Conflict of Interest and External Professional Activities for Pay Definitions

1. **Conflict of Interest** relates to situations in which financial or other personal considerations, circumstances, or relationships may compromise, may involve the potential for compromising, or may have the appearance of compromising a Covered Employee’s objectivity in fulfilling their University Employment Responsibilities. The bias that such conflicts may impart can affect many University responsibilities, including decisions about personnel, the purchase of equipment and other supplies, the selection of instructional materials for classroom use, the collection, analysis and interpretation of data, the sharing of research results, the choice of research protocols, the use of statistical methods, and the mentoring and judgment of student work.

2. **Covered Employee** is defined as any faculty or EPA non-faculty person employed by the University of North Carolina or a Constituent Institution, an affiliated entity, or other agency or unit of the University of North Carolina.

3. **University Employment Responsibilities** include “Primary Duties” and “Secondary Duties”
   a. **Primary Duties** consist of assigned teaching, scholarships, research, institutional service requirements, administrative duties and other assigned employment duties.
   
   b. **Secondary Duties** may include professional affiliations and activities traditionally undertaken by Covered Employees outside of the immediate University employment context. Secondary Duties may or may not entail the receipt of honoraria, remuneration (see additional regulations, UNC Policy Manual, 300.2.2.2 ([R])) or the reimbursement of expenses. Secondary Duties may include membership in and service to professional associations and learned societies; membership on professional review or advisory panels; presentation of lectures, papers, concerts or exhibits; participation in seminars and conferences; reviewing or editing scholarly publications and books without receipt of compensation; and service to accreditation bodies. These activities, which demonstrate active participation in a profession, are encouraged, provided they do not conflict or interfere with the timely and effective performance of the individual’s Primary University Duties or University policies.

4. **Financial Interests** are defined as:
   a. Equity or other ownership interest (e.g. stock, stock options, or other ownership interest) held by the Covered Employee or his/her immediate family [spouse and/or dependent children] in a publicly or non-publicly-traded entity, if that entity or ownership interest has the potential to affect the performance of University Employment Responsibilities;

UNC Board of Governors Policy 300.2.2
b. Intellectual property rights and interests upon receipt of income related to such rights and interest, help by the Covered Employee or members of his/her immediate family;

c. Payment for services to the Covered Employee not otherwise defined as institutional salary (e.g. consulting fees, honoraria, paid authorship).

5. **Excluded Financial Interests** are income derived from non-directed investment vehicles, such as mutual funds and retirement accounts, in which the Covered Employee or member of his/her immediate family do not directly control the investment decisions. Intellectual property rights assigned to the Institution and agreements to share in royalties related to such rights are also excluded from the definition of Financial Interests.

6. **Intellectual Property** includes proprietary rights in discoveries, inventions, and creative works; including those rights legally protected under patent, copyright, trademark, and trade secret laws.

7. **External Professional Activities for Pay** are subject to advance disclosure and approval (UNC Policy 300.2.2.1[R]) and are defined as any activity that:
   a. Is not included within one’s University Employment Responsibilities;
   b. Is performed for an entity, public or private, other than the University employer;
   c. Is undertaken for compensation, and
   d. Is based upon the professional knowledge, experience and abilities of the employee.

   i. Activities for pay not involving such professional knowledge, experience and abilities are not subject to the advance disclosure and approval requirement of Section III of Board of Governors Policy 300.2.2.

   ii. Activities for pay not involving such professional knowledge, experience and ability are subject to the basic requirement that outside activities of any type must not result in the neglect of primary University duties, creation of Conflicts of Interest, involve inappropriate uses of the University name or resources, or include claims of University responsibility for the activity.

   iii. External Activities for Pay of employees covered by the State Personnel Act are address in the State Personnel Act, Section 3 Employment and Records, Secondary Employment.