I. INTRODUCTION

The mission of the Rhode Island Board of Governors for Higher Education (hereinafter “RIBGHE”) is to provide an excellent, efficient, accessible and affordable system of higher education designed to improve the overall educational attainment of Rhode Islanders and thereby enrich the intellectual, economic, social and cultural life of the state, its residents, and its communities. A primary purpose of the system is to provide excellence in education, research, and service.

In 2003, the legislature, with the support of the Governor, the R.I. Ethics Commission, the RIBGHE, and industry representatives, enacted into law the Public Private Partnership Act (R.I.G.L. §16-59-26), which recognizes research as an inextricable part of the mission of public institutions of higher education and that such research by employees of these institutions often lead to inventions of value to the public. The purpose of this Act is to allow the University of Rhode Island, Rhode Island College, and the Community College of Rhode Island to enter into public/private partnerships in education that involve faculty and staff members from those institutions and encourage the marketing of inventions developed by faculty and staff for the benefit of both the inventor and the public, while continuing to ensure that Rhode Island’s public employees adhere to the highest standards of ethical conduct, as embodied in the R.I. Code of Ethics (R.I.G.L. §36-14-1, et. seq.), and Regulations adopted by the R.I. Ethics Commission.

The Public/Private Partnership Act and the RIBGHE recognize that in the normal conduct of research and development, and in other activities engaged in by the Board’s employees, actual or potential conflicts of interest may occur. The policies and procedures set forth herein and adopted by the RIBGHE are mandated by R.I.G.L. §16-59-26 and are designed to ensure that the purposes expressed in Article III, Section 7 of the R.I. Constitution, the R.I. Code of Ethics, and the Public/Private Partnership Act are adhered to by the employees of the public institutions of higher education in Rhode Island. The RIBGHE is committed to fostering research that is consistent with the missions of each of the institutions, while at the same time ensuring that the financial and other interests of higher education employees do not compromise their primary commitment to the students and to the public.

II. APPLICABILITY

These policies and procedures are promulgated in accordance with requirements of the Public/Private Partnership Act and apply to all employees, including graduate student employees where appropriate, who are involved in basic or applied research or development at public institutions of higher education, including but not limited to (i) the
development or marketing of university or college owned technology; (ii) the acquisition of services of an official or employee, by an entity for research and development purposes; (iii) participation in state economic development programs; or (iv) the development or marketing of any technology on the premises of a public institution of higher education by an official, employee, or student of the institution. See R.I.G.L. §16-59-26(b)(3)(i) –(iv); R.I.G.L. §36-14-1 et seq.

III. DEFINITIONS

As used in these policies and procedures:

(1) Conflict of interest policies and procedures relating to research and development – refers to these policies and procedures adopted by the Rhode Island Board of Governors for Higher Education in consultation with the Rhode Island Ethics Commission, and approved by the Rhode Island Ethics Commission;

(2) Relationship – includes any interest, service, employment, gift, other benefit or relationship;

(3) Research and development- means basic or applied research or development, including but not limited to:

(i) the development or marketing of university-owned technology;
(ii) the acquisition of services of an official or employee, by an entity for research and development purposes;
(iii) participation in state economic development programs; or
(iv) the development or marketing of any technology on the premises of a public institution of higher education by an official or employee of the institution.

(4) Any person within his or her family -means a spouse and any dependent children of any employee as well as a person who is related to the employee, whether by blood, adoption or marriage, as any of the following: father, mother, son, daughter, brother, sister, grandfather, grandmother, grandson, granddaughter, great grandparents, great grandchild, uncle, aunt, niece, nephew, grandson-in-law, granddaughter-in-law, father-in-law, mother-in-law, brother-in-law, sister-in-law, son-in-law, daughter-in-law, stepfather, stepmother, stepson, stepdaughter, stepbrother, stepsister, half brother or half sister, or any other person within the third degree of consanguinity.

(5) Business - means a sole proprietorship, partnership, firm, corporation, holding company, joint stock company, receivership, trust, or any other entity recognized in law through which business for profit or not for profit is conducted.
(5) **Entity** – means any non-business association, organization, joint venture or group involving two or more people joined for a common financial objective.

(6) **Business associate** - means a person joined together with another person to achieve a common financial objective.

(7) **Ownership interest** - means an interest in stock, assets, net profits, or losses of a business or entity. The value of an ownership interest is determined at its highest fair market value in the calendar year.

(8) **Substantial ownership interest** - means an ownership interest which is equal to or greater than a 10% equity interest or a $5,000.00 or greater cash value interest in a business.

(9) **Conflict of interest** - means an interest which is in substantial conflict with the proper discharge of one’s duties or employment in the public interest and of one’s responsibilities as prescribed in the laws of this state, if he or she has reason to believe or expect that he or she or any person within his or her family or any business associate, or any business or other entity by which the person is employed or which the person represents will derive a direct monetary gain or suffer a direct monetary loss, as the case may be, by reason of his or her official activity, and includes, as well, any interest which is prohibited by any substantive provision of the R.I. Code of Ethics or the Regulations adopted by the R.I. Ethics Commission.

(10) **Employee** – includes any faculty member, staff member, institution official, or student who is employed by the RIBGHE or any public institution of higher education under the governance of the RIBGHE.

IV. **R.I. CODE OF ETHICS FOR PUBLIC OFFICERS AND EMPLOYEES AND REGULATIONS OF THE R.I. ETHICS COMMISSION**

All persons employed by the RIBGHE, whether in the classified, unclassified, or non-classified service, are subject to the provisions of the R.I. Code of Ethics and the regulations adopted by the R.I. Ethics Commission. Both the Code and the Regulations can be found at [http://www.state.ri.us/ethics](http://www.state.ri.us/ethics), the website of the R.I. Ethics Commission. Pursuant to the requirements of the Code, no employee of the RIBGHE may have any interest, financial or otherwise, whether direct or indirect, or engage in any business, employment, transaction, or professional activity, or incur any obligation of any nature, which is in substantial conflict with his or her employment duties. R.I.G.L. §36-14-5. Some examples of activities that would be in conflict with the employment duties of an employee of the RIBGHE or an employee of a public institution for higher education and that are therefore in violation of the R.I. Code of Ethics include (1) disclosure of confidential information acquired by an employee in the course of and by reason of his or
her official duties or employment or use of any such information for the purpose of pecuniary gain. R.I.G.L. §36-14-5(b)(c). (2) using one’s employment by the RIBGHE to obtain financial gain, other than that provided by law, for himself or herself or any person within his or her family, any business associate of the employee, or any business or entity by which the person is employed or which the person represents. R.I.G.L. §36-14-5(d); (3) acceptance of a position or other employment that will impair the employee’s independent judgment; (4) acceptance of an honorarium, fee, or other compensation for any activity which directly relates to the employee’s duties and responsibilities unless the employee, when engaging in and preparing for the activity, uses his or her own time and does not make improper use of state materials or resources; (5) soliciting political contributions from a subordinate over whom the employee exercises supervisory responsibilities; (6) having, or a member of the employee’s family or his or her business associate having a substantial ownership interest in a business or entity which is contracting with a state or municipal agency, unless the contract is awarded through an open and public bid process; (7) engaging in a financial transaction, including participating in private employment or consulting, and giving or receiving loans or monetary contributions, with a subordinate or person or business for which, in the employee’s official duties and responsibilities, he or she exercises supervisory responsibilities, unless (a) the financial transaction is in the normal course of a regular commercial business, (b) the subordinate or person or business or entity initiates the financial transaction; or (c) the financial transaction involves a fundraising activity officially sponsored by a government agency. These are just a few examples of conflicts, which are prohibited by the R.I. Code of Ethics and/or the Regulations of the RI Ethics Commission. RIBGHE employees are referred to the website of the RI Ethics Commission and to Rhode Island General Laws, Title 36, Chapter 14 for more detailed information.

The RIBGHE requires all employees to comply with the requirements of the RI Code of Ethics and the Regulations of the RI Ethics Commission. Failure to comply with the requirements of the RI Code of Ethics or the Regulations of the RI Ethics Commission will result in appropriate disciplinary action, up to and including termination.

V. PUBLIC/PRIVATE PARTNERSHIP ACT

During the 2003 legislative session, the Public Private Partnership Act was passed by the General Assembly and signed into law by the Governor and recognizes that one of the primary missions of an institution of higher education is research, and that the marketing of inventions by employees resulting from such research will contribute to job creation and to the economic well-being of the state and the nation. This Public Private Partnership Act allows an employee of a public institution of higher education to have a relationship, financial or otherwise, with a company that has an interest in the research or development being performed by the employee, even though the relationship would otherwise be prohibited by the RI Code of Ethics, as long as the employee has obtained the approval and has been granted an exemption by the RIBGHE. Examples requiring
approval and an exemption include, but are not limited to, situations in which the employee has an ownership interest in a company that is licensing the employee’s technology from the university or situations in which the employee has an ownership interest in a company which is involved in work on a research grant with the university. Such relationships are allowed only with prior disclosure, approval of the president of the institution, approval by the RIBGHE, and notice to the RI Ethics Commission.

The Public/Private Partnership Act authorizes the RIBGHE to approve relationships between institutional employees and private entities in which there is an actual or perceived conflict of interest or conflict of commitment between the employee’s interests and the interests of the institution by whom he or she is employed. The Act therefore also obligates the RIBGHE to impose such restrictions as are necessary to manage, reduce, or eliminate any actual or potential conflict. Under the terms of the Act, the presidents and vice-presidents at any public institution of higher education in Rhode Island are not eligible for an exemption.

VI. PROCEDURES

A. All employees who are or may be engaged in any activity requiring disclosure and/or an exemption pursuant to the Public/Private Partnership Act shall be required to comply with the procedures set forth herein and on attached APPENDIX A.

1. The employee shall disclose all existing external business or significant financial or other relationships, including outside activities, as defined herein to insure current compliance.

2. The employee shall timely disclose and seek approval of the following activities and/or financial interests by the employee or any person within his or her family or any business associate (as such terms are defined in the R.I. Code of Ethics §36-14-2 and under this policy in Section III. Definitions):

   a. Outside activities in which there is use of institutional facilities, equipment, services, or other physical resources. Such uses must include a plan for reimbursement to the institution or a waiver of reimbursement by the President or his or her designee, and the reason therefore;

   b. Management, employment, consulting, contractual activities, ownership interest in, or a family member’s or business associate’s ownership in a business or entity which supports or is related to, directly or indirectly, the employee’s research activities in any way or business or outside activity in the same discipline or field in which the employee does research at one of the institutions;
c. Outside activities and financial interests required to be reported under federal contract and grant regulations;

d. A relationship of any kind, financial or otherwise, with an entity engaged in research or development, or with an entity having a direct interest in the outcome of research or development, being performed by the employee.

e. Management, employment, consulting, and contractual activities with, or ownership interests in, a business or entity that does business with one of the three institutions of higher education or competes with them.

f. Any employment, contractual or other relationship, or financial interests of the employee which may create a continuing or recurring conflict between the employee's interests and the performance of the employee's public responsibilities and obligations, including time commitments. This includes any outside activity in which the employee is required to waive rights to intellectual property.

See also University of Rhode Island Conflict of interest Policy at http://www.uri.edu/research/compliance.

See also Rhode Island College conflict of interest policy at http://www.RIC

3. Disclosures shall be on forms adopted by the RIBGHE (APPENDIX A STEP 1) and shall be filed with the RIBGHE and with the institution at which the employee is employed. Disclosure forms shall be updated annually.

4. The request for an exemption and all disclosed relationships (APPENDIX A STEP 2) shall be reviewed by an institutional conflict of interest management committee, which shall, at a minimum, include a designee of the RIBGHE, a public member, and a faculty member from an institution of higher education outside the system of public higher education in R.I. No more than 75% of its members shall be from the institution itself.

5. The institutional conflict of interest management committee shall make recommendations to the President, Provost and/or Vice President, or designee as to what further information must be disclosed and what restriction and/or oversight should be imposed.
in order to manage, reduce, or eliminate any actual or potential conflict of interest.

6. A proposed monitoring plan (Appendix A Step 3) shall be prepared, which shall be forwarded to the President, Provost and/or Vice President, or designee with the conflict of interest management committee’s recommendations.

7. Any proposed licensing agreements, research agreements, grants, employment or other compensation agreements must be reviewed by the institutional conflict of interest management committee and forwarded to the President, Provost and/or Vice President, or designee, with the committee’s recommendations.

8. Any “faculty start-up company” shall prepare and submit a business plan, to be forwarded to the President, Provost and/or Vice President, or designee with the institutional conflict of interest management committee’s recommendations.

9. Based on the information provided in numbers 1-8 above and such other information as may be required by the President, the President of each institution, in consultation with the Provost or designee, shall act upon each request for exemption. If the President disapproves of the request for exemption, then it shall not be forwarded for further review or action by the RIBGHE. If the President approves the request for exemption, then it shall be forwarded to the RIBGHE with all supporting documentation for further review and action.

10. The RIBGHE shall act upon each request for exemption approved by the President. The RIBGHE’s disapproval of the request for exemption shall be final. If the RIBGHE approves and grants the request for exemption it shall promptly notify the Ethics Commission in writing as required by RIGL §16-59-26(h).

11. Notification of research sponsors of any conflicts of interest may also be required.

12. Sanctions for noncompliance may include denial of the right to engage in the activity in question while employed by the RIBGHE or a public institution of higher education under the authority of the RIBGHE, and/or disciplinary action, up to and including termination.
VII. PROHIBITED ACTIVITIES

The following activities are prohibited and exemptions under the Public/Private Partnership Act will not be granted in these situations:

A. Outside activities and/or relationships in which the faculty or staff member diverts to external businesses or entities or other institutions, opportunities for research support that could have been obtained by the institution.

B. Participation in institutional research which is funded by a grant or contract from a business or entity in which the employee or a member of his or her family or his or her business associate, separately or in the aggregate, has a controlling ownership interest.

C. Assignment of students to research projects sponsored by a business or entity in which the employee or a member of his or her family or his or her business associate, separately or in the aggregate, has a substantial ownership interest.

D. Outside activities in which an institution’s student or employee is directly or indirectly supervised by the individual seeking the exemption if the individual in any way supervises or evaluates the student or employee as part of his or her institutional duties.

E. Direct supervision of any student or employee in one’s capacity as a university employee and in one’s capacity as an official, employee or agent of the private company, business or entity.

VIII. PUBLIC-PRIVATE PARTNERSHIP COMMITTEE

A. There shall be a committee of the RIBGHE known as the Public/Private Partnership Committee, which shall be appointed by the Chair and which shall include at least one representative from each of the public institutions of higher education in the state of RI, as well as representatives of the Board. The Chair may, in his or her discretion, include representatives outside the Board and the institutions on this committee.

B. The Public/Private Partnership Committee shall review all recommendations by each public institution relating to requests for exemptions under R.I.G.L. §16-59-26.

C. The Public/Private Partnership Committee shall also be charged with annually performing a retrospective review of all disclosures and recommendations to the RIBGHE under these regulations and providing advice to the RIBGHE on how policies and procedures might be modified to maintain the integrity of the institutions while accomplishing the goals
of the Public/Private Partnership Act. The Committee shall, in addition, have responsibility for any related matters designated by the RIBGHE or by its chair.

D. All policies and procedures adopted by the RIBGHE to govern the granting of exemptions pursuant to the Public/Private Partnership Act shall be subject to review and approval by the R.I. Ethics Commission prior to implementation.

IX. REPORTING

A. The RIBGHE shall promptly notify the RI Ethics Commission in writing of any exemption that is granted under R.I.G.L. §16-59-26. In the event of written disagreement with an exemption by the RI Ethics Commission, received within 30 calendar days, the RIBGHE shall place the matter on its agenda for reexamination at its next regularly scheduled meeting, and approval shall be stayed pending such reexamination. The institution, the employee requesting the exemption, and the RI Ethics Commission shall be notified in writing of the date and time of such meeting.

B. The RIBGHE shall report annually to the Governor, the President of the Senate, the Speaker of the House of Representatives, and the RI Ethics Commission the number of exemptions granted under R.I.G.L. §16-59-26 and how the conflict of interest policies and procedures adopted herein by the Board have been implemented in the preceding year.

C. The RIBGHE shall maintain at its offices as public record all disclosure forms required by these regulations, as well as all documents relating to exemptions approved by the RIBGHE in accordance herewith.