Anschutz

Policy on Authority to Accept Non-Patient-Care Consulting Arrangements

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1. Purpose

The purpose of this policy is to establish clear authority and procedures for School of Medicine faculty ("Employees") to engage in consulting arrangements that do not involve University contracts including research, fee for service, medical-legal income, or patient care activities, and to define how related revenues ("Consulting Revenue") are collected, administered, and distributed.

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2. Scope

This policy applies to all School of Medicine faculty employees who are 0.5 FTE or greater and intend to enter into or maintain paid non–patient care consulting arrangements, including but not limited to consulting for medical device companies, pharmaceutical companies, technology firms, non-profits, and other external partners. It does not address medical-legal work, exempt honoraria, or other non-assignable income. A description of these is provided in the CU Medicine Member Practice Agreement.

In addition, pursuant to the University of Colorado Anschutz Institutional Conflict of Interest Policy (3007A). certain individuals within the School of Medicine who hold administrative positions such as Deans at any level, Department Chairs, Division Heads, Section Chiefs, Institute Directors and Center Directors are required to disclose and obtain approval from both their supervisor and the campus Institutional Conflict of Interest Committee if they are compensated for roles on external for-profit governance, advisory or scientific boards. In addition, that policy outlines how compensation, in the form of cash or stocks, arising from those roles is routed, managed and distributed.

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3. Definition of Consulting Revenue

Consulting Revenue means all monies collected or paid as compensation for an Employee providing professional advice, expertise, or services that do not involve University-sponsored research, or patient care activities. A non-exhaustive list of examples includes:

- Speaker engagements related to scientific expertise in accordance with CU Anschutz Pharma policy

- Payments from medical equipment or pharmaceutical companies for development, advisory, or supervisory services
- Compensation for advisory board participation or membership on data safety monitoring boards
- Payments for educational, scientific, or technical consulting unrelated to direct patient care services
- Compensation for services not at CU Anschutz as a teacher, trainer, or personal coach

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4. Authority to Accept Consulting Arrangements

The Employee's departmental designee (typically the DFA) must approve the consulting arrangement before the University will execute a non-patient care consulting agreement. If the Employee is a department chair or member of the Dean's Office administration, written approval must be granted by the Institutional Conflict of Interest Committee for consulting involving advisory board or board of directors only. In addition, all Employees must disclose the proposed consulting role via the University's Conflict of Interest ("COI") disclosure system within 30 days of the executed agreement.

Approval by the department ensures that:

- The arrangement complies with CU conflict-of-interest and compliance requirements.
- The external activity does not interfere with the primary institutional commitments of the role, e.g. time commitment and percent effort devoted to the external activity. Conflict of commitment is managed by the COI office in collaboration with the appropriate supervisor.

Employees must not begin performance of the consulting activity until all required approvals are secured.

In cases where the consulting role raises potential COI risk, the University will route the proposal to the Conflict of Interest Committee ("COIC") for review and to assist in the development of a management plan to address the risks, as required by COI policy as well as the Institutional Conflict of Interest Committee ("ICOI").

Employees may not receive Consulting Revenue directly. All revenue must be processed through the University via the designated unit, CU Innovations, as described below.

5. Collection and Administration of Consulting Revenue

All Consulting Revenue arising from approved consulting arrangements shall be:

1. Contracted by CU Innovations. Employees do not have signature authority to execute contracts on behalf of the University. CU Innovations, in consultation with the COI Office, will review terms to ensure they align with COI requirements;
2. Collected and administered by CU Innovations, and;
3. Subject to an administrative assessment determined by CU Innovations to cover processing, compliance, and administrative costs. The assessment rate should be documented and periodically reviewed.

The net Consulting Revenue (after assessment) will be distributed according to Section 6.

Note: If contract revenue is determined to be unrelated business income, any residual will require payment of taxes per Internal Revenue Service (IRS) guidelines.

6. Distribution and Limits on Consulting Revenue

6.1 Fiscal Year Limit

The School of Medicine shall establish the fiscal year limit on the amount of Consulting Revenue that may be paid as supplemental pay directly to an Employee each fiscal year.

6.2 Distribution of Funds

As of 2026, after CU Innovations' administrative assessment:

- The first $20,000 in Consulting Revenue received each fiscal year shall be paid directly to the Employee via the University's payroll system less withholdings for benefits and fringe, without any additional administrative withholding, unless the faculty elects to reserve the funds directly in a departmental account in advance of receipt of payment via a consulting reserve form.
- Any Consulting Revenue received above $20,000 shall be distributed via the department's policy and supplemental pay plan guidelines.

6.3 Payroll Treatment

All Consulting Revenue paid to an Employee under this policy shall be processed using an earnings code designated as supplemental pay.

- These payments will be taxed in accordance with IRS and institutional supplemental pay taxation rules, not regular wage tax rules.
- The following codes must be used for any supplemental pay related to consulting:
  - **CST (Consulting)** – used for payments up to the $20,000 fiscal year threshold
  - **FCI (Faculty Consulting Incentive)** – used for payments over the $20,000 fiscal year threshold

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7. Compliance and Reporting Requirements

Employees must comply with all:

- Institutional disclosure and reporting requirements and COI rules including making up-to-date COI disclosures within 30 days of changes (e.g., role, compensation amount, etc.)
- Federal and state regulations

The School of Medicine department and CU Innovations must maintain records of all approved consulting arrangements and contracts to ensure retention is consistent with COI and financial policies per campus Record Retention matrix (https://www.cu.edu/sites/default/files/RecordRetentionUCD.pdf).

Noncompliance with this policy (e.g., undisclosed consulting, breach of management plan, etc.) may result in suspension of consulting privileges and/or disciplinary action.

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8. Effective Date

This policy becomes effective upon approval by the Dean of the School of Medicine and remains in effect until amended or rescinded. When substantive changes are proposed, a revised draft shall be brought to the Faculty Senate and Executive Committee for feedback prior to final approval by the Dean.

Additional information and instructions can be found on the Consulting page of the CU Innovations website.