Officials at the University of Texas business school in Austin became uneasy when they realized that a reliable donor to student activities — the parent company of the tobacco maker Philip Morris — wanted a more prominent role in sponsoring events, and more interaction with students.

So the school decided two months ago to draw a line, and refuse all tobacco money for student groups, as well as for faculty research.

“What it came down to for us was the ethical dimension,” said George W. Gau, dean of the Texas school, the McCombs School of Business. “The leadership of the school felt that in some sense it was tainted money, that it is money gotten from a product that is significantly harming people.”

Across academia, universities and graduate schools are wrestling with whether to accept financing from tobacco companies for research or student activities. In the past few years, 15 public health and medical schools have turned away donations from the industry; McCombs’ move was unusual because of its longstanding ties to an array of corporations.

But on some campuses, faculty who get tobacco money for research grants have led pitched battles over proposed bans. Last spring, because of such faculty opposition, Stanford University and regents of the University of California system rejected prohibitions on tobacco dollars.

Many faculty members argued that the restrictions would infringe on academic freedom and lead to fights over money from other potentially controversial sources, like liquor, pharmaceutical or oil companies. They said that even if tobacco companies financed research, professors would guard their independence and not permit the companies to influence their results.

“We take funding from corporations, from the Department of Defense, from many, many sources, but ultimately the responsibility for the science belongs to the faculty member who did the science,” said Robert C. Dynes, president of the University of California system.

The California Board of Regents decided in September that rather than ban tobacco money, it would require research financed by tobacco companies to be approved by the chancellor on each campus.

The origins of the movement to ban tobacco money are traced to Australia, where nearly 20
universities stopped accepting money from the industry during the 1990s, said Stanton A. Glantz, a professor of medicine in the division of cardiology at the University of California, San Francisco medical school. Dr. Glantz was among the prime proponents of a tobacco ban in the California university system.

Universities also received a nudge from the American Legacy Foundation, a nonprofit group created as part of a $206 billion settlement in 1998 of a lawsuit filed by 46 states against the tobacco industry. The foundation, dedicated to reducing tobacco use, awards research and other grants to universities, but only if the unit of the university seeking financing does not accept tobacco money.

The medical school at Emory University and the public health schools at Harvard, Johns Hopkins, Ohio State, Louisiana State and the Universities of Arizona, Iowa and North Carolina have also banned tobacco money.

Proponents of bans often argue that universities should stop accepting tobacco money not only because of the public health impact of smoking, but because of what they view as the industry’s misuse of scientific research to confuse consumers about the risks of smoking and second-hand smoke.

“The argument for rejecting funding is that the tobacco industry has a 50-plus-year history of a corrupting influence on medical research,” said Dr. Michael J. Thun, the chief of epidemiological research at the American Cancer Society.

Philip Morris says the money it donates for research is given with no strings attached.

“When we make those grants, the control of the grant is by the researchers, and we ask them to publish their results and to make sure to make public that we funded it,” said Bill Phelps, a spokesman for Philip Morris U.S.A., the largest tobacco company in the United States. “We think that the research we’ve funded has contributed to the base of scientific knowledge.” He declined to disclose how much the company spends on research grants.

Philip Morris is currently financing one research project at the University of Texas at Austin, a three-year, $455,000 effort to study how certain toxic compounds in cigarette smoke react with DNA, causing damage that can lead to cancer. Jennifer S. Brodbelt, a chemist who is a researcher on the study, said the company has had no role in the research.

“We are all struggling to maintain our research programs,” Dr. Brodbelt said. “If we can find new sources to support meritorious research, I say let’s make the most of it.”

Some of the nearly $150,000 that Philip Morris or its parent company, the Altria Group, gave to the McCombs school in recent years helped support two research centers. But most of the money went to student groups and activities, from the Hispanic Business Students Association to a conference on women in business leadership.
Because Philip Morris recruits employees from the business school — an activity not affected by the ban — it wants to support student events and educational programs, said Mr. Phelps, the company spokesman. The company donates money for similar activities at several dozen colleges and universities, he said.

But department chairmen and deans at the business school had become uncomfortable with the company’s role, and in particular its desire for more interaction with undergraduates. Some wondered whether giving the company more prominence on campus would suggest that the university was in some way endorsing it, said Dr. Gau, the dean.

Paula C. Murray, associate dean for undergraduate programs at McCombs, was among those who pushed for the ban. “We know the product is deadly,” she said. “We know it causes cancer. And we know that the younger you start smoking, the more likely you will find it hard to quit. With two-thirds of our undergraduates under 21, to me it’s a no-brainer.”

“How much does Philip Morris have in common with the University of Texas?” Ms. Murray asked. “They smoke the same products we study!”

“Just because it’s green,” Ms. Murray added, “we don’t have to take it.”