document 4.2

- PHS and NSF Requirements Regarding Financial Disclosures and Agency Notifications

Classification

- Policy related to Agency Requirements

Originally issued

- August 4, 1995

Current version

- April 2006

Authority

- Memo from Charles Kruger, Vice Provost and Dean of Research and Graduate Policy. Updated for incorporation in the Research Policy Handbook and revised in April 2006 to reflect changes made in Stanford's Faculty Policy on Conflict of Commitment and Interest.

Contact

Vice Provost and Dean of Research

Related RPH Documents

- 4.1 Faculty Policy on Conflict of Commitment and Interest

Attachments

- None for this document

See also...

- NIH Final Rule on Objectivity in Research
- NSF Grant Policy Manual, Grantee Standards Re: Conflict of Interest Policies

Stanford University reserves the right to amend at any time the policies and other materials contained in this handbook. Currently applicable versions are provided here, superseding any previous versions.

PHS and NSF Requirements Regarding Financial Disclosures and Agency Notifications (RPH 4.2)

Current version: April 2006

Summary:

Establishes guidelines for implementation of agency requirements related to financial disclosures by faculty members submitting proposals and notifications to agencies in the event a potential conflict is identified.

Stanford's Faculty Policy on Conflict of Commitment and Interest establishes requirements for faculty disclosures (on both an annual and an ad hoc basis) of financial interests and professional relationships related to research projects, and for annual certifications of policy compliance. In addition, Stanford's policy requires that faculty members seeking funding from an external sponsor comply with the disclosure requirements of that sponsor.

In addition to requirements for an institutional policy on conflict of interest, several federal agencies have their own requirements for disclosures related to their sponsored research projects; these include the Public Health Service (PHS), which includes the National Institutes of Health (NIH), and the National Science Foundation (NSF). This memo provides guidance related to the requirements of those agencies.

INVESTIGATOR DISCLOSURES

PHS and NSF require that, for each proposal submitted to that agency, the PI certify that he or she has appropriately disclosed any significant financial interests related to that proposal. Before an award can be accepted, Stanford must determine how any potential conflict will be managed, reduced or eliminated. At Stanford, each School will handle this responsibility for its own PIs, relying on the annual and ad hoc disclosures submitted by faculty as required by Stanford's Faculty Policy on Conflict of Commitment and Interest.

These agencies require that each investigator disclose to a designated representative of the institution all significant financial interests of the investigator:

- i. that would reasonably appear to be affected by the research; or
- ii. in entities whose financial interests would reasonably appear to be affected by the research.

The term "investigator" means the principal investigator, co-principal investigators, and any other person responsible for the design, conduct, or reporting of research funded or proposed for funding by the sponsor. For purposes of financial disclosures, "investigator" includes the investigator's spouse and dependent children.

The term "significant financial interest" means anything of monetary value, including, but not limited to, salary or other payments for services (e.g., consulting fees or honoraria); equity interests (e.g., stocks, stock options or other ownership interests); and intellectual property rights (e.g., patents, copyrights and royalties from such rights). As defined by these agencies, the term "significant financial interest" does not include:

- an equity interest that, when aggregated for the investigator, spouse and dependent children, does not exceed \$10,000 in value as determined through reference to public prices or other reasonable measures of fair market value, and does not represent more than a five percent ownership interest in any single entity;
- salary, royalties or other payments that, when aggregated for the Investigator and the Investigator's spouse and dependent children, are not expected to exceed \$10,000 over a twelve-month period.

STANFORD UNIVERSITY IMPLEMENTATION

Principal Investigators must complete a Proposal Routing Form (SU-42 form) in order to document that all requirements related to the submission of that proposal have been met. The Proposal Routing Form includes the following question:

Do you or anyone involved in this research with responsibility for the design, conduct or reporting of the research (including spouses/domestic partners and dependent children) have a financial or professional relationship with, or receive payment from, or have stock or stock options in the proposed sponsor, vendor(s) or subrecipient(s),

or in a company that would be interested in the study results (but is not sponsoring the study)? If yes, an appropriate disclosure must be made.

In addition, all proposals being submitted to any sponsor from faculty appointed in the School of Medicine must be accompanied by a separate form, Disclosure of Financial Interests Related to Research, signed by the Principal Investigator.

All disclosures of such financial interests will be reviewed by the appropriate mechanism as established by each school dean, as required by Stanford's Faculty Policy on Conflict of Interest and Commitment.

AGENCY NOTIFICATIONS (PHS ONLY)

Upon receipt of an award from the Public Health Service, Stanford is obligated to notify the sponsoring institute or agency, prior to any expenditure of project funds, if a potential conflict has been identified in regard to THAT award. In addition, if a potential conflict is identified subsequent to the initial award of the project, Stanford will notify the sponsoring institute or agency within sixty days of that identification.

If a potential conflict of interest is identified at the time a proposal is submitted, and that proposal is subsequently awarded, or if a potential conflict is identified subsequent to the award of the project, the cognizant School Dean's office must prepare a brief notification to the administrative officer for the awarding agency. That notification is to consist of the following:

Re: Agency award number

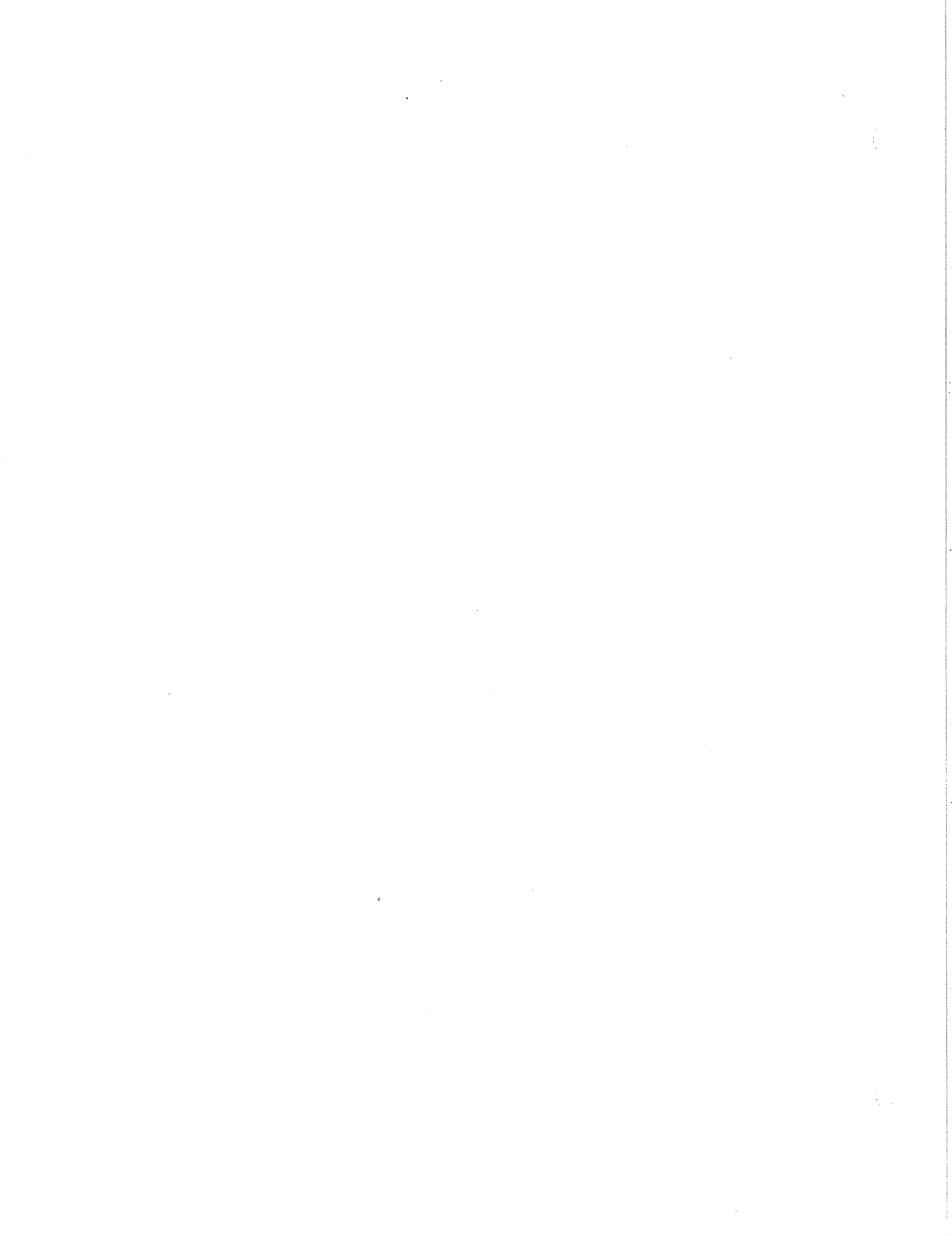
Stanford University has identified a potential conflict of interest in regard to the subject proposal, and has taken appropriate action to manage, reduce or eliminate that conflict.

The Public Health Service does not require, nor does it want, any explanation of the details of the potential conflict situation.

The notification should be signed and transmitted by the Contract Officer in the Office of Sponsored Research, or by the appropriate administrator in a School Research Administration Office. A copy of the notification must be kept with the project records.

Note that this notification requirement applies only to the Public Health Service, including the National Institutes of Health (NIH).

[Back to top](#)



Research Policy Handbook

Document 4.3

- Outside Consulting Activities by Members of the Academic Council

Classification

- Stanford University Policy

Originally issued

- Dec. 2, 1982

Current version

- May 10, 2003

Authority

- Senate of the Academic Council

Contact

- Vice Provost and Dean of Research

Related RPH Documents

- 4.1 Faculty Policy on Conflict of Commitment and Interest
- 4.4 Conflict of Commitment and Interest for Academic Staff

Attachments

- None for this document

See also...

- None for this document

Stanford University reserves the right to amend at any time the policies and other materials contained in this handbook. Currently applicable versions are provided here, superseding any previous versions.

Outside Consulting Activities by Members of the Academic Council (RPH 4.3)

Current version: May 10, 2003

Summary:

Establishes limits on the amount of time that may be spent on outside consulting activities by Stanford faculty, and describes procedures for implementing this policy. 2003 clarification relates to consulting and outside management responsibilities.

PRINCIPLES AND GENERAL STANDARDS

The purpose of the policy on consulting and related activities is to state with both clarity and generality the limits on such activities and the reasons for those limits. Consulting can provide an important means of continuing education for the faculty and can provide them with a currency and experience in aspects of their professional fields outside the context of the University itself. Though such attributes of consulting may make faculty better scholars and teachers, the employer-employee nature of the consulting process has in it the potential for diversion of faculty from their primary activities and responsibilities.

Therefore, the basic principle of this policy statement is that there needs to be a limitation upon the time that a Stanford faculty member may spend in consulting.

The limits set forth below are intended to strike a fair balance between consulting and regular faculty duties within the University and serve to safeguard the interests of both parties.

Though comprehensive, the policy cannot deal unambiguously with every instance of consulting. In cases of doubt, the primary guide should be the intention to promote the interests of the University as a place of education, learning, and research. Whenever uncertainty exists, it is the faculty member's obligation to obtain prior consent from the appropriate University officer.

DEFINITION OF "CONSULTING"

In general, consulting is defined as professional activity related to the person's field or discipline, where a fee-for-service or equivalent relationship with a third party exists.

There are many types of consulting relations and fee arrangements, and the precise form entered into may vary. The principle is that, in consulting, a person agrees to use his or her professional capabilities to further the agenda of a third party, in return for an immediate or prospective gain. Activities or titles that constitute or imply managerial or supervisory responsibility are not permitted under Stanford conflict of commitment policies, and are not allowable as consulting relations. Titles such as CEO, Director, Scientific Officer, or Vice President, etc., are designations generally assigned to people with line management responsibilities. Faculty must avoid titles that include terms such as executive, officer, director, manager, or chief as they imply or indicate management responsibilities and create real or perceived conflicts of commitment. Situations arise in which a Stanford faculty member is chosen to serve on a Board of Directors of a company, or on a company's advisory council or scientific advisory board. These appointments and titles are different from managerial roles and titles, and are permitted as consulting relations.

Several types of faculty activity, other than regular University duty, are not "consulting." These are:

a. PUBLICATION

Scholarly communications in the form of books, movies, television productions, art works, etc., though frequently earning financial profit for a faculty member and for another party (e.g., publisher), are not viewed as consultation. To attempt to distinguish between types of books, to assess the roles of book publication in different disciplines, or to challenge the historical relation between authorship and manuscript ownership would be fraught with danger and confusion. These reservations apply equally to the other types of scholarly communication cited above.

b. PROFESSIONAL SERVICE (PROFESSIONAL AFFILIATION)

Under this rubric falls service on national commissions, on governmental agencies and boards, on granting agency peer-group review panels, on visiting committees or advisory groups to other universities, and on analogous bodies. The fundamental distinction between these activities and consulting is that they are public or University SERVICE. Although an honorarium or equivalent

sometimes is forthcoming, these professional service activities are not undertaken for personal financial gain. Therefore, such service does not fall within the consulting category.

c. **"MOONLIGHTING"**

Faculty members may pursue a variety of endeavors for financial profit that are not directly related to the person's field or discipline. These efforts are part of the faculty member's private life and do not come under University regulation or this consulting policy. To emphasize again, however, such endeavors may only be pursued after the full-time commitment to Stanford has been fulfilled.

THE NUMBER OF PERMISSIBLE CONSULTING DAYS

Consulting is permitted provided the faculty member's full-time obligation to the University is met. The maximum number of consulting days permissible for a member of the Academic Council on a full-time appointment is 13 days per academic quarter. This limit is based on a judgment about incentives and is aimed at furthering Stanford's teaching and research objectives; it is not derived from accounting principles. University holidays are included in each 13-week academic quarter from which the 13-day consultation limit is derived. A limited amount of "averaging" of consulting time among full-time quarters is permissible if, on occasion, a faculty member plans to consult for more than 13 days in one quarter but no more than 39 days for three academic quarters (the Guidelines for Policy Implementation, below, deal with averaging in more detail). Thirteen days of consulting per quarter, or 52 days for four quarters of active duty, is intended to be a liberal allocation, yet one that is fair to the University. In addition to this general policy on consulting, University policies exist or may be instituted in individual schools or academic units, e.g., those currently applying to full-time faculty members in clinical departments of the Medical School.

RESPONSIBILITY OF FACULTY MEMBERS

The responsibility for adhering to the limit on consulting days, and other aspects of Stanford's consulting policy, lies first with the individual faculty member. The guiding principle was stated in paragraph 1, above. Faculty members should resolve any questions and/or ambiguities with their department chairperson or dean before the fact, so that the University community is not injured by their actions. The University has the right, and indeed the obligation, to protect itself from losses due to excess consulting and to seek reimbursement from the faculty member for salary and benefits covering time spent on consulting beyond the limits provided for by this policy, especially in cases where amounts are significant and the faculty member did not seek prior consultation or follow the advice given by his or her department chairperson or dean. Faculty members have an obligation to report fully the level (i.e., number of days) of their consulting activities when asked to do so by the University so that it may be determined whether the principles set forth herein are being adhered to.

Furthermore, in cases where questions arise regarding potential or apparent conflict between consulting activities and the faculty member's University duties, the faculty member shall disclose, upon the specific request from the cognizant Dean, the Provost, or the President, the names of companies for whom he/she consults, the general nature (as opposed to detailed technical aspects) of each consulting agreement, and the number of days committed per consulting agreement.

Faculty members must be especially sensitive to potential conflicts of interest between their teaching responsibilities vis-a-vis graduate students working under their supervision and their outside consulting interests. To avoid such conflicts, a Stanford faculty member may not hire or directly supervise a Stanford student in employment activities outside the University while simultaneously serving as either the student's advisor or as a participant on that student's dissertation committee, without the prospective approval of the department chair (or dean, if the involved faculty member is also department chair).

GUIDELINES FOR POLICY IMPLEMENTATION

General

The nature of the consulting work should in no way detract from the prestige of the University or the professional stature of the faculty member. Consulting obligations undertaken should conform to this objective.

Averaging

Full-time Academic Council members who expect to consult for more than 13 days in any one academic quarter, but not more than 39 days in the academic year, should so inform their department chairperson or dean on a prospective basis. A reasonable amount of "averaging" over the quarters of the academic year (or the full year, if the person is at 100 percent time for all four quarters) ordinarily is acceptable, although particular circumstances such as teaching loads or the terms of support under grants or contracts will need to be taken into account. Averaging of consulting time from quarters of less than full-time service to quarters of full-time service is not permitted.

Consulting During Periods Of Part-Time University Employment

The 13-day limit should be pro-rated for those members of the Academic Council holding part-time appointments, using the following formula: $[13 \times F] + [(1-F) \times 6 \times 13]$, where F is the fraction of full-time duty, 13 represents the average number of weeks per quarter, and 6 represents the maximum number of days per week which are likely to be devoted to professional activities during the period of off-duty time. Thus, a faculty member holding a 75% appointment is permitted up to 29-1/4 days of consulting per quarter.

Consulting During The Fourth Quarter Or During Periods of Leave Without Salary

Faculty members on nine-month appointments with no salary supplement for the fourth quarter (usually, but not always, the summer quarter) are not subject to the 13-day limit during that quarter. Nor does the limit apply to faculty members on leave without salary. The 13-day limit should be prorated on the basis of one day per calendar week of duty time for those on leave without salary for less than a quarter.

If the faculty member receives a 3/9 salary supplement for the fourth quarter the regular 13-day consulting limit shall apply. If the appointment is for less than 3/9 time, one of two conditions applies: (a) the appointment specifies a particular calendar period as "on duty," in which case the regular consulting policy applies during that period and there is no limit during the remaining time; or (b) the appointment is at part-time for all or part of the quarter, in which case the above paragraph applies.

Consulting While on Sabbatical Leave

The purpose of sabbatical leave is to permit faculty members to take time off from normal University duties to advance their scholarly interests so that they may return to their posts with renewed vigor, perspective, and insight. A faculty member on sabbatical leave receiving full-time University salary may consult up to the regular 13-day limit per quarter during the period of sabbatical. A person on sabbatical receiving less than full-time University salary may supplement income up to the full-time equivalent salary, and in addition, may devote up to a maximum of 13 days per quarter to consulting.

Hourly Consulting

Some consultation is carried out by the hour and not by the day. In such cases, a total of 130 consulting hours is permitted per full-time academic quarter. Stipulation of this total, as opposed to an hour-to-day conversion formula, permits faculty members added flexibility in carrying out consulting and still protects the primary interests of the University. The figure 130 does not derive

from accounting principles, but stems from subjective judgments about the length of average faculty work days, the work days of businesses employing consultants, and the desire to accommodate legitimate needs of some University faculty. For those individuals who consult on both a daily basis and an hourly basis during one academic quarter, a formula of one consulting day equals 10 consulting hours should be used in calculating total consultation time.

Use of University Facilities Or Services

The facilities and services of the University may not be used in connection with compensated outside work, except in a purely incidental way.

Conflict of Interest

In April 1994 the Senate of the Academic Council approved the Faculty Policy on Conflict of Commitment and Interest, which states in part:

"An implicit assumption underlying the University's [consulting policies] is that such outside professional activities are a privilege and not a right and must not detract from a faculty member's full-time obligation to his or her University duties."

Consulting agreements involving Stanford faculty should specifically address this concern by acknowledging that:

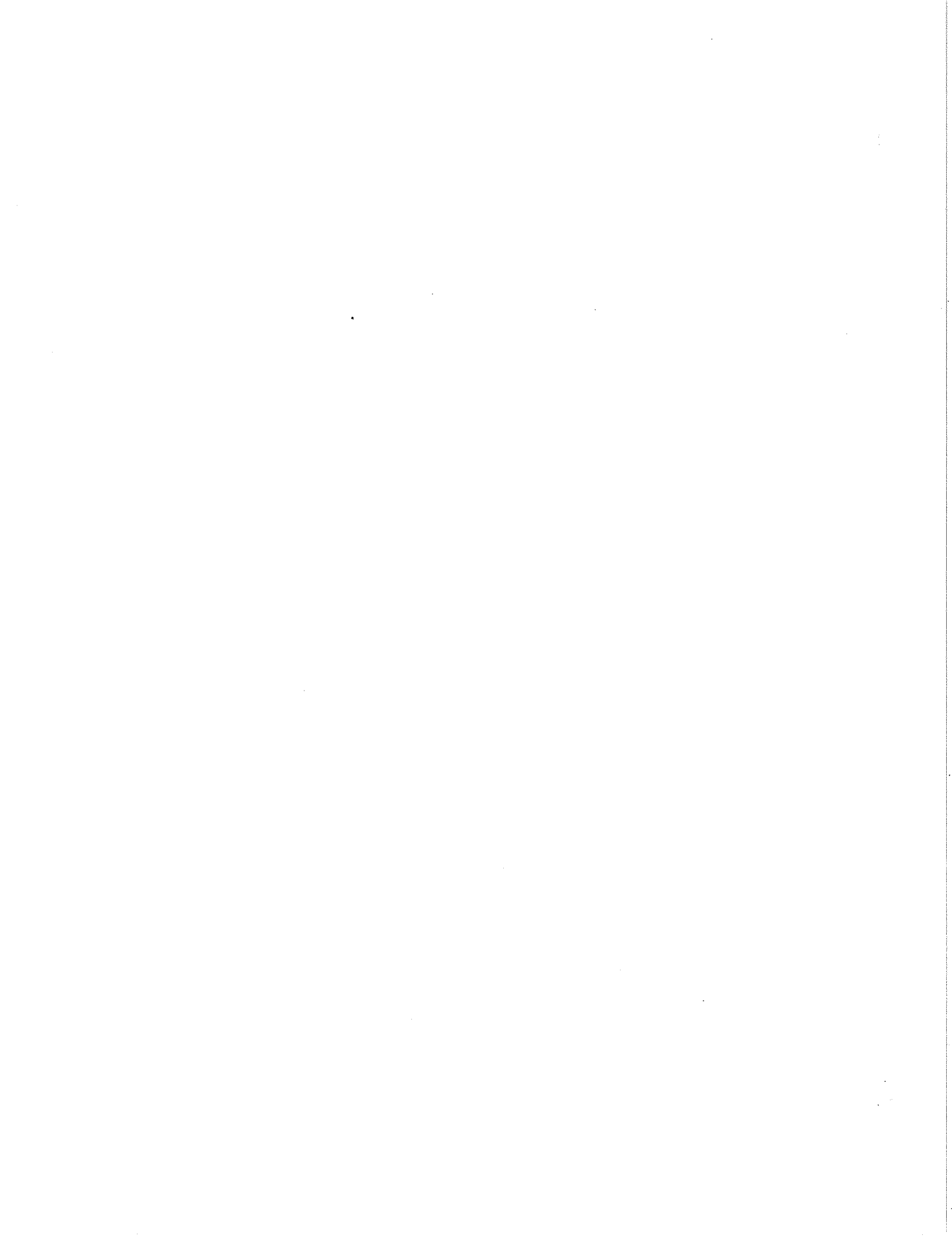
1. the primary duty of the Consultant, who is a Stanford faculty member, is to Stanford University;
2. the Consultant is subject to Stanford's policy on outside consulting activities of its faculty; and
3. the Consultant may have obligations to Stanford by reason of agreements between Stanford and external organizations for research or other activities performed in part by the Consultant in fulfilling his/her duties to the University.

In addition, faculty are required to disclose to the University whether they (or members of the immediate family) have consulting arrangements, significant financial interests, or employment in an outside entity before the University will approve the following proposed arrangements between such entities and Stanford: a) gifts; b) sponsored projects; c) technology licensing arrangements; and d) procurements.

On an annual basis, all faculty members must certify to their school deans their compliance with Stanford's policies related to conflict of commitment and interest, and disclose their prior academic year's consulting activities for and/or significant financial interests in outside organizations that support their University teaching or research program. In addition, faculty must disclose if they have involved their students or staff in their outside consulting or business activities.

In cases where questions arise regarding potential or apparent conflict between consulting activities and University duties, the faculty member shall disclose, upon the specific request from the cognizant Dean, the Provost, or the President, the names of companies for whom he/she consults, the general nature (as opposed to detailed technical aspects) of each consulting agreement, and the number of days committed per consulting agreement.

[Back to top](#)



Research Policy Handbook

Document 4.4

- Conflict of Commitment and Interest for Academic Staff

Classification

- Stanford University Policy

Originally issued

- December 1975

Current version

- October 1, 1999

Authority

- Vice Provost and Dean of Research

Originally promulgated in 1975 as a consulting policy for Academic Staff by Vice Provost and Dean of Graduate Studies and Research Gerald J. Lieberman. Expanded in 1999 to apply provisions of the Faculty Policy on Conflict of Commitment and Interest to members of the Academic Staff as appropriate.

Contact

- Vice Provost and Dean of Research

Related RPH Documents

- 2.6 Openness in Research
- 4.1 Faculty Policy on Conflict of Commitment and Interest
- 4.2 PHS and NSF Requirements Regarding Financial Disclosures
- 4.3 Outside Consulting Activities by Members of the Academic Council
- 5.1 Inventions, Patents, and Licensing
- 9.1 Academic Staff - Research (AS-R): Policy and Procedures for Appointment and Promotion

Attachments

- None for this document

See also...

- Administrative Guide Memo 15, Code of Conduct for Business Activities [pdf file]
- Administrative Guide Memo 15.2, Staff Policy on Conflict of Commitment and Interest [pdf file]
- Guide to Ad Hoc Conflict of Interest Disclosures

Stanford University reserves the right to amend at any time the policies and other materials contained in this handbook. Currently applicable versions are provided here, superseding any previous versions.

Conflict of Commitment and Interest for Academic Staff (RPH 4.4)

Summary:

Applies principles of the Faculty Policy on Conflict of Commitment and Interest to members of the Academic Staff, while recognizing that consulting privileges are not normally extended to members of the Academic Staff, and Academic Staff are not normally required to complete an annual certification and disclosure.

This policy incorporates and replaces the document entitled "Outside Consulting Activities by Members of the Academic Staff."

I. INTRODUCTION

In December 1975, the Provost's office issued a policy statement regarding outside consulting activities by members of the Academic Staff, including Academic Staff - Teaching, Academic Staff - Research, and Academic Staff - Libraries. That consulting policy remains in effect here, and, in addition, the general concepts of conflict of commitment and interest, as set forth in the Faculty Policy on Conflict of Commitment and Interest, are also hereby applied with certain modifications to the Academic Staff.

Academic Staff members are referred to the full text of the [Faculty Policy on Conflict of Commitment and Interest](#) for further discussion of the points presented here.

II. CONFLICT OF COMMITMENT

Academic Staff, employed on a full-time basis at Stanford, owe their primary professional allegiance to the University, and their primary commitment of time and intellectual energies should be to the programs on which they are working. Whenever an individual's outside activities interfere with professional obligations to Stanford, a conflict of commitment exists.

In the case of Academic Staff working at Stanford on a part-time basis, this general principle applies to the extent of the Stanford appointment. Academic Staff on less than full-time appointments may engage in consulting relationships and other employment, to the degree that those activities do not interfere with their obligations to Stanford.

The following points of policy relate to conflicts of commitment:

1. Outside consulting privileges are not normally available to Academic Staff. They may consult only with permission, as noted below. Under no circumstances may any Academic Staff member's outside consulting work exceed the limits imposed by the faculty consulting policy, i.e., 13 days per calendar quarter (that is, one day in seven) on a full-time equivalent basis. (See further discussion in Section IV, below.) Academic Staff may not use University resources, including facilities, personnel, equipment, or confidential information, except in a purely incidental way, as part of any outside consulting activities nor for any other purposes that are unrelated to the mission of the University.

NOTE: Permission for members of the Academic Staff to consult, including the reasons for such permission, must be in writing, normally on a prospective basis, by the department/program chairman (for members of the Academic Staff-Teaching), or by the principal investigator (for members of the Academic Staff-Research), or by the director of the appropriate library (for members of the Academic Staff-Libraries). If such permission is granted, the department/program chair or PI or library director is responsible for assuring that the consulting activities of the Academic Staff member do not adversely impact the achievement of program or project goals or subject the University to financial risk. He or

she may require periodic written or oral reports in order to discharge this responsibility. The content of these reports, and the basis for the permission itself, are subject to review by the department chair, relevant dean, and Provost. (See further discussion in Section IV, below).

2. Academic Staff must maintain a significant presence on campus (main or overseas) throughout each quarter in which they are employed by Stanford, consistent with the scope of their appointment.
3. Academic Staff must not allow other professional activities to detract from their primary allegiance to Stanford. For example, Academic Staff employed on a full-time basis must not have significant outside managerial responsibilities nor act as a principal investigator on sponsored projects that could be conducted at Stanford University but instead are submitted and managed through another institution.

III. CONFLICT OF INTEREST

A conflict of interest occurs when there is a divergence between an individual's private interests and his or her professional obligations to the University, such that an independent observer might reasonably question whether the individual's professional actions or decisions are determined by considerations of personal gain, financial or otherwise. A conflict of interest depends on the situation, and not on the character or actions of the individual.

Conflicts of interest are common and practically unavoidable in a modern research university. Academic Staff should conduct their affairs so as to avoid or minimize such conflicts of interest, and must respond appropriately when conflicts of interest arise.

The following points of policy relate to conflicts of interest:

1. Academic Staff must foster the open and timely exchange of results of scholarly activities, informing faculty, students and colleagues about outside obligations that might influence the free exchange of scholarly information.
2. Academic Staff must disclose on a timely basis the creation or discovery of all potentially patentable inventions created or discovered in the course of their University activities or with more than incidental use of University resources. Ownership of such inventions must be assigned to the University regardless of source of funding. The inventor will share in royalties earned.
3. Academic Staff must disclose in writing to their supervisor, or to the principal investigator on their research, whether they (or members of their immediate family, as defined in the Faculty Policy on Conflict of Commitment and Interest) have consulting arrangements, significant financial interests (also defined in that policy), or employment in an outside entity which provides funding (either gift or sponsored), or is otherwise involved in procurement or technology licensing relationships with Stanford University.
4. In situations in which the objectivity of an Academic Staff member could reasonably be questioned, the supervisor or principal investigator is expected to raise the question to the department chair and/or school dean for review and determination of appropriate actions. School deans may consult with the Dean of Research in this regard.
5. Academic Staff who are approved for Principal Investigator status are required to file an annual certification of compliance with the Faculty Conflict of Commitment and Interest Policy within their school.

If a situation raising questions of conflict of commitment or interest arises, Academic Staff are urged to discuss the situation with their supervisor, principal investigator, or with the department chair or school dean.

IV. FURTHER DISCUSSION OF CONSULTING BY ACADEMIC STAFF

The decision to permit consulting by Academic Staff will depend on the circumstances of each situation, including the needs of the program or project, the Academic Staff member's role and the scope of his or her appointment. Such permission is subject to review as circumstances change. If permission is granted, time spent on consulting must be in addition to, rather than part of, the regular effort expected of Academic Staff member's University work. The nature of consulting activities should contribute to both the professional

development of the individual and to the stature of the University.

Under no circumstances may any Academic Staff member's outside consulting work exceed the limits imposed by the [faculty consulting policy](#). Moreover, an Academic Staff member's consulting activities may never exceed 13 days per calendar quarter (that is, one day in seven) on a full-time equivalent basis (this maximum applies to all periods of University employment, including vacations, quarter breaks, or other paid time off from work). Department chairs or PI's may limit an Academic Staff member's outside consulting activities to fewer than 13 days per quarter as necessary to meet University program or project goals.

This policy applies throughout the University. In addition, there may be further restrictions placed on Academic Staff consulting activities within individual schools or independent laboratories, centers and institutes (including regulations applicable to individuals employed in clinical departments in the Medical School). Please check with your dean's office or department chair for information about further policy limits within your school or department.

In the event of conflict between the provisions of any consulting agreement and the terms and conditions of employment of an Academic Staff member by Stanford, the latter shall prevail. The following paragraph (or one similar) should be included in Academic Staff members' outside consulting agreements:

The terms and conditions of employment by Stanford University and the provisions of any agreement between Stanford and external sponsors of projects on which the consultant works as part of his/her University duties, shall prevail in the event of any conflict with the provisions of this Agreement.

It is the responsibility of each Academic Staff member who wishes to engage in outside consulting to be aware of the University's limits on such activities. For further information, please contact your department chair, dean, or Office of the Vice Provost and Dean of Research.

[Back to top](#)



THE FACULTY HANDBOOK
CHAPTER 4
CORE POLICY STATEMENTS

PUBLISHED: September 1, 2007

(Check currency on-line at <http://facultyhandbook.stanford.edu/ch4.html>)

Four core policy statements are set forth in this chapter:

- Section 4.1 *The Statement on Faculty Appeal Procedures,*
- Section 4.2 *The Statement on Academic Freedom,*
- Section 4.3 *The Statement on Faculty Discipline, and*
- Section 4.4 *The Statement on Appointment and Tenure.*

Section 4.1 STATEMENT ON FACULTY APPEAL PROCEDURES

This *Statement on Faculty Appeal Procedures* was adopted by the Senate of the Academic Council on April 29, 1999, and approved by the Board of Trustees on June 11, 1999. It is applicable to appeals filed on or after June 11, 1999. It replaced the Statement of Faculty Grievance Procedures approved by the Senate of the Academic Council on May 15, 1975 and by the Board of Trustees on June 13, 1975 (and modified by the Senate of the Academic Council on December 4, 1997).

4.1.A Definitions and Standards

- (1) An appeal is a written request for review of a decision made by a person (or group of persons) acting in an official University capacity. The decision must have directly affected the academic activities of the appellant as an individual. Dissatisfaction with a departmental, school, or University policy or practice is not grounds for appeal. These appeal procedures may be used by any member of the Professoriate, as defined in, Section 1.2.E of the Faculty Handbook.
- (2) The purpose of the appeal process is to determine whether appropriate procedures were followed in making certain kinds of academic decisions, rather than to reevaluate the merits of the decisions themselves. The standard for deciding the appeal shall be limited to determining whether there were procedural errors (such as the failure to bring proper facts and criteria to bear on a decision, or the introduction of improper facts and criteria, or the

existence of other procedural defects) that substantially affected the outcome to the detriment of the appellant. In rare cases, the reviewer may also overturn the decision if it was not one which a person (or persons) in the position of the decision-maker might reasonably have made.

- (3) Because these appeal procedures are not those of a court of law, it is important that they be carried out with flexibility and in an atmosphere of collegiality, and that the participants avoid an excessively legalistic approach. Efforts should be made to resolve the dispute informally before beginning the appeal process, and those efforts may continue even after the process is underway.
- (4) The appellant should file his or her appeal within 60 days of being notified of the decision¹. An unreasonable delay in filing an appeal may constitute grounds for rejection of the appeal.

4.1.B Appeals Concerning Reappointment and Promotion Decisions

- (1) A faculty member whose reappointment or promotion has initially been denied by the department or school may file a written appeal with the Provost.
 - a. After making a preliminary review of the matter, which may include consultations with whomever the Provost deems appropriate (including the Advisory Board), the Provost may grant the appeal, or remand the matter to a lower administrative level, or refer the matter directly to the Advisory Board. Before acting on the case, the Provost may appoint a Fact-Finder to investigate the matter and report back to the Provost, who may then grant the appeal, remand the matter to a lower level, or refer it to the Advisory Board. The Provost will inform the appellant of his or her decision.
 - b. When the Advisory Board has received the appeal from the Provost, it will make a preliminary review and can then reject the appeal if it is found to be without merit. In this preliminary review and/or in any further deliberations, the Advisory Board may make any inquiries that it deems appropriate. The Board may also make use of the Fact-Finder appointed by the Provost or, if necessary, appoint its own Fact-Finder.
 - c. If, after its preliminary review, the Board decides to consider the case, it will inform the appellant that he or she has the right to a hearing. If the appellant does not request a hearing, the Advisory Board will consider the matter without a hearing and make a recommendation to the Provost.
 - d. If the appellant requests a hearing, the appellant and the decision-maker (or the decision-maker's representative) each has the right to appear before the Advisory Board and to make an oral and/or written presentation. The Board can set time limits (usually not more than 30

¹ Or, of receiving a file summary, if so requested.

minutes for each side) for these oral presentations. The Board may also decide to call witnesses, who will be questioned only by members of the Board. A record of the hearing will be kept.

- e. Upon completion of its deliberations, the Advisory Board will make a recommendation to the Provost, who will then take one of the following actions: refer the matter to a Fact-Finder for further inquiry, further consult with or remand the matter to the Advisory Board for additional consideration, grant or deny the appeal or take such other action as the Provost deems appropriate. The Provost will inform the appellant of the decision.
 - f. Upon receipt of the Provost's final decision, the appellant may within 30 days request a further review by the President. The President may decline this request. If the President chooses to consider the appeal, he or she may make any inquiries that the President deems appropriate. Following his or her examination of the case, the President may grant or deny the appeal or take any other action that he or she deems appropriate. The President's decision will be conveyed to the appellant and is final.
- (2) A faculty member whose reappointment or promotion has initially been denied by the Provost may file a written appeal with the President, who will perform the functions assigned to the Provost in Section 4.1.B(1). At the end of the process, the President's decision will be conveyed to the appellant and is final.
 - (3) A faculty member whose reappointment or promotion has been denied by the President after a recommendation by the Advisory Board may file a written appeal with the President. The President may remand the matter to a lower administrative level or refer it to an appropriate person to review the case and report back to the President. The President may grant or deny the appeal or take any action that he or she deems appropriate. The President's decision will be conveyed to the appellant and is final.

4.1.C Other Appeals

- (1) A faculty member who wishes to appeal an administrative decision (that is, a decision that does not involve denial of his or her reappointment or promotion) made below the provostial level may file a written appeal with the Provost.
 - a. After making a preliminary review of the matter, which may include consultations with whomever the Provost deems appropriate, the Provost may grant or deny the appeal or take any action that the Provost deems appropriate. Alternatively, the Provost may remand the matter to a lower administrative level, and/or appoint a Fact-Finder who will investigate the matter and report back to the Provost. The Provost may then grant or deny the appeal or take any action that the

Provost deems appropriate. The Provost will inform the appellant of his or her decision.

- b. Upon receipt of the Provost's final decision, the appellant may within 30 days request a further review by the President. The President may decline this request. If the President chooses to consider the appeal, he or she may make any inquiries that the President deems appropriate. Following his or her examination of the case, the President may grant or deny the appeal or take any action that he or she deems appropriate. The President's decision will be conveyed to the appellant and is final.

- (2) A faculty member wishing to appeal an administrative decision made by the Provost or President, may file a written appeal with the President, who will perform the functions assigned to the Provost in Section 4.1.C(1). At the end of the process, the President's decision will be conveyed to the appellant and is final.

4.1.D General Provisions

- (1) Time Guidelines

Because it is important for all concerned that appeals be resolved expeditiously, the Provost, President and Advisory Board should attempt to follow these guidelines: within 30 days from the receipt of the appeal, the Provost should inform the appellant about the procedures to be used in his or her case. The Provost should seek to decide the case within 60 days from receipt of the appeal (or, in the case of an appeal of a reappointment or promotion decision, within 30 days from receipt of the Advisory Board's recommendations), the Advisory Board should seek to reach its decision within 60 days of receiving the case from the Provost, and the President should seek to make his or her final determination within 90 days from receipt of the appellant's request for further review. The application of these guidelines to a particular case may be modified by the President, Provost, or Advisory Board at their discretion. If such modifications become necessary, the appellant will be informed of the delay.

- (2) Confidentiality

- a. Any material that has been solicited or received with the understanding that it would be kept in confidence must not be revealed in the appeal process to any person, including the appellant, who was not a party to the confidential material. The material may, however, be examined by individuals who have been consulted by the Provost, President or the Advisory Board as part of the appeal process, and who will in turn maintain its confidentiality.
- b. In order to obtain information in his or her personnel file, the appellant should follow the procedures set forth in the Faculty Handbook.
- c. Because it concerns individual personnel matters, the appeal process is not a public proceeding.

(3) Advisors

The appellant, the persons(s) whose decision is being appealed, and anyone else called to provide information on the appeal, may be accompanied by an advisor to any discussion with the administrative officer or with his or her delegate, as well as to any appearance before the Advisory Board. The advisor's role is to advise the relevant party; he or she, therefore, may not directly address those considering the appeal or question witnesses at a hearing of the Advisory Board. Except in hearings before the Advisory Board, advisors must be members of the professoriate.

(4) Fact-Finders

The Provost should appoint eight to twelve persons (from the faculty, emeritus faculty or senior staff) to a standing panel of Fact-Finders. Fact-Finders serve for staggered three year terms and receive administrative support from the Provost's office. Taking into account the particular circumstances of the case, The Provost and/or the Advisory Board may select an individual from this panel to gather information about the appeal. The Fact-Finder is not an advocate for either the decision-maker or the appellant. The Fact-Finder's role is to answer clearly defined questions and to report on unexpected aspects of the case. The Fact-Finder is not to make formal recommendations about how the case should be resolved.

(5) The Advisory Board

The Advisory Board may act on an appeal through a subcommittee of its members. Members who have participated in the decision under consideration will recuse themselves from participating in the Board's deliberations. The Board may, but need not, replace its recused member or members.

(6) Inquiries

Inquiries about these procedures should be directed to the Provost's office.