



POLICY ON BUSINESS CONFLICTS OF INTEREST



MOUNT SINAI
SCHOOL OF
MEDICINE

A Business Conflict of Interest (COI) arises when trustees, employees, faculty and members of the voluntary staff or the institution itself have a relationship with a company or outside organization that does business with Mount Sinai (i.e., provides goods or services to the institution). To ensure that these conflicts do not interfere with or influence Mount Sinai's decisions, it has adopted the following guiding principles for the institution, its trustees, employees, faculty and members of the voluntary staff:

- All trustees, employees, faculty and members of the voluntary staff shall discharge their institutional duties and responsibilities in the best interests of Mount Sinai and its patients and without favor or preference to any outside organizations.
- No trustee, employee, faculty or member of the voluntary staff shall use their institutional positions or confidential information obtained there from for their personal advantage.
- No financial interest, personal activity or relationship shall impair or appear to impair the judgment of trustees, employees, faculty and members of the voluntary staff in the discharge of their institutional duties, including, but not limited to, the purchasing of goods and services and hiring of faculty and staff.

A. Definitions

1. **Mount Sinai Medical Center (“Mount Sinai” or “Medical Center”):** includes The Mount Sinai Medical Center, Inc., Mount Sinai School of Medicine of New York University, The Mount Sinai Hospital, and any subsidiary, corporation or other entity owned or controlled by any of the foregoing.
2. **Business Conflict of Interest (or COI)** – Any activity that violates the standards and principles set forth in this Policy.
3. **Covered Persons** – All trustees, employees, faculty and members of the voluntary staff of the Mount Sinai Medical Center. **For purposes of this policy Covered Persons includes Related Parties.**
4. **Institutional Officials –Institutional Officials** include: Trustees, President, Vice Presidents, Deans, Chairpersons, Division Chiefs, Center Directors, Members of the Institutional Review Board (“IRB”), Members of the Institutional Animal Care and Use Committee (“IACUC”), Members of the Financial Conflict of Interest in Research Committee (“FCOIRC”),

Members of the Institutional Conflicts of Interest Advisory Committee (“ICOIAC”), Members of the Pharmaceutical and Therapeutic Committee, Staffs of the Purchasing Departments, and other faculty and employees as identified from time-to-time by the Audit and Compliance Committee of the Boards of Trustees of the Mount Sinai Medical Center. Since these Institutional Officials are vested with decision-making/purchasing authority for Mount Sinai; they are required to submit annual disclosures. This annual disclosure is used to identify potential Business conflicts and Research conflicts and, therefore, requires these Institutional Officials to specify all Financial Interests from entities that have a business relationship with and/or sponsor research at Mount Sinai.

5. **Related Parties** - includes spouse/domestic partner and dependent children of the Covered Persons.

6. **Financial Interests** - For purposes of Mount Sinai’s Conflicts of Interest policy, *financial interest* [in any amount] includes, but is not limited to: ownership of stock; stock options, or other securities (other than securities in mutual funds or 401K/403B retirement funds that are outside the control of the individual), salary (other than from Mount Sinai), loans (other than from established banking or financial institutions), gifts ¹, royalties, patents, consulting fees, honoraria or other payments from any organization that has a business or financial relationship (including a research sponsorship relationship) with, or is a competitor of Mount Sinai.

Financial Interest does not include an aggregate beneficial interest in less than 5% of a publicly traded company’s shares or reasonable business expenses including travel and meals provided in the regular course of business.

7. **Institutional Conflict of Interest Advisory Committee** – the Institutional Conflicts of Interest Advisory Committee (ICOIAC) is an advisory Committee established to review potential Conflicts of Interest in Business. The Committee reports its recommendations to the President whose decisions are final. In the event the potential Conflict of Interest involves the President or a member of the Boards of Trustees, the Committee will report its recommendations to the Chairman of the Boards of Trustees. The Committee membership includes the Executive Vice President and General Counsel; Executive Vice President and Chief Financial Officer; Vice President and Chief Compliance Officer; Vice President Audit Services; a representative from the Office of Industrial Liaison and other persons chosen by the President. In addition, the Committee should include at least one member of the Boards of Trustees.

¹ A gift is defined as anything of value that is given by a business or individual that does or seeks to do business with Mount Sinai to either the recipient or his/her close family members, and for which the recipient neither paid nor provided services. Gifts from vendors are strictly prohibited regardless of value. More information regarding gifts is available within this policy Section F.3.b. or Institutional policy **INTERACTIONS WITH VENDORS AND OTHER COMMERCIAL ENTITIES**, which may be requested directly from the Mount Sinai Compliance Department via E-mail at compliance.info@mountsinai.org.

B. Who Must Disclose

Mount Sinai mandates disclosure of all Conflicts of Interest by Covered Persons. Covered Persons must also disclose any Conflict of Interest of Related Parties. In addition they are also encouraged to disclose the financial interests of other family members, such as siblings, independent children, parents, etc., when they have knowledge of such Financial Interest. While such disclosure is not mandatory, broader disclosure better protects the Covered Person as well as Mount Sinai.

C. When Disclosure Must Be Made

1. During the Year

All Covered Persons are obligated to monitor their outside activities with regard to entities that do business with Mount Sinai (in the case of Institutional Officials this also includes entities that sponsor research at Mount Sinai). At any time during the year, Covered Persons may have a change in a financial arrangement or the addition of a new potential Conflict of Interest that may have an effect on business (and research in the case of Institutional Officials). It is the responsibility of the individual to report this information to the Chief Compliance Officer (CCO). The CCO will provide the individual with the appropriate documents to report the potential conflict.

2. Annual Reporting

- a) All non-trustee Institutional Officials are required to complete an annual Conflicts of Interest disclosure form disclosing **all** potential Conflicts of Interest for **both business and research**.
- b) Trustees are required to complete a bi-annual Conflicts of Interest disclosure form disclosing **all** Potential Conflicts of Interest for **both business and research**.
- c) The Institutional Officials from the Office of Industrial Liaison and the Development Office and others as required will complete financial disclosure document(s) on all institutional financial relationships as described in section D.3. below.

D. What Must Be Disclosed

1. **Covered Persons other than Institutional Officials** must disclose all Financial Interests.
2. **Institutional Officials** must disclose all the following categories of Conflict of Interests and Financial Interests (on both an annual basis and during the year):

- a) Financial Interests (both from entities that do business with or support research at Mount Sinai).
 - b) Any positions as a Trustee, Director, Officer or Scientific Advisor of another entity that does business with or supports research at Mount Sinai.
 - c) Chairpersons and Center Directors must also disclose any unrestricted grants/donations made to their Department/Center from an entity that supports research or does business with Mount Sinai.
3. **Institution** – Institutional Officials are required to report all Institutional Conflicts of Interest of the Medical Center itself of which the Institutional Official has knowledge. The following are examples of the types of conflicts that may occur involving the Medical Center and who should report these conflicts:
- a) **Charitable donations** of \$25,000 or more made to Mount Sinai by Financially Interested companies/organizations that also may either do business with or support research at the institution. These instances should be reported by the Institutional Official who has knowledge of such relationship.
 - b) **Licensing and technology transfer** activities involving the Medical Center and Financially Interested companies/organizations that also support research or do business at Mount Sinai. These activities should be reported by the Institutional Official who has knowledge of such relationship.

F. Review Procedure/Management of Conflicts

The Chief Compliance Officer will review all COI disclosure documents and forward those that report a Financial Conflict of Interest to the appropriate Conflicts of Interest Committee as follows:

1. Research

The review procedures and options for the management of a Conflict of Interest involving **research** are set forth in The Policy on Financial Conflicts of Interest in Research.

2. Business

The Chief Compliance Officer will forward all institutional financial disclosure documents involving business conflicts to the members of the ICOI Advisory Committee for review and to recommend the steps needed to manage or eliminate the conflicts. All recommendations of the ICOI Advisory Committee will be forwarded to the President whose decisions are final. The following are several examples of business conflicts and how they may be managed or eliminated:

- a. A member of the Pharmaceutical and Therapeutic (P&T) committee has a consulting agreement with a pharmaceutical company that sells drugs to the hospital. This individual will notify the Chair of the P&T Committee of his agreement with the company and must recuse himself from deliberations of the P&T committee when this company's products are reviewed for inclusion in the hospital formulary.
- b. The spouse of a vice president is a principal for a firm that provides consulting services for academic medical centers such as Mount Sinai. All decisions to use the spouse's firm will be made part of a competitive bidding process and the vice president will be recused from the review and hiring process. If the firm is selected, the vice president shall have no supervisory responsibility for the project.
- c. A department chairman is on the scientific advisory board (SAB) of a medical instrument company that currently sells to Mount Sinai and is seeking to increase its business with the hospital. The chairman might be asked to resign from the company's SAB. If he is allowed to remain on the board, both the Materials Management and Purchasing Departments will ensure that all purchases of medical instruments (including from this company) are subjected to a rigorous competitive bidding process and that the Chairman remain recused from any selection process.

3. Specific Activities Prohibited

The following activities are so inherently inconsistent with the norms of proper and ethical behavior that they almost invariably will be prohibited for any full-time employee and carefully scrutinized for trustees, voluntary staff and part-time employees.

a) Service in other entities:

Service as a director, trustee, officer, partner, employee, or manager of a business, foundation, supporting entity or any other organization that has a business, financial or research relationship with, or is a competitor of Mount Sinai.

b) Acceptance of Gifts, etc:

Solicitation or acceptance of gifts, gratuities, payments or consideration of any kind, or other favors from any person or organization arising because such person or organization does or is seeking to do business with, or establish a relationship with Mount Sinai. Gifts are strictly prohibited regardless of value. If unsolicited gifts arrive via the post office or private carrier, the gift shall be returned; the department head or administrator will advise on the best method for returning the gift. Any questions regarding the application of this prohibition should be directed to the Chief Compliance Officer or her/his designee.

Employees are further prohibited from accepting gifts, gratuities, payments or consideration of any kind from patients, former patients, their friends and relatives and Members of the Boards of Trustees. Donors should be directed to the Development Office so that such gifts can be made to the appropriate Mount Sinai entity.

c) Use of Confidential Information:

Disclosure or other use of confidential or privileged information gained because of such person's relationship to Mount Sinai for direct or indirect personal advantage. Without limiting the generality of the foregoing, it is Mount Sinai's policy that use of any such information for personal gain in connection with the purchase or sale of securities or other investment activities is prohibited.

G. Records

Records of all disclosures and actions taken by the Institutional Conflicts of Interest Advisory Committee will be kept for a period of six years after the review is complete.

H. Audit Review

All management plans that are adopted are subject to review and audit by the Compliance Office.

I. Report to the Board of Trustees

A report of all Conflicts of Interest shall be made by the Chief Compliance Officer at least once annually to the Audit and Compliance Committee of the Boards of Trustees.

J. Violations

This Policy will be strictly enforced. Violation of this policy will subject the individual to disciplinary action including possible dismissal and members of the Boards of Trustees will be subject to removal.