

NYU Medical Center Policy on Conflict of Interest

I. SUMMARY

Trustees, faculty, staff and all employees (each a “Responsible Person” for purposes of this policy) of the New York University School of Medicine and the NYU Hospitals Center (together, “the Medical Center”) have a primary obligation to serve the purposes to which the Medical Center is dedicated. As part of this obligation, each Responsible Person has a duty to conduct the affairs of the Medical Center in a manner that promotes the best interests of the organization. When personal interests or activities within or outside of the Medical Center influence or appear to influence a Responsible Person’s ability to promote objectively the best interests of the Medical Center, a conflict of interest exists.

This policy is designed to help all Responsible Persons recognize, disclose and resolve situations in which a personal interest or activity may result in a conflict with their responsibilities to the organization.

This policy provides for two levels of disclosure and review with respect to potential conflict of interest situations. **First**, on a biennial basis for Trustees and Members of Management (as defined herein), and annually for faculty, as provided by University policy, individuals are required to disclose information concerning any a) directorship, trusteeship, partnership or executive position in outside organizations and also b) ownership interests exceeding certain threshold limits in outside partnerships or corporations. **Second**, each Responsible Person is required to provide notification of any specific situation in which the individual is called upon to exercise authority on behalf of the Medical Center with respect to companies, vendors, contracts, etc., in which s/he or Immediate Family (as defined herein) has a Material Financial Interest (as defined herein).

II. APPLICABILITY

This policy is applicable to all Medical Center trustees, officers, medical staff, faculty, full- or part-time employees and volunteers. We refer to anyone in this category as a “Responsible Person.” This policy is intended to supplement, but not replace, other policies and guidelines applicable to certain members of the Medical Center community. Faculty of New York University School of Medicine, for example, are also bound by the conflict of interest policies and *Statement of Policy on Faculty Responsibility to the University* published in the NYU Faculty Handbook. Similarly, the Medical Center’s *Policy for Disclosure of Financial Interests in Research*, and available on the Medical Center’s website at www.med.nyu.edu/spa/policies/nyusom/conflictinterest.html is also applicable to any individual engaged in research at the Medical Center.

III. DEFINED TERMS

A “**Conflict of Interest**” exists for purposes of this policy whenever any business or personal interest or activities within or outside of the Medical Center influence or may appear to influence

A Responsible Person’s ability to promote objectively the best interests of the Medical Center. Examples of situations that may create a Conflict of Interest are described in Section V of this policy.

A “**Contract**” is any agreement or relationship involving the sale, lease or purchase of goods, services, real estate or rights of any kind, the providing or receipt of a loan or grant or the establishment of any other type of pecuniary relationship. An employee’s employment agreement with the Medical Center is not a Contract for purposes of this policy.

“**Immediate Family**” means a Responsible Person’s spouse, children, parents, siblings or equivalents by marriage, or other individuals residing in the Responsible Person’s household.

A “**Material Interest**” exists when a Responsible Person or the Responsible Person’s Immediate Family has i) a financial interest of any kind in an entity and/or ii) is a director, officer or senior executive in the entity, either of which, in view of all the circumstances, is substantial enough that it would, or reasonably could, affect a Responsible Person’s or Immediate Family’s judgment with respect to a Contract to which the entity is a party. A “financial interest” includes all forms of direct and indirect compensation or remuneration as well as ownership of any equity in the entity.

The “**Medical Center Conflict of Interest Committee**” is the institutional body responsible for determining the appropriate disposition of any Conflict of Interest, except for conflicts of interest in research. Conflicts of Interest in research are reviewed and resolved by the Research Conflict of Interest Committee in accordance with the Medical Center’s *Policy for Disclosure of Financial Interests in Research*

A “**Member of Management**” for the purposes of this policy, is any officer, any Chair or Vice-Chair or Administrator of a Department and any employee at the level of Vice-President, Assistant Dean or Director or Manager or above.

IV. POLICY

- A. The Medical Center requires all Responsible Persons to act at all times in the best interests of the Medical Center. To assure this, the Medical Center requires disclosure, evaluation and management of any Conflict of Interest as provided in this policy.
- B. Trustees and Members of Management must complete a general disclosure statement upon appointment and on a biennial basis thereafter. Faculty members must complete annual disclosure statements as required by New York University policy.
- C. In addition to the general disclosure by Trustees and Members of Management, and the annual disclosure by faculty, each Responsible Person must provide notification of any specific situation in which the individual is called upon to exercise authority

on behalf of the Medical Center with respect to companies, vendors, contracts, etc., in which s/he or Immediate Family (as defined herein) has a Material Financial Interest (as defined herein) or any other Conflict of Interest situation to the appropriate administrator as directed in this policy as soon as the Responsible Person becomes aware that a Conflict of Interest situation exists.

- D. For any Conflict of Interest disclosed, the appropriate administrator, or committee, if the Conflict of Interest is one that this policy requires be referred to a committee, will evaluate the Conflict of Interest and determine how the Conflict of Interest can be managed or avoided.
- E. No Responsible Person shall participate in the selection, award or administration of a Contract with any party or entity in which he/she has a Material Interest. **In the case of a Trustee who has a Material Interest with respect to any transaction that comes before the Board of Trustees or a Committee on which such Trustee is a member, the Trustee will recuse himself/herself from participation in the discussion and vote on the transaction.**
- F. **As a matter of policy, the Medical Center does not enter into Contracts with its trustees or officers or with any firm or entity in which one of its trustees or officers or Immediate Family has a Material Interest.** An exception to this policy may be made only under extraordinary circumstances by the Board of Trustees as provided in Section VII.E.

V. CONFLICT OF INTEREST SITUATIONS

The following list of situations is not intended to be all-inclusive. Rather, it is provided as examples of situations that would give rise to a Conflict of Interest and which would require disclosure, evaluation and management in accordance with this policy. In case of uncertainty as to whether or not a conflict of interest exists, each Responsible Person should make disclosure of any potential conflict of interest as provided in this Policy.

- A. A Responsible Person or Immediate Family has a Material Interest in an entity that proposes to enter into a Contract with the Medical Center.
- B. A Responsible Person, or an entity in which a Responsible Person or Immediate Family has a Material Interest, competes with the Medical Center, or solicits employees of the Medical Center for a competing purpose. (For purposes of this policy, a member of the Medical Staff who provides professional services not otherwise prohibited by his/her employment contract or other Medical Center policies is not in competition with the Medical Center.)
- C. A Responsible Person with authority for making or recommending purchases of goods or services on behalf of the Medical Center recommends a vendor in which the Responsible Person or Immediate Family has a Material Interest.
- D. A Responsible person with authority for selecting or recommending contractors on behalf of the Medical Center recommends a contractor in which the Responsible Person or Immediate Family has a Material Interest.

- E. A Responsible Person solicits or accepts a gift, favor or anything of monetary value from an entity, contractor or vendor, or other persons with whom the Medical Center has a business relationship, including patients, volunteers and co-workers, except as permitted by the Medical Center's *Policy on Acceptance of Gifts by Employees and Staff*.
- F. A Responsible Person proposes that the Medical Center hire or contract with the Responsible Person's Immediate Family for a position or activity that is within the supervision or control of the Responsible Person.
- G. A Responsible Person discloses or uses non-public information obtained in the course of discharging his/her duties and responsibilities at the Medical Center to his/her personal advantage.

VI. PROCEDURE FOR DISCLOSURE

A. BIENNIAL AND ANNUAL DISCLOSURE

1. Trustees and Members of Management—Biennial Disclosure

a) Every two years, the Office of Audit and Compliance will send a *General Disclosure Statement* to all Trustees and Members of Management. The *General Disclosure Statement* (Appendix A) requires identification of the following interests: 1) director, officer or executive position or partnership in an entity; 2) ownership or control of more than 5% of an entity.

b) Recipients of the *General Disclosure Statement* must complete and sign the form and return it to the Office of Audit and Compliance within thirty days.

2. Faculty—Annual Disclosure

a) Once each year, as required by New York University policy, the Dean's Office will send an *Annual Disclosure Statement* (Appendix B) to all faculty. The *Annual Disclosure Statement* requires a disclosure of any interests that the faculty may have personally or in an entity that may be involved in a Contract with the Medical Center.

b) Recipients of the *Annual Disclosure Statement* must complete and sign the form and return it to the Dean's Office within thirty days.

B. SPECIFIC TRANSACTION DISCLOSURE

- 1. At any time that a Conflict of Interest situation arises, each Responsible Person is required to submit a Conflict of Interest Notification.

a) Trustees and Members of Management will disclose Conflict of Interest situations to the Office of Audit and Compliance.

b) All others will disclose Conflict of Interest situations to their immediate supervisors. If the supervisor determines that the individual's interest may be a Conflict of Interest, the supervisor will direct that disclosure be made by the Responsible Person to the Office of Audit and Compliance.

All individuals will submit their disclosures on *Conflict of Interest Notification* forms, available from the Office of Audit and Compliance.

VII. PROCEDURE FOR EVALUATION AND MANAGEMENT OF CONFLICTS OF INTEREST

A. The **Office of Audit and Compliance** is responsible for reviewing each *General Disclosure Statement* received from Trustees and Members of Management and each *Conflict of Interest Notification* received from or on behalf of any Responsible Person and for tracking the resolution of each identified conflict.

The **Dean's Office** is responsible for reviewing each Annual Disclosure Statement received from faculty (except faculty who are Members of Management). In cases where the Dean's Office believes that a Conflict of Interest exists, the Dean's Office will forward the associated disclosure statement to the Office of Audit and Compliance for evaluation in accordance with this policy.

In cases where the Office of Audit and Compliance believes that a Conflict of Interest exists, the Office of Audit and Compliance will submit the associated disclosure statement, in the case of a Trustee disclosure, to the Audit and Compliance Committee of the Board, and in the case of any other Responsible Person, to the Medical Center Conflict of Interest Committee. In the case of a disclosure by a faculty member, the Office of Audit and Compliance will notify the referring Dean of such submission.

During its review of disclosure documents, the Medical Center Conflict of Interest Committee may require additional information from and/or an interview with the Responsible Person. The Responsible Person is required to comply with such requests.

B. The Medical Center Conflict of Interest Committee may confer with the Office of Legal Counsel, as it deems necessary or appropriate, for guidance in the identification and management of conflicts.

C. Once the Medical Center Conflict of Interest Committee has decided the appropriate action for the management, reduction, or elimination of the Responsible Person's (and/or Immediate Family's) conflict of interest, it will notify the individual of the disposition of the conflict in writing. Copies of the notification will be forwarded to and maintained in the Office of Audit and Compliance and sent to the person's

immediate supervisor, the Dean, Chairperson of the Compliance and Audit Committee (for Trustees and Officers) and/or other individuals as the facts and circumstances warrant.

- D. As necessary, conflict of interest resolution plans will be developed, monitored and enforced as directed by the Medical Center Conflict of Interest Committee.
- E. **Approval for the Medical Center to enter into a Contract with one of its trustees or officers or with any firm or entity in which one of its trustees or officers or Immediate Family has a Material Interest may be given only under extraordinary circumstances as determined by the Board of Trustees.** Such approval must be given by adoption of resolution at a meeting of the Board of Trustees at which i) the material facts as to such interest are disclosed to the Board of Trustees; and ii) the interested trustee or officer is not present for the discussion or vote on the Contract; and iii) the Board finds there are extraordinary circumstances which merit an exception to this policy; and iv) the Board approves the terms of the Contract and a plan for management of the potential conflict of interest with respect to the Contract.
- F. Periodically, but at least annually, the Vice President for Audit and Compliance will provide the Audit and Compliance Committee of the Board of Trustees with a report on the Medical Center's execution of the Conflict of Interest disclosure process and, if necessary, the nature of any issues which may require Trustee intervention.

VIII. SANCTIONS

Violation of this Policy by a Responsible Person is grounds for disciplinary action, up to and including termination of employment or association with the Medical Center, in accordance with the disciplinary procedures applicable to the respective Responsible Person.

NYU MEDICAL CENTER

CONFLICT OF INTEREST GENERAL DISCLOSURE STATEMENT

I, _____ hereby acknowledge that I have been provided a copy of the *NYU Medical Center Policy on Conflict of Interest* and I have read, understand and will comply with the requirements of this policy. I affirm that, to the best of my knowledge and belief, I am involved in no activity and have no outside interest that conflicts or suggests a possible conflict my with responsibilities to the NYU Medical Center except, pursuant to the Policy, as described below:

*Instructions: In the space below, please disclose the names of all organizations in which you or members of your immediate family may have a leadership (director, officer or executive position) or an ownership interest. In each case, specify the nature of the interest and, as necessary, the relationship to you of the individual, organization or entity having the interest. Attach additional sheets as necessary.**

I. Leadership Interests – I, or a member of my immediate family serve(s) as a director, officer or in an executive position of the following organizations:

II. Ownership Interests – I, or a member or my immediate family have (has) a partnership or other ownership interest of more than 5% in the following organizations:

III. Other Interests or Relationships – I, or a member of my immediate family have (has) a relationship with another organization that may result in a conflict of interest, as follows: (Examples include consulting, royalty, marketing or other arrangements with current or potential Medical Center vendors.)

Please sign and date:

Signature

Date

APPENDIX A

* Please submit original by mail to Thomas M. Feuerstein, Vice President, Audit & Compliance, 3 Park Avenue – 15th Floor, New York, NY 10016-5902 or by Fax to (212) 404-4095

