

Guidelines for Managing Conflicts of Interest

Faculty & Staff Outside Companies

(Vice Provost for Research & Office of Research Compliance)

1. A “Company” is an entity in which a Faculty or Staff Member has a founder’s or other significant financial interest or commitment, including startups.
2. All potential financial conflicts (any income or equity received) or conflicts of commitment (any no fee consulting or Board service) related to the Company MUST be disclosed in the Caltech COI disclosure system. This is true even if it is “just consulting” covered by the “one day a week” allowed pursuant to the Faculty handbook.
3. Division Chairs must review all disclosures and recommend a research management plan if:
 - a. The activity, which is described in the disclosure, consists of performing work for the Company (e.g. consulting) and the Company activity overlaps with the Caltech duties/responsibilities of the Faculty/Staff member.
 - b. The Company will sponsor research in the Faculty member’s laboratory.
 - c. The Company will be a subawardee or subcontractor of Caltech.
 - d. The Company will be collaborating with the Faculty/Staff member’s laboratory, regardless of financial contribution from the Company.
4. General Rules for Managing Conflicts
 - a. No company personnel may hold an appointment at Caltech. That is, NO Visitor, Visiting Associate/Professor, Guests or Volunteer appointments can be given to a Company employee.*

* A Division Chair may approve appointments for Company employees for activities at Caltech unrelated to the Company business, provided that the sponsoring Faculty member is not the founder of, does not hold a significant financial interest in, and does not consult for the Company. (e.g. Company employee is a lecturer in a different Division and reporting to a faculty sponsor other than the faculty who founded the Company)
 - b. Caltech personnel (Faculty, Staff or Students) may not hold a management position at the Company.** Paid or unpaid consulting or internships or other employment may be allowable provided that:
 - i the activity is unrelated to what the personnel does at Caltech, has been disclosed in the Caltech COI system, is approved by the Division chair, and a management plan is in place; or
 - ii the personnel takes a leave of absence; and
 - iii In the case of postdocs or students, the faculty advisor does not act as an advisor at the Company.

**Under certain circumstances, during the early startup phase of a Company, when a

Company is incorporated, but has not yet begun operations, it may be allowable for Caltech personnel to hold an unpaid management title at the Company, for a limited time, while finishing up work at Caltech (usually postdocs or graduate students). Such cases must be approved by the Vice Provost for Research, and Dean of Graduate Students, as applicable. Similarly, it may be allowable for a Faculty member to hold an unpaid management title at the Company, for a limited time, up to and including incorporation of the Company. Before any negotiations with Caltech can occur, the Faculty member must step down from management role and remain at arm's length regarding the negotiations.

- c. A company may NOT give a gift to Caltech. If a company wishes to fund research (Sponsored Research), utilize unique equipment or facilities (Facilities Use), or procure technical services (Technical Services) at Caltech, appropriate processes must be used.

5. Sponsored Research

a. Company Sponsored- Full Overhead

i. Research Management Plan must be in place:

1. IP is appropriately managed.
2. Faculty/Staff founder is not involved in negotiations.
3. Assurance of Research Integrity.
4. Student/Postdoc disclosures are provided.

ii. Caltech Students, Staff or Faculty working on the project may not be paid by or performing unpaid consulting for the Company at the same time.

b. Reduced Overhead

i. Research Management Plan must be in place:

1. IP is appropriately managed.
2. Faculty/Staff founder is not involved in negotiations.
3. Assurance of Research Integrity.
4. Student/Postdoc disclosures are provided.

ii. Reduced Overhead is justified by the PI and approved by the Provost (Consult with OTTCP).

iii. Caltech Students, Staff or Faculty working on the project may not be paid by or performing unpaid consulting for the Company at the same time.

iv. May only be carried out for 2-year period

c. Company-SBIR or STTR Funding – Full Overhead

i. Research Management Plan must be in place.

1. IP is appropriately managed.
2. Faculty/Staff founder is not involved in negotiations.
3. Assurance of Research Integrity.

4. Student/Postdoc disclosures are provided.
 5. (For NSF, ensure that there are no NSB conflicts; for NIH/PHS COI management plan must be filed).
 - ii. Caltech Students, Staff or Faculty working on the project may not be paid by or performing unpaid consulting for the Company at the same time.
 - iii. Generally, for Phase I projects only; however, can be renewed for additional phases, as appropriate. Must be reviewed by Division Chair before renewal for another Phase.
6. Subawards/Subcontracts
- i. Research Management Plan must be in place:
 1. Clear justification for subaward to Company must be provided. Sponsor must be made aware of COI and of the subaward.
 2. IP is appropriately managed.
 3. Faculty/Staff founder is not involved in negotiations.
 - ii. No Caltech students, staff or faculty may be working for the Company and getting paid during the period of the Subaward/Subcontract.
7. Facilities Use
- i. Research Management Plan must be in place:
 1. MUST be for specialized or unique facilities. Cannot be just for general lab or office space.
 2. Company must have an outside PHYSICAL presence. (i.e. mailing address for Company cannot be Caltech).
 3. IP is appropriately managed.
 4. Faculty/Staff founder is not involved in negotiations.
 5. Assurance of Research Integrity. Facilities use does not impact ongoing research in the lab (assuming facility is the lab).
 6. Student/Postdoc disclosures are provided.
 - ii. Caltech Students, Staff or Faculty supporting the Facilities Use Agreement may not be paid by or performing unpaid consulting for the Company at the same time.
 - iii. Full Overhead (Reduced Overhead may be available, under the same rules as Sponsored Research, Reduced Overhead, above. Consult with OTTCP).
 - iv. May only be carried out for 2-year period, or until the Company is funded and established and has its own specialized facilities.
8. Technical Services
- i. Research Management Plan must be in place:

1. MUST be for services only obtainable at Caltech. Cannot be for services that can be obtained commercially elsewhere.
 2. Company must have an outside PHYSICAL presence. (i.e. mailing address for Company cannot be Caltech)
 3. Caltech developed IP (if any) is appropriately managed.
 4. Faculty/Staff founder is not involved in negotiations.
 5. Student/Postdoc disclosures are provided.
- ii. Caltech Students, Staff or Faculty supporting the Technical Services Agreement may not be paid by or performing unpaid consulting for the Company at the same time.
 - iii. Full Overhead.