# Cornell University Conflicts Policy

(For the Ithaca Campus)

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Article I – The Primary Commitment to the University

Introduction

Trustees, executive officers, deans, directors, faculty and staff all serve the educational and public purposes to which the University is dedicated. Accordingly, all such members of the University community (hereafter "members") have a clear obligation to conduct the affairs of the University in a manner consistent with those purposes and to make all decisions solely on the basis of a desire to promote the best interests of the institution.

This statement recognizes and affirms the settled tradition and expectation that members will conduct their relationships with each other and the University with candor and integrity.

This statement confirms the University policy that faculty and other employees who accept full-time appointments have a primary commitment to the University and that they will be sensitive to the possible adverse effects of their external activities. It is recognized, however, that the quality of teaching, research, extension service, and the administration of University programs may be enhanced when members participate in extramural activities which enhance their value to the University, so long as their primary commitments to the University are not adversely affected.\(^2\)

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1 Refers to decisions made in conducting the affairs of the University.
2 The University similarly encourages participation in community and civic activities. As with other external engagements, employees who consider serving in elected or appointed positions on local government councils, boards and commissions should disclose and discuss such part-time opportunities with their supervisors to ensure that there is no conflict with their primary commitment to the University. University employees elected or appointed to part-time public positions are generally free to consider and vote on any matter involving the University, unless the individual falls into one of the following three categories:

1. **trustees and senior level officials**, including officers of the corporation (the president, provosts, senior vice president and chief financial officer and the university counsel and secretary of the corporation), vice presidents and vice provosts, the deans of the schools and colleges, and the directors of the university libraries and of the division of nutritional sciences, should refrain from discussions and voting on **any matter involving Cornell's interests**;

2. **other employees with managerial responsibilities**, including full-time faculty, academic department heads, and administrative directors, should similarly recuse themselves from participating in the municipal decisional process regarding **specific matters that directly involve their particular Cornell unit (administrative division, school or college) or area of responsibility**; and

3. **all University employees** should similarly recuse themselves from participating in the municipal decisional process regarding **issues over which they have specific authority**.

This three-tiered analysis (i.e., to determine when recusal is required) should similarly be used to identify those circumstances in which the possible adverse effects of other extramural activities upon the University should be considered in evaluating the potential for conflict of interest. Thus, when pursuing extramural activities not specifically covered in the conflicts policy or limited by the three-tiered analysis, employees are not required by Cornell to take the interests of the University into account.
These policies and procedures will permit members of the faculty, staff and administration to identify, evaluate and correct or remove real, apparent and potential conflicts of interest and commitment. The appearance that a conflict may be present may be as important as the reality. Accordingly, the first essential step in all of the procedures set forth below is disclosure and discussion.

A. All Members

A member is considered to have a conflict of interest when he or she or any of his or her family or associates (to his or her present knowledge) either (1) has an existing or potential financial or other material interest which impairs or might appear to impair the individual's independence and objectivity of judgment in the discharge of responsibilities to the University, or (2) may receive a financial or other material benefit from knowledge of information confidential to the University.

The family of an individual includes his or her spouse, parents, siblings, children and any other blood relative if the latter resides in the same household. An associate of an individual includes any person, trust, organization or enterprise (of a business nature or otherwise) with respect to which the individual or any member of his or her family (1) is a director, officer, employee, member, partner, or trustee, or (2) has a significant financial interest or any other interest which enables him or her to exercise control or significantly influence policy.

B. Faculty

Faculty who accept full-time appointments have a primary commitment which includes meeting classes, being available to students and colleagues outside the classroom, serving departmental, college, and University committees, conducting research, publishing scholarly works, and otherwise meeting the changing needs of the University. Those holding Cooperative Extension appointments have specified obligations of service to the public.

Although a specific work week is not defined for faculty members, it is expected that such membership constitutes a full-time obligation and that, with the exceptions explicitly permitted by University policies on consulting and other related professional activities (attached hereto and made a part hereof as Attachment B), they will not engage in other employment.

C. Staff

In the case of staff members, commitments of time and the expectations attached to such positions are more explicitly defined, and therefore the likelihood of conflicting external activities are reduced. Nevertheless, the University expects that staff members also will recognize the possibility that their external activities, commitments and interests may have adverse effects on the performance of their University obligations.
D. Part-Time Appointees

Faculty and staff members who hold part-time appointments commonly will have major obligations and commitments, not only to the University, but to one or more outside agencies. The potential for conflict may be significant. Accordingly, part-time employees are expected to exercise special care in disclosing and fulfilling their multiple obligations.

E. Trustees and Executive Officers

Trustees and executive officers of the University are fiduciaries and owe special duties of care and loyalty to the institution as a whole and must keep the University's interests paramount to all others.

Article II - Categories of Conflicts

The University thrives when its faculty and staff pursue and support research and scholarship with vigor. Their activities must include interactions with many external agencies. Predictably, some external relationships will have the potential to create conflicts of interest or commitment, or the appearance thereof. In many situations these conflicts will be apparent only and can be resolved by disclosure. Actual conflicts fall into two categories.

A. Conflict of Interest

Typically, a conflict of interest may arise when a member has the opportunity to influence the University's business, administrative, academic or other decisions in ways that could lead to personal gain or advantage of any kind.

B. Conflict of Commitment

A conflict of commitment arises when a member undertakes external commitments which burden or interfere with the member's primary obligations and commitments to Cornell.

C. Examples of Conflicts

It is difficult to specify precisely what constitutes an objectionable conflict in all situations. Illustrative examples are given in Attachment A to assist members in understanding where and how such conflicts may arise.

Article III - Conflict Disclosure and Avoidance

Members are expected to evaluate and arrange their external interests and commitments in order to avoid compromising their ability to carry out their primary obligations to the University. In the first instance, conflicts should be avoided or resolved through the exercise of individual judgment or discretion.
Full disclosure of the circumstances surrounding a real or potential conflict should be made prior to making the commitment or initiating the activity which poses the possible conflict.

A. Members of the Faculty and Staff of Instruction and Research

Disclosure should be made to the college or division in such form and manner as the dean or director may prescribe. The department chair or unit administrator may act as representative of the dean or director for the purpose of receiving and evaluating such information. Disclosure shall be sufficiently detailed to permit an accurate and objective evaluation. Each member has an obligation to cooperate fully in the review of the pertinent facts and circumstances. The dean or director shall make a determination which resolves and removes the conflict or appearance of conflict.

Discussions with the unit administrator and/or the dean should include consideration of whether an individual's role in an external agency needs to be declared or made known to other members of the University community to protect confidentiality or to guard against the transfer of privileged information. If such disclosure is necessary, it should be made by the unit administrator to faculty and staff who may be affected.

B. Members of the Staff

Disclosure should be made to the college, division, or other administrative unit in which the member is employed in such form and manner as the vice president, vice provost, dean, or director may prescribe. Members involved in the following duties must be particularly conscious of possible conflicts or the appearance of such conflicts: the procurement, exchange or sale of goods, services or other assets, the negotiation or formation of contracts or other commitments affecting the assets or interests of the institution, the handling of confidential information and the rendition of professional advice to the University. Disclosure shall be sufficiently detailed to permit an accurate and objective evaluation. Each member has an obligation to cooperate fully in the review of the pertinent facts and circumstances. The head of the college, division or department shall make a determination which resolves and removes the conflict or appearance of conflict.

C. Deans and Directors

Deans and directors of the colleges, schools and units defined at Article I, Section 7 of the University bylaws, shall file an annual disclosure statement with the Provost regarding their own external commitments and interests in such form as the Provost may direct. The Provost shall resolve any matter involving a conflict or appearance of a conflict in such cases.

D. Trustees and Executive Officers of the Corporation

The University Counsel and Secretary of the Corporation shall continue to obtain annual written disclosure statements regarding external commitments and interests from all members of the Board of Trustees and all executive officers of the Corporation as defined at Article VI of the
University bylaws and shall advise the Audit Committee of the Board of Trustees regarding such matters as necessary.

**Article IV - Resolution of Conflicts Involving Faculty and Staff of Instruction**

A. Initial Disclosure

In the event that disclosure reveals a real or apparent conflict, the dean, director or other authority designated by the dean or director shall review the facts and attempt to resolve the matter informally with the faculty or staff member.

In the event that the member objects to the resolution by the dean or director, the matter shall be referred to an advisory committee designated by the Provost.

B. The Advisory Committee

It is anticipated that most conflicts will be resolved through disclosure and review processes at the departmental, college or other subordinate level. However, if a conflict remains unresolved following earlier reviews, the dean, director or other designated administrator will submit the matter, together with a recommended resolution, to the Provost who shall appoint an advisory committee which shall include the Dean of the Faculty and two senior members of the faculty. The committee shall consider the matter, determine whether a conflict exists, evaluate the severity of the conflict, and recommend to the Provost the steps necessary to resolve the conflict. The Provost may accept, reject or modify the recommendations.

If the member disagrees with the Provost's determination, the member may request a further consideration of the matter and, in that connection, may examine the recommendations of the Advisory Committee, including supporting evidence, and offer other relevant information or explanations. The University Counsel shall serve as advisor to the Provost. Following such reconsideration, the Provost shall make a final and binding determination in writing.

If the determination requires the termination of the member's appointment, the procedure adopted by the Board of Trustees and University Faculty regarding such cases may be invoked by the member. That is, the President shall appoint a board consisting of five members of the University Faculty, of whom two shall be selected by the faculty members, two by the President and the fifth by the other four. The Board may modify the proposed remedy but shall have no authority to alter the determination of the Provost regarding the meaning, interpretation or applicability of the Cornell University Conflicts Policy.

**Article V - Resolution of Conflicts Involving:**

A. Deans and Directors
Questions involving external commitments or interests of deans and directors, as defined at Article I, Section 7 of the University Bylaws, shall be brought to the attention of the Provost, who shall resolve the matter.

B. Trustees and Executive Officers of the Corporation

The University Counsel shall advise on matters involving external commitments or interests of trustees and executive officers of the Corporation and, where appropriate, shall consult with the Committee on Conflicts of Interest, which shall consist of the chair of the Board, the vice-chair, if any, the chair of the Executive Committee and the President of the University, which shall resolve the matter or, where appropriate or necessary, refer it to the Board of Trustees for resolution.

C. Other Members

Questions involving external commitments or interests of employees, other than members of the faculty and staff of instruction and research, deans and directors, trustees and executive officers, shall be disclosed to the appropriate vice president, vice provost, dean or director, (hereafter "head") or their designee. In the event that disclosure reveals a real or apparent conflict, the head or designee shall review the facts and attempt to resolve the matter informally.

In the event that the member objects to the resolution by the head or designee, the non-academic Employee Complaint and Grievance Procedure may be invoked. In the event that a member may be entitled to arbitration of the proposed resolution, the arbitrator may reject or modify the proposed remedy but shall have no authority to alter the determination of the University regarding the meaning, interpretation or applicability of the Cornell University Conflicts Policy. Members of collective bargaining units may invoke the applicable contract grievance procedure.

Article VI - University Committee on Conflicts

A. Purpose

There shall be established a University Committee on Conflicts which shall be appointed by the President and which shall serve as a University resource with respect to matters involving the general subject of conflicts of interest and commitment, the oversight and implementation of the Cornell University Conflicts Policy, and the identification and resolution of specific conflicts of interest.

B. Composition

The standing University Committee on Conflicts (UCC) shall be co-chaired by the Dean of the Faculty and the Vice President for Research and Advanced Studies, shall include not less
than five additional members\(^3\) appointed by the President, and shall include faculty representation from the endowed colleges in Ithaca, the statutory colleges and the Medical College. Members shall serve three-year staggered terms. The University Counsel shall serve as a non-voting member.

C. Duties

1. The UCC shall oversee the solicitation of a periodic uniform disclosure from all University faculty (and such other members of the staff of instruction and research as are deemed appropriate by the UCC) that addresses potential conflict of interest and conflict of commitment situations.

   a. The circulation, collection and retention of disclosure statements, including those disclosures presently required of non-academic staff pursuant to Article III(B), will continue to be the responsibility of the college dean or director or the head of the appropriate administrative unit, who shall provide the UCC with such summaries or reports or disclosure statements as it may require.

   b. The dean, or director or head of the appropriate administrative unit in the case of non-academic staff, shall provide the UCC with a copy of any disclosure statement which reveals a real or apparent conflict of interest or commitment, together with a description of the resolution of such conflict or, if the conflict remains unresolved, the recommended resolution as submitted to the Provost pursuant to Article IV(B) or to grievance review pursuant to Article V(C) in the case of non-academic staff.

2. The UCC shall at the request of the Provost, a college dean or director, or an appropriate administrative officer or a faculty or staff member, provide advice regarding a potential conflict of interest or commitment. If a faculty or academic staff member objects to a dean's or director's resolution of a conflict pursuant to Article IV(A), the advisory committee appointed by the Provost pursuant to Article IV(B) shall seek the advice of the UCC, as shall any grievance review body pursuant to Article V(C) in the case of non-academic staff or any other established college or university hearing panel involved in the review of related conflict matters.

3. The UCC shall maintain an ongoing awareness of college procedures, practices, and standards with regard to conflict of interest and commitment with a view to assuring consistency with the terms of the University Conflicts Policy. It shall carry on whatever dialogue is necessary with college deans and directors or administrative officers to insure that its knowledge is sufficiently current and complete. It shall also insure that a proper balance is maintained between confidentiality and understanding of its operations and standards.

\(^3\) To the extent practicable, the Committee should include individuals familiar with the circumstances that could result in possible conflicts in the physical, biological and social sciences, the humanities, engineering, medicine and veterinary medicine.
4. The UCC shall maintain an awareness of externally imposed conflict of interest requirements, and shall provide advice and recommendations to the Provost on any related policy matter.

5. The UCC may recommend to the Provost changes to the University Conflicts Policy.

6. The UCC shall perform such additional functions as may be assigned from time to time by the President.

7. The UCC will report biennially to the faculty and to the President on matters within its jurisdiction.

D. Procedures:

1. The UCC shall establish its own procedures, not inconsistent with this policy, and may make use of subcommittees to carry out its various functions.

2. In the case of research or other activities subject to applicable governmental regulations on conflict of interest the requirements of such governmental regulations shall apply and supplement and/or, to the extent inconsistent herewith, supersede the provisions of this and other Articles of the University Conflicts Policy. In that event applicable reporting procedures and other substantive and procedural requirements will be adhered to.
ATTACHMENT A

The following commentary and examples are intended to provide guidance in the identification of conflicts of interest or commitment. The list does not cover all possible situations which might involve an actual or apparent conflict of interest. It is intended to be illustrative only.

General Considerations

Members involved in business ventures as owner, operator, or major investor must be alert to the possibility that a conflict may arise. If the enterprise does no business with the University, only the area of conflict of commitment is likely to be involved.

If the enterprise does business with the University, or might do business with the University, the member is expected to disclose that fact. Generally, there will be no conflict if the member is not in a position to influence the University with respect to the business of the enterprise in which the member holds an interest.

A member may not review, approve, or administratively control contracts when the contract is between the University and a company in which the member has a substantial financial interest or when the contract is with a member of the employee's immediate family or when a member of the employee's immediate family is an employee of the contractor and directly involved with activities included under the contract or has a substantial interest in the contractor.

No gifts or accommodations of any nature may be accepted by members when to do so could possibly place them in a prejudicial or embarrassing position, interfere in any way with the impartial discharge of their duties to the University or reflect adversely on their integrity or that of the University. Subject to this restriction, members may accept modest gifts, meals, entertainment and other normal social amenities so long as such amenities are not extravagant under the circumstances.

Permissible Activities

The following activities are clearly permissible and do not require disclosure as an actual or potential conflict under the terms of this policy.

Example 1. Acceptance of royalties under the terms of the University's Patent or Copyright Policies or publication royalties or honoraria for commissioned papers and lectures even where such works are based on materials developed pursuant to University duties such as teaching courses or conducting research.

Example 2. Services to outside educational, professional, scientific, artistic, cultural, civic, business or other organizations which enhance the value of the member to
the University and do not adversely affect the member's primary commitment to the University.

Apparent Conflicts Requiring Prior Disclosure and Resolution

The following activities have the potential to create conflicts of interest of commitment and should be reviewed and disclosed prior to being undertaken.

Upon full disclosure, the University may approve a transaction or affiliation, provided no conflict of interest is involved and further provided that the member furnishes an annual statement indicating compliance with the University's Conflict of Interest Policy. The University shall disapprove the transaction or affiliation, if a conflict of interest is involved which cannot be resolved or removed.

Example 3. Situations where a member directly or indirectly leases, rents, trades or sells real or personal property to the University.

Example 4. Situations where a member possesses a substantial interest in or participates in the profits of any organization that deals or seeks to deal with the University. Participation through stockholdings, mutual funds and similar vehicles is not a conflict unless the stocks of the organization held by the individual constitute a substantial holding.

Example 5. Situations where a member accepts appointment as an officer or director or serves in any management capacity in an external commercial, industrial, business or financial organization or profit-making enterprise which deals or seeks to deal with the University.

Example 6. Situations where a member, while serving in a position at Cornell, is concurrently engaged to teach a course or otherwise make a substantial contribution to the instruction or educational services offered by another entity. Instructional activities performed in the course of normal faculty sabbatic leave or for a subsidiary of the University, which are routinely subject to disclosure and approval processes, are not meant to be covered by this example.

Example 7. Situations where a member makes substantial use of University resources (e.g. studios, computer technology, research, technical or support staff) in developing and/or teaching a course to be offered by another entity.

Example 8. Situations where a member, without permission, utilizes the name of the University or one of its colleges or programs in connection with the promotion, marketing, or sale of a product or service in such a way as to imply University sponsorship, e.g. "The Cornell Book of ________.

Example 9. Situations where a member, as part of an arrangement with an entity unaffiliated with Cornell, agrees to any limitations on his/her performance of
teaching or other instructional duties for the University (e.g. through agreements containing exclusive provider, non-competition or right of first refusal clauses).

Possible Conflicts

Conflict is possible, even if unlikely, in situations such as those listed in the following examples, and members should give careful consideration to that potential. In many cases the potential for conflict can be removed by disclosure.

Example 10. Relationships that might enable members to influence Cornell's interactions with outside organizations in ways that may lead to personal gain, to the taking of improper advantage by anyone, or the improper diversion of University assets from the primary missions of the University, including the time and talents of its faculty and staff.

Example 11. Situations in which a member, while serving as a consultant to an external organization has access to unpublished, privileged information from a colleague that has potential commercial value and wishes to provide that information to the external organization.

Example 12. Situations where a member directs students into a research area or other activity from which the member intends to realize personal financial gain. A conflict may arise if students are directed to areas of lesser scientific or scholarly merit to enhance the potential for monetary gain or if the financial potential exists only for the member.

Example 13. Situations where the member is asked to assume executive or managerial positions with outside organizations that might seriously divert the member's attention from University duties, or create other conflicts of loyalty.

Example 14. Disclosure or use for personal profit of unpublished information coming from University research or other confidential University sources, or assisting outside organizations by giving them access to such information except as may be authorized by official University policies.

Example 15. Consultation that imposes obligations that conflict with Cornell's Patent Policy or with Cornell's obligations to research sponsors.

Example 16. Situations where a substantial body of research that could and ordinarily would be conducted by the investigator within the University is directed elsewhere.

Example 17. Situations where the member is invited to advise or serve an organization doing business in the general area of the member's University responsibility or which is related to that field.
Example 18. Situations where a member is offered a position on a scientific or administrative board of an organization that has research contracts with the member's unit.

Example 19. Situations where a member is offered research support from an organization in which the member serves as a director, a member of an advisory board or as a consultant, or in which the member holds a significant equity position.

Example 20. Situations where the member occupies a position in an enterprise doing business in the area of the member's University responsibility of which is related to that field.

Example 21. Situations where the member is involved in independent business ventures as owner, operator or major investor, particularly if the corporation is doing business with the University.

Example 22. Situations in which an individual can require others to purchase a product in which the individual has a proprietary interest and from which the individual will receive income.

Example 23. Situations where a member, while serving in a position at Cornell, makes a substantial contribution to the non-educational services offered by another entity.

Example 24. Situations where a member, as part of an arrangement with an entity unaffiliated with Cornell, agrees to any limitations on his/her performance of non-teaching duties for the University (e.g. through agreements containing exclusive provider, non-competition or right of first refusal clauses).

Conflicts of Commitment

Assessment of a conflict of commitment is more difficult than assessment of a conflict of interest. Generally, such conflicts will be apparent in the failure of individuals to discharge fully the role and duties expected of them.

1. Commitments that involve frequent or prolonged absence from the University on non-University business.

2. Commitments that engage a substantial portion of the time a member is expected to spend in University related activities and which thereby dilutes the amount or quality of participation in the instructional, scholarly or administrative work of the University.
ATTACHMENT B

ACADEMIC POLICIES/RESPONSIBILITIES
CONSULTING*

Principles

Consulting privileges are limited to the professorial staff and there are many reasons why faculty members should engage in outside consulting work. It is desirable that they remain in close communication with the world outside the institution and especially with that part of the world concerned with their area of specialization. Consulting is a means of maintaining this liaison as well as of offering solutions to practical problems and thereby testing the soundness of theories taught in the classroom and laboratories. While consulting activities often enhance a faculty member's value to Cornell, it can result in conflicts of interest and conflicts of commitment which compromise the faculty member and the institution.

In private consulting it must be kept clear that the faculty member does not represent the University. Private consulting activities of faculty members must be viewed in relation to their overall responsibilities to Cornell, and should not become so extensive that they interfere with those responsibilities.

Policy

Full-time faculty members must inform their department chairpersons of all plans to do private consulting for which they are compensated. Unless the regular duties include consulting services to the public, each full-time professor may engage in private consulting work, provided such work, in the judgment of the department chairperson and in accordance with the principles stated above, enhances the value of the individual to the University and does not interfere with regular University duties. Consulting work of an unusual nature may be undertaken only when approved by the dean of the faculty member's college.

The law establishing the statutory colleges requires faculty members in those colleges to perform teaching, research, and extension duties. Faculty members in statutory units should therefore check with their department chairpersons before consulting for a fee with New York State corporations or organizations that may be entitled to extension help without cost.

In general, faculty members in the endowed colleges may undertake paid consulting for the equivalent of one day a week during the period for which they are paid for service. Faculty members in the New York State College of Agriculture and Life Sciences, the New York State College of Human Ecology, and the New York State College of Human Ecology, and the New York State

* From the Cornell University Faculty Handbook (1990), pages 63-64. Note: The Faculty Handbook text on consulting has been amended since that section was incorporated into this Conflicts Policy at the time of its original adoption in May 1986. This attachment reflects the most current language.
College of Veterinary Medicine may consult for the equivalent of two days a month; those in the New York State School of Industrial and Labor Relations may consult for the equivalent of one day a week. The time that a faculty member is allowed to consult does not accumulate from year to year. Consulting involving time beyond that allowed, or necessitating an absence from the campus longer than seven consecutive days, may be undertaken only when approved by the dean of the faculty member's school or college.

Note: Individual schools, colleges or divisions may have promulgated additional consulting rules consistent with the Cornell University Conflicts Policy. Such supplemental rules may be obtained from the individual schools, colleges or divisions.

Use of University Equipment for Private Consulting or Research

The following University guidelines were adopted by the Deans' Council on April 7, 1981:

Faculty members who have external private consulting or research arrangements which involve personal financial gain, may use University equipment for such purposes only after the approval of the department chairperson, director, or dean. Approval will be contingent on the establishment of a service charge by the unit providing the service where such a charge is appropriate. If such charges are on a continuing basis, they should be discussed with the Controller's Office.