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STATEMENT OF POLICIES, PROCEDURES, AND GUIDELINES FOR POST-BACCALAUREATE CREDIT CERTIFICATE PROGRAMS

In academic year 2002-03, the Graduate Council Committee on Academic Standards reviewed the guidelines for post-baccalaureate credit certificate programs and made several recommendations regarding the procedures. Changes recommended include the addition of a "sunset clause" to ensure that post-baccalaureate certificate offerings that are no longer viable do not continue, and recommending the typical certificate program be limited to the 12-15 credit range. This last change was added because there was concern that students completing certificates that require a large number of credits may have the expectation that they can transfer all of the credits taken to a graduate degree program, i.e., only up to 15 credits of non-degree (certificate students register as non-degree) course work can be accepted into a graduate degree program at the discretion of the program. In addition, under the guidelines, certificate offerings will be forwarded to the Faculty Senate for recording and for inclusion in the Graduate Bulletin. This will provide a mechanism to catalog certificate offerings.

DEFINITION

A post-baccalaureate credit certificate program is a sequence, pattern or group of courses or contact hours that focuses upon an area of specialized knowledge or information and which is developed, supervised, and evaluated by the faculty members of the academic unit (e.g., department, program, etc.) offering the program.

STATEMENT OF POLICIES

The educational needs of society are changing. The traditional higher education paradigm in which an individual progresses through a baccalaureate, master’s degree, and a doctorate is no longer sufficient to meet lifelong educational needs. The development of post-baccalaureate credit certificate programs apart from the traditional degree programs is in keeping with the University’s educational mission and outreach effort.

Post-baccalaureate credit certificate programs will enable Penn State to be more responsive to varied and emerging educational needs; to extend/enhance access to Penn State throughout the Commonwealth, the Nation, and internationally; and to respond to instructional opportunities with greater speed and flexibility than is currently possible.
Post-baccalaureate credit certificate programs are innovations that reflect emerging academic areas, and may be supplements or enhancements to existing degree programs. Post-baccalaureate credit certificate programs are designed to foster development of an area of specialty or competency within a discipline. Flexibility is essential to accommodate the parameters of the discipline as well as the educational needs of the students. Wide variation and innovation among post-baccalaureate credit certificate programs is expected and encouraged. Academic level/quality is expected to be commensurate with that in the traditional Penn State degree programs. To be considered graduate-level, at least half of the credits required in a post-baccalaureate certificate should be at the 500-level. Credits earned in post-baccalaureate credit certificate programs (up to a maximum of 15 credits) may be applied to graduate degree programs, but any decision to do so resides with the faculty in the respective programs. All program advertising must convey the nature of the credit transferability to the degree program. Further, completion of a certificate program neither guarantees nor implies subsequent admission to a degree program.

Guidelines for development of post-baccalaureate credit certificate programs are available at http://www.gradsch.psu.edu/about/statement.html

Appendix II – Resolution of Problems

Graduate Council approved changes to Appendix II to make it clearer that the policy is intended for disagreements rather than acts of misconduct, which are more appropriately the jurisdiction of the Office of Judicial Affairs, and cases involving misconduct that might suggest University-wide sanctions, which should be referred to the Office of Judicial Affairs.

The revised document is available at http://www.gradsch.psu.edu/about/appendix2.html

Graduate School Initiatives

Teaching Assistant Certificate

The Graduate School Teaching Certificate is a new initiative by the Graduate School to help graduate students increase their college teaching skills and gain recognition for that effort. It is not a teacher certification program. It is available to all graduate students. The requirements are available at http://www.gradsch.psu.edu/gradinit/tacert.html.

The program is self directed and there are five requirements. Two of them involve programs run by the Schreyer Institute, one being the New Instructors Orientation and the other the Penn State Course in College Teaching. Contact Sherry Boone at 863-2599 for the dates and times these courses are offered. The courses are non-credit courses. If a department already conducts a teacher orientation, the orientation may be sufficient for one of the requirements. Similarly, if a department or college has a course in college teaching, the course may also fulfill one of the requirements.

The other requirements are two semesters of Supervised College Teaching. A student can register for this as 602 or can do this as part of his/her assistantship duties. It is also possible for a student to approach a professor who will be teaching and volunteer his/her services as a teaching assistant indicating that he/she is working on the requirements of the Graduate School Teaching Certificate and is not expecting any payment other than the opportunity to gain experience. During the second semester of teaching, a student will need to actually teach several lectures and prepare the lectures him/herself. For example, one
portion of the course may involve a specific concept that a student could develop lectures about and then deliver the lectures to the class. Of course, the professor in charge will want to review what will be presented.
The last requirement is for the student to develop a Web page and post his/her teaching philosophy and demonstrate his/her ability to use PowerPoint. For students who have not had experience with either of these, Information Technology Services has developed a series of online courses to assist in the acquisition of these skills. The courses are available at http://wbt.psu.edu/GradSchoolTeachingCert.asp. There is no charge for these courses.

*Nineteenth Annual Graduate Exhibition – March 26-28, 2004*

Graduate students will be invited to share their research and scholarly works with the University and local communities again this year at the Nineteenth Annual Graduate Exhibition. The Graduate Exhibition places special emphasis on communicating research and creative endeavor to a general audience and offers an unusual opportunity for professional development by challenging graduate students to present their work in clear, comprehensible terms to people outside their fields of study. Nearly $10,000 is awarded to students for excellence in the exhibition. Following are the dates, times, and locations:

Performances – March 26, 7-10 p.m., Esber Recital Hall, Music Building
Posters – March 28, 11 a.m.-3 p.m., Alumni and Heritage Halls, HUB-Robeson Center
Visual Arts – March 26-April 5, Gallery, HUB-Robeson Center
Awards Ceremony – March 28, 4:30 p.m., Auditorium, HUB-Robeson Center

*Welcome Social*

More than 400 students filled the lobby of Kern Graduate Building on September 3, for the Graduate School’s first Welcome Social. This new, less formal event replaced the Graduate School Convocation. President Graham Spanier was on hand to welcome new and returning graduate students and a number of Penn State organizations provided information on their services.

*Safety Issues on Campus*

At a recent Graduate Student Association meeting, the issue of campus safety was brought to the attention of Dean Eva Pell. A memo was distributed to all program chairs regarding this matter with the request to forward it to graduate students. Penn State is aware of this issue and has a number of services in place to minimize students’ risk. Penn State police are increasing their uniformed presence around campus and are asking students, staff, and faculty to do the following:

- **Do not walk alone after dark. Use the Loop Bus or the Penn State Escort Service** that is operated by University Police Services. To use the Escort Service call 865-WALK. The Escort Service is available to all students, staff, and faculty and is offered from dusk to dawn 365 days a year. When using the service, the name of the escort will be provided and he or she will be wearing an Escort Service shirt or jacket and will have photo ID.

- **Pick up a copy of the Penn State Night Map** at the University Police department in the Eisenhower parking garage. The map shows paths and roads recommended for night travel and those that are not recommended. It also indicates the location of all blue emergency phones. The map is not a replacement for traveling in groups, just guidance about the best routes to take.
• **Be aware of your surroundings and watch out for each other.** Report campus lighting concerns, including locations that need additional lighting to the Environmental Health and Safety Office (865-6391).

For additional safety information, please visit [http://live.psu.edu/story/2679](http://live.psu.edu/story/2679).

**Graduate School Alumni and Public Relations**

*Doctoral Reunion and Celebration – March 26-28, 2004*

In honor of graduate alumni who had their doctoral degrees conferred at Penn State twenty-five or more years ago, the Graduate School is partnering with the Penn State Alumni Association to host the first annual doctoral reunion and celebration. In September, more than 5,300 alumni who had reached or surpassed the 25-year milestone and another 350 who had reached the 50-year mark received a survey to determine their interest in participating in a selection of events during Graduate Exhibition weekend and receiving a personalized anniversary certificate. As of mid-October, more than 740 responded favorably to the invitation to receive a certificate and 242 indicated they would like to attend a Graduate Exhibition Reception. In addition to receiving a certificate, the 50-year anniversary honorees will have their names engraved on a plaque, which will be on display in the lobby of Kern Building.

When completed, the results of the survey will be posted to the Graduate School’s Web site and colleges will be informed which doctoral recipients are from their departments. The Graduate School’s Director of Development will also work with the colleges’ Development Offices to provide contact information.

*Graduate Program Chair Leadership Award*

The Graduate Program Chair Leadership Award recognizes faculty members for exemplary leadership benefiting graduate students and faculty in an existing graduate degree program at Penn State. At its fall 2002 meeting, the Graduate School Alumni Society Board of Directors voted to endow this award. Joan S. Thomson, professor of agricultural communications and graduate program officer for the Department of Agricultural and Extension Education, was the first recipient of the award and was recognized at Penn State’s Faculty/Staff Awards Recognition ceremony in March 2003. More information about the award is available on the Graduate School’s Web site at [http://www.gradsch.psu.edu/fellow/gpcla.html](http://www.gradsch.psu.edu/fellow/gpcla.html).

*EPC Mentoring Program*

Last spring, the Graduate School Alumni Society initiated a mentoring program for students enrolled in the Environmental Pollution Control (EPC) program. Alumni from the program were invited to return to University Park to meet with EPC students and to talk about their careers and following the meeting, students and alumni were matched. This pilot program is now being evaluated and once it is refined, a mentoring program model will be shared with the colleges to foster more mentoring opportunities for graduate students.

*GSAS Lunch with Graduate Students – March 27, 2004*

Last spring, the Graduate School Alumni Society Board of Directors hosted its first luncheon with graduate students. Program chairs were asked to identify students to be invited and approximately fifty students were nominated. During the lunch discussion, students said they were interested in non-
academic careers, internships, alumni research, mentoring opportunities, workshops tailored to their fields, and interdisciplinary activities. The Board will host its second annual lunch with graduate students on Saturday, March 27, 2004.

**GSAS Spring Social and Recognition Program – March 27, 2004**

The first- and second-year Alumni Association Dissertation Awardees were recognized last spring at the Graduate School Alumni Society’s Third Annual Spring Social and Recognition Program. The Alumni Association Dissertation Awards were made possible by a generous gift from the Penn State Alumni Association and provide funding to outstanding full-time doctoral students who have passed their comprehensive exams and have received approval of the dissertation topic, or to M.F.A. students in their final year. This award is considered to be among the most prestigious available to Penn State graduate students and recognizes outstanding achievement in scholarship and professional accomplishment. The recipients of the 2004 Alumni Association Dissertation Awards will be recognized at the Fourth Annual Spring Social and Recognition Program to be held on Saturday, March 27, 2004.

**Spring Commencement Reception – May 15, 2004**

More than 350 guests attended the 2003 Spring Commencement Reception, which was held for the first time in the lobby of Kern Graduate Building. Each year, the Graduate School and the Graduate School Alumni Society host the reception to congratulate our graduating students and to give them an opportunity to share their memories and future plans with family, friends, faculty, and administrators. The 2004 Spring Commencement Reception will be held on Saturday, May 15, in the lobby of Kern Building.

**Office of Graduate Educational Equity**

**Visiting Graduate Student Program**

The Visiting Graduate Student Program, involving Penn State and Howard University, is designed to have students experience an academic work environment different from their own. Up to four Penn State students will visit Howard University for the year, and up to four Howard students will visit Penn State. The first Penn State student is attending Howard University this fall. In January, the first Howard University student will attend Penn State.

**Achievement Conference and Visitation Day – January 31, 2004**

This is a professional conference of workshops and presentations. The Office of Graduate Educational Equity will host several prospective graduate students.

**Chaka Fattah Conference for Graduate Education for Pennsylvania Minorities – February 20-22, 2004**

The objective of this conference is to educate Pennsylvania minority undergraduates about graduate education—preparation and importance.
Summer Research Opportunity Program – June 6-July 31, 2004
SORP Symposium – July 29, 2004 (pending)

Students from across the country spend eight weeks doing research with faculty members on campus.

Ronald McNair National Conference at Penn State – July 30-Aug 1, 2004
(Date to be confirmed)

Office of Fellowships and Awards

Overview

More than 250 fellowships and traineeships are awarded each year by the Graduate School, through individual colleges or departments, and by state and national organizations. The Office of Fellowships and Awards is responsible for assisting Penn State graduate students seeking funding opportunities and administers numerous competitive fellowship awards including the following:

Academic Computing Fellowships
Air Products & Chemicals Inc. (APCI) Fellowship
Alumni Association Dissertation Award
Bunton-Waller Graduate Awards Program
Graham Endowed Fellowships
NASA Space Grant Fellowships
Summer Tuition Assistance Program
Tuition Grant-in-Aid
University Graduate Fellowships

Information about these awards can be found on the Graduate School’s Web site at http://www.gradsch.psu.edu/fellow/funding.html.

University Distinguished Graduate Fellowships

Each year, eighty University Graduate Fellowships are distributed among the colleges. These fellowships, available to new, incoming full-time graduate students, are awarded for the academic year and provide payment of tuition and a base stipend. Some colleges increase the stipend with their own funding.

Newly established is the University Distinguished Graduate Fellowship program. The goal of this new fellowship program is to double the number of University Graduate Fellowships. The program will be of limited duration, viz. three years, commencing with the current fiscal year. During this time, each college will strive to increase the number of University Graduate Fellowships through fundraising. For 2003-2004, the endowment for one University Distinguished Graduate Fellowship would be valued at $550,000. Donors will be sought to contribute individually at a level of ~$250,000 to create a University Distinguished Graduate Fellowship in his/her name, which will generate sufficient annual income to cover just under one half of a fellowship. The University will then match donor funds on a basis of more than one to one. The University Distinguished Graduate Fellowship will cover two semesters of a graduate student's tuition, stipend, and medical insurance.
Office of Graduate Enrollment Services

Completion of Degree Requirements for Graduation

Each semester, a small number of students who are apparently authorized to graduate by their respective programs are identified as having not fulfilled some essential degree requirement. The University is then in the position of having to call back their diplomas. This is problematic from a variety of vantage points and creates significant problems for the Graduate School, the Registrar, and the institution as a whole. The problem is wholly avoidable if complete care is taken in providing the Graduate School with confirmation that all program-specific degree requirements have been met. Please work with the programs in your college to ensure that there is 100 percent care in this process. Within a year, an ISIS-based graduate degree audit system will be implemented that should facilitate the monitoring of degree progress and help to further minimize the likelihood of such problems. Even such a system will not be failsafe, and the conscientious efforts of your programs will always be necessary.

Programs need to impress upon their faculty the importance of their role in this process and the need for absolute care is very much appreciated.

Confidentiality and Security of Student Records Statement

Educational records are kept by University offices to facilitate the educational development of students. Faculty and staff members may also keep informal records relating to their functional responsibilities with individual students.

The federal Family Educational Rights and Privacy Act (FERPA) of 1974 identifies the rights of students and their families with respect to student educational records kept by institutions. As part of the requirements of FERPA, the University has a Policy on Confidentiality of Student Records. (See Administrative Policy AD-11 or Student Guide to University Policies and Rules at http://guru.sp.psu.edu/policies/AD11.html).

Data Systems and Analysis

NRC Assessment

The Board on Higher Education and Workforce of the National Research Council (NRC) periodically conducts studies of the quality of research doctoral education at academic institutions in the United States. The study examines past studies and recommends ways to improve the methodology of assessment.

A new assessment of research doctoral programs is expected to begin in the summer of 2004, with data collection completed by the following summer. Analysis of the data and publication of the study will be completed by the summer of 2006. Faculty should consult the Taxonomy list of 57 disciplinary fields located at http://www7.nationalacademies.org/resdoc/Draft_Taxonomy.html to determine which areas will be included in the assessment.
More information on the process is available on the Web at http://www7.nationalacademies.org/resdoc/index.html.

*Fall 2003 Graduate Enrollment Tables*
## Total Graduate Enrollments by Campus

<table>
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<tr>
<th>Campus</th>
<th>Fall 1998</th>
<th>Fall 1999</th>
<th>Fall 2000</th>
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<td>Penn State Erie</td>
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<td>147</td>
<td>185</td>
<td>158</td>
<td>124</td>
<td>129</td>
<td>5</td>
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<tr>
<td>Great Valley</td>
<td>1,604</td>
<td>1,619</td>
<td>1,613</td>
<td>1,687</td>
<td>1,579</td>
<td>1,464</td>
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<tr>
<td>Penn State Harrisburg</td>
<td>1,433</td>
<td>1,360</td>
<td>1,393</td>
<td>1,477</td>
<td>1,548</td>
<td>1,695</td>
<td>147</td>
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<td>Milton Hershey Medical</td>
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<td>193</td>
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<td>185</td>
<td>227</td>
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<td>Official University Park*</td>
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<td>Other Campuses</td>
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<td>748</td>
<td>516</td>
<td>594</td>
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<td><strong>Total University</strong></td>
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* "Official" University Park includes Monroeville, Williamsport, Study Abroad, and others.
### Total Graduate Enrollments by Campus

<table>
<thead>
<tr>
<th>Campus</th>
<th>Fall 1998</th>
<th>Fall 1999</th>
<th>Fall 2000</th>
<th>Fall 2001</th>
<th>Fall 2002</th>
<th>Fall 2003</th>
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* "Official" University Park includes Monroeville, Williamsport, Study Abroad, and others.
Official University Park Graduate Enrollments* by College

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* "Official" University Park includes Monroeville, Williamsport, and Study Abroad.
## Total Graduate Enrollments by Degree

<table>
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* Other is primarily Level I Teacher Certification (e.g. Principal).
<table>
<thead>
<tr>
<th>Campus</th>
<th>Fall 1998</th>
<th>Fall 1999</th>
<th>Fall 2000</th>
<th>Fall 2001</th>
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## Official University Park New Student Graduate Enrollments*
by Ethnic Category

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<th>Fall 1999</th>
<th>Fall 2000</th>
<th>Fall 2001</th>
<th>Fall 2002</th>
<th>Fall 2003</th>
<th># Change From Fall 2002</th>
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<td><strong>77</strong></td>
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<td><strong>113</strong></td>
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<td>36</td>
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<td><strong>1,577</strong></td>
<td><strong>1,653</strong></td>
<td><strong>1,752</strong></td>
<td><strong>1,738</strong></td>
<td><strong>-14</strong></td>
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* "Official" University Park includes Monroeville, Williamsport, and Study Abroad.
## Official University Park Graduate Enrollments*
### by Ethnic Category

<table>
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<tr>
<th>Ethnic Category</th>
<th>Fall 1998</th>
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<th>Fall 2000</th>
<th>Fall 2001</th>
<th>Fall 2002</th>
<th>Fall 2003</th>
<th># Change From Fall 2002</th>
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<td>6,153</td>
<td>6,165</td>
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<td>6,616</td>
<td>6,793</td>
<td>177</td>
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</table>

* "Official" University Park includes Monroeville, Williamsport, Study Abroad, and others.
## Total Graduate Enrollments by Ethnic Category

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<th>Ethnic Category</th>
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## Total New Student Graduate Enrollments by Ethnic Category

<table>
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## Total New Student Graduate Enrollments by Campus

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<tr>
<td>Official University Park*</td>
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<td>1,588</td>
<td>1,577</td>
<td>1,653</td>
<td>1,752</td>
<td>1,738</td>
<td>-14</td>
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<td>100</td>
<td>139</td>
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</table>

* "Official" University Park includes Monroeville, Williamsport, Study Abroad, and others.
## Official University Park New Student Graduate Enrollments*
by College

<table>
<thead>
<tr>
<th>College</th>
<th>Fall 1998</th>
<th>Fall 1999</th>
<th>Fall 2000</th>
<th>Fall 2001</th>
<th>Fall 2002</th>
<th>Fall 2003</th>
<th># Change from Fall 2002</th>
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</thead>
<tbody>
<tr>
<td>Agricultural Sciences</td>
<td>74</td>
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<td>86</td>
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<td>324</td>
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<td>301</td>
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<td>86</td>
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<td>Information Sci. &amp; Tech.</td>
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<td>0</td>
<td>0</td>
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<td>Intercollege</td>
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<td>127</td>
<td>114</td>
<td>112</td>
<td>109</td>
<td>106</td>
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<td>Liberal Arts</td>
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<td>203</td>
<td>172</td>
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<tr>
<td>Science</td>
<td>122</td>
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<td>130</td>
<td>142</td>
<td>125</td>
<td>172</td>
<td>47</td>
</tr>
<tr>
<td><strong>Total New Degree Students</strong></td>
<td><strong>1,304</strong></td>
<td><strong>1,352</strong></td>
<td><strong>1,344</strong></td>
<td><strong>1,356</strong></td>
<td><strong>1,355</strong></td>
<td><strong>1,420</strong></td>
<td><strong>65</strong></td>
</tr>
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<td>Non Degree</td>
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<td>236</td>
<td>233</td>
<td>297</td>
<td>397</td>
<td>318</td>
<td>-79</td>
</tr>
<tr>
<td><strong>Total New Students</strong></td>
<td><strong>1,467</strong></td>
<td><strong>1,588</strong></td>
<td><strong>1,577</strong></td>
<td><strong>1,653</strong></td>
<td><strong>1,752</strong></td>
<td><strong>1,738</strong></td>
<td><strong>-14</strong></td>
</tr>
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</table>

* "Official" University Park includes Monroeville, Williamsport, Study Abroad, and others.
ADMINISTRATIVE RESEARCH TOPICS

Research and Professional Ethics Workshops

The Office for Research Protections’ Educator, Dr. Michelle Stickler, has been coordinating and delivering Research & Professional Ethics Workshops for each of the University Park Colleges. For this first year, the workshops have targeted department heads, one or two senior faculty members, and post-doctoral researchers from each department within a College. The primary objectives of the workshops have been to 1) raise the level of awareness across campus and start a dialog among faculty about the importance of the responsible conduct of research, 2) identify significant professional ethical issues, 3) discuss best practices for responsible conduct, and 4) encourage faculty to act as good research mentors with students. The workshops, which have been targeted to address issues of relevance in each College, have engaged faculty in discussions of responsible authorship, conflict of interest, intellectual property, human participant research, and animal research.

Throughout the Fall 2003 semester, ORP has taught workshops for the Colleges of Engineering, Agricultural Sciences, Education, Communications, Health & Human Development, Earth and Mineral Sciences, and Science, as well as the School of IST. 135 faculty have attended the workshops to date. Throughout the Spring 2004 semester and into the early summer, ORP will bring workshops to the Colleges of Business, Arts & Architecture, Liberal Arts, and Medicine, and regional programs will be offered to the Commonwealth College. The goal is to make this type of workshop an ongoing effort where ORP will revisit each College in the next academic year to engage additional faculty from each department.

ORP Newsletter

The Office for Research Protections (ORP) is pleased to announce the first issue of the office newsletter is now available on the ORP website. The newsletter will be issued every three months. It will be sent via email to all active researchers at Penn State and will be available in hard copy form at various locations across campus. The purpose of the newsletter is to keep the Penn State research community informed of changes and/or additions to important research guidelines, policies and procedures; upcoming educational workshops and training sessions, as well as, principal investigator question and answer sections.

Visit the following link to see our first newsletter issue:
http://www.research.psu.edu/orp/publications/Newsletter/Issue_1/intro.htm

Community Outreach

ORP has developed two new resources aimed to better serve our local community and potential research participants.

The first is a public information brochure that addresses questions in lay terms regarding participation in human research studies at Penn State. This brochure is available for downloading as a pdf file at http://www.research.psu.edu/orp/publications/IRB_publicbrochure/brochure_researchpart.pdf and online viewing at http://www.research.psu.edu/orp/publications/IRB_publicbrochure/main.htm.
The second is a partial listing of human research studies currently recruiting participants. Investigators provided the study information published on this page. The listing is limited to 50 studies at this time; however, our long-term goal is to develop a searchable database that will allow us to post an unlimited number of studies. The study information site is located at:
http://www.research.psu.edu/orp/STUDY_LIST/intro.htm.

There is still space available for listing additional studies. If you are interested in posting your study on our website, please visit: http://www.research.psu.edu/orp/STUDY_LIST/form.rtf. One of the ORP’s goals is to maintain an interactive, informative, and user-friendly website. As always, your suggestions or comments are welcome.

**Association for the Accreditation of Human Research Protection Programs (AAHRPP)**

In the next year, Penn State will seek accreditation from Association for the Accreditation of Human Research Protection Programs (AAHRPP). AAHRPP, a nonprofit organization, accredits institutions conducting human participant research. The accreditation program uses a voluntary, peer-driven educational model to promote high ethical and professional standards for human research.

**Revision of HR-86 Postdoctoral Appointments**

Human Resources policy HR-68, Postdoctoral Appointments, has been revised to include a “Leaves of Absence” section. This policy can be viewed on GURU at: http://guru.psu.edu/policies/OHR/hr68.html. This change should be communicated to all applicable faculty and staff in your unit.

**Collaborations with Hershey**

In an effort to increase the collaborations and communication between the University Park and Hershey campuses, Dr. Darrell Kirch, Dean of the College of Medicine, recruited Dr. Josephine Carubia for the new position of Chief Academic Liaison Officer. This position is responsible for assisting both Hershey and University Park faculty in their efforts to collaborate on research and educational projects. Dr. Carubia’s office is currently located in 208 Old Main and she can be contacted via e-mail at jcarubia@psu.edu or via phone at 865-6574.

Currently, there are 36 active grants totaling $33.3-million that involve collaborations between investigators at the University Park and Hershey campuses with the following college/ARL involvement:

- 12 projects – Health and Human Development
- 10 projects – Engineering
- 4 projects – Ag Sciences
- 4 projects – Science
- 3 projects – Earth & Mineral Sciences
- 2 projects – ARL
- 1 project – IST

The following cross-campus collaborations are in the development or emergent stage:

- Bionanofabrication
The Hershey campus is also actively involved in the activities of all five of our consortia/institutes: Children, Youth, and Families Consortium; Huck Institutes of Life Sciences; Institutes of the Environment; Social Science Research Institute; and the Materials Research Institute.

**Faculty Research Expertise Database (FRED)**

In order to assist faculty both within and outside the Hershey campus, a Faculty Research Expertise Database (FRED) of investigators at the Penn State College of Medicine and The Milton S. Hershey Medical Center was developed. FRED is a searchable electronic database that acquires, maintains, and provides information regarding the research interests and publications of investigators at Hershey. All Hershey investigators who are involved in basic and clinical research that is fundamental to the promotion of better health and the improved diagnosis, treatment, and prevention of disease are listed. FRED can be searched to find investigators, publications, and/or expertise and techniques. Publication information is updated monthly.

FRED will be expanding soon to include all Penn State investigators working in the life sciences. FRED can be accessed on-line at [http://www.hmc.psu.edu/fred](http://www.hmc.psu.edu/fred)
GUIDELINES FOR FACULTY CONSULTING AGREEMENTS

POLICIES

The main Penn State policies and procedures relating to faculty consulting activities include the following:

- RA05 - Significant Financial Interest Disclosure for Sponsored Project's Investigators
- RA12 - Technology Transfer and Entrepreneurial Activities (Faculty Research)
- FN14 - Use of Tangible Assets, Equipment, Supplies and Services
- HR80 - Private Consulting Practice
- HR91 - Conflict of Interest

All of these policies are available at http://guru.psu.edu/policies/.

AMOUNT OF CONSULTING ALLOWED

All those individuals who carry the rank of Penn State faculty are allowed to engage in consulting up to a maximum of four days per month during their appointment period. There are two other limitations: 1) consulting activities may not interfere with the performance of University duties or other contractual obligations of the University and 2) the consulting activities should enhance the faculty member's professional stature or academic proficiency. In extraordinary circumstances, if faculty need to exceed the monthly limit (but not exceed the annual limit), approval must be given by the department chair.

REQUIRED APPROVAL

Faculty members are required to inform their department head or campus executive officer of the nature, type and extent of their consulting activities (undertaken with or without compensation) so that the department head or campus executive officer may judge the appropriateness of the consulting activity in relation to the performance of the faculty member's regular duties.

A faculty member may not provide special service to the Commonwealth of Pennsylvania for additional compensation without the prior written approval of the President of the University per HR42 - Payment of Personal Compensation by a State Agency or Department of the Commonwealth.

REQUIRED REPORTING

Per HR80 department heads and campus executive officers are required to report annually to their vice president or dean concerning the levels and amount of private consulting by faculty and staff within their authority.

RESPONSIBILITY FOR PRIVATE PROFESSIONAL SERVICES

Per HR80 the University assumes no responsibility for private professional services performed by members of its faculty. The name of the University is not in any way to be connected with the service rendered or the results obtained. The faculty member must make it clear that his or her consulting work is a personal matter. He or she must not use the official stationery of the University nor stationery having a University address or a University telephone number.
A faculty member shall not accept or retain employment which would bring him or her as an expert or in any other capacity, into conflict of commitment or in competition with the interests and purposes of the University or the Commonwealth of Pennsylvania and federal agencies.

**Use of University Facilities and Resources**

FN14 prohibits the use of University facilities and resources including specialized equipment, specialized software, supplies and services for faculty consulting activities. This does not preclude use of standard office facilities including e-mail, internet, local telephone, PCs, etc., subject to a test of reasonableness. Faculty consultants may access University facilities in the same manner available to non-University personnel. The utilization of University resources for consulting purposes must be approved by University administrators and documented in a Memorandum of Understanding. The Memorandum of Understanding clearly identifies the extent and nature of the facilities being utilized and establishes use charges based on the cost to the University of maintaining said facilities. The financial officer of the College or administrative unit should establish the appropriate charge out rate.

**Involvement of Students and Staff**

The involvement of students and staff in faculty consulting activities should be undertaken with caution. Faculty may not involve students or staff in consulting activities within the scope of the student’s or staff member’s University duties. Faculty may hire students or staff to assist with faculty consulting activities outside the scope of the student’s or staff member’s University duties. Such arrangements require the full knowledge and approval of University administrators and must be codified in a Memorandum of Understanding. Safeguards must be instituted on a case-by-case basis to ensure that the performance of University duties and the scholarly mission of the University are not compromised. In particular, faculty must avoid even the appearance of directing students into research activities that serve their own personal interests at the expense of scholarly achievement.

**Rate of Compensation and Tax Consequences**

The University will not comment on or offer input regarding the rate of compensation or the tax consequences associated with faculty consulting activities.

**Intellectual Property Issues**

- All faculty are required to sign the Penn State Intellectual Property Agreement ([http://www.research.psu.edu/ipo/faculty_staff/IPA%20Form%202.pdf](http://www.research.psu.edu/ipo/faculty_staff/IPA%20Form%202.pdf)) which states that all faculty agree as a condition of employment by the University to abide by the University’s Intellectual Property Policies and Procedures and to assign to the University all rights to intellectual property developed (a) with the use of University facilities or resources or (b) in the field of expertise and/or within the scope of responsibilities covered by their employment/appointment/association with the University.

- Faculty may, within the scope of a consulting agreement, assign rights to intellectual property developed under consulting agreements to organizations engaging their services where the organization has a legitimate prior claim to the technology being developed. Examples include consulting activity leading to the refinement of an organization’s existing product or process or to a development for which the organization has background patents or prior art claims.

- It is inappropriate for faculty consultants to assign Penn State intellectual property to organizations engaging their services.

- Consulting agreements should be examined to ensure that the assignment of rights to intellectual property evolving from consulting activities does not conflict with the Penn State Intellectual Property Agreement.
• Faculty consultants must avoid entering into consulting agreements that are in violation of the terms of their employment by the University.

• By assigning intellectual property rights to organizations engaging their services faculty consultants may: 1) be prohibited from further activities in that field, 2) limit opportunities to profit from commercial applications or their work, 3) limit opportunities to obtain funding from industry and 4) restrict freedom to publish.

Terms and Conditions Recommended for Inclusion in Faculty Consulting Agreements

• Consulting agreements should recognize that all faculty members have signed the Penn State Intellectual Property Agreement and that Penn State intellectual property cannot be transferred to a company via a consulting agreement. Consulting agreements should also recognize that a faculty member’s first duty and first responsibility is to Penn State. The University recommends including the following language: “Company agrees and understands that Consultant is an employee of The Pennsylvania State University. Consultant’s primary responsibility is to the University. In connection with such employment, Consultant has entered into certain agreements with the University relating to ownership of intellectual property rights, conflicts of interest and other matters, and is subject to certain policy statements of the University (collectively the “Institutional Agreement”). If any provision of this Agreement is hereinafter determined to be in conflict with the Institutional Agreement, then the Institutional Agreement will govern to the extent of such conflict, and the conflicting provisions of this Agreement will not apply. Consultant is not aware of any such conflict.”

• Consulting agreements should acknowledge the importance of documenting the nature and scope of the consulting activities and outline a process for preparing a written summary or minutes of the consulting activities. All written information provided by the company to the consultant should be clearly marked “Confidential” or “Proprietary”. The University recommends including the following language: “The Company shall from time to time prepare a written summary or “minutes” of the consulting activities of Consultant. Consultant shall also record all documentation relative to Consulting Services separate from his/her other work, including work for the University. The parties shall have the right to periodically compare said documentation to ensure both parties have a consistent understanding as to the scope and nature of consulting services provided hereunder.”

• Consider including language such that the consultant has the right to refuse to accept company confidential information. The University recommends including the following language: “Prior to disclosure of Confidential Information hereunder, Company shall make a non-enabling summary disclosure to Consultant so that Consultant may determine whether to accept disclosure. Said summary shall be sufficient to enable Consultant to determine whether the disclosure involves technology or information already under development in Consultant’s University Laboratory, or whether he/she is otherwise bound by confidentiality concerning related information and/or technology.

Company will take reasonable precautions to clearly mark information disclosed hereunder as “confidential” or “proprietary.” Company will provide to Consultant a written summary of the matters discussed or considered during consulting provided hereunder in a timely manner.

The confidentiality restrictions hereunder will not apply where the information was previously known to or developed by Consultant or Consultant’s research group, where the information is part of the public
domain, or where the information came into the possession of Consultant through no fault or wrongdoing of Consultant.”

Terms and Conditions to be Avoided in Faculty Consulting Agreements

- Avoid accepting “fiduciary” duty or responsibility. Consultants required to accept “fiduciary” responsibility should be covered by insurance protection provided by the company.

- Consulting activities should be performed in a relatively narrow and well-defined field. Avoid broad definitions such as “Company Business”.

- Avoid or use caution in accepting exclusive consulting arrangements. Consider the ramifications of agreeing to consult with only one company in a broad field.

- Carefully consider the term (duration) of the consulting agreement. Is there an exit? Can the faculty member terminate the consulting agreement “without cause”?

- Carefully review any requirements for representations and warranties, especially with regard to intellectual property issues.
What to Expect When Licensing a Penn State Technology into a Start-Up Company

Forming a company is a demanding and challenging undertaking requiring a significant commitment of both time and money. While forming a company can be a positive and rewarding experience, it is not for everyone. If you are considering becoming involved in a start-up company, please review this document carefully and then schedule a meeting with the Intellectual Property Office to discuss the process.

- The Penn State Intellectual Property Office (IPO) negotiates license and option agreements on behalf of the Penn State Research Foundation (PSRF), which is responsible for administering the financial and business aspects of technology transfer for Penn State University.

- Faculty are required to be highly cognizant of, and address any conflict of interest issues that arise due to their involvement in companies, and to be particularly sensitive to issues surrounding human effects inventions. Strict compliance with the conflict of interest policies delineated in the following is essential:
  
  RA05 - Significant Financial Interest Disclosure for Sponsored Project’s Investigators  
  RA12 - Technology Transfer and Entrepreneurial Activity (Faculty Research)  
  RA20 - Individual Conflict of Interest Policy  
  RA21 - Institutional Conflict of Interest in Sponsored Projects, Dedicated Gifts, Research, Scholarship and Technology Transfer  
  HR91 - Conflict of Interest

- Universities are obligated by federal law to find the best possible route to commercialization for their technologies. Therefore, the IPO must consider and evaluate all reasonable licensees. Companies sponsoring research will be considered as likely successful commercial outlets because of their demonstrated resources and interest in the work.

- Negotiations will be conducted impartially and objectively. Faculty companies cannot receive any preferential treatment on licensing terms. Agreements with companies in which faculty are involved will receive the same level of review and scrutiny as would any other agreement. It is highly recommended that faculty not directly participate in negotiations with IPO.

- The IPO is responsible for protecting the interests of the University and University inventors who are not participating in the company to whom the technology is being licensed.

- There are extensive resources available in the Technology Transfer Office in addition to the IPO to support and assist companies formed from University technology. It is the responsibility of the companies to avail themselves of those resources.

- University inventors who are principals, founders, or participants in the company being licensed must realize that their business interests may not completely align with the University’s and as such, are responsible for all aspects of their own interests including financial and legal implications of stock ownership. Separate legal counsel and financial advice is recommended. Founders are responsible for the legal expenses associated with forming a company. It is advisable to obtain estimates of these expenses in advance.

Minimum Requirements for a Start-Up Company to be Considered as a Licensee
• **Professional operating management** of the company at the level of CEO/COO. Faculty should not attempt to manage start-up companies. Although positions such as Chief Technical Officer may be appropriate, most venture capital firms will not invest in start-ups that have faculty members as operating management. Faculty need to be cognizant of the highly competitive and complex nature of the business world and the level of effort and commitment which will be required for a company to be successful.

• **A thorough and comprehensive business plan.** Typical business plans address the following:
  - Mission statement and strategy
  - Objectives
  - Service/Product description
  - Market analysis
  - Competitive analysis
  - Key management
  - Financial projections
    - Capitalization schedule
    - Projected profit and loss
  - Exit strategies

• **A reasonable level of capitalization to support the initial operations of the company and a plan for approaches to subsequent financing.**

• **Ability and commitment to reimburse all current and future patent expenses.** It is not unusual for patenting costs for domestic and international filings to quickly exceed $100,000. The IPO maintains records of current patent expenses and will estimate future patent expenses based on defined patent protection strategies upon request.
Petition For Assignment Of Patent Rights To Inventor

The undersigned Inventor(s), an employee(s) of The Pennsylvania State University, seeks to have the patent rights covering the Invention described in PSU Inv. Disc. No. _________ (which patent rights are described in Appendix A) (hereafter “Patent Rights”) assigned from The Penn State Research Foundation (“PSRF”) to them under the terms of University Policy No. RA-12. Inventor warrants and represents the following to be true:

1. Compliance with My Obligations to IPO.

I have complied with all obligations under University policy to adequately and accurately disclose the Invention and all corresponding data which would assist the University in identifying and negotiating with potential licensees. Similarly, I have complied with the obligation to fully disclose the usefulness of the Invention and any related inventions which are made or imminently will be made in my laboratory or facilities. I understand that if I have failed to so discharge these responsibilities to the University, no assignment will be considered. Similarly, if PSRF determines within two years after an assignment that I have failed to discharge these responsibilities, PSRF will have the right to reclaim title to the invention, and to rescind any assignment.

2. Agreement Among Joint Inventors.

PSRF will only assign an equal, undivided interest in the Patent Rights to all inventors who have an obligation to assign to The Pennsylvania State University. In such an instance, it is the responsibility of the inventors to determine in a separate agreement, to which PSRF is not a party, arrangements for commercialization and apportionment of royalties or revenues.

3. I understand that PSRF’s assignment of patent rights shall be conditioned upon the following:

a. Permission from Sponsors.

Wherever the invention in question has been funded by either an industrial sponsor or a government agency, the University must strictly comply with all statutory and contractual obligations to seek permission, concurrence, or approval of any such entity prior to assignment. The University will diligently seek to do so. I understand that there is never a guarantee that the University will obtain this consent, and that in any event the process of seeking consent can take several months. I will cooperate with any government approval process, including signing any necessary forms, and abiding by any applicable governmental requirements.


I will be responsible to ensure that PSRF receives reimbursement for all outside patent fees incurred by the Intellectual Property Office in protecting the Invention. In the event I receive royalties or other income from the commercialization of the Invention, half of any receipt by inventor(s) of royalties or other income will be shared with PSRF until it has recovered all of its reasonable out of pocket expenses incurred in protecting the technology.

Furthermore, in the event there are patenting fees which are due or coming due after the time I submit this petition, I agree as a condition of submitting the petition that I will be responsible for all of those patent costs as they are incurred. Upon request, the IPO will provide
me with an estimate of what these costs will be and when they will be incurred. Even if the petition is denied because of failure to obtain governmental approvals or any other good faith reason, I understand I will remain liable for these “interim” expenses.

c. Exclusion of Related Inventions.

In the event the petition for reassignment is granted, it will only cover the Patent Rights based upon the specific Invention covered by the invention disclosure, and will not cover “future inventions” or “related inventions” which may arise out of my laboratory, or to any “background rights” that may be needed to practice the Invention. The only Patent Rights subject to this petition are those expressly referenced in Appendix A. It will not cover any continuation-in-part applications where new matter is added that is not covered by the assignment.

d. Protection of University from Liability.

Any time the University licenses or assigns its intellectual property rights, it obtains complete indemnity and insurance protection from the licensee/assignee. This must remain true in any assignments back to inventors. Furthermore, we agree that any licenses we enter or agreements we enter will contain the language in Appendix B protecting PSRF and the University, and that unless PSRF agrees in writing, no product will be sold by you or any licensee or assignee until adequate insurance coverage is in place.

e. Non-exclusive Right to University.

I agree that PSRF and the University will retain a non-exclusive, royalty-free right to practice the Invention, and any resulting patents, for their own internal, non-commercial research purposes, including the right to sublicense to other research entities.

f. Compliance with Conflict of Interest Policies.

I agree that any further research I conduct that is related to the Invention will be covered by a Memorandum of Understanding under guidelines and University Policies RA 11 and RA 12.

4. Royalty.

In consideration for PSRF’s assignment of Patent Rights to me, I agree that I will pay to PSRF a one (1%) percent royalty or other income based upon sales of any product or service covered by Patent Rights. This obligation to pay royalties shall apply to any licensee, assignee of Patent Rights, or of any other party making, selling or commercially using the Patent Rights.

Sworn to and subscribed before me this _____ day of ______________________________

Inventor

Date: __________________________

Notary Public
My Commission Expires:
Sworn to and subscribed before me this _____ day of ______________________________

Inventor

Date: _________________________

______________________________
Notary Public
My Commission Expires:

Sworn to and subscribed before me this _____ day of ______________________________

Inventor

Date: _________________________

______________________________
Notary Public
My Commission Expires:

[Attach pages for additional inventors]

APPROVED BY:

____________________________________
Research Dean                                         Date

THE PENN STATE RESEARCH FOUNDATION

By: ________________________________

Title: ______________________________

Date: ______________________________
APPENDIX A

PATENT RIGHTS
INDEMNITY AND INSURANCE REQUIREMENTS

I agree that all licenses, assignments, or other written documents between me and any other entity or person which transfer or grant rights to the subject Invention, including any entity or business owned in full or in part by me, will contain the standard indemnity and insurance provisions below and shall state the University, PSRF, its trustees, directors, officers, employees, affiliates, agents, and students ("Protected Parties") are agreed to be third party beneficiaries of said agreement. Any such agreement which is entered without said clauses incorporated, and without specifically referencing the Protected Parties as set forth above, shall be null and void, shall constitute a material breach of such agreement, and shall be grounds for University to revoke the assignment of the subject Invention. Under no circumstances will you sell, offer for sale, or allow sales of products incorporating said Invention without said products being covered by appropriate level of product liability insurance, as set forth below:

At all times during the terms and thereafter, of any license agreement, assignment or other written documents which transfer or grant rights to the subject Invention, any entity or business owned in full or in part by any of the Inventor(s), PSRF, its trustees, directors, officers, employees, affiliates, agents, and students are to be indemnified, defended and held harmless against all claims, proceedings, demands and liabilities of any kind whatsoever, including legal expenses and reasonable attorneys’ fees, arising out of the death of or injury to any person or persons or out of any damage to property, or resulting from the production, manufacture, sale, use, lease, consumption or advertisement of any product incorporating the Invention, or which falls within the claims of any issued or pending patent of the subject Invention, or arising from any obligation thereof.

Prior to the first commercial sale of any product incorporating said Invention, full force and effect commercial, general liability insurance which shall protect the Protected Parties shall be obtained. Such insurance shall be written by a reputable insurance company authorized to do business in the Commonwealth of Pennsylvania, shall list PSRF and The Pennsylvania State University as an additional insured thereunder, shall include product liability coverage and shall require thirty (30) days written notice to be given to PSRF prior to any cancellation or material change thereof. The limits of such insurance shall not be less than One Million Dollars ($1,000,000) per occurrence with an aggregate of Two Million Dollars ($2,000,000) for personal injury or death, and One Million Dollars ($1,000,000) per occurrence with an aggregate of Two Million Dollars ($2,000,000) for property damage.
Guidelines for Acceptance of Donated Intellectual Property
by The Pennsylvania State University

The Intellectual Property Office (IPO) is responsible for the management and transfer of intellectual property for The Pennsylvania State University. IPO routinely evaluates Penn State inventions and technologies for technical merit, patentability, commercial potential and marketability. IPO will be primarily responsible for assessing the value and benefits of accepting donations of intellectual property and will recommend a course of action regarding proffered intellectual property to the Assistant Vice President for Research. These recommendations will be based on the criteria outlined below.

- The donor will obtain a valuation of the intellectual property available for donation (hereinafter "IP") by an independent, impartial third party and will share the complete valuation analysis with Penn State including the basis on which the valuation was generated.

- Current status of IP will be clearly identified and IP will be free of all encumbrances, claims and/or interferences
  - The donor shall clearly identify the IP with respect to patent applications, issued patents, trademarks, trade secrets, know how, technical information and/or other
  - Donor shall provide Penn State with an accurate current status of pending patent applications and issued patents
  - Donor shall provide Penn State with its best estimate of future expenses to prosecute pending patent applications and to maintain issued patents
  - The donor shall pay all expenses associated with the prosecution of pending patent applications and the maintenance of issued patents prior to transfer of IP to Penn State
  - The donor is strongly encouraged to support the prosecution of pending patent applications and the maintenance of issued patents after transfer of IP to Penn State to minimize the immediate negative financial impact of accepting the donation
  - Donor shall inform Penn State regarding any ongoing or anticipated patent enforcement and/or patent infringement issues
  - Donor shall warrant that it solely owns the IP and has the right to transfer ownership
  - IP shall not be subject to any pending litigation
  - Any anticipated IP litigation shall be identified

- A Penn State faculty member with relevant expertise, an active research program related to the IP and an interest in actively participating in continued research, development and transfer of the IP should be identified
  - IP should complement or supplement an active Penn State research program
  - Resources (research funding, facilities, personnel, etc.) should be available to continue development of the IP and/or acceptance of the IP should provide leverage to obtain the required resources
  - Donor understands that IP donations are most effective when accompanied by other resources (financial, equipment, other) to promote continued research, development, transfer and commercialization and donor will consider providing such additional resources
• IP should have sufficient patent life remaining to allow continued research, development, transfer and commercialization
  
  - IP should have a minimum of seven (7) years of patent life remaining from the date of transfer to Penn State
  - IP with less than seven (7) years of patent life remaining will be considered only under special circumstances

• Donor shall share all information for any known or anticipated approvals (such as FDA, USDA, EPA, NIH and/or other) that may be required prior to commercialization of IP

  - Donor will provide current status of approvals and a best estimate of any expenses associated with receiving approvals
  - Donor will provide best estimate of probability of receiving approvals and resources required to receive approvals
Special Student Intellectual Property Agreement Forms

Set forth below are rights and responsibilities regarding intellectual property created as a student at The Pennsylvania State University.

General Rule. Any intellectual property (such as undergraduate theses, inventions, discoveries, creations and new technologies) conceived or first reduced to practice by a student at The Pennsylvania State University ("University") as a work product (including homework assignments, laboratory experiments, special and independent study projects) of a "for credit" course (including SUBJ 294, 494, 594, 296, 496, and 596) will be owned by the student. The University does not claim ownership of such intellectual property.

However, intellectual property conceived or first reduced to practice in graduate research (e.g., SUBJ 600 or 610) or graduate thesis preparation (e.g., SUBJ 601, 611) credit courses will be owned by the University, and will be subject to University policies and procedures governing intellectual property and patents.

When a sponsor uses student research results, the sponsor is required to sign the Student Research Sponsorship Acknowledgement which: 1) acknowledges that the student research results are not warranted by the University; 2) the sponsor indemnifies the University; and 3) the student research results are not the work of the University.

Special Situations. Situations may occur in certain courses (e.g., SUBJ 296, 496, 596, 295, 395, 495 and 595) where students are presented with the opportunity to participate in projects or activities in which the ownership of any resulting intellectual property must be assigned either to the University or to a sponsoring entity (such as a company) as a condition of the student’s participation. Students are never obligated to participate in projects or activities that require the assignment of the student’s intellectual property to the University or to another entity. In these situations students will always be presented with two options: 1) to participate in projects or activities that do not require the student to assign their intellectual property or 2) to participate in projects or activities that require the student to assign their intellectual property.

The student’s grade and/or evaluation of performance in the course will not be affected by the student’s decision to participate or not to participate in projects or activities requiring the assignment of the student’s intellectual property.

Students should understand that the assignment of intellectual property is a binding legal agreement and that they have the right to seek independent legal advice at their own expense prior to signing this agreement. Students may obtain free legal consultation through the Division of Student Affairs.
Retention of Rights/Assignment of Rights

1) If students wish to retain ownership of their intellectual property and decline to assign their rights to any other entity, no further action is required.

2) If students agree to assign to the **University** all rights that they may acquire in inventions, discoveries or rights of patent that are conceived or first actually reduced to practice by them as a result of their participation in the course, they need to complete the Special Intellectual Property Agreement Form for Students – For Use When Assigning Intellectual Property to The Pennsylvania State University (**Form 1**).

3) If students agree to assign to the **Sponsor** all rights that they may acquire in inventions, discoveries or rights of patent that are conceived or first actually reduced to practice by them as a result of their participation in that course, they must complete the Special Intellectual Property Agreement Form for Students – For Use When Assigning Intellectual Property to Company Sponsor (**Form 2**).

**Acknowledgement by Sponsor.** Student project results are provided “as is” without any representation or warranties whatsoever, whether express or implied, including, but not necessarily limited to any warranty as to fitness for particular purposes, merchantability or non-infringement. All research performed is to be done by University students and is not subject to peer review or independent verification of results. The sponsor hereby agrees to indemnify and hold harmless the University, its agents, employees, students and volunteers for any and all harm, loss, liability, claims or damages which may arise from your use of the student project results in whatever manner or form.

The student project results are not the work of the University and any references either internally or to third parties shall clearly identify the source of the student project results as student research performed at the University without subsequent independent evaluation.

The sponsor is required to sign the Student Research Sponsorship Acknowledgement (**Form 3**).
Faculty Guidance On Student Intellectual Property Rights

The advent of heightened interest around the issue of ownership of the intellectual property (IP) rights of what is created, invented or discovered by students has created a much more complex situation on the part for students, faculty and providers of sponsorship and case studies. The issues revolve around the following questions on IP ownership:

a) What if the student makes an invention in a course they are taking?
b) Are grad students different from undergraduate students?
c) What if an undergrad works “for free” in a University laboratory to gain experience?
d) What about student interns, both at Penn State and at other institutions?
e) What about undergraduate theses?
f) What about situations where students develop design changes or problem solving in case-based learning on problems submitted by companies?

To deal with these challenges, and to create a practical and comprehensive policy, the forms detailed under “Special Student Intellectual Property Agreement Form” have been developed.

As a simple summary of the principal points underlying the forms:

a) If any student, grad or undergrad, taking any course for credit develops IP, the IP belongs to the student and an IP assignment agreement is not required
   • no matter who paid for the course
   • not including “research courses” for graduate theses
   • without regard for whether they are graduate students or undergraduates

b) If graduate students are doing any research in a University facility, all IP belongs to the University and an IP assignment agreement is required

c) If undergraduate students are working in a “scientific” lab
   • if they are paid for the work, the IP belongs to University
   • if they are doing it in a for-credit course, the IP is theirs
   • if they are working for “experience”, and they do not sign an IP assignment agreement, the IP will be theirs

d) If students develop IP in solving projects in a “for credit” course using case-based learning based on externally-submitted (company, institute, or non-profit) problems
   • the IP belongs to the students if there is no agreement to the contrary
   • if sponsors want to retain IP rights, they need to have students assign their IP rights by signing an appropriate agreement
   • it is the student’s choice to participate in projects requiring them to assign their rights
   • students must have a “non assignment” option in every course
e) Summer students/interns at Penn State and Penn State students at other institutions need to sign the appropriate IP agreement for the host institution.

f) For required senior theses, or seminar with a research component, the student must have available an option that allows them to retain their IP.

g) Medical, law and MBA students retain their IP rights so that faculty must be cognizant of which projects require IP protection in their assignments.

h) For “works of art”, including poetry, sculpture, graphic arts, painting, etc., all rights rest with the creator unless there is some specific agreement/contract which designates the effort as a “work for hire.”

i) If a company sponsors student research in connection with a “for credit” course, they need to be aware that the results generated:
   - are provided “as is” with no legal representations
   - are not the work of the University
   - need to be identified as student research performed without independent evaluation
   - require approval in writing before publication

Forms are available, in the “Special Student Intellectual Property Agreement Forms” to deal with all of the situations requiring assignment, or notification of the sponsors of the research. Faculty have the responsibility to get the appropriate IP agreement signed.
STRATEGIC AND INTERDISCIPLINARY INITIATIVES

Homeland Security and National Defense Initiatives

The Department of Homeland Security’s (DHS) Science & Technology directorate is tasked with researching and organizing the scientific, engineering, and technological resources of the United States and leveraging these existing resources into technological tools to help protect the homeland. Universities, the private sector, and the federal laboratories are important DHS partners in this endeavor. Penn State continues to organize its research capabilities and to establish partnerships with other academic institutions and industries to optimally contribute to DHS’s core missions.

The Keystone Alliance for Homeland Security Research, consisting of Penn State, University of Pittsburgh, University of Pennsylvania, and Carnegie Mellon University, continues to flourish. Recently, our colleagues at Penn led our team’s bid to host the DHS’s University Center of Excellence on The Economic Impact of Terrorism. Over seventy proposals were submitted and the Keystone Alliance submission was among the final four considered, though ultimately, the award went to the national team assembled and led by USC. Also within the past three months, four different groups of PSU researchers submitted pre proposals in response to the broad area announcement from the Homeland Security Advanced Research Projects Agency (HSARPA) on chem/bio sensors and sensor networks. Consistent with the stated mission of HSARPA, the BAA clearly targeted near-term deployment of existing technologies by industry, and not surprisingly, the largely development-oriented PSU submissions were not encouraged to submit full proposals. Nevertheless, each of these exercises was valuable in helping PSU to organize research teams and to focus research objectives on meeting the critical needs of DHS. For example, within four of the five activities mentioned above, Lockheed Martin and other industry partners served as essential collaborators. Research teams established which take advantage of the complementary strengths resident within Penn State and within Lockheed Martin are well positioned for competitions targeted toward the academic or industrial research communities.

Recently, Dr. Robert McGrath and other members of the Keystone Alliance met again with Dr. Charles McQueary, DHS Under Secretary for Science & Technology, and his key staff to discuss the upcoming competitions for establishment of University Centers of Excellence in Homeland Security Research. We are advised that an RFP focused on Agro Terrorism will be released within the coming weeks. Dr. Bruce McPherson, Associate Dean for Research in Agricultural Sciences, is leading the PSU effort to establish a national team that will respond to this RFP. Dr. McPherson’s efforts are being broadly supported by OVPR, by Colleges and Research Units across Penn State, and by members of the Keystone Alliance. Discussions with several institutions across the country are also ongoing.

We have also been advised to expect another RFP announcing a competition to establish University Centers of Excellence on Emergency Responder Training within the coming months, and we anticipate that our colleagues from the University of Pittsburgh, who are well positioned in this arena, will take the lead for the Keystone Alliance team. As there are many groups at Penn State attempting to make contributions in this important area, the ongoing efforts to organize and coordinate PSU’s contributions, being led by Wayne Smutz from Outreach and Distance Education, by Andy Mazzara from ARL, by Dr. Robert Cherry from HMC, and others, is encouragement to continue.

Finally, Dr. McQueary advises us to anticipate four to six additional RFPs for establishment of Homeland Security University Centers of Excellence over the next 12 to 18 months. He explains that DHS has not yet determined what the research focus of each center will be. PSU central and college administrations will continue to monitor
DHS announcements and to participate in DHS meetings to stay abreast of developments related to the University Centers of Excellence and other important DHS requirements where PSU researchers may be able to contribute to meeting important national needs.

**New Strategic Partnership with the Defense Threat Reduction Agency (DTRA):**

During this past year, a Penn State-led team of six universities was selected to serve as strategic R&D partners with DTRA. The traditional mission of DTRA has been protection / deterrence against nuclear and radiological attacks on US Armed Forces. In recent years, DTRA’s mission has been expanded to also include protection / deterrence against chemical and biological weapons. The Penn State led team includes UCSD, New Mexico Tech, Univ. of Florida, Florida A&M and North Carolina A&T, the latter two being Historically Black Colleges / Universities (HBCU).

To provide an efficient contractual vehicle for this new strategic partnership, DTRA awarded a $51-million task order contract to Penn State. Specific task order work packages supported under this contact are only now being developed. In response to specific requests from DTRA, research tasks have been submitted encompassing climate modeling, electromagnetic pulse interactions with microelectronic devices, crack initiation and growth in structural materials, information sciences for data/knowledge management, and more. The sponsor is also recommending initiation of discussions covering advanced technologies for deterrence and cultural studies for anticipation of terrorist behaviors. Dr. Tom Donnellan from ARL serves as Program Manager for interaction with DTRA and has been calling upon members of the University Research Council to aid in aligning PSU capabilities with the diverse requirements of DTRA.

**NASA Center for Space Research Programs (CSRP)**

Penn State’s diverse portfolio of NASA funded research projects continues to grow. Strong research programs are presently ongoing in Astrobiology, Propulsion, Climate Evolution, Rotorcraft Technologies, Human Effects of Space Flight, Novel Materials and Processing for Space Applications, and Astronomy & Astrophysics. Building upon these numerous continuing research programs and bolstered by the large expenditures associated with design and construction of the scientific instrument package for the Swift Gamma Ray Burst Orbiting Telescope, PI: Dr. John Nousek, Astronomy & Astrophysics, Penn State has climbed to number ten on the list to top NASA funded research universities for government fiscal year 2002.

Execution of the Swift Orbiting Telescope project required establishment at Penn State of supporting infrastructure for instrument design and for fabrication of flight qualified hardware. As Penn State will host the ground based tracking and data analysis center for Swift, expertise and infrastructure for communications, satellite control, data streaming and data processing have also been developed. The experience and resources for big science projects resident within Penn State’s Applied Research Laboratory have been instrumental for the success of the College of Science’s Swift project team.

A survey of NASA funded researchers from across campus revealed that many were enthusiastic about competing for large NASA awards, but had not done so because Penn State seemed to lack the supporting project management and engineering expertise necessary to be successful in such competitions. The resident expertise developed and associated infrastructure established for Swift represent valuable investments both for Penn State and for NASA. The Center for Space Research Programs (CSRP) has been established in order to capitalize on these assets and attract new, large NASA research projects to Penn State.
The CSRP is presently supported by initial three-year investments provided by the Eberly College of Science, the College of Engineering, the Applied Research Laboratory, the College of Earth & Mineral Sciences, the Office of the Vice President for Research, and the Office of the Provost. Faculty researchers from any college or research unit on campus are encouraged to take advantage of the added value that CSRP can provide in competitions and in subsequent execution of large NASA funded research projects.

The Hydrogen Energy Economy

The Bush administration and the Department of Energy (DOE) are providing numerous opportunities for R&D on basic and applied research related to development of the Hydrogen Economy. Penn State’s Hydrogen Energy Center (H:EC), with Dr. Bruce Logan as Director and Dr. Chunshan Song as Assoc. Director, provides the coordination and support for the numerous research activities at our University related to hydrogen energy. Basic research partnerships on national lab led initiatives have been proposed and are awaiting approval by DOE. Drs. Eklund (Physics), Foley (ChemEngr), MacDonald (Mat.Sci), and others are supporting basic research on hydrogen storage and retrieval in metal or chemical hydrides and in carbon media such as single walled carbon nanotubes – SWNTs. Dr. Logan and others are conducting basic work supported by NSF (and hopefully by DOE in the near future) on biomass production of hydrogen. In parallel, Dr. Logan and his team have been invited to submit a full proposal to NSF on basic research in hydrogen energy and this effort is presently in high gear. In the applications area, Dr. Joel Anstron from the PA Transportation Institute (PTI) is leading the PSU effort to host hydrogen driven and fossil fuel / hydrogen hybrid vehicles, this work in close collaboration with our partners at Air Products and Chemicals Inc. (APCI). Drs. Easterling, Mason, and McGrath are coordinating discussions with PA’s Dept. of Environmental Protection, Department of Transportation, and Department of Community and Economic Development, respectively, to obtain near term State support for vehicle demonstration projects that will provide valuable performance information and will attract additional national attention to the extensive capabilities and contributions in hydrogen energy provided by Penn State. Throughout these programs, Tanna Pugh and John Siggins from PSU’s Industrial Research Office are also providing valuable coordination as well as linkages to such important industrial partners are APCI, Ford, Toyota, Honda, GM, Exxon/Mobile, and others. Finally, Drs. Harold Schobert and Bruce Miller from PSU’s Energy Institute and Chunshan Song are assisting with important linkages to the National Energy Technology Laboratory (NETL) on hydrogen and fossil fuel energy projects.

For coordination purposes, we request that proposed and awarded research projects related to hydrogen energy be communicated to Bruce Logan (blogan@psu.edu), Chunshan Song (csong@psu.edu), and/or Tanna Pugh (tannapugh@psu.edu).

Other DOE R&D Opportunities

This summary provides the opportunity to announce that Dr. Ray Orbach, Director of DOE’s $3.4 billion dollar Office of Science has accepted an invitation to visit Penn State for Materials Day on April 15, 2004. Twenty-five percent of Dr. Orbach’s Office of Science budget, $850 million, supports research programs at universities. Some of Dr. Orbach’s primary interests included a) advanced computing at the grand challenge scale – especially related to climate modeling, b) nanotechnologies and advanced materials, c) hydrogen energy and fossil energy research, and d) the Spallation Neutron Source (SNS) at Oak Ridge National Lab – where Dr. Paul Sokol from Physics is already the PI on the primary neutron spectrometer. OVPR will be asking for assistance in hosting Dr. Orbach’s visit and welcomes suggestions aimed at expanding DOE funding for R&D at Penn State.
Worldwide University Network (WUN)

Enthusiasm for the WUN continues to grow among faculty from all across campus. Dr. Lee Kump and his colleagues are key contributors on development of a multi-institutional, multi-national oceanographic study of the Atlantic coastal waters off the coast of South America. WUN is encouraging the undertaking of grand challenges problems not easily attempted by individual institutions such as this one. In parallel, the WUN materials research community continues sponsorship of its trans-Atlantic, multi-institutional seminars series, and the PSU materials community continues to incorporate WUN features into various proposals submitted to NSF and other sponsors. Similarly, Dr. Amy Glasmeier is spearheading development of graduate student and faculty exchanges supporting development of proposals on the Geography of the Global Economy. And researchers in medieval studies, nursing and other areas continue to nurture graduate student/faculty exchanges with an eye toward procurement of external funding for perpetuating such programs.

Recently, Penn State hosted Dr. David Pilsbury, Executive Director of WUN, and other leaders of WUN. The visitors provided valuable insights to PSU researchers engaged in WUN. At the same time, the visitors were impressed with the innovation of PSU faculty in taking advantage of the opportunities for international exchanges and research projects that WUN enables.

WUN continues to expand toward the worldwide vision implicit in its name. Recently, the University of Utrecht in the Netherlands and the Universities of Oslo and Bergen in Norway formally joined the WUN community, joining the charter institutions of Penn State, Washington, Illinois, UCSD and Wisconsin in the US, and Bristol, York, Manchester, Leeds, Sheffield, and Southampton in the UK. Last year, the University of Nanjing and University of Zhejiang from the Peoples Republic of China joined the WUN. For more information about WUN, visit the WUN website at http://www.wun.ac.uk or for questions specific to Penn State interactions with WUN contact Ginny Imboden at vxi2@psu.edu.
Policy RA10 HANDLING INQUIRIES/INVESTIGATIONS INTO QUESTIONS OF ETHICS IN RESEARCH AND IN OTHER SCHOLARLY ACTIVITIES

Contents:

- Purpose
- Preamble
- Policy
- Definitions
- Procedure
- Reporting To The Sponsor
- Cross-References

PURPOSE:

To establish a means to handle inquiries and/or investigations into questions of ethics related to research and other scholarly activities.

PREAMBLE:

Public trust in the integrity and ethical behavior of scholars is essential if research and other scholarly activities are to play their proper role in the University and in society. The maintenance of high ethical standards is a central and critical responsibility of faculty and administrators of academic institutions. Policy AD47 sets forth statements of general standards of professional ethics within the academic community.

POLICY:

Misconduct in research or other scholarly activities is prohibited and allegations of such misconduct in research shall be investigated thoroughly and resolved promptly. Further, the University shall take such action as may be necessary to ensure the integrity of research or scholarly work, the rights and interests of research subjects and the public, and the observance of legal requirements or responsibilities. Violation of University policy shall be considered to be a serious breach of the trust placed in each member of the faculty and staff, as well as all students, and may result in the imposition of disciplinary sanctions, including, but not limited to, dismissal from employment or enrollment.

Faculty and staff members and students have a personal responsibility for complying with this policy and for assisting their associates in continuing efforts to avoid any activity which may be considered in violation of University policy.

DEFINITIONS:

Research Misconduct is defined as

(1) fabrication, falsification, plagiarism or other practices that seriously deviate from accepted...
practices within the scientific community for proposing, conducting, or reporting research or other scholarly activities;

(2) material failure to comply with applicable federal requirements for protection of researchers, human participants, or the public; or for ensuring the welfare of laboratory animals;

(3) failure to disclose all real or perceived conflict of interests;

(4) failure to comply with other applicable legal requirements governing research or other scholarly activities.

Research misconduct does not include disputes regarding routine, non-creative works of authorship, honest error or honest differences in interpretations or judgments of data, and is not intended to resolve bona fide scientific disagreement or debate.

Allegation is defined as any oral or written statement of possible research misconduct made to an institutional official.

Inquiry is defined as information-gathering and preliminary fact-finding to determine whether an allegation or apparent instance of research misconduct warrants an investigation.

Investigation is defined as a formal examination and evaluation of relevant facts to determine whether research misconduct has taken place or, if research misconduct has already been confirmed, to assess its extent and consequences and determine appropriate action.

Budget Executive - Those individuals who are responsible to the President, Executive Vice President and Provost, or a senior vice president for a section of the budget. These individuals are normally the President's administrative staff, academic Deans, and Campus Executive Officers. The budget executive approves transactions at the upper dollar levels and specified categories, affirming the programmatic need for the action and that the action is appropriate within University Policies and Guidelines.

Budget Administrator - Those individuals designated by the budget executive as being responsible for operating and controlling specific budget areas within the budget executive's administrative area. These individuals approve documents in their own name within the limits of the authorization policy stated below. This group normally includes associate deans, division heads, and department heads. The budget administrator approves transactions at the specified dollar levels and categories, affirming the programmatic need for the action and that the action is appropriate within University Policies and Guidelines.

PROCEDURE:

1. Anyone having reason to believe that a member of the faculty, staff, or a member of the student body has engaged in research misconduct or other scholarly activity should discuss the situation with his or her budget administrator or budget executive, or the Vice President for Research. Allegations may be the result of misinterpreted communication or misunderstanding and therefore, they may be subject to resolution on a collegial basis, through discussion(s) designed to ascertain whether there is reason to believe that research misconduct may have occurred in violation of this policy. If the results of such discussion(s) confirm the possibility of research misconduct in violation of this policy, the matter should be reported, in writing, to the Vice President for Research. Upon receipt of written allegations of research misconduct, the Vice President for Research shall promptly provide a copy of such written allegations to the budget executive and budget administrator of the area in which the accused individual is primarily employed, and the Director of Research Protection. In addition, the Vice President for Research shall notify the accused individual of the alleged violation(s) of University policy.

The foregoing procedure shall also be followed in the event that an investigatory Committee appointed in
accordance with Section 5 hereof obtains information that any individual, other than the one initially under investigation, has allegedly engaged in research misconduct.

2. Upon receipt of the written allegation(s) of research misconduct, the Vice President for Research, the Director of the Office for Research Protections, and the budget executive of the area in which the accused individual is primarily employed, in consultation with the budget administrator of the area in which the accused individual is primarily employed, shall immediately conduct an inquiry and shall take all necessary steps to protect government or industrial research funds and insure that the purpose of the Federal and industrial support are being carried out. Relevant research records, documents, and/or materials shall be immediately sequestered. If the person(s) designated to conduct the inquiry does not have the necessary and appropriate technical expertise or background in the field of question, technical consultants (from within the University whenever possible) should also be appointed to assist in the inquiry. The inquiry must be completed within 60 calendar days of its initiation unless circumstances clearly warrant a longer period (up to 30 additional days). The Vice President for Research shall provide written notice to the accused individual that an inquiry shall be conducted as to specified allegation(s) of research misconduct. Precautions against real or apparent conflict of interest shall be taken, including, if necessary, referral by the Vice President for Research to another University officer or third party.

The privacy of the accused and the accuser, and the confidentiality of information shall be protected to the maximum extent possible.

3. A written report shall be prepared that states what evidence was reviewed, summarizes relevant interviews, and includes the conclusions of the inquiry. The accused individual(s) shall be given a copy of the report of inquiry. If they comment on that report, their comments may be made part of the record. If the inquiry takes longer than 60 days to complete, the record of inquiry shall include documentation of the reasons for exceeding the 60 day period.

4. Documentation in sufficient detail to permit a later assessment, if necessary, of the reasons for determining that an investigation was not warranted shall be maintained for a period of at least three years by the Vice President for Research, and shall be made available upon request to any involved Federal agencies.

5. If it is determined from the inquiry that the research misconduct allegation(s) warrant further investigation, the Vice President for Research, shall:
   a. in consultation with the budget executive and budget administrator of the area in which the accused individual is primarily employed, appoint an ad hoc Investigatory Committee composed as provided herein,
   b. refer the research misconduct charge to the Committee,
   c. take such interim action as may be necessary to ensure the integrity of research or other scholarly work, the rights and interests of research subjects and the public, and the observance of legal requirements or responsibilities, and
   d. provide written notification to the accuser and the accused individual of the initiation of the investigation and of the misconduct allegation(s) to be investigated.

Thereafter, the Director of Research Protections shall provide on-going administrative support and assistance to the investigatory committee.

6. The Committee shall consist of at least five tenured University faculty members, each of whom should have no conflict of interest and be competent, in the judgment of the Vice President for Research, to evaluate the questions before the Committee. External scholars or persons with relevant expertise may be consulted by the Committee where warranted by the nature of the field or by the nature of the allegation(s).

7. Within 30 days of the completion of the inquiry, the Committee shall initiate and conduct a prompt and
thorough investigation in order to ascertain the facts of the case and to determine whether the accused individual has violated University policy. The Committee shall provide the accused individual the opportunity to be heard by the Committee, through presentation of statements and/or documents with respect to the research misconduct allegation(s), as the accused person prefers.

8. The investigation normally will include examination of all documentation, including but not necessarily limited to relevant research data and proposals, publications, correspondence, and memoranda of telephone calls. Whenever possible, interviews should be conducted of all individuals involved, including the accused and the accuser(s), as well as other individuals who might have information regarding key aspects of the allegations; complete summaries of these interviews should be prepared, provided to the interviewed party for comment or revision, and included as part of the investigatory record.

9. Upon conclusion of the investigation, the Committee shall prepare a preliminary investigation report setting forth its findings with respect to the research misconduct allegation(s) and the grounds on which such findings were based. A copy of the preliminary investigation report shall be provided to the accused individual, who shall be permitted to present a written response to said report within fourteen days. Upon expiration of the fourteen-day response period, the Committee shall prepare a final investigation report.

10. If a majority of the Committee finds that the individual has violated University policy based on the preponderance of the evidence, it shall recommend an appropriate course of action to the Vice President for Research, which may include disciplinary sanctions and which shall include adequate steps to ensure that the University meets its obligations, if any, to third parties affected by the violation; these third parties shall include co-investigators and coauthors, granting agencies and other research sponsors, professional journals and relevant clients.

The Vice President for Research shall consider the Committee's findings and recommendations, and in consultation with the budget executive and budget administrator of the area in which the accused individual is primarily employed, prepare a written decision upholding or rejecting, in whole or in part, the findings and recommendations in the Committee's final investigation report. The Vice President for Research shall provide a copy of the written decision to the accused individual.

11. If the Vice President for Research finds University policy has been violated based on the preponderance of the evidence, he or she shall;
   a. take all appropriate actions to ensure that the University meets its obligations to all parties affected by the violation, and;
   b. notify the budget executive and budget administrator of the area in which the accused individual is primarily employed, in writing, of the actions to be taken and will notify all affected parties.

12. If the Vice President for Research finds University policy not to have been violated, either at the inquiry stage or after a full investigation, these proceedings will be closed and the accused individual and the accuser so notified in writing. Diligent efforts should be undertaken, as appropriate, to restore the reputations of the accused when allegations are not confirmed, and also diligent efforts should be undertaken to protect the positions and reputations of those who, in good faith, make allegations of research misconduct.

Throughout these proceedings, the privacy of the accused and the accuser, and the confidentiality of the information related to the proceedings shall be protected to the maximum extent possible.

13. If an investigation is undertaken pursuant to this policy, the investigation should normally be concluded, and a decision made by the Vice President for Research, within 120 days from the initiation of the investigation.

REPORTING TO THE SPONSOR:

The Vice President for Research shall take steps to notify, and keep informed, research sponsors in compliance
with applicable laws, regulations and agreements. In particular, research sponsors shall be:

a. informed immediately in writing if an initial inquiry supports a formal investigation;

b. kept informed during such a formal investigation;

c. notified immediately, or as required during an inquiry or investigation;
   i. if the seriousness of apparent research misconduct warrants,
   ii. if immediate health hazards are involved,
   iii. if the research sponsor's resources, reputation, equipment, or other interests require protection,
   iv. if Federal action may be needed to protect the interest of a subject of the investigation or of others potentially affected,
   v. if the scientific community or the public should be informed, or
   vi. if there is reasonable indication of possible criminal violation, in which event notification must be made within 24 hours of obtaining that information.

The Vice President for Research will notify other outside parties as may be appropriate, including publishers or institutions with whom the individual found to have committed research misconduct is now or has been professionally affiliated.

If the sponsor is the Department of Health and Human Services, the Director of the Office of Research Integrity (ORI) must be notified within 24 hours of obtaining any reasonable indications of possible criminal violations. If an investigation cannot be completed within 120 days, a written request for an extension must be submitted to ORI including an explanation for the delay that includes an interim report on the progress to date. If an inquiry or an investigation is planned to be terminated prior to completion, a written report of such planned termination, including a description of the reasons for such termination, shall be made to the Director of ORI.

Where applicable, all documentation substantiating the findings hereunder shall be made available to the Federal agency involved, and in the case of PHS, to the Director of ORI.

**CROSS-REFERENCES:**

Other Policies in this Manual should also be referenced, especially the following:

RA11 Patents and Copyrights (Intellectual Property)
RA12 Technology Transfer and Entrepreneurial Activity (Faculty Research)
RA14 The Use of Human Subjects in Research

Effective Date: November 11, 2003
Date Approved: November 11, 2003
Date Published: November 11, 2003

**Most Recent Changes:**

- Purpose revised to emphasize ethic related to research and other scholarly activities.
- Under the DEFINITIONS section: changed "misconduct" to "research misconduct" and updated the
definition thereof; added a definition for "allegation."
- For the reporting and oversight of misconduct investigations, changed "budget administrator" to "Vice President for Research."
- Provided for sequestering of relevant documents and records.
- Other editorial clarifications.

Revision History (and effective dates):
- February 20, 1998 - Relocating and renumbering Policy RA10 from AD04, and updated RA11, RA12, and RA14 locations.
Policy RA20 INDIVIDUAL CONFLICT OF INTEREST

Approved but not published as of 12/3/03.

Contents:

- Purpose
- Policy
- Definition
- Background
- Implementation
- . . . . Conflict of Interest Official
- . . . . Conflict of Interest Committee
- . . . . Disclosure Process
- . . . . Sanctions
- Cross References

PURPOSE:

In order to enable work done at Penn State to have the broadest positive impact on society, the University sets forth this policy to protect the research, scholarship, artistic endeavors, and technology transfer programs (also referred to University Research and Technology Transfer) of the University from improper actions and influences that can arise as a result of individual conflict of interest. Further, this policy serves to define the safeguards necessary to preserve the integrity of the University, its faculty, students, staff, officers and other senior managers of the University.

POLICY:

All significant financial or business interests which present a potential conflict of interest, whether real or perceived, of students, faculty, staff, administrators, officers and other senior managers of the University (hereinafter referred to as "Individuals") must be fully disclosed to a University Conflict of Interest Committee, reporting to the University Provost. Any real or perceived conflict of interest must be properly managed or eliminated before any contract, sponsored project (research, instruction or outreach), dedicated gift, or other transaction is executed, any relationship is initiated, or any action is taken that might be influenced or appear to be influenced by the conflict of interest. In order to ensure compliance, Individuals having a real or perceived conflict of interest are required to complete, at a minimum, an annual disclosure regarding conflict of interest.

DEFINITION:

The term individual conflict of interest refers to situations in which financial considerations may compromise, or have the appearance of compromising, an employee's professional judgment in designing, conducting, evaluating, or reporting on University Research and Technology Transfer programs. Thus, all activities with relevance to the broad disciplinary field or the research of an Individual should be disclosed as they arise, but no less frequently than the required annual disclosure. The bias such conflicts may conceivably impart can affect not only the collection, analysis, and interpretation of data, but also the hiring of staff, procurement of materials, sharing of results, choice of licensees, choice of protocol, involvement of human participants, and the use of statistical methods.
For the purposes of this policy, "Significant Financial or Business Interest" means anything of monetary value/interest, including, but not limited to:

- Compensation or other payments for services (e.g., consulting fees or honoraria);
- Equity interests (e.g., stocks, stock options or other ownership interests);
- Intellectual property rights (e.g., patents, copyrights, and separately, royalties from such rights);
- Holding a management position or playing an advisory or consultative role (whether compensated or not) with a company or on the board of a company.

The term does not include:

- Salary or other remuneration from the University;
- Income from seminars, lectures, or teaching engagements sponsored by public or nonprofit entities;
- Income from service on advisory committees or review panels for public or nonprofit entities; or
- An equity interest that, when aggregated for the Investigator and the Investigator's spouse and dependent children, meets both of the following tests: does not exceed $10,000 in value as determined through reference to public prices or other reasonable measures of fair market value, and does not represent more than a five percent ownership interest in any single entity (considered as a de minimus amount); or
- Other compensation, royalties or other payments that, when aggregated for the Investigator and the Investigator's spouse and dependent children over the next twelve months, are not expected to exceed $10,000 (considered as a de minimus amount).

"University Research and Technology Transfer" includes sponsored projects (including for research, instruction or outreach activities), dedicated gifts, research, scholarship, artistic endeavors, and technology transfer.

**BACKGROUND:**

One of Penn State University's premier assets is its integrity. If the public were to lose confidence in that integrity, the University would sustain severe injury. Therefore, the University is very concerned about conflict of interest; it strikes to the very heart of the University's integrity. The University has identified several key values (not in any particular order) that must be protected from conflicts of interest:

1. Commitment to serving the public trust;
2. Commitment to the pursuit of excellence;
3. Commitment to the education and welfare of students;
4. Commitment to the safety and care of patients under treatment and all human participants in research;
5. Commitment to academic freedom;
6. Commitment to advancing the range and depth of knowledge and understanding of the natural world and our human condition;
7. Commitment to open and timely communication and dissemination of knowledge;
8. Commitment to protect both the appearance and the actual integrity and objectivity of University Research and Technology Transfer;
9. Commitment to ensure the technology transfer and commercialization of the results of research for the betterment of society;
10. Commitment to personal and professional development of students, faculty, staff, administrators, and officers;
11. Commitment to meet our social and ethical responsibilities by obeying the laws and regulations governing the conduct of a University.

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1 The statement of these values is based in part upon a report issued by the Association of American Universities (AAU), "Report on Individual and Institutional Financial Conflict of Interest," by the Task Force on Research Accountability, Report and Recommendations, October 2001. The language of portions of this report is used directly in sections of this policy.
Penn State believes that significant conflicts of interest, when unchecked or unmanaged, can threaten these key values and thus has established within this and related policies a rigorous set of guidelines and procedures to ensure that they are protected. In addition and of paramount concern, is the health and welfare of human participants in research, because lives are literally at stake. Financial interests in human participants research must be the focus of intense scrutiny.

While the University recognizes the necessity to protect against the ill effects of conflicts of interest, it also recognizes that it has public responsibilities that may require the University to accept a certain level of potential conflicts of interest, so long as the conflicts themselves are properly managed and the ill effects mitigated. Transferring University-developed knowledge to the private sector fulfills one of the goals of federally funded research, by bringing the fruits of research to the benefit of society. With this important activity comes increasingly close relationships between industry and the University, relationships that provide benefits but also hazards through the increased risk of conflicts of interest, both individual and institutional (see RA21), that can threaten to compromise academic programs and institutional autonomy.

IMPLEMENTATION:

The problem with conflict of interest is rarely the existence of a particular conflict itself - rather it is the question about what is to be done with the conflict. In most cases, problems arise when the conflict is not made apparent, or when it is not properly assessed or managed. The approach of this policy is threefold:

1. Disclose always (both internally and, when necessary, externally in publications, reports, public presentations, or informed consent documents).
2. Manage the conflict in most cases.
3. Prohibit an activity or eliminate the conflict (e.g., by divestiture) when necessary to protect the public interest or the key values of the University.

Conflict of Interest Official:

A key goal in this approach is to segregate the decision-making process regarding the financial activities and interests from the research or other programmatic activities of the University, so that they are separately and independently managed. To this end oversight of this policy is the responsibility of the director of the Penn State Office for Research Protections who shall serve as the Conflict of Interest Official of the University, reporting directly to the Vice President for Research.

The Conflict of Interest Official is responsible for developing, promulgating, and updating procedures and guidelines for the implementation of this policy and for providing administrative support to the Conflict of Interest Committee.

Conflict of Interest Committee:

The University shall establish a Conflict of Interest (COI) committee(s). It shall report to the Provost (or, if the Provost is the one involved in the conflict, to the next highest University official who is not involved in the specific conflict). The COI committee membership shall represent the diversity of academic disciplines at Penn State, but shall include at least one individual who conducts research involving human participants at Penn State. The Conflict of Interest Official (or delegate at the College of Medicine) shall serve ex officio on the Committee, and shall also serve as the liaison to the University's Institutional Review Board(s).

The COI committee is responsible for:

- Review of disclosures that present or appear to present a conflict of interest.
- Documentation of the committee's findings and the bases for the approval of conflict resolution plans, including steps to be taken to manage or minimize the potential for conflict of interest by
reducing or eliminating the interest or an individual's direct involvement in the project.

- Management and oversight of projects that are being managed for conflicts of interest.
- Communication to the IRB, and to responsible institutional officials, of summary information about the nature and amount of any significant financial interest related to human participants in research, along with the committee's findings and recommendations concerning requests by financially interested individuals to conduct such research.

**Disclosure Process:**

Prior disclosure of any potential conflict of interest is required of all Individuals, however, at a minimum the University shall require disclosures in the following instances:

- Disclosures of real or potential conflict of interests are required of all faculty members at least annually.
- Prior to the submission of proposals for sponsored projects or acceptance of awards, Individuals shall certify as to whether or not the project requires the disclosure of any significant financial interests of project personnel.
- Prior to engaging in any technology commercialization activities involving the licensing or other transfer of University technology to third parties, Individuals shall disclose any potential conflict of interest.
- Prior to the start-up of any business or commercial activity by an Individual involving the broad disciplinary field or the research of that Individual, Individuals shall disclose the potential conflict of interest.

**Sanctions:**

Whenever an Individual has violated this policy, the COI Committee shall recommend sanctions which may include disciplinary action ranging from a letter of reprimand to dismissal and termination of employment. If the violation results in a collateral proceeding under University policies regarding misconduct in research (see RA10), then the Committee shall defer a decision on sanctions until the misconduct in research process is completed. The Committee's recommendations on sanctions shall be presented to the Individual's cognizant University official who, in consultation with the Vice President for Research (or the Senior Vice President for Health Affairs at Hershey Medical Center), shall enforce any disciplinary action, following due process as outline in University policy. In addition, in cases impacting federally funded sponsored projects, the University shall follow federal regulations regarding the notification of the sponsoring agency in the event an Individual has failed to comply with this policy.

**CROSS REFERENCES:**

Other Policies in this Manual may have specific application and should be referred to especially;

**AD37** - Technology Transfer and Entrepreneurial Activity (Faculty Research),

**AD47** - General Standards of Professional Ethics,

**FN14** - Use of Tangible Assets, Equipment, Supplies and Services,

**HR35** - Public Service by Members of the Faculty and Staff,

**HR80** - Private Consulting Practice,

**HR91** - Conflict of Interest,
**RA05** - Significant Financial Interest Disclosure for Sponsored Project's Investigators,

**RA10** - Handling Inquiries / Investigations into Questions of Ethics in Research and in Other Scholarly Activities,

**RA12** - Technology Transfer and Entrepreneurial Activity (Faculty Research),

**RA21** - Institutional Financial Conflict of Interest Involving Sponsored Projects, Dedicated Gifts, Research, Scholarship, and Technology Transfer.

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Effective Date: __
Date Approved: __
Date Published: __

**Most recent changes:**

- New Policy.
Policy RA21 INSTITUTIONAL FINANCIAL CONFLICT OF INTEREST INVOLVING SPONSORED PROJECTS, DEDICATED GIFTS, RESEARCH, SCHOLARSHIP, AND TECHNOLOGY TRANSFER

Approved but not published as of 12/3/03.

Contents:

- Purpose
- Policy
- Definitions
- Background
- Implementation
- Conflict of Interest Official
- Institutional Conflict of Interest Committee (ICIC)
- . . . PHASE I Ad Hoc Review Team
- University Financial Interests
- Equity and Licensing Arrangements
- Officers and Other Senior Managers of the University
- . . . Institutional/Individual Conflicts
- . . . Recusal
- . . . Interim Recusal
- Sanctions
- Cross References

PURPOSE:

This policy is established to provide appropriate institutional safeguards to sustain a climate in which sponsored projects, dedicated gifts, research, scholarship, artistic endeavors, and technology transfer (also referred to as University Research and Technology Transfer) are carried out responsibly, and in so doing foster an atmosphere of openness and integrity. Penn State has a responsibility as a steward of public funds to ensure that all its activities related to University Research and Technology Transfer are free from the taint of suspicion caused by any potential institutional conflict of interest that might adversely affect the sound judgment of Penn State faculty, students, staff, administrators, officers and other senior managers. In addition the University has a responsibility to ensure that no one should unfairly benefit from the University public trust or reputation. Finally, the welfare of human participants in research and the integrity of research will not be compromised - or appear to be compromised - by competing institutional interests or obligations.

POLICY:

Each institutional financial interest that presents a potential for conflicts of interest, whether real or perceived, must be fully disclosed to the University Institutional Conflict of Interest Committee, reporting directly to the University's Office of the President, and the conflict of interest must be properly identified and managed or eliminated before any contract, sponsored project, dedicated gift, or transaction is executed, any contractual
relationship is initiated, or any action is taken that might be influenced or appear to be influenced by the conflict of interest.

DEFINITIONS:

An institutional financial conflict of interest may occur when Penn State has an external relationship or financial interest in a company that itself has or seeks a financial interest in or benefit from University Research and Technology Transfer. For purposes of this policy "Penn State" includes any of its officers or other senior managers, academic units (including colleges, schools, departments, centers, institutes, or consortiums) or subsidiary entities.

Likewise, officers or senior managers may also have conflicts when they serve on the boards of (or otherwise have a formal relationship with) organizations that have or seek to have a financial interest in or benefit from Research and Technology Transfer at the University.

The existence (or appearance) of such conflicts potentially can lead to a real or perceived bias, in the review or conduct of Research and Technology Transfer at the University. Such conflicts can also unfairly benefit individuals or other entities. Such conflicts may also adversely affect the sound judgment of Penn State faculty, students, staff, administrators, officers, and other senior managers.

If these potential conflicts are not disclosed, evaluated, and either eliminated or managed, they may result in or be perceived to result in choices or actions that are incongruent with the missions, obligations, or the values of the University.

"Officers" means President, Provost, Vice Presidents, Vice Provosts, Treasurer, or Controller.

"Other Senior Managers" includes Deans, Campus Executive Officers, Associate/Assistant Vice Presidents for Research, and chairs of the institutional review boards and chairs of conflict of interest committees who make decisions with implications for Research and Technology Transfer at the University.

"Unit Heads" includes Department Heads, Consortium or Institute Directors, etc.

"Individuals" means Penn State faculty, students, staff, administrators, officers, and other senior managers.

"University Research and Technology Transfer" includes sponsored projects (including for research, instruction or outreach activities), dedicated gifts, research, scholarship, artistic endeavors, and technology transfer.

BACKGROUND:

Institutional financial conflicts of interest arise in different contexts across campuses, but in general they concern the University (and the public) if they have a significant potential to compromise the University's mission, no matter the field or context. Three major categories of such conflicts are:

1. Potential conflicts involving University financial/stock holdings and their relationship to University Research and Technology Transfer
2. Potential conflicts involving University equity holdings or royalty arrangements arising out of licensing agreements and their relationship to University Research and Technology Transfer
3. Potential conflicts involving University officers and other senior managers who have or oversee significant financial grant or contract holdings or have decision-making positions with outside companies, and who make decisions with implications for University Research and Technology Transfer.
1) Stock Holdings:

A major concern about the potential for institutional conflicts of interest arises when the University owns a significant amount of stock in a specific company with which it has a University Research or Technology Transfer relationship. Such a relationship might be perceived to adversely affect the sound judgment of individuals or affect the objective and unbiased conduct of, reporting on, or licensing of a University Research or Technology Transfer program, even though the principal investigator or others involved in the conduct of the activity have no personal financial interest. The University promulgates these policies and procedures to ensure that such potential conflicts are identified, disclosed, managed, or eliminated prior to initiating a specific project, activity, or transaction.

2) Equity and Licensing Arrangements:

Another major concern about potential bias arises in the case of decisions about University Research and Technology Transfer where the University holds relevant equity positions or has royalty arrangements, and the equity or royalties are derived from University inventions, startups, or other University technology transfer.

Penn State University is transferring technology to the private sector with increasing rapidity, consistent with its responsibilities under the Bayh-Dole Act of 1980. As part of some licensing arrangements, the University may negotiate an equity position in the company, in addition to or even in lieu of licensing fees and royalties. Equity positions are negotiated by the Intellectual Property Office and are approved by the Vice President for Research, the Executive Director of the Office of Investment Management, and the Senior Vice President for Finance and Business. The decision to accept equity can be influenced by a number of factors. For instance, under the Bayh-Dole Act, the University takes responsibility on federally financed inventions to see that they are brought to the commercial market where they can benefit the populace. The University makes a diligent effort to identify an independent, established private company to license and underwrite the cost of developing and patenting the product. However, at the early stage of development, the commercial potential of an invention is often uncertain. If no independent company is found to assume the financial risk for developing the product, the University may consider licensing the invention to a start-up company, possibly involving University inventors, which will take the technology through the patenting and development licensing process itself. The University will generally consider accepting equity in arrangements with start-up companies that will hold the licenses.

The Vice President for Research, in consultation with the Board of the Penn State Research Foundation, is responsible for putting in place and maintaining appropriate office policies and procedures to oversee the strategies under which the Intellectual Property Office negotiates equity positions in licensing agreements consistent with "University Policies Governing Technology Transfer & Entrepreneurial Activity" [http://grants.psu.edu/PSU/res/entrep.htm](http://grants.psu.edu/PSU/res/entrep.htm).

A study by the General Accounting Office (GAO), the investigative arm of Congress, revealed the importance of establishing a "firewall" between the management of the University's equity holdings and its research affairs, e.g., having them report to separate officers within the University. Such a separation of powers is critical to averting institutional conflicts of interest and accusations of "insider trading" that might come about if the office making investment decisions was also responsible in some way for the research and had intimate knowledge about the technology licensed and the company holding the license.

3) Officials:

The final main category of institutional conflict of interest concerns individuals who are in a position to make decisions that have institution-wide implications regarding University Research and
Technology Transfer. These include officers and other senior managers of the University. The first and most obvious potential source of conflict is between an individual's personal financial holdings and their institutional responsibilities. A second potential could come for individuals who head an academic unit with significant grant or contract holdings from a particular company. For instance, decisions on awarding technology licenses might be influenced by a conflicted individual towards companies that support a significant amount of research for that individual's academic unit without regard for qualifications or capability. A third potential could come from these same individuals who hold positions within companies or on the boards of companies.

While similar to a potential conflict between an individual researcher's financial holdings and their research activities, these potential conflicts are distinguished by the type of decision the person is making. In the case of University officials, they are making decisions that have institution-wide impact and are taken on behalf of the University.

All officers and other senior managers of the University must disclose financial interests that might influence or appear to influence their sound judgment in regards to institutional decisions or the conduct or reporting of University Research and Technology Transfer programs, or that might give unfair benefit to persons or entities. This is especially true in the situations in which human research participants will be involved in the project.

IMPLEMENTATION:

The problem with conflict of interest is rarely the existence of a particular conflict itself - rather it is the question about what is to be done with the conflict. In most cases, problems arise when the conflict is not made apparent, or when it is not properly assessed or managed. The approach of this policy is three-fold:

1. Disclose always
2. Manage the conflict in most cases
3. Prohibit an activity or eliminate the conflict (e.g., by divestiture) when necessary to protect the public interest or the key values of the University (see RA20)

CONFLICT OF INTEREST OFFICIAL:

A key goal is to segregate the decision-making process regarding the financial activities and interests from the research or other programmatic activities of the University, so that they are separately and independently managed. To this end oversight of this policy is the responsibility of the Director of the Penn State Office for Research Protections, who shall function as the Conflict of Interest Official and who reports directly to the Vice President for Research.

INSTITUTIONAL CONFLICT OF INTEREST COMMITTEE (ICIC):

The University shall establish an Institutional Conflict of Interest Committee. The Committee shall report to the Office of the President of the University. ICIC membership shall include a senior officer of the University who has sufficient seniority, expertise, and independence to evaluate competing interests at stake and make credible and effective recommendations. Also serving on the committee shall be a representative of the College of Medicine, at least one faculty member, and at least one member of the community. Recusal shall be required whenever any member has an actual or apparent conflict of interest with regard to any matter under review. The ICIC shall include one or more alternates to sit in place of any member who has recused himself or herself from the deliberations. The Conflict of Interest Official shall serve as administrator for the ICIC and as the liaison to the University's Institutional Review Board(s) when human participants research in involved. All appointments shall be made by the President.

The ICIC is responsible for:
• Review of disclosures that present or appear to present an institutional conflict of interest.
• Establishment of a Phase I ad hoc review team (see below), if necessary.
• Development of conflict resolution plans.
• Documenting the committee's findings and the bases for the approval of conflict resolution plans, including steps to be taken to manage the conflict or minimize the potential for conflict of interest by reducing or eliminating the interest.
• Oversight of projects that are being managed with respect to conflicts of interest.
• Communication to the IRB, and to responsible institutional officials, of summary information about the nature and amount of the institutional financial interest in human subject research, along with the committee's findings.

PHASE I Ad Hoc Review Team:

Because of the complex nature of institutional conflicts of interest the ICIC may, at its discretion, determine the necessity to appoint an ad hoc review team to:

• Understand the nature of the University Research or Technology Transfer program proposed.
• Compile information about the financial interests involved and the various ways in which those interests might affect the proposed project.
• Determine if there is in fact a "nesting" of potential conflicts of interest impacting a number of different University operations, e.g., research, services, intellectual property licensing, or purchasing of goods and services.
• Develop reasonable mechanisms for managing, reducing or eliminating institutional conflicts of interest.

After completing an analysis of an institutional conflict of interest, the ad hoc Review Team shall make a full report to the ICIC.

UNIVERSITY FINANCIAL INTERESTS:

The Conflict of Interest Officer shall obtain at least annually (and updated as necessary):

• a list of the top 40 equity holdings from the Office of Investment Management (based on June 30 data)
• a list of companies that hold option or licensing rights to Penn State Research Foundation or the Intellectual Property Office (based on December 31 data).
• a list of major corporate donors that exceeds 1 million dollars.

The Conflict of Interest Officer shall review these holdings against the profile of University Research and Technology programs to determine if a potential conflict of interest exists in any areas, and shall notify the heads of those areas thus affected as to the potential conflict. In addition, the COI Officer shall provide a "watch list" of companies to the Assistant Vice President for Research who is responsible for sponsored programs that research administrators should consult when processing grants and contracts from company sponsors in order to assist in the identification of potential institutional conflicts of interest. On a case-by-case basis, when research sponsored by a private company involves the use of human research participants, the Conflict of Interest Officer shall provide to relevant University offices, including the Office of Investment Management, University Development Office, Office of Sponsored Programs, Vice Dean for Research, College of Medicine, and the Intellectual Property Office, the name of the sponsoring company, the financial relationships, and obtain from those offices an indication of the total financial interests and any other potential conflicting relationships the University has in that company. All potential conflicts shall be disclosed by the Conflict of Interest Officer to the ICIC, which shall review the disclosures and resolve potential conflicts in accordance with the steps identified within this policy. The day-to-day management of institutional financial interests, such as endowment and other investments, shall generally be managed by an outside professional investment management firm. In any case, proper firewalls shall be established between investment decisions and research management.
EQUITY AND LICENSING ARRANGEMENTS:

The University will turn over management of the equity to an outside professional investment management firm, which shall handle the investment independently from the University. This arrangement will provide a suitable firewall especially when:

- The equity position is significant and its value-potential very high.
- The University is involved in ongoing research in cooperation with the licensee.
- The University has significant knowledge about the product and the company's plans for commercialization.
- The product under license is a medical therapeutic, treatment, palliative, or curative that has significant medical potential or a high level of risk associated with it.

The University is strictly prohibited from using non-public information to influence or appear to influence the management of its equity share in a company. All University employees shall act in a manner to ensure that this prohibition is never violated.

Likewise, the amount of equity the University takes in a company can be a potential institutional conflict of interest issue, especially if the company involved is a University-related start-up company. The University should ensure that its equity position in the company is not one such that the University is perceived as a major holder. As such, an independent observer might believe that the University's actions regarding the company might be influenced by its substantial holding, regardless of the kinds of firewalls the University has constructed between the management of the investment and the University Research and Technology Transfer activities the University may be engaged in. Equity positions may not exceed 10% without the review of the ICIC and subsequent approval of the Vice President for Research and then by the Senior Vice President for Finance and Business. Certainly, in no case should the University be involved in a company at a level greater than 49%.

When accepting equity in a start-up company the University will not accept any representation on a company's board of directors nor have any voting rights. However, in the event of the early stage development of a technology in a start-up company, the University may secure "observer rights" or the rights to access company financial and performance reports. The role of a faculty member serving in a management role in such a company shall be governed by other sections of this policy.

Finally, the University shall use income generated from the sale of its equity holdings in the same manner as it uses licensing income.

OFFICERS AND OTHER SENIOR MANAGERS OF THE UNIVERSITY:

Beyond compliance with policies and procedures, institutional officials must foster a "culture of conscience" in the research enterprise. Exercising their authority within the University, officials should insist upon rigorous enforcement of conflict of interest policies. Leading by personal example, officers and senior managers should demonstrate to the academic community and to the public that compliance with these policies, including full disclosure of financial conflicts of interest, is an imperative reflecting core institutional values.

Officers and other senior managers of the University are required to file an annual disclosure of their significant financial interests. For the purposes of this section, Significant Financial Interest means anything of monetary value, including, but not limited to:

- Compensation or other payments for services (e.g., consulting fees or honoraria);
- Equity interests (e.g., stocks, stock options or other ownership interests);
- Intellectual property rights (e.g., patents, copyrights, and separately, royalties from such rights).

The term does not include:

- Salary or other remuneration from the University;
• Income from seminars, lectures, or teaching engagements sponsored by public or nonprofit entities;
• Income from service on advisory committees or review panels for public or nonprofit entities; or
• "An equity interest that, when aggregated for the Individual and the Individual's spouse and dependent children, meets both of the following tests; does not exceed $100,000 in value as determined through reference to public prices or other reasonable measures of fair market value, and does not represent more than a five percent ownership interest in any single entity (considered as a de minimus amount); [the above does not include mutual funds, etc.] or
• "Other compensation, royalties or other payments that, when aggregated for the Individual and the Individual's spouse and dependent children over the next twelve months, are not expected to exceed $100,000 and does not represent more than a five percent ownership interest in any single entity (considered as a de minimus amount).

Institutional/Individual Conflicts:

University officers, other senior managers, and unit heads of the University shall also be required to disclose any significant personal financial interest that might present a conflict on any University research and Technology Transfer program on which they as individuals will directly make or influence an institutional decision whenever they become aware of such potential conflict. The disclosure of this kind of conflict will be event-based and shall be managed under RA20, including utilizing the de minimus amount of $10,000 and does not represent more than a five percent ownership interest in any single entity.

Finally, if a financial interest might present a conflict on a University Research and Technology Transfer program that involves the use of human participants, then disclosure must be made immediately regardless of the value of such financial interest.

Recusal:

The ICIC has the authority to recommend that formal recusal be required when an official or other senior manager holds a significant financial interest in an investigational product or in an entity sponsoring human participants research. The scope of this recusal should include any involvement in matters or decisions that might reasonably appear to affect the research. Recusal is not an effective management strategy when the individual, by virtue of conflicts arising from personal financial holdings, would be precluded from fulfilling the responsibilities of his or her position. In such cases, the best interests of the University may necessitate that the individual divest the interests or vacate the position.

Interim Recusal:

If a University official or other senior manager who holds a significant financial interest in an investigational product or commercial research sponsor becomes aware that he or she must take an action or participate in a decision that may affect or reasonably appear to affect the University's human participants research, and the official or other senior manager has not yet been directed by the ICIC to recuse himself or herself from the matter, the official or other senior manager should be required to disclose the circumstances to his or her superior. The superior may determine that recusal is necessary, may decline to require recusal, or may refer the matter to the ICIC for resolution. When the superior declines to require recusal, the ICIC shall make a final recommendation to the President as to whether recusal is in fact necessary. In any case, the superior should document his or her recusal determination and forward this documentation to the ICIC.

The Conflict of Interest Officer shall maintain a central repository of information about all recusal determinations related to the University's human participants research.

SANCTIONS:
Whenever someone has violated this policy, the ICIC shall recommend sanctions, which may include disciplinary action ranging from a public letter of reprimand to dismissal and termination of employment. If the violation results in a collateral proceeding under University policies regarding misconduct in science, then the Committee shall defer a decision on sanctions until the misconduct in science process is completed. The Committee's recommendations on sanctions shall be presented to President, who shall enforce any disciplinary action, following due process as outlined in University policy. [In the case where the accused party is the President the matter will be referred to the Chair of the Board of Trustees.] In addition, in cases impacting federally funded sponsored projects, the University shall follow federal regulations regarding the notification of the sponsoring agency in the event an Individual has failed to comply with this policy.

CROSS REFERENCES:

Other Policies in this Manual may have specific application and should be referred to especially;

AD37 - Technology Transfer and Entrepreneurial Activity (Faculty Research),
AD47 - General Standards of Professional Ethics,
FN14 - Use of Tangible Assets, Equipment, Supplies and Services,
HR35 - Public Service by Members of the Faculty and Staff,
HR80 - Private Consulting Practice,
HR91 - Conflict of Interest,
RA05 - Significant Financial Interest Disclosure for Sponsored Project's Investigators,
RA10 - Handling Inquiries / Investigations into Questions of Ethics in Research and in Other Scholarly Activities,
RA12 - Technology Transfer and Entrepreneurial Activity (Faculty Research),
RA20 - Individual Conflict of Interest

Effective Date: _____
Date Approved: _____
Date Published: ___

Most recent changes:

- New Policy.
## EXPENDITURES ON ORGANIZED RESEARCH

by unit for fiscal year 2002/2003

Total Expenditures - $545 million

### Breakdown by Unit

![Pie chart showing the distribution of expenditures by unit.]

### Table: Expenditures by Unit

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<td>$4,282,000</td>
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</table>

### Other Research Units:
- Applied Research Laboratory (ARL) $111,303,000 $(2,312,000) $108,991,000 $107,547,000
- Intercollegiate Research Programs (IRP) $47,277,000 $(47,277,000) $0 $0
- General University Research Support $20,559,000 $(20,559,000) $0 $0

**TOTAL** $545,031,000 $0 $545,031,000 $507,443,000

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*Shared Credit Transfers include apportionment of interdisciplinary and intercollegiate research and of General and Miscellaneous University Research Support.*

**Vice President for Research, Dean of the Graduate School**

November 2003

* Corrected error from last year's report
EXPENDITURES ON ORGANIZED RESEARCH
by source for fiscal year 2002/2003

<table>
<thead>
<tr>
<th>SOURCE OF FUNDS</th>
<th>AMOUNT THIS YEAR</th>
<th>AMOUNT LAST YEAR</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sponsored Grants &amp; Contracts</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Department of Agriculture</td>
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<td>Department of Commerce</td>
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<tr>
<td>Department of Defense</td>
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<td>Department of Air Force</td>
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<td>Department of Army</td>
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<td>U. S. Marine Corps</td>
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<tr>
<td>Agricultural Research</td>
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<td>Total Federal Appropriations</td>
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<td>Research Infrastructure Support</td>
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<td>Total University Funds</td>
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<td>GRAND TOTAL</td>
<td>$545,031,000</td>
<td>$507,443,000</td>
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</tbody>
</table>

* Federal funding from subawards from other universities now included in appropriate agency totals.

Vice President for Research, Dean of the Graduate School
November 2003
Research Expenditures by Source of Funds
FY2003 Total = $545,031,000

- Federal: $307,030,000
- University: $83,939,000
- Commonwealth of Pennsylvania: $73,711,000
- Industry and Other: $80,351,000
Research Expenditures by College

FY2003 Total - $545,031,000

- Other
  - Altoona College = $406,000
  - Behrend College = $3,185,000
  - Berks-Lehigh Valley College = $192,000
  - Capital College = $3,210,000
  - Commonwealth College = $1,486,000
  - Penn College = $1,073,000
  - International Programs = $125,000

- Applied Research Laboratory
  - $108,991,000

- Eberly College of Science
  - $76,189,000

- Agricultural Sciences
  - $84,194,000

- Other Colleges
  - $14,982,000

- Liberal Arts
  - $15,182,000

- Health & Human Development
  - $41,242,000

- Engineering
  - $85,220,000

- Earth & Mineral Sciences
  - $52,208,000

- Medicine
  - $57,145,000

- Other Colleges
  - Arts & Architecture = $920,000
  - Communications = $93,000
  - Education = $6,223,000
  - Information Sci & Tech (IST) = $2,508,000
  - Law = $261,000
  - Smeal College of Business = $4,977,000
Research Expenditures for Strategic Research Areas
FY 2003 Total for SRAs = $333 million

- Environment: $53 million
- Life Sciences: $156 million
- Materials: $63 million
- Social Sciences: $61 million
  Including CYF at $12 million