# Kean University
# Supplemental Ethics Code

## A. PURPOSE

Pursuant to N.J.S.A. 52:13D-23, the State Ethics Commission (SEC) has promulgated the Uniform Ethics Code, which is the primary code of ethics for Kean University (KEAN). However, because KEAN is a public institution of higher education, there are special circumstances that are unique to its mission and regulations that are related to faculty and staff involvement with commercial enterprises. This Supplemental Ethics Code applies to all employees of KEAN, focusing on those who seek to develop commercial enterprises. In addition, it augments the Uniform Ethics Code in addressing particular needs and issues that are unique to KEAN.

## B. REFERENCES

New Jersey Conflicts of Interest Law: http://nj.gov/ethics/statutes/conflicts

Uniform Ethics Code: https://www.nj.gov/ethics/docs/ethics/2022_uniformcode_april.pdf

Plain Language Guide: https://www.nj.gov/ethics/docs/ethics/plainlanguage2021.pdf

KEAN Ethics Website: http://www.kean.edu/offices/ethics-office

## C. FACULTY OR STAFF INVOLVEMENT WITH COMMERCIAL ENTERPRISE-CONTRACTS WITH THE UNIVERSITY

### 1. Introduction

KEAN recognizes that the potential to develop commercial enterprises to market university research-based technology has increased, and further recognizes that such involvement can be, and has been, of significant benefit to KEAN, the KEAN employee, the commercial entity, the general public, and the economy of the State of New Jersey. Involvement of a KEAN employee with a commercial enterprise may create the possibility for conflicts of interest, interference with the KEAN employee's primary allegiance to KEAN and its mission, or inhibition of free exchange of information. While KEAN encourages this type of involvement, KEAN's integrity and its primary goals of education and open inquiry must be maintained.

There are times when a KEAN employee's involvement with commercial enterprise may exceed the usual relationship developed as part of normal duties, in professional affiliations, or in a consulting role, and thus may not be covered by other provisions of the Uniform Ethics Code, KEAN's intellectual property policies, or other KEAN regulations or policies. The Supplemental Ethics Code prescribes a disclosure and approval process for KEAN employees' involvement with commercial enterprises for the purpose of commercializing intellectual property developed by the faculty member and owned by KEAN, wherein the employee or a member of the employee's family holds a financial interest of greater than 1% in any organization, firm, corporation or partnership that wishes to enter into a contract or agreement with KEAN. The Supplemental Ethics Code recognizes the need for flexibility and the difficulty of anticipating all

situations that may arise by leaving discretion to KEAN to interpret the policy and weigh the potential benefits.

2. Approval Procedure

In order for KEAN to have an opportunity to evaluate carefully the benefits and burdens of an employee's equity interest in an enterprise that commercializes intellectual property invented by the employee and owned by KEAN, and seeks to enter into a contractual affiliation (which may consist of one or more agreements) with KEAN, the employee must request prior approval in writing when the employee or a family member, business partner or associate owns substantial equity (greater than 1%) in the commercial enterprise that proposes to carry on business activities with KEAN.

Prior to entering into a contractual affiliation, an application must be filed with the Office of Technology Development, with a copy to the Ethics Liaison Officer. In addition, approvals must be obtained from the Departmental Head (in the case of administrative employees) or the Dean (for all faculty). All requests for approval of such contractual affiliation must disclose fully the following aspects of the affiliation:

a. Nature of the relationship between the employee and the commercial enterprise;

b. Short and long-term commitment of time and effort;

c. Financial aspects, including the extent of compensation, equity, direct or indirect benefits, and/or potential economic value;

d. Expected benefit to the commercial enterprise;

e. Expected benefits to the employee, to KEAN, to the public, and to the State of New Jersey; and

f. The names of all other individuals who have an equity interest in the commercial enterprise.

Consideration will be given to the following criteria when evaluating such requests:

a. There should be prospective benefits to the KEAN employee and KEAN;

b. The relationship should not interfere with the employee's primary obligation to his or her university position, nor should it undermine the academic integrity of KEAN;

c. There must be no foreseeable inappropriate reorientation of an academic or research program or student direction. Special attention must be given to protecting the intellectual property of students and in protecting students from performing work under any such contract or agreement that is out of proportion to the benefits received by the students for their performance of the work;

d. In general, there should be free access to the results of all research conducted at KEAN, subject to restrictions related to protection of intellectual property, proprietary and classified information, as well as restrictions based on compliance with current contractual commitments.

After the Department Head or Dean (as applicable) reviews the disclosure, he or she shall forward the disclosure materials and his or her written recommendations to the Executive Committee on Technology Development (ECTD) for their review and approval. The Ethics Liaison Officer shall advise the Committee with respect to any issues raised in the application regarding compliance with the Conflicts of Interest law, regulations, Executive Orders, Uniform Ethics Code, or Supplemental Code of Ethics. The Committee shall ordinarily render a decision within thirty (30) days of receipt of the request for approval of the proposed contractual affiliation. The decision of the ECTD shall be final and binding, and shall be forwarded to the Ethics Liaison Officer. The approval granted may be rescinded by the ECTD, with notice to the employee and opportunity to be heard, if there is a material change in the underlying criteria upon which the approval was granted.

KEAN employees on leave without pay, or on sabbatical leave, or faculty members during the summer months continue to represent KEAN in the eyes of the public. The provisions of the Conflict of Interest law, the Uniform Ethics Code, the Kean Supplemental Ethics Code or other KEAN regulations and policies are applicable during these periods. During these times, therefore, employees are required to request approval for any contractual affiliation covered by this Supplemental Ethics Code.

A member of the ECTD jointly with General Counsel and/or the Executive Director of the Board of Trustees shall periodically report to the KEAN Board of Trustees all contractual affiliations approved under the above procedures.

3. Applicability to Senior Administrators and Research Administrators

The foregoing provisions for approval of employee involvement with a commercial enterprise shall not apply to KEAN administrators whose employment responsibilities include or encompass research administration. No KEAN administrator, including the President, Provost, Vice Presidents or Deans, General Counsel, or any employee of the Office of Research and Development, or any other member of the ECTD shall hold substantial equity (greater than 1%) in a commercial enterprise that commercializes intellectual property owned by KEAN and that has a contractual affiliation with KEAN.

4. Annual Review

Each employee who has received approval for any arrangement under this section of the Supplemental Ethics Code must annually submit a summary of activities undertaken to his/her Department Head, or Dean.

Formally approved by the State Ethics Commission on January 20, 2015.