(FAQs) Frequently Asked Questions about Conflicts of Commitment and Interest: SBIR and STTR programs - March 2013

The University Policy on Conflict of Commitment and Interest acknowledges that external activities may enhance professional skills or constitute public service which is beneficial to both the University and the individual. The FAQs are not intended to discourage activities with entrepreneurial entities. The University often collaborates with small businesses as the sub-contractor on grants funded through the Small Business Innovation Research (SBIR) and Small Business Technology Transfer (STTR) programs. Activities conducted under the SBIR and STTR awards are consistent with the research and entrepreneurial mission of the University. The FAQs are intended to raise awareness of some potential conflicts of interest and conflicts of commitment that may arise from a University employee’s or student’s participation in the SBIR or STTR programs. This guidance is intended to mitigate potential conflicts of commitment and interest and to help manage such conflicts when they occur.

For more information on the SBIR and STTR awards: You can learn more about these awards through the Office of Technology Management: [http://otm.uic.edu/uic_companyStartup](http://otm.uic.edu/uic_companyStartup)

1. What parts of the University Policy on Conflict of Commitment and Interest guided the development of these FAQs?
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11. Is there anyone at the University that can provide guidance on the post-award management of the company’s STTR or SBIR applications?
1. What parts of the University Policy on Conflict of Commitment and Interest guided the development of these FAQs?

The University Policy on Conflict of Commitment and Interest states that:

*It may be beneficial to university students or employees to be involved in the outside professional activities of an academic staff member. However, such involvement must be disclosed by the academic staff member and must be approved in writing by the Unit Executive Officer (UEO) in advance. The UEO shall implement mechanisms to prevent the exploitation of others and any unreasonable interference with others' university duties and responsibilities. This may include providing independent advisory oversight by faculty members not involved in the particular outside activity for students as they engage in course, thesis, or research work. Care must also be taken when an academic staff member could be prejudiced in judging other staff in issues of rank, compensation, and tenure as a result of mutual involvement in outside activities. The UEO may need to implement appropriate monitoring mechanisms.*

*The educational experience of the university’s students and postdoctoral fellows should not be diminished or impeded in any way; neither they nor other academic staff members should be diverted from their primary educational objectives.*

*Students and staff involved in these outside professional activities shall be made fully aware of the circumstances, university policy regarding these activities, and the management mechanisms implemented by the academic staff member and the UEO.*

*Sanctions are warranted for failure to report potential conflicts or to abide by a management plan. The university has the right to impose sanctions consistent with the rights of academic staff members under the university Statutes and other applicable policies and practices. Severity of sanctions depends on the extent of the violations of the Policy. Inadvertent, unintentional, and minor breaches require lesser sanctions, whereas knowing, deliberate, and major violations demand the severest sanctions.*

**FAQs 2-5: Guidance for Employees (including faculty, postdoctoral scholars, academic staff, civil service staff)**

2. Can a current UIC employee serve as the principal investigator (PI) on behalf of, or become an employee of, a small business SBIR-STTR applicant?

As a UIC employee, if you wish to serve as the PI for the business applicant or become an employee of the business, then you must adhere to University Policy on Conflict of Commitment and Interest for academic staff including faculty, postdoctoral scholars, and academic professionals (see RNUA FAQ #2) and the Policy and Rules for Civil Service Staff.

- **Academic staff** must follow the University Policy on Conflict of Commitment and Interest. Academic staff must seek prior review and approval for the non-University activities from your Unit Executive Officer (UEO). Review and approval is documented using the Report of Non-University Activities (RNUA) form. Additional details follow in the subsequent questions.
- **Civil Service staff** must follow the Policy and Rules for Civil Service Staff. Guidelines on obtaining approval are available under Rule 16.01. Civil service employees are required to
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report in writing any potential conflict of interest to the unit head for approval before engaging in any activity that is or may appear to be inconsistent with the employee’s duties and obligations to the University. The non-university activities of civil service staff are monitored by the campus Assistant Vice President for Human Resources.

Guidance provided by these FAQs is not intended to replace the advice and requirements set by the Vice President for Human Resources Office. The UIC Human Resources Office should be consulted with any questions about the non-University activities of civil service staff.

Although you may have written University approval to engage in activities with the business, you must not devote any of your University working time nor use University resources, such as office space, supplies, equipment, phone, faxes, copiers, websites, etc. to conduct company business.

Example: If you will work with the company to develop the company’s proposal for the SBIR or STTR application, you must do so outside of your University responsibilities and with the approval of the unit head. You must not use your University time or effort to develop the company’s funding proposal. You must not use any University resources to write the company’s funding proposal.

If the SBIR or STTR grant is awarded...

If you become an employee of the company, then you may be required by the terms of the grant to commit a percentage of your effort to company activities. As a result, you may be required to reduce or sever your University appointment or take a leave of absence to reduce or eliminate the conflict of commitment or interest as well as to comply with time and effort reporting.

If the company will sub-contract with the University, then you will require additional conflict management prior to the execution of the sub-award to the University. Some potential scenarios are outlined in the questions below.

3. Can a UIC employee serve simultaneously as the PI for a small business applicant and PI or a co-investigator on the University sub-contract?

SBIR and STTR funding mechanisms involve a primary grant to the small business concern and a sub-contract to the university. Thus there are two PIs; one is PI for the company; one is PI for the university. The University advises that the same individual may not serve as PI on both. For example, if you will serve as the company PI, then you may serve as a co-investigator on the University research, but you may not serve as the PI on the University research.

If you will be an investigator on both the primary award to the company and the sub-award to the University, then you must disclose and manage the conflict of interest. The COI Office advises that the tasks conducted at the company and at the University should be clearly distinguishable from each other. Any University employees compensated through the sub-contract to the University should not receive compensation for the same task from the company. You should also check with the Office of Research Services (ORS) to determine whether an Investigator that owns the company may be paid by the University from the sub-contract. The conflict of interest must be managed prior to the University’s execution of the University sub-award.

You must disclose and manage the conflict by completing the following:
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- **RNUA**: If you are a University employee that will be involved with the company, you are required to obtain approval by the UEO for the non-University activities through the Report of Non-University Activities (RNUA) process prior to engaging in activities with the business. *Civil Service staff should refer to FAQ #2 on how to document the disclosure and management for conflicts of interest.*

- **RNUA-Management Plan**: If your company will license or option intellectual property (IP) owned by the University, such that the agreement allows your company to use the University IP in company research or for commercialization, you must have a RNUA-Management Plan.

- **SFI-DMP: Part I & II**: When filing the proposal approval form (PAF) to submit a funding proposal for the sub-contract or an Institutional Review Board (IRB) application, if you are a University investigator or key research personnel, then you must disclose any significant financial interests related to the study, including the relationship with the small business applicant (primary award). You must complete both Part I and Part II of the Significant Financial Interest-Disclosure and Management Plan (SFI-DMP) form.

4. **Can a postdoctoral scholar serve as the PI for a small business applicant?**

As a postdoctoral scholar (postdoc), you are an employee of the University, and considered a member of the academic staff. If you are asked to serve as PI for a small business applicant, then you would be required to comply with the employee requirements referenced in the preceding questions (Q2 and Q3). If you are on a J-1 or H-1B visa, you must talk with the UIC Office of International Services (OIS) to discuss whether the employment would be allowable under the visa and/or what impact the employment would have on your visa.

It is generally recognized that an employment opportunity with a small business applicant may be beneficial to a postdoc’s career. If the SBIR or STTR grant is awarded, you may be required to reduce or sever your University appointment to become an employee of the small business. You should be aware of potential risks or consequences which may include:

- Severance of University appointment.
- Severance of University employment and benefits.
- Disruption of academic career path.
- Your former position at the University is not held and there is no guarantee of return to the University.

The COI Office advises that the postdocs be informed in writing by the faculty sponsor of the potential risks and consequences prior to accepting employment with the small business. The UEO should receive a copy of the letter and the department should retain a copy of the letter in the postdoc’s file. A template letter is available at www.research.uic.edu/conflict under the section for “FORMS.”

5. **Does a University employee’s assistance with the application for the STTR or SBIR application constitute non-University activities?**

(5.a.) *When activities involve working on the application for the primary award to the company...*

University employees must not use University resources (e.g., employee time or effort, nor resources, including computers or equipment) to write an STTR or SBIR application on behalf of the company (the
primary applicant of the grant). The University Policy on Conflict of Commitment and Interest explicitly prohibits the use of University resources. The writing of a SBIR or STTR grant application is considered to be a company activity and must be conducted using company resources, personnel, time, and effort.

(5.b.) When activities involve working on the application for company’s proposed sub-contract to the University...

University employees may collaborate on the writing of the sub-contract proposal, if the University will be a sub-contract on the primary award to the company. Any University employee with a significant financial interest (SFI) in the company must disclose the SFI with the company via the RNUA process and any funding proposals (PAF) or Institutional Review Board applications (as explained in question 3).

As part of the management of conflict of interest with the small business entity, if you are a University employee with the conflict of interest, then you must disclose the financial conflict of interest to other University employees or students involved in the writing of the sub-contract proposal or activities conducted under the sub-contract agreement. The disclosure must notify the employees or students in writing of:

- the conflicted employee’s relationship with the Company;
- the University of Illinois Policy on Conflicts of Commitment and Interest; and
- the conflict management mechanisms to protect them:
  - Employees (e.g., employees may contact the COI Office if they encounter any impediments to their professional advancement at the university or other university-related difficulties as a result of their involvement with the company sponsored research)
  - Students (e.g., for each student involved in company sponsored research, the department will ensure that the student has a Student Advisory Committee (SAC) or alternative protective mechanism such as a non-conflicted departmental point of contact).

The COI Office has developed template letters for disclosure of non-University activities to employees and students. COI website: www.research.uic.edu/conflict located under the section for “FORMS.” The letter should be modified as appropriate. The UEO monitors the disclosure. A copy of the letter must be provided to the UEO.

FAQs 6-8: Guidance for Students (including undergraduate, graduate, medical residents)

6. Can students be asked to serve as the PI for the small business applicant, or become an employee of the small business applicant?

As a student, if you are asked by a University employee to become involved in business in which the University employee has a financial interest, you should discuss the proposed business activity with the department head and student advisor/director for your unit. While the department head is not required to sign a form to approve your outside professional activities, the department head is required to approve the University employee’s business activity which will involve you. The department head may also assess the need for independent advisory oversight by non-conflicted faculty members as you engage in course, thesis, or research work. You will be informed about who you may contact should you experience any interference with your academic performance or advancement. You should also consider
and verify whether outside employment will affect scholarship/fellowship/assistantship support you may be receiving.

7. Are there any guidelines about conflicts of interest in the graduate students’ admission process?

Yes. Please refer to the Graduate College Policy on Conflicts of Interest in the Admissions Process.

8. Are there any University policies for medical residents that will be involved with the small business?

Possibly. Please follow-up with the Office of Graduate Medical Education.

FAQs 9-11: Guidance on Use of University Resources

9. What does the University Policy state about use of University resources?

“University resources may not be used for non-university activities without permission from the university. Use is prohibited unless explicitly approved by the University.” This principle is embedded in the general rules and statutes that govern the University. To document permission, a written agreement with the University requires the signature of the University’s chief financial officer.

SBIR and STTR subawards for sponsored research that will be conducted at the University are processed through the Office of Research Services (ORS). The sponsored research agreement governs the use of University resources covered under the agreement.

10. Can the small business portion of the research be conducted at UIC?

Although the company may conduct research at the University under an approved sponsored research agreement in which UIC is a subaward recipient from the company; the company may not use University facilities for the conduct of the company’s business or activities on the primary award or any other company-related activities (e.g., employee benefits, payroll, facilities, equipment, etc).

Small businesses may choose to occupy space in an officially designated Technology Park or Incubator Laboratory Facility. Work conducted at the Technology Park or Incubator Laboratory Facility is not considered to be University activity or use of University resources. Companies that occupy space in these facilities must have a written agreement with the University to compensate the University at the fair market value.

11. Is there anyone at the University that can provide guidance on the post-award management of the company’s STTR or SBIR applications?

Yes. EnterpriseWorks Chicago is a part of the Office of Vice President for Research and has staff that can refer you to appropriate non-University entities to assist with the post-award management of the STTR or SBIR grant. Please contact the Director of EnterpriseWorks Chicago, Kapila Viges:

EnterpriseWorks Chicago  
2201 W. Campbell Park Drive, Chicago, IL 60612  
(312) 829-7252  
E-Mail: viges@uillinois.edu
FAQs on Conflicts of Commitment and Interest: SBIR and STTR programs

URL: http://research.uillinois.edu

For questions on these FAQs, please contact COI@uic.edu.

Guide to abbreviations:
- COC: Conflict of Commitment
- COI: Conflict of Interest
- FCOI: Financial Conflict of Interest
- IRB: Institutional Review Board
- OIS: Office of International Services
- ORS: Office of Research Services
- OTM: Office of Technology Management
- PAF: Proposal Approval Form
- PI: Principal Investigator
- RNUA: Report of Non-University Activities
- RNUA-MP: Report of Non-University Activities – Management Plan
- SAC: Student Advisory Committee
- SBIR: Small Business Innovation Research
- SFI: Significant Financial Interest
- SFI-DMP: Significant Financial Interest – Disclosure and Management Plan
- STTR: Small Business Technology Transfer
- UEO: Unit Executive Officer
- VCR: Vice Chancellor for Research