

UNIVERSITY POLICIES & PROCEDURES

Category: Administration
 Title: **INSTITUTIONAL CONFLICTS OF INTEREST POLICY**
 Applicability: Thomas Jefferson University
 Contributors/Contributing Departments:

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Thomas Jefferson University is committed to the highest standards of conduct in research, teaching, clinical care, professional practice, business transactions, and other activities that support the University’s core mission. Consistent with its mission, the University fully supports efforts by its faculty and other members of the University community to transform individual academic expertise and research results into intellectual property, marketable commodities, and economic development. The University strives to ensure that all of its endeavors, including faculty entrepreneurship activities, remain free from compromise or perceived biases. Therefore, the University has implemented an Institutional Conflicts of Interest policy designed to protect the integrity of the University and encourage University personnel to enter into and conduct University activities involving engagement with outside entities with transparency, confidence and integrity.

This Policy represents one aspect of the University’s commitment to address and manage conflicts of interest. Other University policies relating to conflicts of interest include:

Policy Number	Title
107.17	CONFLICT OF INTEREST POLICY: DISTRIBUTION TO NEW EMPLOYEES
107.03	CONFLICTS OF INTEREST POLICY FOR EMPLOYEES
102.13	CONFLICTS OF INTEREST POLICY FOR THE BOARD OF TRUSTEES
102.15	PATENT POLICY
102.37	POLICY ON EQUITY ACCEPTANCE, HANDLING & SALE OF TECHNOLOGY LICENSING ARRANGEMENTS

I. Definitions: 1[1]

- A. **Institutional Conflict of Interest (“ICOI”)** – an Institutional Conflict of Interest arises when external financial interests or holdings of Thomas Jefferson University, as a corporate body, or the personal financial interests or holdings of institutional leaders acting within their authority on behalf of the University, affect or reasonably appear to affect activities in which the University engages. Such activities include, but are not limited to, the design, conduct, review or oversight of research.
- B. **Institutional Leaders** - individuals with supervisory and administrative roles at Thomas Jefferson University who maintain direct authority over faculty appointments, salaries, promotions, and allocation of certain institutional resources. Examples of Institutional Leaders include, but are not limited to, the University President, Deans, Senior Vice-Presidents, Vice-Presidents, Senior Administrators, Administrative Department Directors, Chairs, Division Chiefs, and other administrators with high-level institutional decision-making responsibilities.
- C. **Significant Institutional Financial Interest** – for a publicly traded entity, anything of monetary value, including, but not limited to payments, equity interests (such as stocks, stock options or other ownership interests); and intellectual property rights (such as patents, trademarks, copyrights and royalties from such rights) that meets either of these criteria: (i) meets or exceeds one hundred thousand dollars (\$100,000.00) value as determined through reference to public prices or other reasonable measures of fair market value; or (ii) represents 10% or more ownership in any single entity. For a non-publicly-traded entity, there is no *de minimis* threshold.
- D. **Significant Financial Interest for Institutional Leaders** – for purposes of the present policy, this is consistent with SFI for covered individuals as defined within the University’s Conflicts of Interest Policy for Employees (Policy No. 107.3), including applicable thresholds.

II. **Purpose**

This policy establishes the principles and procedures that enable the University to identify and avoid institutional conflicts of interest which pose perceived or actual risks to the University’s mission. Therefore, any activity in which the judgment of those involved might be, or reasonably appear to be, affected by the University’s financial interests or the financial interests of its leaders is subject to this policy.

III. **Scope**

Institutional conflicts of interest covered by this Policy include, but are not limited to:

- A. University ownership of equity interests, other corporate securities or entitlements in entities that sponsor research at the University that are obtained through technology transfer or other transactions;
- B. University receipt of royalties (or potential royalties) that depend upon future sale of products or technology related to ongoing research or other activities in which the University engages;
- C. University receipt of substantial or reoccurring gifts, donations, or promises that are not a part of a disclosed sponsorship agreement or program;
- D. Significant financial interests held by institutional leaders or persons whose decisions affect the conduct, review, or oversight of human subjects research or other University activities; and
- E. An institutional leader’s service on the board of directors, provision of consultation services, or engagement in activities which result in a specific benefit to an entity that maintains a financial interest in University-sponsored activities.

IV. Policy

In the absence of compelling circumstances, neither the institution nor its officials may engage in research or other activities in the presence of an institutional conflict of interest. This policy identifies the means through which the University will ensure that institutional conflicts of interest arising from business relationships between the University or its officials and outside entities are independently and appropriately managed, reduced, or eliminated.

V. Review and Evaluation

The Standing Committee on Conflicts of Interest will review all potential institutional conflicts that are brought to its attention to determine whether an actual or potential institutional conflict of interest exists and whether and to what extent the conflict may be managed, reduced, or eliminated. If the Committee determines that an institutional conflict prohibits engaging in the research or activity in question, the conflicted individual will be afforded the opportunity to demonstrate that compelling circumstances warrant a grant of permission to engage in the research or the activity and that the conflict is amendable to appropriate management and monitoring.

Disclosures that may identify actual or potential institutional conflicts of interest shall be handled as provided in this section.

A. Disclosure of University Financial or Business Relationships

The University's Office of Technology Transfer ("OTT"), shall provide to the Standing Committee on Conflicts of Interest written quarterly reports that disclose specific information regarding the entities in which the University holds equity positions or from which it has the right to receive royalty payments. This policy also requires the Office of the Treasurer to provide to the Standing Committee on Conflicts of Interest written quarterly reports identifying information related to the entities in which the University holds a significant institutional financial interest.

B. Disclosure of Officials' Financial and Business Relationships

Institutional Leaders, as defined by this policy, shall disclose as a part of their "Financial Disclosure and Conflict of Interest Statements" filed annually with the University's Conflict of Interest Officer, a copy of which is attached at Appendix A, information concerning all direct financial interests in or positions held with business entities, including but not limited to, Thomas Jefferson University.

All statements and disclosures pertaining to institutional conflicts of interest shall be evaluated by the Standing Committee on Conflicts of Interest to identify actual or potential institutional conflicts of interest. If at any time between the above-identified disclosure periods the University or an Institutional Leader becomes aware of a change in financial circumstances which may constitute an actual, perceived, or potential institutional conflict, the situation must be reported to the COI Officer as soon as possible. In addition, the University and its Institutional Leaders must submit new Disclosures or amend previously issued quarterly reports to identify new significant financial interests.

C. Monitoring the Institutional Conflict of Interest Process

The Standing Committee on Conflicts of Interest shall oversee and monitor the Institutional Conflict of Interest Process. The Committee shall meet as required but not less than semi-annually to ensure that the University and its Institutional Leaders are in compliance with the disclosure obligations of this policy and to review and propose to the University President modifications to the plans for managing institutional conflict of interest.

Any member of the Standing Committee on Conflicts of Interest who has a financial interest in or serves as a paid consultant for an entity that is involved in an ICOI review shall not participate in the review under this policy.

D. Review of Potential Institutional Conflicts of Interest

Upon receipt of a report identifying an actual or potential institutional conflict of interest, the Standing Committee on Conflicts of Interest shall determine whether an institutional conflict exists and provide guidance and recommendations

regarding management, reduction, or elimination of the conflict.

VI. Administration

With respect to potential or actual institutional conflicts of interest, the Standing Committee on Conflicts of Interest shall consider the following:

- A. In the absence of compelling circumstances and an appropriate plan for management, reduction, or elimination of the conflict, Thomas Jefferson University will not participate in research projects or other activities when the University or any of its Institutional Leaders has a significant financial interest in a company sponsoring the research or otherwise associated with the activity.
- B. As to TJU faculty startup companies in which faculty involvement is limited to equity holdings or rights to equity, TJU may invest in such companies as follows:
- TJU will not act as a lead investor or syndicating agent. All investments, if appropriate, will be as a “passive investor.”
 - Institutional Leaders are not permitted to serve as members of the board of directors or as officers of a faculty start-up company, or have a personal equity position in the company at the time of TJU’s investment in any of the equity rounds before the company goes public. Exceptions to this provision require review by the Standing Committee on Conflicts of Interest, which will make a recommendation to the President of TJU regarding management of potential conflicts of interest.
 - Institutional investments in faculty start-up companies in which TJU faculty have equity interests are subject to case-by-case consideration and approval of the President, based upon recommendations of the Standing Committee on Conflicts of Interest. If the involved faculty member(s) subsequently create TJU-owned intellectual property for which the start-up company seeks a license for commercial use or development, the licensing request will be subject to the review and approval of the appropriate department chair or dean, University Counsel, the Vice President for Research, and in accordance with the requirements set forth in the University’s Patent Policy (Policy No. 102.15).

Except where an institutional conflict of interest concerns his or her actions, the President of the University reserves the right to review all decisions regarding management and resolution of institutional conflicts of interest. In the event the President determines that the Standing Committee on Conflicts of Interest’s decision concerning an institutional conflict of interest is incorrect, inappropriate, or inconsistent with applicable law, the President reserves the right to rescind, modify, or reverse such decision.

C. Delegation of Authority for Compliance with Policy

The University Counsel is the University Official responsible for interpreting and overseeing implementation of and compliance with this Policy. This authority has been delegated to him or her by the President.

VII. Violations and Sanctions

Failure to report an institutional conflict of interest, or refusal to cooperate in the management of a conflict of interest, may be cause for disciplinary action.

[1][1] For additional definitions, please see the Operating Definitions section of the University’s Conflicts of Interest Policy for Employees (Policy No. 107.03).

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Responsibility for maintenance of policy: University Counsel

(Signature on File)

Approved by:

Cristina G. Cavalieri, Esq.

Senior Vice President/Institutional and External
Affairs, University Counsel