

## E. Policy on Financial Relationships with Outside Entities

An outside entity is defined in this section as any entity other than Mount Sinai School of Medicine and its affiliated institutions.<sup>1</sup>

A faculty member may enter into an agreement to act as a private individual in a consultative or other financial arrangement with an outside entity, or serve as a member of an advisory board of an outside entity or as an expert witness, and retain all income that derives from such arrangements providing that the following provisions are met<sup>2</sup>:

1. All arrangements involving external activities of any kind with an outside entity must be set forth in a written agreement. The agreement must be submitted to the Department Chairperson, accompanied by a written [Attestation of Compliance](#) [PDF] by the faculty member that he or she has read this institutional policy on financial arrangements with outside entities, and that the proposed arrangement complies with this policy. The written attestation must also disclose any conflict of interest and identify intellectual property provisions in the agreement.
2. The arrangement does not encompass situations in which the faculty member functions directly or indirectly as a practitioner of medicine or as an employee of a third party, including functioning as the principal investigator of a research project or as the director of a research effort of the third party; such arrangements are governed by separate institutional policies. In addition, the arrangement should never involve product or company endorsements.
3. The remuneration must be fair market value for the services actually performed and should be based on a fixed fee methodology.
4. The faculty member must be in compliance with all institutional policies, including those on [conflicts of interest](#), [use of Mount Sinai name](#), and [intellectual property/patents](#) and [speakers bureaus](#).
5. The arrangement may not take precedence over or conflict with any responsibilities or requirements made on the faculty member by the School of Medicine.
6. The aggregate number of days allocated to financial arrangements with outside entities, including expert witness or medicolegal consultant arrangements, may not exceed fifty-two (52) per school year (July 1 - June 30). All continuing financial arrangements, in which the commitment extends beyond one year, must be reviewed annually.
7. With the exception of the use of the library facilities of Mount Sinai School of Medicine and the de minimis use of the individual's own office and personal computer, no facilities or personnel of Mount Sinai School of Medicine may be used in the performance of the outside arrangement.
8. Some affiliates of Mount Sinai School of Medicine may have rules that restrict a faculty member's right to enter into arrangements with outside entities; faculty should check the policy at their particular institution. Faculty must comply with policies at Mount Sinai and the affiliate institution.

9. All arrangements must be approved by the Department Chair, see grid [summarizing review and approval requirements](#) [PDF]. Chairs must obtain direct approval from the Dean before entering into arrangements with outside entities. Chairs are encouraged to seek guidance from Risk Management, Office of the General Counsel or the Compliance Office as appropriate on any outside arrangements for themselves or their faculty.
10. Approval by the Dean is required in addition to approval by the Department Chair for arrangements reviewed by the Office of Technology and Business Development (OTBD) or the Institutional Conflict of Interest Committee under the following circumstances:
  - a. The Office of Technology and Business Development will review:
    - All agreements with commercial entities<sup>3</sup>
    - Any arrangement with non-commercial entities in which the agreement includes intellectual property provisions.

OTBD will identify intellectual property provisions, will negotiate necessary changes to the agreement language, and will recommend or not recommend the arrangement to Dean.

- b. The Institutional Conflict of Interest Committee will review all agreements with identifiable conflicts of interest, and will recommend or not recommend the arrangement to the Dean.
11. Chairs will submit a copy of each signed attestation form for an approved arrangement to the institutional Compliance Office for inclusion in the compliance database.
12. Faculty must update their on-line Annual Report of Outside Relationships each time that a new relationship is approved; payment amounts must be included in the disclosure.
13. All income or compensation in whatever form will be independent of any compensation arrangements that the faculty member has with Mount Sinai School of Medicine. Insofar as a faculty member will act as a private individual in an agreement with an extramural entity, all income that derives from the arrangement must be paid directly to the faculty member.
14. Insofar as a faculty member will act as a private individual in an arrangement with an extramural entity, such agreement is outside the scope of employment as a faculty member of Mount Sinai School of Medicine, and therefore the faculty member will be solely responsible for his/her actions and any litigation that may arise. Mount Sinai School of Medicine will not be liable for any actions of the individual or any litigation that may arise as a result of the consultative arrangement with the extramural agency. The faculty member will so inform the extramural entity.

## Footnotes

1. Commercial entities include but are not limited to: pharmaceutical, biotechnology, office supply, and medical device/supply companies; research supply and equipment companies; medical service providers; billing and collection companies. Non-commercial entities include but are not limited to: academic institutions, professional organizations, non-profit organizations, philanthropic organizations and non-commercial data safety monitoring boards.
2. The provisions of this policy do not pertain to:
  - Participation as a reviewer of scientific proposals or membership on study sections for not-for-profit or governmental extramural entities that sponsor non-profit scientific research. Faculty may retain any fees earned by such activities, and the time devoted to such activities will not reduce the number of days that may be allocated to outside arrangements. Chairs should be informed of participation in these activities, and Chair approval of planned travel relating to these activities is required.
  - Occasional lectures given at other academic institutions, provided that the honorarium and travel costs are paid directly by that institution, there is no conflict of interest and there are no intellectual property issues. Such engagements must be approved in advance by the Chair, although financial disclosure is not required. In addition, Chair approval of planned travel relating to these activities is required.
3. Commercially-sponsored lectures that present no actual or perceived conflict of interest do not require OTBD review.