The University of North Carolina

GENERAL ADMINISTRATION

POST OFFICE BOX 2688, CHAPEL HILL, NC 27515-2688

STEVEN LEATH, Ph.D., *Vice President for Research*

Telephone: (919) 962-4619 • Fax: (919) 843-4942 • E-mail: sleath@northcarolina.edu

Constituent Universities
Appalachian State University

East Carolina University

Elizabeth City State University

Fayetteville State University

North Carolina Agricultural and Technical State University

North Carolina Central University

North Carolina State University at Raleigh

University of North Carolina at Asheville

University of North Carolina at Chapel Hill

University of North Carolina at Charlotte

University of North Carolina at Greensboro

University of North Carolina at Pembroke

University of North Carolina at Wilmington

University of North Carolina School of the Arts

Western Carolina University

Winston-Salem State University

Constituent High School
North Carolina School of Science and Mathematics

An Equal Opportunity/ Affirmative Action Employer

MEMORANDUM

DATE: November 21, 2011

TO: President Thomas W. Ross

FROM: Dr. Steven Leath

SUBJECT: Report on External Activities for Pay 2010-2011

Attached is the report on **External Activities for Pay 2010-2011** by faculty and other EPA professionals. This report is drawn from information reported by the campuses, as required by the Boards policy (300.2.2.1(R) and 300.2.2.2 (R), which are attached.

Please let me know if you have any questions about the attached report.

:SL/br

Attachments

cc:
Jeff Davies, Chief of Staff
Laura Luger, Vice President for Legal Affairs
Dr. Suzanne Ortega, Sr. Vice President for Academic Affairs

The University of North Carolina
Report on External Activities for Pay, 2010-2011

The UNC Board of Governors' policy on external activities for pay requires that faculty and other EPA professionals file *notices of intent* to be approved by their department head for each consulting activity to be engaged. The policy also requires that chancellors provide annual summary reports to the President on these activities. (See *UNC Policy Manual*, 300.2.2.1[R] and 300.2.2.2 [R], which are attached.)

Notices of intent for paid external activities are intended to ensure that these activities do not create conflicts of commitment ("by interfering with the obligations of the individual to carry out all primary University duties in a timely manner") or conflicts of interest with University employment ("in which financial or other personal considerations may compromise . . . an employee's objectivity in meeting University duties or responsibilities"). They keep campus officials informed about the duration and frequency of these activities and about the sponsoring or contracting organizations (private companies, federal or state government entities, or other sponsors), including any equity interest employees or their families may hold in private companies contracting for consulting.

Campus summaries of these activities, required by the policy, ensure that faculty and other EPA employees report their activities and that campuses monitor any potential conflicts. The annual summaries submitted to the President provide a picture of the current external activities of faculty and other EPA professionals. (See the attached *Summary Report Form* completed by campuses for the President.) Comparison of activities among campuses or across academic years is not the primary purpose of these summaries. However, the composite report from UNC campuses for 2010-2011 provides useful summary information on the number, duration, frequency, and type of contractors of external activities for pay. (See attached Table: *Summary Report on External Professional Activities for Pay, 2010-2011*.)

Number of Employees Reporting External Activities for Pay

Campus reports indicate that in 2010-2011, 1,924 UNC faculty and EPA professionals submitted notices of intent to participate in external activities for pay. This number represents the highest number of consultations reported over the last eleven years.

1999-2000	1,486
2000-2001	1,523
2001-2002	1,460
2002-2003	1,579
2003-2004	1,414
2004-2005	1,586
2006-2007	1,546
2007-2008	1,473
2008-2009	1,699
2009-2010	1,779

2010-2011 1,924

Four campuses (ECU, NCSU, UNC Chapel Hill, and UNC Charlotte) account for over two-thirds (70%) of these activities 1,353. Nearly two-thirds of employees filing notices of intent were reported as performing only one external activity for pay (68%), while (32%) reported two or more activities.

Intensity and Duration of Activities

In their summary reports, campuses are asked to include information on the *intensity* of external activities: that is, activities that involve less than or more than eight hours per week. Summaries also report the *duration* of activity, from less than a month to more than four months. The figures in Table 1 indicate that less intense activities (those lasting less than eight hours per week) are more likely to be spread over a longer period (more than 4 months), while more intense activities (those lasting more than eight hours per week) are more likely to be performed in a shorter period (less than a month). The most frequently reported activities were performed for less than eight hours a week over more than four months (1,108 of 2,372 activities reported).

Sponsors of External Activities for Pay

In their summaries, campuses are asked to report on the types of organizations contracting for external activities for pay. These contractors reported for each in 2010-2011 include private companies, non-profit organizations, federal agencies, school districts, other state and local government agencies, and universities. The numbers and percentages of activities sponsored by each type of organization are consistent with those reported in previous years.

Potential conflicts of interest based on equity held by an employee or family member in a sponsoring company must be disclosed under the University's policy. These interests are included on the notice of intent form and in the campus summary reports. For 2010-2011, One hundred seventy-seven (177) employees (9% of the 1,924 filing notices of intent) identified personal or family equity interests in a company sponsoring their paid external activities. One hundred thirty-four (134) employees (7% of those filing notices of intent) reported serving as a board member in a sponsoring company. These examples likely involve employees or family members who own stock in a sponsoring company for which they consult, employees who have incorporated consulting practices, or employees who are partners in companies formed to carry out research or other activities.

Conclusion

Employee reporting on external activities for pay keeps campus officials informed about the commitments and interests of faculty and other EPA employees. Annual summary reports from the chancellors to the President confirm that campuses continue to monitor these activities and that the number of employees involved and the number of activities, as well as the contractors of the activities, have remained relatively consistent for the last eleven years.

As the Board of Governors' policy states, "In accordance with the Board of Governors' policy on Conflicts of Interest and Commitment Affecting Faculty and Non-Faculty EPA Employees (*UNC Policy Manual*, 300.2.2), UNC faculty and non-faculty EPA employees sometimes may engage in compensated activities that are not a part of University employment. Through such opportunities, employees apply their specialized knowledge and experience to activities outside of their University employment, thereby enhancing their own capabilities in teaching and research and contributing significant societal benefits, including economic development through technology transfer. These activities are encouraged if the intended activity complies with Section II, A of the corresponding policy 300.2.2, and do not create a conflict of interest (see definitions, *UNC Policy Manual*, 300.2.2, Section I).

An EPA employee who wishes to engage in external professional activity for pay must adhere to these regulations to provide satisfactory assurances that such activity will not interfere with University employment obligations."

The University of North Carolina
Summary Report on External Professional Activities for Pay
Figures reported for 2010-2011 *Rev. 12/6/2011 3:59 PM*

	CAMPUS	ASU	ECU	ECSU	FSU	NCA&T	NCCU	NCSSM	NCSU	UNCA	UNCCH	UNCC	UNCG	UNCP	UNCSA	UNCW	WCU	WSSU	UNC #	Total %
Question 1:	One	84	174	2	8	29	38	16	187	9	364	155	30	9	20	76	66	31	1298	68%
	Two	18	41	1	2	1	16	9	61	12	96	45	5	0	12	10	10	3	342	18%
	Three	6	16	0	0	0	2	1	21	0	30	18	3	0	5	0	0	0	96	5%
	Four or more	8	13	0	1	0	1	2	28	4	50	54	1	0	17	1	2	0	174	9%
Total # EPA Consultants		**116**	**244**	**3**	**11**	**30**	**57**	**28**	**297**	**25**	**540**	**272**	**39**	**9**	**54**	**87**	**78**	**34**	**1924**	
Question 2A: Less than 8 hours / week)	**Duration**																			
	Less than 1 month	86	136	0	3	1	4	26	77	12	384	85	11	5	67	11	12	1	921	39%
	1-4 months	13	28	0	1	4	10	8	132	3	54	59	6	0	9	6	5	5	343	14%
	More than 4 months	123	136	2	5	18	31	3	130	8	287	177	28	4	19	52	62	23	1108	47%
# Of Events		**222**	**300**	**2**	**9**	**23**	**45**	**37**	**339**	**23**	**725**	**321**	**45**	**9**	**95**	**69**	**79**	**29**	**2372**	
Question 2B: More than 8 hours / week	**Duration**																			
	Less than 1 month	28	72	1	0	0	1	7	135	0	30	36	3	0	52	10	5	0	380	44%
	1-4 months	7	8	0	0	1	4	2	40	2	40	11	1	0	11	2	5	1	135	16%
	More than 4 months	7	28	0	2	5	11	1	18	0	205	22	5	0	9	16	3	7	339	40%
# Of Events		**42**	**108**	**1**	**2**	**6**	**16**	**10**	**193**	**2**	**275**	**69**	**9**	**0**	**72**	**28**	**13**	**8**	**854**	
Question 3: Type of Contractor	Private	45%	32%	50%	-%	9%	12.5%	11%	64%	20%	56%	39%	59%	-%	25%	43%	51%	46%		
	# w/ Equity interest	16	19	1	-	9	8	1	32	1	66	4	2	-	4	12	2	-	177	
	# Board member	4	12	-	-	7	-	0	17	0	56	2	2	-	4	11	2	17	134	
	Non-profit	17%	24%	25%	35%	-%	21.5%	38%	9%	24%	14%	10%	19%	-%	59%	13%	11%	30%		
	Fed Government	-%	2%	-%	-%	10%	3.0%	6%	5%	0%	5%	4%	-%	-%	-	2%	1%	-%		
	School District	1%	3%	-%	15%	-%	8.0%	11%	3%	0%	3%	8%	-%	-%	1%	1%	5%	-%		
	Other State/Local Government Agency	6%	5%	-%	-%	1%	5.0%	6%	3%	12%	2%	7%	2%	-%	2%	10%	12%	-%		
	Universities	15%	20%	-%	25%	30%	36.0%	19%	11%	28%	13%	14%	20%	78%	13%	22%	19%	24%		
	Other	16%	14%	25%	25%	50%	14.0%	9%	5%	16%	7%	18%	-	22%	-%	9%	1%	%		
	Total	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%		