

## University Policy: Financial Conflicts of Interest (FCOI)

**Policy Category:** Grants and Contracts Policies

**Subject:** Financial Conflicts of Interest (FCOI) via Public Health Service (PHS) Sponsored Research and Programs.

**Office Responsible for Review of this Policy:** Vice Provost for Graduate Studies and Research

**Procedures:** Incorporated Herein

**Related University Policies:** [OSP: Principal Investigator's Handbook \(PDF\)](#)

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### I. SCOPE

This policy governing financial conflicts of interest applies to all University faculty and staff conducting Public Health Service (PHS) sponsored research on behalf of the University.

### II. POLICY STATEMENT

The disclosure and management of financial conflicts of interest (FCOI) is necessary to maintain compliance with Public Health Service (PHS) guidelines. Perceived, potential, or actual financial conflicts of interest (FCOIs) in PHS-sponsored research and programs conducted by University faculty and staff must be disclosed and managed appropriately.

### III. DEFINITIONS

**Conflict of Interest Committee** (*COI Committee*) means the committee of University personnel that advises the Institutional Official on conflict of interest matters.

**Family** means any member of the Investigator's immediate family, specifically, any dependent children and spouse.

**Financial Interest** means anything of monetary value received or held by an Investigator or an Investigator's Family, whether or not the value is readily ascertainable, including, but not limited to: salary or other payments for services (e.g., consulting fees, honoraria, or paid authorships for other than scholarly works); any equity interests (e.g., stocks, stock options, or other ownership interests); and intellectual property rights and interests (e.g., patents, trademarks, service marks, and copyrights), upon receipt of royalties or other income related to such intellectual property rights and interests.

For Investigators, *Financial Interest* also includes any reimbursed or sponsored travel undertaken by the Investigator and related to his/her institutional responsibilities. This includes travel that is paid

on behalf of the Investigator, as well as travel that is reimbursed, even if the exact monetary value is not readily available. It excludes travel reimbursed or sponsored by U.S. Federal, state or local governmental agencies, U.S. institutions of higher education, research institutes affiliated with institutions of higher education, academic teaching hospitals, and medical centers.

**Financial Interest** does NOT include:

- a) salary, royalties, or other remuneration from the Institution;
- b) income from the authorship of academic or scholarly works;
- c) income from seminars, lectures, or teaching engagements sponsored by or from advisory committees or review panels for U.S. Federal, state or local governmental agencies; U.S. institutions of higher education; research institutes affiliated with institutions of higher education, academic teaching hospitals, and medical centers; or
- d) equity interests or income from investment vehicles, such as mutual funds and retirement accounts, so long as the Investigator does not directly control the investment decisions made in these vehicles.

**Financial Conflict of Interest** means a Significant Financial Interest (or, where the Institutional Official requires disclosure of other Financial Interests, a Financial Interest) that the Institution reasonably determines could directly and significantly affect the design, conduct or reporting of PHS-sponsored research.

**Institutional Official** means the individual within the Institution who is responsible for the solicitation and review of disclosures of significant financial interests including those of the Investigator's Family related to the Investigator's institutional responsibilities. For the purposes of this policy, the Institutional Official is designated as Jonathan Tubman, Vice Provost for Graduate Studies and Research.

**Institutional Responsibilities** means the Investigator's professional responsibilities associated with his or her Institutional appointment or position, such as research, teaching, clinical activities, administration, and institutional, internal and external professional committee service.

**Investigator** means any individual who is responsible for the design, conduct, or reporting of PHS sponsored research, or proposals for such funding. This definition is not limited to those titled or budgeted as principal investigator or co-investigator on a particular proposal, and may include postdoctoral associates, senior scientists, or graduate students. The definition may also include collaborators or consultants as appropriate.

**Public Health Service** or *PHS* means the Public Health Service of the U.S. Department of Health and Human Services, and any components of the PHS to which the authority of the PHS may be delegated. The components of the PHS include, but are not limited to, the Administration for Children and Families, Administration on Aging, Agency for Healthcare Research and Quality, Agency for Toxic Substances and Disease Registry, Centers for Disease Control and Prevention, Federal Occupational Health, Food and Drug Administration, Health Resources and Services Administration, Indian Health Service, National Institutes of Health, and Substance Abuse and Mental Health Services Administration.

**Research** means a systematic investigation, study, or experiment designed to contribute to generalizable knowledge relating broadly to public health, including behavioral and social-sciences research. The term encompasses basic and applied research (e.g., a published article, book or book chapter) and product/project development (e.g., a diagnostic tests and analyses).

***Significant Financial Interest*** means a Financial Interest that reasonably appears to be related to the Investigator's Institutional Responsibilities, and:

- e) if with a publicly traded entity, the aggregate value of any salary or other payments for services received during the 12-month period preceding the disclosure, and the value of any equity interest during the 12-month period preceding or as of the date of disclosure, exceeds \$5,000; or
- f) if with a non-publicly traded entity, the aggregate value of any salary or other payments for services received during the 12-month period preceding the disclosure exceeds \$5,000; or
- g) if with a non-publicly-traded company, is an equity interest of any value during the 12-month period preceding or as of the date of disclosure; or
- h) is income exceeding \$5,000 related to intellectual property rights and interests not reimbursed through the Institution, or
- i) is reimbursed or sponsored travel related to their institutional responsibilities.

#### **IV. POLICY**

This policy is predicated on the expectation that University Investigators will conduct their research and professional activities so as to avoid or minimize conflicts of interest, and must respond appropriately when conflicts of interest arise. To that end, this policy requires Investigators to disclose significant financial interests, and provides mechanisms for Investigators and the University to manage, reduce or eliminate conflicts of interest when they arise. Every University faculty and staff member who proposes or conducts PHS sponsored research is obligated to become familiar with, and abide by, the provisions of this policy.

### **Basic Principles**

#### **1) DISCLOSURE OF FINANCIAL INTERESTS**

All Investigators conducting PHS-sponsored research are required to disclose their outside financial interests to the University on an annual and on an ad hoc basis, as described below. The Institutional Official (or designee) is responsible for the distribution, receipt, processing, review and retention of disclosure forms.

##### **a) Annual Disclosures**

All Investigators must disclose their Significant Financial Interests (SFIs) that are related to the Investigator's responsibilities to the University, through the Institutional Official (or designee) on an annual basis. Such disclosures should be submitted to the Institutional Official (or designee) by April 30<sup>th</sup> for the previous calendar year.

##### **b) Ad hoc Disclosures**

In addition to annual disclosure, certain situations require ad hoc disclosure. All Investigators must disclose their Significant Financial Interests to the University, through the Institutional Official (or designee), within thirty (30) days of discovery or acquisition.

All Significant Financial Interests shall be disclosed on the sponsored programs routing/approval form prior to submitting a proposal or application for funding

consideration as required under this policy and/or by the sponsoring PHS agency. The University will not submit a research proposal or application unless the Investigator(s) has answered all SFI disclosure questions on the sponsored programs routing/approval form.

**c) Travel**

Investigators must also disclose reimbursed or sponsored travel related to their institutional responsibilities, as defined above in the definition of Financial Interest and Significant Financial Interest. Such disclosures must include, at a minimum, the purpose of the trip, the identity of the sponsor/organizer, the destination, the duration, and, if known, the monetary value. The Institutional Official will determine if additional information is needed (e.g., the monetary value if not already disclosed) to determine whether the travel constitutes a Financial Conflict of Interest with the Investigator's research.

**2) REVIEW AND DECISION OF THE INSTITUTIONAL OFFICIAL**

If the disclosure form reveals a Significant Financial Interest, it will be reviewed by the Institutional Official or designee for a determination of whether it constitutes a Financial Conflict of Interest. If a Financial Conflict of Interest exists, the Institutional Official will take action to manage the financial conflict of interest including the reduction or elimination of the conflict, as appropriate. The Institutional Official may consult the COI Committee for guidance in specific cases, or in the application of the policy to particular situations.

A Financial Conflict of Interest exists when the Institutional Official or designee determines that a Significant Financial Interest could directly and significantly affect the design, conduct, or reporting of PHS-sponsored research. If the Institutional Official determines that there is a Financial Conflict of Interest that can be managed, he or she must develop and implement a written management plan. The affected Investigator must formally agree to the proposed management strategies and sign the written management plan before any related PHS-sponsored research goes forward.

The Institutional Official will periodically review the ongoing activity, monitor the conduct of the activity (including use of students and postdoctoral appointees), to ensure open and timely dissemination of the research results, and to otherwise oversee compliance with the management plan.

**3) REPORTING TO PHS**

The Institutional Official will report financial conflicts of interest or non-compliance to PHS in accordance with PHS regulations. If the funding for the Research is made available from a prime PHS-awardee, such reports shall be made to the prime awardee prior to the expenditure of any funds and within 60 days of any subsequently identified financial conflict of interest such that the prime awardee may fulfill their reporting obligations to the PHS.

**4) INVESTIGATOR NON-COMPLIANCE**

**a) Disciplinary Action**

In the event of an Investigator's failure to comply with this Policy, the Institutional Official may suspend all relevant research activities or take other disciplinary action until the matter is resolved or other action deemed appropriate by the Institutional Official is implemented.

An Institutional Official's decision to impose sanctions on an Investigator because of failure to comply with this Policy, or failure to comply with the decision of the Institutional Official, will be described in a written explanation of the decision to the Investigator, and where applicable, the IRB, IACUC and other appropriate institutional office, and will notify the Investigator(s) of the right to appeal the decision. The University will promptly notify the PHS awarding agency of the action taken or to be taken. If the funding for the research is made available from a prime PHS awardee, such notification shall be made promptly to the prime awardee for reporting to PHS.

#### **b) Retrospective Review**

In addition, if the Institutional Official determines that a Financial Conflict of Interest was not identified or managed in a timely manner, including but not limited to an Investigator's failure to disclose a Significant Financial Interest that is determined to be a Financial Conflict of Interest, or failure by an Investigator to materially comply with a management plan for a Financial Conflict of Interest, the Institutional Official will complete a retrospective review of the Investigator's activities and the PHS-sponsored research project to determine whether the research conducted during the period of non-compliance was biased in the design, conduct or reporting of the research.

Documentation of the retrospective review shall include the project number, project title, and the name of the Investigator with the Financial Conflict of Interest, name of the entity with which the Investigator has the Financial Conflict of Interest, reason(s) for the retrospective review, detailed methodology used for the retrospective review, and findings and conclusions of the review.

The Institutional Official will update any previously submitted report to the PHS or the prime PHS-awardee relating to the research, specifying the actions that will be taken to manage the Financial Conflict of Interest going forward. This retrospective review will be completed in the manner and within the time frame established in PHS regulations. If bias is found, the institution will promptly notify the PHS Awarding Component and submit a mitigation report in accordance with the PHS regulations. The mitigation report will identify elements documented in the retrospective review, a description of the impact of the bias on the research project and the plan of action to eliminate or mitigate the effect of the bias.

### **5) TRAINING**

Each Investigator must complete training on this Policy, the investigator's responsibilities regarding disclosure and the PHS regulations prior to engaging in research funded by PHS, and at least every four years thereafter. They must also complete training within a reasonable period of time as determined by the Institutional Official in the event that this Policy is substantively amended in a manner that affects the requirements of Investigators, if the investigator is new to the institution, or if it is determined that the Investigator has not complied with this policy or with a management plan related to their activities.

### **6) RECORD RETENTION**

The Institutional Official will retain all disclosure forms, conflict management plans, and related documents for a period of three years from the date the final expenditure report is submitted to the PHS or to the prime PHS awardee, unless any litigation, claim, financial management review, or audit is started before the expiration of the three year period, the records shall be

retained until all litigation, claims or audit findings involving the records have been resolved and final action taken.

## 7) CONFIDENTIALITY

To the extent permitted by law, all disclosure forms, conflict management plans, and related information will be confidential. However, the University may be required to make such information available to the PHS awarding agency, to a requestor of information concerning financial conflict of interest related to PHS funding or to the primary entity who made the funding available to the University, if requested or required. If the University is requested to provide disclosure forms, conflict management plans, and related information to an outside entity, the Investigator will be informed of this disclosure.

## 8) PUBLIC ACCESSIBILITY

Prior to the expenditure of funds, the University will respond to any requestor within five business days of the request, information concerning any Significant Financial Interest that meets the following criteria:

- a) The Significant Financial Interest was disclosed and is still held by the senior and key personnel;
- b) A determination has been made that the Significant Financial Interest is related to the PHS-funded research; and
- c) A determination has been made that the Significant Financial Interest is a Financial Conflict of Interest.

The information to be made available shall be consistent with the requirements of the PHS regulation.

## 9) REGULATORY AUTHORITY

This policy implements the requirements of 42 CFR 50 Subpart F and 45 CFR 94; where there are substantive differences between this policy and the requirements, the requirements shall take precedence.

## V. EFFECTIVE DATE(S)

This Policy is effective December 20, 2012.

## VI. SIGNATURE, TITLE AND DATE OF APPROVAL

This policy needs to be signed by the appropriate officer (listed below) before it is considered approved.

Approved:

  
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Scott A. Bass, Provost

Date Approved: 12/20/12