

Guidelines and Process for Faculty Requesting Board of Directors/C-Suite Positions for Outside Entities

Purpose:

The Icahn School of Medicine at Mount Sinai (“Mount Sinai”) supports successful academia-industry collaborations and encourages innovation and career growth. Mount Sinai has adopted a comprehensive set of policies relating to such potential collaborations and has established the Office of Industry Engagement and Conflicts of Interest (“COI Office”) to facilitate the review, management and oversight of the conflicts of interest that often flow from such relationships. **Mount Sinai policies include a prohibition on full-time faculty serving in an executive or managerial position for an outside commercial entity or serving on the Board of Directors for an outside commercial entity without prior written approval from the Dean.**

Criteria for Dean’s Exception Approval:

- The request must not present an unmanageable conflict of interest or conflict of commitment with the faculty member’s role and responsibilities at Mount Sinai. This assessment will be made by the Business Conflicts Working Group (which includes representation from COI, MSIP, Legal, and Compliance).
- The mission of the Company must be consistent with Mount Sinai’s institutional missions and core values.
- The faculty member must be able to recuse himself/herself from any activities at Mount Sinai related to the Company including research oversight and any purchasing decisions.
- There must be clear separation of work performed by the faculty member at Mount Sinai and the services provided to the company, and this must be clearly defined in the scope of work submitted with the request.

Please note: The faculty member (as well as the junior faculty and students/trainees they supervise) cannot be engaged in sponsored research with the Company unless this is part of a separate co-development agreement with Mount Sinai negotiated by MSIP with appropriate oversight to ensure the scientific integrity of the research.

Limitations for Leadership Positions with Early Start-up Companies:

- The proposed leadership role shall be limited in time (typically not to exceed two years) and will require an annual review. The nature of the time limited role is to facilitate the development of a commercially viable entity.
- Faculty seeking to continue with an executive leadership role with the Company beyond the permitted period will be required to reduce his/her percent effort at Mount Sinai and abide by any additional elements of any business management plan.

Requesting a Dean's Exception: Step-by-Step

1. Faculty members should contact the Office of Industry Engagement and Conflicts of Interest (Conflicts.of.Interest@mssm.edu) with their request.
2. Faculty members will be asked to complete the questionnaire in Appendix A which provides details about the Company as well as the faculty member's proposed role, scope of work, and compensation.
3. All requests will be presented by the faculty member to the Business Conflicts of Interest Work Group (BCOIWG).
4. If the BCOIWG recommends approval for a Dean's Exception, the faculty member will receive an e-mail detailing "next steps" (Appendix B). The approval will be contingent upon completing all requirements.
5. All approvals require a written business management plan issued by the COI Office and signed by the faculty member (and their supervisor) which will detail disclosure requirements as well as faculty "do's and don'ts" vis a vis the Company.
6. [Faculty members requesting a separate consulting agreement with the company in which they are founders and/or equity owners should follow these instructions.](#)

Appendix A: Questionnaire for BOD/C-Suite Request

Questions about the Company:

1. What is the full legal name of the company?
2. What type of entity is it (corporation, LLC, partnership, etc.)?
3. In which jurisdiction is the company registered / formed?
4. Where is the company geographically located? Identify the location of its offices, labs, etc.
5. Describe the business aim(s) of the company (its products and services, markets served, etc.)
6. Is the company publicly traded on any securities exchange? If not, is there any intention to register the company for public trading in the next 12 months?
7. Who is the legal signator for the company?
8. Who are its current officers – names and titles?
9. Who are its current directors?
10. Are any of the officers or directors related parties to you? (related parties = spouse, domestic partner, children)
11. Please identify all investors with 5%+ interest in the company.
12. What was the valuation of the company as of its last round of financing? When was that financing? If no financing has occurred, what is the current estimate of the company's valuation?
13. Is your founder's equity based on your personal investment in the company or awarded to you for services to the company?
14. Describe any IP licensed to the company. Have you been involved in the development of this IP?
15. Does the company seek to license any additional IP from Mount Sinai? Please describe.
16. Does Mount Sinai have any ownership interest in the company?
17. Is Mount Sinai an actual or potential customer / user of the company's products or services? Is Mount Sinai an actual or potential source of referrals to the company?
18. Is there any existing or potential research relationship between Mount Sinai and the company – e.g., sponsored research or sub-award under a small business grant?

Questions about the Position:

1. What is your current position with the company?
2. What is your proposed position at the company?
3. For how long do you seek to serve in this position?
4. If officer position, please provide a description of the principal functions and duties you will be expected to perform.
5. Will you be receiving any compensation for the position?
6. What is your current equity in the company? Will you receive additional equity, including options, for serving in the position?
7. How many hours a week do you expect to spend on activities in this position?
8. To your knowledge, does any other Mount Sinai faculty member or member of Mount Sinai management hold any position at the company?

Appendix B: Sample E-mail Confirming BOD/C-Suite Request

Dear Dr. XYZ,

Your request for a Dean's exception to assume a leadership position [Director or Officer Title] within [Company Legal Name] has been reviewed by the Business Conflicts of Interest Working Group (BCOIWG). BCOIWG will be recommending to Dean Charney that you be allowed to pursue this opportunity.

This recommendation is provisional and is contingent upon meeting certain conditions and agreeing to certain restrictions:

1. The Dean's exception is subject to finalizing agreements with MSIP.
2. The proposed leadership role within the company is for a limited period of time that will allow for the development of a viable commercial entity. The exception has been granted for a period not to exceed 2 years and must be reviewed by the BCOIWG every 6 months in order to assess for possible conflicts of interest and/or conflicts of commitment.
3. You must have a written agreement in place between yourself and [Company Legal Name]. Your contract/consulting agreement with [Company Legal Name] will be reviewed by MSIP, legal, and COI. The agreement must clearly state your title within the company, define the scope of work that you will perform for the company, and how/if you will be compensated. As part of your agreement with the company, the company will be required to sign the ICAHN SCHOOL OF MEDICINE AT MOUNT SINAI UNIFORM PROVISIONS FOR CONSULTING, that acknowledges your primary responsibilities/duties are as an ISMMS faculty member. In addition, you will also be required to sign the AGREEMENT FOR FACULTY TO SERVE AS A DIRECTOR OR OFFICER (must be signed by you, the company, and Mount Sinai) that further clarifies the limitations of your role within the company and that provides protections/indemnifications for Mount Sinai.
4. You will be issued a Business Management Plan. This management plan is your personal agreement with ISMMS and will outline specific disclosure requirements, describe any limitations on research activities, and reinforce existing ISMMS policies governing the conduct of faculty members who have financial interests with outside commercial entities.

If you have any questions, please feel free to contact me. If you do not have any questions, please send back an email confirming that you have reviewed this email and are in agreement with the conditions outlined.

Sincerely,

Dean – Office of Industry Engagement and Conflicts of Interest