

## **CONFLICT OF INTEREST POLICY FOR GRANTS AND CONTRACTS<sup>1</sup>**

This Conflict of Interest Policy is designed to provide the framework under which the University Auxiliary and Research Services Corporation (UARSC) will apply procedures to ensure that no potential or real conflict of interest adversely affects the administration of grants and contracts. The procedures to implement this policy are consistent with Title 5, *California Code of Regulations*, Article 20, Section 43810, and with the policies of the National Science Foundation and the Department of Health and Human Services<sup>2</sup> that require formal procedures for certifying and managing any conflicts of interest that could bias a funded project.

### **Basic Requirements**

All persons who will have a significant role in the design and execution of an externally funded project must file a disclosure statement of all financial interests that would reasonably appear to be directly or significantly affected by their activities.

Those considered to have a significant role include Principal Investigators, Co-Principal Investigators, and any other person who is responsible for the design, conduct, or reporting of work performed on the project. In addition, the disclosure must be made for each investigator's spouse and dependent children.

A significant financial interest is defined as any financial interest that an investigator would have that would reasonably appear to be directly and significantly affected by the sponsored activities or any interest that an investigator would have in entities whose financial interest would reasonably appear to be directly and significantly affected by the sponsored activities. Financial interest includes salary or payment for services outside the scope of the award, interests or ownership in business enterprises, and intellectual property rights. Please refer to the Governmental Funding Source Disclosure Form and the Nongovernmental Funding Source Disclosure Form for a comprehensive description of "significant financial interest."

A financial interest related to a sponsored project may be involved when:

- The sponsored project will subcontract a portion of the work or make purchases from an entity in which the Investigator has a financial interest;

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<sup>1</sup> This policy revises CIG-001, dated January 26, 1995

<sup>2</sup> NSF and PHS policies effective as of October 1, 1995

- The results of the project would be relevant to the development of products or services in which the Investigator has a financial interest;
- The organization in which the Investigator has a financial interest would commercialize the product or service involved in, or predictably resulting from, the project.

The appropriate disclosure form is to be filled out and submitted to the UARSC Office of Sponsored Projects with the Grant Application Approval Form before a grant or contract proposal is submitted. Disclosures must be updated annually *and* as new reportable financial interests are obtained.

### **Review of Financial Disclosures**

If the Investigator states on the form that there are no reportable financial interests related to the project, no further action will be taken and the form will be filed with the proposal application in the UARSC Office of Sponsored Projects.

If a related financial interest is reported on the form, the disclosure will be reviewed by the Conflict of Interest Review Committee (CIRC)<sup>3</sup> to determine if the nature of the Investigator’s financial interest is such that a conflict of interest is unlikely to occur and would not compromise the quality and objectivity of the research, including not causing harm to the University or the misuse of state resources.

If it is determined that a conflict of interest is likely to occur, the CIRC will meet to review the potential conflict. On the basis of the review, the CIRC will recommend to the UARSC Executive Director and the Provost, or designees, whether funding for the project shall be accepted or continued and, if so, what actions need to be taken to manage, reduce, or eliminate any such conflicts of interest. Recommended actions will be documented in a Resolution Plan that may include: public disclosure of the financial interest, monitoring of research by independent reviewers, modification of the research plan if necessary to avoid conflict of interest, disqualification from participation in the portion of the project that is affected by the significant financial interest, divestiture of significant financial interests, or severance of relationships that create actual or potential conflicts.

On completion of its deliberations, the CIRC shall file a report with the Provost and with UARSC Executive Director. At a minimum, the report by the CIRC will consist of:

- Name of Investigator
- Name of project, topic, or activity
- Period of performance
- Date reviewed by the CIRC
- Funds proposed or awarded
- Documents reviewed by the CIRC

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<sup>3</sup> The CIRC consists of two faculty selected in consultation with Academic Senate, one administrator from Foundation, AVPR, and VPFAS or designee.

- Nature of financial interest
- Criteria used by CIRC
- Assessment of the probability of the financial involvement leading to a conflict of interest, including causing significant harm to either the University or the sponsoring entity.

### **Enforcement Mechanisms and Sanctions**

No grant or contract will be accepted for submittal nor administered by UARSC without full disclosure by the Investigator(s) as detailed in the applicable procedures. Failure to comply with this policy and its implementing procedures will result in non-acceptance by UARSC of the grant or contract.

Potential violations of the Conflict of Interest Resolution Plan shall be handled by the AVPR, who monitors the state of academic freedom and professional responsibility at CAL STATE SAN MARCOS. The UARSC Executive Director or designee, in consultation with the Provost or designee, will establish and enforce appropriate sanctions based on the specific conduct of an investigator failing to follow the approved Resolution Plan.

### **Record Maintenance**

All financial disclosure statements and records of all actions taken in reviewing statements plus any actions taken to resolve actual or potential conflicts of interest will be retained for a minimum of three years after the termination or completion of the related grant or contract. If any litigation, government action, or other controversy exists after such termination or completion, the records shall be retained for a minimum of three years after any such litigation, government action or controversy has concluded. In those cases where a granting or contracting agency requires a longer period of record retention, UARSC Office of Sponsored Projects will comply with that agency's requirements.

Revision Dates: 3/24/05; name change only 2009  
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