

## **The Population Council's Conflicts of Interest Policy**

It is the policy of the Population Council, Inc. that its staff members conduct the affairs of the Council in accordance with the highest legal, ethical, and moral standards. This policy statement is not intended to call into question the loyalty, fidelity of service, and respect for the Council that its staff members demonstrate. Rather, it is designed to reinforce a standard of conduct that avoids both actual conflict of interest and the appearance of conflict of interest; reflects credit in the eyes of the public on the Council and its staff members; and protects the reputation, financial well-being, and legal obligations of the Council.

This policy statement does not intend to interfere with the personal interests or activities of staff members; it is meant to protect Council staff members from being placed in compromising positions by providing guidelines as to what constitutes a conflict of interest and by stating the available remedies and recourse.

The Council publishes these guidelines mindful of the fact that the good judgment of each staff member is essential and that no list of rules or guidelines can provide direction for every circumstance that may arise.

This policy applies to all staff members, namely exempt, nonexempt, full-time, and part-time employees of the Council; persons seconded to the Council; fellows; and consulting associates and scientists. This policy also applies to contractors in some cases. (For related information on the application of this policy to contractors, refer to section on [Additional Guidelines Applicable to Staff Members and Third Parties Engaged in Council Research](#).) This policy will be distributed to staff members every other year. Each staff member will be required to return an acknowledgement confirming his/her receipt, review, and agreement to comply with the terms of this policy.

The policy is divided into the following sections:

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## **I. DEFINITION OF CONFLICT OF INTEREST**

A conflict of interest exists when a staff member uses his or her Council position or confidential information<sup>1</sup> obtained during the performance of his or her Council duties for personal benefit or for the benefit of his or her immediate family members (spouse or life partner, children, spouses or life partners of children, parents, grandparents, grandchildren, siblings, and spouses or life partners of siblings).

A conflict of interest also exists where the performance of an outside activity<sup>2</sup> does or may reasonably be expected to (1) compete with, contravene, or diminish the interests of the Council; or (2) interfere with the staff member's performance of his or her Council duties.

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<sup>1</sup> Confidential information is information not generally known about the Council's technical, research, and business affairs, including but not limited to contracts; processes; products; plans; patentable or unpatentable inventions; discoveries, improvements, or ideas that relate in any way to the work of the Council, its accounting, or its financing; activities of Council grantees; and information that is disclosed to the Council pursuant to a secrecy agreement between the Council and a person or entity with which the Council conducts or plans to conduct business, whether or not such information has been reduced to documentary form.

<sup>2</sup> An outside activity is any activity undertaken by a staff member with another entity or person who is not a member of the Council's staff, including participating in professional organizations (e.g., the Population Association of America, American Public Health Association, American Medical Association, Society for the Study of Reproduction, and the like), pro bono activities, or any remunerative activities including employment by another employer, when these activities are outside the scope of the staff member's Council duties. See section on Participation in Outside Activities.

A financial conflict of interest in research exists when a significant financial interest could directly and significantly affect the design, conduct, or reporting of research conducted by a staff member on behalf of the Council.

## **II. COMPONENTS OF THE POLICY**

### **A. Financial Conflicts of Interest**

A staff member shall not make a decision on behalf of the Council when the decision involves determining: (1) whether the Council should do business with an individual with whom the staff member does not have an arm's-length relationship;<sup>3</sup> (2) whether the Council should do business with an entity<sup>4</sup> in which the staff member alone or with his or her immediate family members has an ownership interest of more than 35 percent<sup>5</sup>; or (3) whether the Council should do business with an entity from which the staff member or his or her immediate family members receive or will receive compensation.<sup>6</sup> (For related information on compensation in the form of gifts, refer to section on [Gifts](#).)

Exceptions to the aforementioned stipulations may be made in rare circumstances (such as where the individual or entity is the sole provider of a product or service) and then only after full advance written disclosure to the director or officer<sup>7</sup> in charge of the program, division or office in which the staff member is employed and after the director or officer's approval of the proposed transaction or arrangement, and under the conditions the director or officer may specify.

To avoid the appearance of a conflict of interest, any staff member who is aware that the Council does or plans to do business with an entity in which the staff member or his or her immediate

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<sup>3</sup> An arm's-length relationship is one in which the parties are unrelated and have independent interests.

<sup>4</sup> An entity is a public or nonpublic corporation, partnership, trust, and so forth.

<sup>5</sup> Ownership interests include, for example, stocks, stock options, or other ownership rights. The threshold of 35 percent is required by the Internal Revenue Service's Intermediate Sanctions Rules.

<sup>6</sup> Compensation includes, for example, salary, gifts, and favors.

<sup>7</sup> An officer is defined as a person elected by the board of trustees of the Council pursuant to the by-laws of the Council to hold positions that include: chairperson and vice chairperson of the board, president, vice president, secretary, or treasurer. The president, vice presidents, secretary, and treasurer hold staff positions, but the chairperson and vice chairperson of the board are not members of Council staff.

family members have an economic interest<sup>8</sup> of any size shall disclose this information to his or her supervisor.<sup>9</sup> Written notice of the disclosure shall be forwarded by the supervisor to the director or officer in charge of the program, division, program or office in which the staff member is employed. The director or officer shall determine whether the information disclosed to him or her warrants action.

Officers must make disclosure of their own actual and potential financial conflicts of interest in accordance with this policy and the **Board of Trustees, Members of Committees of the Corporation, Officers and Directors Conflicts of Interest Policy**.

## **B. Participation in Outside Activities That Are Within the Scope of Council Duties**

*Short-term participation.* A staff member may participate in a short-term (less than one week) pro bono activity<sup>10</sup> or a short-term remunerative activity<sup>11</sup> that is within the scope<sup>12</sup> of his or her Council duties provided that the staff member's supervisor has been informed about the activity before it is undertaken. The staff member may accept reimbursement from the entity or person who engaged his or her participation in the activity for travel and other expenses that are related to the staff member's participation. A staff member who participates in short-term remunerative activities that are within the scope of his or her Council duties is permitted to retain limited honoraria from all activities up to a total of US\$5,000 for the calendar year. Any amount in excess of US\$5,000 net after expenses must be turned over to the Council.

*Long-term participation.* A staff member may participate in a long-term (one week or more) pro bono activity or a long-term remunerative activity that is within the scope of his or her Council duties provided that: (1) the staff member's supervisor and the officer or director in charge of the program, division or office in which the staff member is employed approve the staff member's participation in the activity before the staff member begins the activity; and (2) an agreement between the Council and the entity or person that wishes to engage the staff member's

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<sup>8</sup> An economic interest exists when a staff member or his or her immediate family members have an ownership interest in an entity, or the staff member or his or her immediate family members receive compensation from an entity.

<sup>9</sup> For the purposes of this policy a supervisor is defined as the person to whom a staff member reports directly.

<sup>10</sup> A pro bono activity is one from which no financial or other tangible benefit is received, including providing unpaid consulting services, such as serving as a technical or professional advisor or practitioner.

<sup>11</sup> A remunerative activity is one from which financial or other benefit is received, including serving as a paid consultant, lecturer, paper writer, or member of an advisory committee or a peer review panel.

<sup>12</sup> An activity is considered to be within the scope of Council duties if a staff member is required to perform it pursuant to the terms of his or her written job description or it is reasonably interpreted to be attendant to his or her job description.

participation has been fully executed by the parties before the activity is undertaken. The agreement shall be signed by the secretary of the Council with the concurrence of the staff member's supervisor and the officer or director in charge of the program, division or office in which the staff member is employed. The agreement between the Council and the entity or person who wishes to engage the staff member's participation shall cover, among other things, the scope and duration of the staff member's participation in the activity and the related financial arrangements.

A staff member who participates in a long-term remunerative activity that is within the scope of his or her Council duties will receive his or her usual compensation from the Council and will not be permitted to retain any honorarium or other payment. All payments made in connection with the staff member's participation will go to the Council.

*Participation on an advisory board or governing body.* A staff member shall not serve on the advisory board, governing body, or other decisionmaking body of an organization that receives funds from, has a contract with, or engages in activities that are similar to those of the Council without the prior written consent of the officer or director in charge of the program, division or office, who will inform the president. Director and officers reporting to the president will obtain the president's written approval. The president's participation on such a governing body or advisory board must be approved by the chairperson of the board of trustees. If a staff member receives approval and undertakes such service, he or she shall not make a decision on behalf of the Council for the Council to do business with that organization.

### **C. Participation in Outside Activities That Are Outside the Scope of Council Duties**

A staff member has the right to participate in outside activities that are outside the scope<sup>13</sup> of his or her Council duties, and that do not involve use of the Council's resources, and that do not occur during the staff member's Council work schedule. Activities that involve use of the Council's resources or that are carried out during the staff member's work schedule require the prior written consent of the staff member's supervisor. Permission will be given only if the activity does not involve the use or disclosure of confidential information, does not interfere with the performance of the staff member's Council duties, and is not deemed to be contrary to the

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<sup>13</sup> An activity is considered to be outside the scope of Council duties if it is unrelated to a staff member's written job description

interests of the Council for any other reason. In such activity, the staff member should not appear to represent the Council in any way. (See also the section on [Use of Council Resources](#).)

#### **D. Participation in Political Activities and Governmental Actions**

The Council does not participate in political campaigns on behalf of candidates for public office or undertake activities, such as lobbying, that are aimed at influencing legislation in the United States or abroad. Such activities, if engaged in by the Council, could result in the loss of the Council's tax-exempt status as well as the imposition of various penalties under state and federal laws. However, Council staff members are encouraged to respond positively to requests from U.S. and non-U.S. governmental agencies to provide testimony concerning Council research. Such testimony should not espouse or exert pressure toward particular legislative or partisan outcomes, should be based on scientific evidence, and should be cleared by the staff member's supervisor, public information, and the officer or director in charge of the program, division or office in which the staff member is employed.

The Council acknowledges that each staff member has the right as a private citizen to actively support candidates for public office, communicate with his or her elected representatives, and engage in other partisan political activities. However, such activities must not be done on Council time; involve the use of Council facilities, goods, equipment, or other resources; or appear to represent the Council in any way or exploit the staff member's connection to the Council. (See also the section on [Use of Council Resources](#).)

Staff members are strictly prohibited from making, facilitating, or encouraging any payment of funds to an official of any government or organization to ensure prompt or favorable action on matters of concern to the Council.

#### **E. Use of Council Resources**

Use of the Council's resources—including its facilities (offices, laboratories), goods (letterhead, logo, laboratory supplies, etc.), and confidential information—for purposes other than Council business is prohibited. Delegating the performance of personal tasks to another Council staff member during working hours is a misuse of Council resources and is also prohibited. However, the Council permits moderate occasional use for personal purposes of certain equipment, such as telephones for local calls, photocopying machines, and computers (including e-mail), on the

conditions that: (1) the use does not interfere with the staff member's or any other staff member's duties or work schedule; (2) the use is not related to political campaigns or activities that attempt to influence legislation; and (3) the Council reserves the right to bill the staff member for significant costs associated with his or her use of the equipment or supplies. Under no circumstances should the Council's letterhead or logo be used for non-Council business or political activities, and under no circumstances should Council e-mail be used for political activities. (See also the previous section on [Participation in Political Activities and Governmental Actions](#).)

#### **F. Solicitation on Council Premises**

The Council prohibits its staff members and other persons from engaging in solicitation activities on Council premises, including solicitation for political campaigns, posting political campaign materials, distributing promotional literature or gifts, and conducting membership drives. (See also the previous section on [Participation in Political Activities and Governmental Actions](#).) The Council does not allow staff members to make offers to buy or sell anything or to solicit for other staff members on the occasion of illness, family financial problems, death, marriage, birth, and so forth without prior written approval of the director of Human Resources.

#### **G. Gifts**

A staff member may not accept or solicit any gift, gratuity, or anything else of more than nominal value (less than US\$100) other than occasional meals from any current or prospective vendor, supplier, or contractor. The acceptance of social invitations, if they do not place or appear to place the recipient under any obligation, is excepted. Gifts of substantial value that cannot be declined without undue embarrassment must be turned over to the Council for appropriate disposition. (See also the previous section on [Financial Conflicts of Interest](#).)

### **III. PROCEDURES FOR DISCLOSURE AND REVIEW**

The Council recognizes that the exercise of judgment is required to determine the applicability of its conflicts of interest policy to any given situation. Primary responsibility for appropriate conduct within the letter and spirit of this policy must rest with each individual. Therefore, a staff

member who may be involved in a conflict of interest situation or who has any question about the application of this policy to his or her actual or planned activities has the responsibility to report the situation according to the guidelines given above or following the procedure outlined below.

On initial employment or during employment, if a staff member believes that he or she is or is about to be engaged in any activity (including those described in section II above) that may constitute a conflict of interest, the staff member must provide a [Conflict of Interest Disclosure form](#) to his or her supervisor. A copy of the disclosure form shall be forwarded by the supervisor to the director or officer in charge of the program, division, program or office in which the staff member is employed. A copy of the disclosure notice shall be forwarded by the director or officer to the president if warranted by the situation. Officers must make disclosures in accordance with this policy and the Board of Trustees, Members of Committees of the Corporation, Officers and Directors Conflicts of Interest Policy.

The supervisor shall consider all factors relevant to the situation, consult with any appropriate parties, and, to the extent feasible, within five business days advise the staff member in writing whether or not the activity may be undertaken and the basis for his or her determination. The supervisor shall forward a copy of the determination to the director or officer in charge of the program, division, program or office in which the staff member is employed. The director or officer shall forward a copy of his or her determination to Human Resources and, if warranted, the president. Human Resources will include all written documentation generated under this policy in the appropriate personnel file(s).



#### **IV. ADDITIONAL GUIDELINES APPLICABLE TO STAFF MEMBERS AND THIRD PARTIES ENGAGED IN COUNCIL RESEARCH**

##### **A. Disclosure Requirement**

In addition to the disclosure requirements stated above, each staff member who is engaged in research,<sup>14</sup> must disclose to the Council a list of his or her known significant financial interests<sup>15</sup> and those of his or her spouse or life partner and dependent children that: (1) would reasonably appear to be affected by the research; and (2) are held in entities whose financial interests would reasonably appear to be affected by the research. This disclosure is required by the U.S. National Science Foundation (NSF) and the U.S. Public Health Service (PHS) for research that they sponsor, and like many other organizations, the Council chooses to apply this requirement to all research no matter the source of funding.

The staff member must disclose all relevant significant financial interests by completing an annual [financial disclosure form](#)<sup>16</sup> and submitting it to Human Resources no later than 31 January each year. Additional disclosure forms must be completed by the staff member as he or she becomes aware of reportable significant financial interests.

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<sup>14</sup> A staff member who is engaged in research is one who participates in the design, conduct, or reporting of research in accordance with his or her Council duties. Each staff member who is engaged in research that is funded in whole or in part by the U.S. National Science Foundation or a component of the U.S. Public Health Service is required to review the rules issued by NSF and PHS regarding financial conflicts of interest and research objectivity. Complete copies of the rules issued by NSF and PHS can be found on the Council's internal Web site. The components of PHS are the Agency for Healthcare Research and Quality, Agency for Toxic Substances and Disease Registry, Centers for Disease Control and Prevention, Food and Drug Administration, Health Resources and Services Administration, Indian Health Service, National Institutes of Health, and Substance Abuse and Mental Health Services Administration.

<sup>15</sup> A significant financial interest is anything of monetary value, including, but not limited to, salary or other payments for services (e.g., consulting fees, fees for service as a director, gifts, favors, honoraria); equity interest (e.g., stock, stock options, or other ownership interests); and intellectual property rights (e.g., patents, copyrights, and royalties from such rights). This term excludes: (1) salary from the Council; (2) an equity interest that, when aggregated for the staff member and his or her spouse or life partner and dependent children, meets both the following tests: does not exceed US\$10,000 in value as determined through reference to public prices or other reasonable measures of fair market value and does not represent more than one percent ownership in any single entity; or (3) salary, royalties, or other payments that, when aggregated for the staff member and his or her spouse or life partner and dependent children over the next 12 months, are not expected to exceed US\$10,000. This definition is based on the standards established by NSF and PHS.

<sup>16</sup> This disclosure form can be obtained from Human Resources and can also be downloaded from the Council's internal Web site.

## **B. Procedure for Review During Research Approval Process**

Each research proposal and each protocol must be submitted to the officer in charge of the program, in which the proposed research originated or his or her designee for his or her review and determination whether to approve or not to approve the proposal or protocol.<sup>17</sup>

In the course of his or her review, the officer or the officer's or designee shall determine whether a special review is warranted to determine if the conduct of the proposed research by any of the Council staff members who have been identified as potential participants in the research will create a financial conflict of interest in research (FCIR). If such a review is warranted, the officer or designee shall review pertinent information, including the financial disclosure forms that have been completed by the relevant staff members and submitted to Human Resources. The officer or designee may also meet with any such staff members. If after such review the officer or designee determines that an FCIR does not exist<sup>18</sup>, the officer's designee shall then determine whether or not to approve the proposal or the protocol and notify the staff member who submitted it of his or her decision in writing.<sup>19</sup>

If the officer or designee determines that a potential FCIR does exist, the officer shall either: (1) establish measures to manage, reduce, or eliminate the potential conflict of interest situation and approve the proposal or protocol on the condition that such measures will be implemented during the conduct of the research; or (2) not approve the proposal or protocol. The officer shall notify in writing the staff member who submitted the proposal or protocol, the president, and the officer in charge of Grants and Contracts of his or her decision.

In all cases in which a protocol that concerns humans as research subjects has been approved by an officer after his or her review of a related potential FCIR, a copy of the approval, including any measures established by the officer to manage, reduce, or eliminate the potential FCIR, shall be submitted with the protocol to the Council's Institutional Review Board (IRB)<sup>20</sup>.

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<sup>17</sup> The proposal or protocol must identify the staff members who are expected to participate in the conduct of the research.

<sup>18</sup> The director must document the basis for his or her determination that a FCIR does not exist. The officer shall retain this documentation in his or her files.

<sup>19</sup> Written disclosure notices may be sent by the Officer or designee via e-mail.

<sup>20</sup> Federal and state laws require the appointment of an Institutional Review Board, which has the legal authority to review and determine whether research that involves humans as subjects is conducted in accordance with applicable standards for the protection of subjects.

The IRB shall review all of the pertinent information and make a final determination to approve or not to approve the protocol. The IRB shall notify the officer or designee and the staff member who submitted the protocol of its decision in writing.

In all cases in which an approved proposal or protocol is part of an application for NSF or PHS funding, the staff member who submitted the proposal or protocol shall submit a copy of the officer(s) or designee's and the IRB's approval along with the application for NSF or PHS funding to Grants and Contracts for its review before the application is sent to NSF or a component of PHS.

A copy of all disclosure notices and other written correspondence prepared pursuant to this paragraph shall be forwarded to Human Resources for inclusion in the appropriate personnel file(s).

#### **C. Procedure for Review During the Conduct of Research**

If a staff member who was not identified as a potential participant in a research project during the research approval process plans to become engaged in an ongoing project, or if, during a staff member's participation in research, the staff member becomes aware of his or her own reportable significant financial interest, the staff member must: (1) take prompt action to ensure that the financial disclosure information on file with Human Resources is up-to-date; and (2) request that Human Resources forward copies of all of the staff member's financial disclosure forms to the officer in charge of the program in which the research originated, accompanied by the staff member's written request that the officer review the relevant research to determine whether an actual or potential FCIR exists. The officer shall review the matter and issue a written report on his or her findings and recommendations to the staff member. If the officer determines that an actual or potential FCIR exists, a copy of the report shall also be sent to the IRB and the president.

#### **D. Measures to Manage, Reduce, or Eliminate an Actual or Potential Financial Conflict of Interest in Research**

The officer in charge of the program, in which an approved research proposal or protocol originated is responsible for the implementation of the measures to eliminate, reduce, or manage any actual or potential FCIR situation. Measures must be implemented within 60 days after the

determination is made that an actual FCIR exists. The officer shall keep the president regularly informed of the matter.

Among the possible measures that may be implemented to manage, reduce, or eliminate an actual or potential conflict of interest are:

1. modification of the research plan;
2. monitoring of the research plan by independent reviewers;
3. public disclosure of the significant financial interest;
4. disqualification of a staff member from participation in all or a portion of the research;
5. divestiture of the significant financial interest; or
6. severance of the relationships that create actual or potential conflicts of interest.

#### **E. Reporting Requirement**

If an FCIR exists in connection with Council research that is funded by a component of PHS, the president or the president's designee shall report the existence of the conflict of interest to the funding component of PHS and shall state whether measures have been implemented to effectively manage, reduce, or eliminate the conflict of interest. If the research is funded by NSF, the president or the president's designee shall report the FCIR to NSF if the relevant officer determines that the Council is unable to satisfactorily manage the conflict of interest.

If an FCIR exists in connection with Council research that is funded by an entity or person other than NSF or a component of PHS, the president or the president's designee shall report the existence of the conflict of interest in accordance with the requirements of the relevant funder.

If the president determines at any time that a Council staff member's failure to comply with the requirements stated in this policy has resulted in the biased design, conduct, or reporting of Council research, the president or the president's designee shall document the bases for his or her determination and any corrective action that should be taken by the Council. In cases in which the research was funded by NSF or a component of PHS, the president or the president's designee shall promptly report the matter, including any corrective action that has been taken by the Council, to NSF or the component of PHS. In cases in which the research was funded by an entity or person other than NSF or a component of PHS, the president or the president's designee shall report the matter in accordance with the requirements of the relevant funder.

**F. Application of NSF and PHS Rules to Third Parties**

If Council research is conducted by third parties such as subawardees or contractors, the Council will require that each of these parties agree to terms in the subaward or contract that mandate compliance with the financial conflicts of interest and research objectivity rules issued by NSF and PHS. The subaward or contract will also provide that the Council may require that each of these parties provide information concerning its compliance with such rules.

**V. RECORD KEEPING**

All records concerning conflicts of interest arising under this policy shall be maintained by the Human Resources office. Grants and Contracts shall also maintain relevant files. Written records concerning all financial conflicts of interest in research shall be maintained for at least three years after the termination of the research to which they relate.

**VI. FAILURE TO COMPLY WITH CONFLICTS OF INTEREST POLICY**

Any member of the Population Council staff who fails to comply with the requirements stated in this policy will be subject to disciplinary action up to and including suspension or termination of employment. Voluntary and timely disclosure of ongoing conflict of interest situations that preceded the implementation of this policy will be taken into account as a basis for mitigating the severity of the disciplinary action imposed.

**VII. QUESTIONS**

Questions regarding this policy should be directed to the General Counsel.

**VIII. EFFECTIVE DATE**

This policy became effective on 6 June 2003 when approved by the president, revised July 1, 2008; October 14, 2010; and June 16, 2011. This policy supersedes any and all prior statements of the Council's policy on this matter. This policy may be amended from time to time by the president as he or she deems necessary and as required by law.