

Conflict of Interest Guidelines for Private Company Grants/Contracts

The State of Maryland and Morgan State University (Morgan) encourage faculty to network and create relationships with private industry to further the interests of the University and private industry in business ventures. In concert with this, authority for managing conflict of interest issues was delegated from the State Ethics Commission to the Presidents of Maryland State Universities.

When a faculty member has a stake in a company that submits a proposal for awards of a contract through Morgan, a Conflict of Interest in Research and Development Form is submitted by the faculty member for the purpose of obtaining an exemption from certain conflict of interest provisions of the Maryland Public Ethics Law.

Morgan's Conflict of Interest Committee (COIC) is to review faculty Conflict of Interest exemption requests for research and economic development activities, including those associated with faculty start-up companies, and make recommendations for university exemptions under Morgan's COI Policy and Procedures.

First, when a faculty member has an ownership interest (stake) in a company that submits a proposal for awards of a contract through Morgan, the faculty member should make it clear¹ what the nature of his/her ownership position and what his/her responsibilities are at the company. This information should include the percent ownership and/or the number of shares owned by the faculty member and the current share value, if any.

Second, the faculty owner should indicate¹ if he/she is expecting to be involved in a contract from a private company, whether he/she is representing the company or the University. A faculty member will generally not be permitted to act as Principal Investigator on behalf of Morgan in a project involving his/her company; however, this may depend on whether the ownership position is minimal or substantial, and whether the faculty owner is in a management position in the company.

Third, students and Post Docs who are supervised by a faculty member who holds an interest in the company generally may not participate in the work being performed with the company. In some cases, it may be acceptable for the faculty owner to cede supervision of students and Post-Doctoral fellows to another faculty member, preferably of equal or higher rank to that of the faculty owner¹.

Fourth, if the company will be utilizing University owned technology, a License (or License Option) Agreement must be in place to ensure the protection of the University's rights. Finally, any University laboratory or equipment controlled by the faculty owner needed for the proposed project must be disclosed¹. In the event that University space is required by the company for use during the project, a space agreement must be executed.

The Conflict of Interest Committee may consider exceptions to the above guidelines; however, compelling justifications would be necessary¹ to make a recommendation to the President for a COI exception. Regardless of the recommendation of the COIC, the President may or may not grant an exception.

¹ The "Conflict of Interest in Research and Development Form" was developed as the instrument by which faculty and staff disclose real or potential conflicts of interest to the Committee.