Guidelines for Students and Post Docs involved in Faculty related Conflicts of Interest

Penn State faculty members, through their research and academic pursuits, have developed technologies, processes, and innovative procedures that are being used and marketed outside of the University. The Conflict of Interest (“COI”) Committee routinely reviews disclosures of this nature and, while the Committee is able to reasonably manage these types of situations, the process becomes more challenging when students (which include undergraduate students, graduate students, and/or post docs) are involved. This document is intended to address several possible scenarios of student involvement in faculty conflicts of interest and will provide recommendations on how the COI Committee might manage each situation. It should be noted that the situations are contingent upon the student being advised by, graded by, or otherwise supervised by the faculty member with the financial conflict of interest.

Procedures:

1. Students working on a research project where a faculty member has a Committee determined conflict of interest related to that specific research project

When a faculty member is found to have a financial conflict of interest, a management plan is prescribed to reduce or eliminate the Financial Conflict of Interest (“FCOI”) and to ensure that the design, conduct and reporting of research will be free from bias. Student involvement in funded research projects related to the faculty member’s COI will need to be carefully evaluated. Typically, the COI Committee will assign a student monitor for the students working on the project for academic or graduation requirements. Specified in the faculty member’s management plan, the monitoring will be carried out by a disinterested individual from the faculty member’s department (typically a Department Head or other tenured faculty member). The monitor will be responsible for meeting with any students who are involved in the Penn State research project related to the faculty member’s COI, at least twice a year, to discuss whether there has been any undue influence, stemming from the faculty member’s COI. The appointed monitor will upload a report in COINS (Penn State’s electronic Conflict of INterest System), reflecting the outcome of their meeting.

2. Students working on a sub-contract to Penn State from a company in which the faculty member has a Committee determined conflict of interest

In addition to students working on funded research projects related to a faculty member’s COI, students may also be asked to work on research projects that are funded through an entity in which the faculty member has one or more significant financial interests (“SFI”). To address any potential bias and undue influence over the student(s) working on the project, a management plan will typically be constructed. As described in the scenario above, a student monitor will likely be appointed to meet with any students working on the research project to satisfy an
academic or graduation requirement, at least twice annually. The monitor will need to ensure that the students are not being influenced in any way by the faculty member who has the SFI with the company. The appointed monitor will upload a report, in COINS, reflecting the outcome of their meeting.

3. Students working for faculty member’s company

Faculty members who have established business enterprises based on their academic research will sometimes extend offers to students to work for their respective companies. While this relationship is generally supported by the University, certain parameters should be in place to ensure that the students’ interests are protected. To that end, the COI Committee has developed and approved “Principles” to address the potential concerns stemming from the faculty-student relationship in entrepreneurship. Any student who wishes to participate in faculty enterprise will sign the document. The faculty member, the department head, and the student monitor will also sign.

In addition to signing the Principles document, if the faculty member is subject to a COI management plan, it will most likely involve student monitoring. The monitor will be appointed to meet with all students working for the faculty member’s company at least twice annually to ensure that there is no undue pressure being placed on them. The monitor will then upload a report in COINS reflecting the outcome of the meeting.

4. Students have equity in the faculty member’s company

Faculty and students often work collaboratively on research and the results of their research may produce an innovative product, process or procedure that can be marketed to the public. When this occurs, private enterprise may be considered by the faculty member, as well as the student(s). In instances where students hold equity in a company that is related to their Penn State research, it is important to note that they, in conjunction with the faculty member(s) will need to submit a financial disclosure in COINS. The student(s) would then be subject to his/her own FCOI management plan if the COI Committee identifies an FCOI. The equity of the student(s) serves as a mitigating factor for faculty related FCOI, as the student is investing time in his/her own enterprise. However, the faculty member will likely also be subject to an FCOI management plan to include student monitoring and a student monitor would be appointed to assess the academic progress of the student(s) who are working for the company. The student monitor will meet with all students who have an equity interest in the company, at least semi-annually and will upload a report in COINS reflecting the outcome of the meeting. Additionally, management might include a requirement that the student(s), faculty member(s), department
head, and student monitor review and sign the Principles document, established by the COI Committee.

5. Students working as interns for the faculty member’s company

It is common for students to pursue Penn State credit related internships during their time at the University. In some instances students may choose to work as an intern at a faculty owned company. From a financial conflict of interest perspective, the faculty member who owns the company may be subject to an FCOI management plan. One of the terms specified in the management plan may include student monitoring if it is anticipated that students, who are graded by, advised by or otherwise supervised by the faculty member with the FCOI, will intern at the company, where the assigned monitor would meet with the student at least twice a year, for the duration of the internship. In addition to the monitoring requirements, management might include a requirement that the student, faculty member, department head, and student monitor review and sign the Principles, established by the COI Committee. The Principles include a clause that allows the student the right to cancel the arrangement at any time without penalty. While this is critical in protecting the student’s academic interests, it is important to note that the student should be aware of credit requirements imposed by his/her academic department related to the internship. This may be discussed with an advisor, if the advisor is a disinterested party, or the department head.