

February 25, 1998

MEMORANDUM

To: Deans, Chairs, Directors, Principal Investigators

From: Charles E. Phelps
Provost

Re: Industry Funding for Research

The University administers projects funded by industry under a somewhat different set of guidelines than those funded by federal research funding. This difference is due to a separate set of obligations that come with the receipt of industry funding when compared to federal research grants. University policies and procedures make the following distinctions:

- Contingent accounts are seldom set up for projects supported by industry prior to the receipt of a fully executed, written research contract, whereas contingent accounts may be set up for federally funded projects when the University has been notified by the federal agency that an award will be made.
- Intermingling of research studies with distinct, non-affiliated federal and industry sponsorship (and especially with multiple industry sponsors) should be given careful scrutiny. Often the intellectual property rights assigned to future technologies under these research agreements are incompatible, and may place the University in violation of federal laws.
- Use of federal funding for purposes other than specified in an awarded grant (for instance, to support research on behalf of an industry sponsor) may jeopardize the future funding of the entire University from the federal agency.
- Support of research in a faculty member's laboratory by a company in which the faculty member holds a managerial, ownership or significant financial interest will automatically trigger a review by the University's Committee on Conflict of Interest. Such a review will include establishing guidelines to manage any potential conflict of interest or commitment.

Full and prompt disclosure of a project which is contemplated to be supported by industry should be made by the principal investigator. The University proposal sign-off procedure form is the appropriate mechanism for disclosure of the significant administrative and policy considerations, such as potential conflict of interest or commitment, other sources of funding for the project, consulting arrangements, and line management responsibilities or significant financial interest in the industry sponsor of the research.

The University of Rochester enthusiastically supports those researchers who seek research support from industry, either from established companies or young start-ups backed by venture capital. Often these projects fulfill a research and educational mission for the institution that is unmet by federally funded research. By closely monitoring these relationships and the potential conflicts of interest that may arise for our investigators, we can effectively continue to contribute to a body of research which may have a significant impact for science and our society's economic well being.