

UC SANTA BARBARA POLICY AND PROCEDURE

POLICY ON DISCLOSURE OF FINANCIAL INTERESTS RELATED TO NATIONAL SCIENCE FOUNDATION SPONSORED PROJECTS FOR PROMOTING OBJECTIVITY IN RESEARCH

Contact: Office of Research

Issued: September 18, 2015

Supersedes: September 15, 1995

Pages: 7

POLICY ON DISCLOSURE OF FINANCIAL INTERESTS RELATED TO NATIONAL SCIENCE FOUNDATION SPONSORED PROJECTS FOR PROMOTING OBJECTIVITY IN RESEARCH

For National Science Foundation (NSF) funded research or other sponsors that have adopted similar federal requirements, the below policy applies. This policy adopts the standards of the National Science Foundation (NSF) for Conflicts of Interest in research funded by that Agency and any entities that have adopted this standard.

I. SCOPE

This policy applies to any University employee responsible for the design, conduct and reporting of a project submitted to the National Science Foundation (NSF), and any entity that has adopted the same financial disclosure requirements. This policy supplements but does not supplant the State of California requirements for disclosure of financial interests issued as the “University Policy on Disclosure of Financial Interests in Private Sponsors of Research” (APM-028).

On occasion, Investigators may have questions about whether proposed or on-going financial arrangements or relationships that would not require disclosure under the terms of this Policy appear to constitute an actual or potential conflict of interest with respect to a sponsored project. In such circumstances, Investigators may voluntarily choose to disclose the relationship in accordance with this Policy. Should the University subsequently determine that the voluntarily disclosed interest might reasonably appear to be directly and significantly affected by the sponsored project, the University may take steps to manage or to eliminate the conflict.

Investigators who are members of the faculty are reminded of their separate obligation, pursuant to the “University Policy on Outside Professional Activities of Faculty Members” (Academic Personnel Policy 025), to provide descriptive information regarding time and effort devoted to all outside professional activities related to their academic specialty in annual reports to department chairpersons or equivalent unit heads.

II. POLICY

Investigators responsible for the design, conduct and reporting of a project funded by the National Science Foundation are required to disclose certain personal financial interests related to that project at the time a proposal is submitted or as soon as a financial interest becomes known. Investigators must disclose all Significant Financial Interests (SFI) for themselves, their spouses and dependent children that would reasonably appear to be affected by the activities funded or proposed for funding; or in entities whose financial interests would reasonably appear to be affected by such activities. This policy establishes a process of disclosure and independent review to identify potentially harmful conflicts of interest between an Investigator's obligations related to the sponsored project and their personal financial interests or obligations, and a process to reduce, manage or eliminate such conflicts in order to preserve objectivity in the design, conduct and reporting of research.

Investigators from other institutions, who share responsibility for the design, conduct and reporting of the research, and who will be conducting research under a sub-award from UCSB are expected to comply with the policies and procedures of the organization at which they are employed. Sub-awards issued by UCSB will indicate that the sub-recipient organization is responsible for reviewing SFI disclosures and, if a potential conflict of interest (COI) is identified, for sending UCSB notification of their ability to manage, reduce or eliminate the potential COI, in accordance with NSF requirements. If a sub-recipient organization does not have a policy that complies with the NSF regulations, the sub-recipient's authorized Institutional Official must agree in writing that UCSB's policy will apply to the sub-recipient's Investigators until such time as the sub-recipient organization implements a policy that complies with the NSF regulations. A sub-recipient organization's failure to comply with its policy or the NSF regulations may result in the termination of the sub-award.

If an individual is performing work under an independent consulting agreement issued by UCSB and the nature of their work, duties and responsibilities satisfy the definition of Investigator, the UCSB Principal Investigator (PI) must identify the consultant as an Investigator and the consultant must complete the UCSB disclosure forms. If, upon review, UCSB determines that a consultant's SFI is a potential COI, the consultant will be expected to comply with a management plan to eliminate, reduce or manage the potential COI. Failure of a consultant to comply with a management plan may result in the termination of the consulting agreement.

The policy is consistent with 2CFR §215. The University also applies this policy to proposals from other extramural sponsors as required.

III. RESPONSIBILITIES

- A. The Vice Chancellor for Research or his/her designee is responsible for implementing this policy, for the final decisions regarding the acceptability of disclosures, and for approval of any required management plan.

- B. Investigators are responsible for disclosing their financial interests as defined by this policy. Investigators who are collaborators at sub-recipient institutions are responsible for disclosing their financial interests in accordance with the arrangement agreed upon between UCSB and the sub-recipient institution prior to submission of a proposal to the NSF and/or in accordance with the terms and conditions of the sub-award issued by UCSB. Investigators who are not UCSB employees and not a collaborator at a sub-recipient institution are subject to this policy as if they were UCSB employees. Principle Investigators are responsible for ensuring that all investigators provide their disclosures in a timely manner and in accordance with this policy.
- C. The Conflict of Interest Committee (COIC) is responsible for reviewing financial disclosures of Investigators, making recommendations and proposing management plans to the Vice Chancellor for Research or his/her designee.
- D. The Office of Research staff are responsible for receiving disclosures and additional information, conducting administrative reviews of disclosures, supporting the COIC in regular and ad hoc meetings, maintaining the Conflict of Interest website, providing advice and information on policies and procedures, reporting information about COI and how such interests are being managed to NSF, and responding to public requests for information regarding COI.

IV. PROCEDURES

DISCLOSURE FORMS AND DISCLOSURE PROCESS

- A. **Design, Conduct, & Reporting Form (DCR) Personnel Form:** Note: For consideration of sub-award requirements, NSF conflict of interest policies do not apply to institutions employing 50 persons or less. The DCR Personnel Form is signed by the PI and submitted with each proposal to the Research Integrity Staff in the Office of Research. For proposals to NSF or any entity that has adopted similar financial disclosure requirements, the DCR Personnel Form identifies the PI and all other Investigators who are required to submit an electronic disclosure detailing any personal SFI related to a project as defined above. The DCR Personnel Form does not include a financial disclosure and certification. However, the DCR Personnel Form does include a certification that the PI is obligated to maintain the accuracy of the information contained on the form and make updates as necessary. The financial disclosure is done independently of the DCR Personnel Form. It is the responsibility of the PI to complete and sign the DCR Personnel Form in sufficient time to allow for COIC review of projects in which any Investigator has disclosed a SFI.
- B. **NSF – Annual Disclosure Form of Financial Interests (Electronic Disclosure for NSF or Other Sponsors Adopting Federal Requirements):** The PI and all other Investigators are required to submit an electronic disclosure form on an annual basis, reporting any personal SFI related to a project as defined above. Disclosure is required:

- a. At the time of proposal submission;
- b. Annually with non-competing continuation funding;
- c. As new Investigators are added to the project;
- d. As Investigator's financial interests change (within 30 days of those changes).

It is the responsibility of the PI to complete the electronic disclosure, along with all other Investigators listed on the DCR Personnel Form. The COIC review must be completed and the award deemed acceptable by the Vice Chancellor for Research prior to the acceptance of the award and any expenditure of funds.

B. Disclosure of Economic Interests: Addendum (electronic disclosure addendum):

The Addendum is to be completed by those Investigators who have disclosed a SFI related to the project only when prompted by the COI Coordinator. The Addendum should be completed in the Office of Research electronic Conflict of Interest Disclosure system. The form solicits additional facts from the Investigator to facilitate review by the COIC. Investigators complete a separate Addendum for each entity in which they have a SFI related to the project.

DISCLOSURE REVIEW PROCESS

Under supervision of the Director of Research Integrity, the COI Coordinator is responsible for reviewing all disclosures and DCR Personnel Forms to ensure completeness and perform an initial analysis of the disclosed information. The COI Coordinator also confirms the necessity for review under this policy.

The Disclosure, Addendum, and other appropriate documentation are forwarded to the COIC for review. The COIC considers whether the project could affect the financial interests of the entity or the Investigator's financial interests could affect the design, conduct, or reporting of the project. A direct impact occurs when the project results would be directly relevant to the development, manufacturing, or improvement of the products or services of the organization in which the Investigator has a financial interest, or when the organization is a proposed subcontractor or participant in the project. A significant impact on the financial interest is one which will materially affect the value of the organization, its earnings, or the sales of its product, or when the organization is a proposed subcontractor or participant in the project.

On the basis of its evaluation, the COIC forwards a recommendation to the Vice Chancellor for Research indicating one of the following outcomes:

- a) the financial interests pose little or no probability for bias in objectivity in the sponsored project; or
- b) the conflict of interest requires management, elimination, or reduction

Plans for managing an identified COI will be monitored for compliance until the completion of the NSF-funded research. Each management plan will specify;

- Role and principal duties of the conflicted Investigator;
- Conditions of the management plan;
- How the management plan will safeguard objectivity in the research;
- Confirmation of the Investigator's agreement to the management plan; and
- How the management plan will be monitored to ensure compliance

The Vice Chancellor for Research, acting within authority delegated by the Chancellor, reviews the recommendations from the COIC and determines whether to accept the recommendations. The Vice Chancellor for Research is responsible for the final decision.

The COI Coordinator prepares the Vice Chancellor's communications to the Investigators regarding each disclosure, and messages to Sponsored Projects staff who serves as the official communication link with the sponsors.

MANAGEMENT, REDUCTION, OR ELIMINATION OF CONFLICTS OF INTEREST

Under certain circumstances, the COIC or the Vice Chancellor may recommend special conditions or restrictions to manage, reduce or eliminate the effect of the financial interests on the design, conduct, or reporting of the project. Examples of conditions or restrictions that may be imposed upon the Investigator include the following:

- a) public disclosure of the related financial interest(s);
- b) monitoring of the project by independent reviewers appointed by the Vice Chancellor;
- c) modification of the research or project plan;
- d) disqualification from participation in all or a portion of the project;
- e) divestiture of the related financial interest;
- f) severance of relationships that create actual or potential conflicts.

Adoption of conditions or restrictions to manage or eliminate the COI must be agreed to in writing by the Investigator and the Vice Chancellor prior to the expenditure of any funds under the award.

Alternatively, if the COIC determines that an Investigator's financial interests could be directly and significantly affected by the sponsored project or could affect the sponsored project and the conflict cannot be managed, the COIC may recommend to the Vice Chancellor that the project not proceed.

RECORDS ACCESS AND RETENTION

The disclosure and addendum information are open to the public and subject to the Federal Freedom of Information Act (FOIA) and the California Public Records Act (CPRA). UCSB is required to respond within five (5) business days to any request for information about SFIs held by Investigators when UCSB has determined that the disclosed SFIs are related to the PHS-funded research and constitute FCOIs.

Records of financial disclosures, Designated Official's determinations, COIC recommendations, and University action regarding management of a FCOI will be retained for at least three (3) years beyond the date of submission of the award's final expenditure report, or until the resolution of any actions by PHS involving the records, whichever is longer. Records relating to unfunded projects need not be retained.

SANCTIONS

Failure to complete a disclosure or an addendum or to comply with any conditions or restrictions imposed on the conduct of the project under this policy will be grounds for discipline pursuant to the Policy on Faculty Conduct and the Administration of Discipline (Academic Personnel Manual, APM-016) and/or all other applicable employee disciplinary policies. In addition, federal regulations may require reports to the federal sponsor of any violations of University policy. Sponsors may suspend or terminate an award and/or debar/suspend an Investigator from receipt of future awards in the event of failure to comply with applicable federal regulations on disclosure, review, and management of SFI related to federally-sponsored projects. Finally, an Investigator's failure to disclose may also subject the Investigator to civil or criminal legal action.

V. REFERENCES

- 1) National Science Foundation (NSF), Award and Administration Guide, Grantee Standards – Chapter IV.A Conflict of Interest Policies
- 2) University of California, Office of the President – Business and Finance Bulletin G-39, Conflict of Interest Policy and Compendium of Specialized University Policies, Guidelines, and Regulations Related to Conflict of Interest
- 3) University of California, Office of the President – Policy on Disclosure of Financial Interests and Management of Conflicts of Interest, National Science Foundation Awards
- 4) University of California, Office of the President – Conflict of Commitment and Outside Activities of Faculty Members, APM-025
- 5) University of California, Office of the President – University Policy on Faculty Conduct and the Administration of Discipline, APM-016
- 6) University of California, Office of the President – Disclosure of Financial Interest in Private Sponsors of Research, APM-028

VI. APPENDICES

DEFINITIONS

- A. **Conflict of Interest Committee (COIC):** The faculty advisory committee appointed by the Vice Chancellor for Research to review disclosures of significant financial interests related to funded research and determine whether any of the significant financial interests constitute a financial conflict of interest. This group is also referred to as the Independent Substantive Review Committee in UC policies.

B. Investigator: Any individual responsible for the design, conduct, or reporting of research performed or to be performed with NSF funding, regardless of whether the Investigator receives compensation from the funding source supporting the research. Investigator includes but is not limited to the PI, Investigators and any other individual (including non-UCSB personnel) responsible for the design, conduct, or reporting of the NSF funded research.

Note: Reporting includes authorship on publications resulting from the research. Thus, graduate and undergraduate students may be required to disclose, even if they are not paid from the project.

C. Principal Investigator (PI): An Investigator who is a UCSB employee and who has primary responsibility for the scientific and technical conduct, reporting, and administrative and financial management of a sponsored research project.

D. Related Financial Interest: Interests of the Investigator, their spouse or dependent children, or interests of the company in which these individuals have an interest that would reasonably appear to be affected by the research to be performed or currently ongoing in the associated grant or contract. The following are considered “related” financial interests by UC:

1. The research results could be relevant to the development, manufacturing, or improvement of the products or services of the entity in which the Investigator, their spouse or dependent children have a financial interest;
2. The Investigator, their spouse or dependent children have a financial interest in an entity that might manufacture or commercialize a drug, device, procedure or any other product used in the project or that will predictably result from the project;
3. The Investigator, their spouse or dependent children have cumulative consulting income exceeding \$10,000 during the prior twelve months from a single entity, which would reasonably appear to be affected by the research;

Note: Disclosure of consulting income is encouraged so that an independent assessment of the relatedness can be made by the COIC chair and staff. Consulting based on an individual’s academic expertise is considered related.

4. The Investigator, their spouse or dependent children have a financial interest in an entity and the sponsored project proposes to subcontract a portion of the work, or lease property, or make referral of participants to, or make purchases from the entity; or
5. The Investigator, their spouse or dependent children have a financial interest in an entity that is part of a consortium or that will otherwise participate in the sponsored project.

E. **Significant Financial Interest (SFI):** Significant financial interests are anything of monetary value, consisting of one or more of the following interests of the Investigator or the Investigator's spouse or registered domestic partner and dependent children that reasonably appear related to the Investigator's Institutional Responsibilities:

1. **Income** exceeding \$10,000 from a single entity including salary, consultant payments, honoraria, royalty payments, dividends, or any other payments or consideration with value, including payments made to the University of California Health Sciences Compensation Plans, during the prior twelve months or anticipated over the next twelve months when aggregated for an Investigator, their spouse and dependent children.

Note: Income from a public or nonprofit entity for seminars, lectures, teaching engagements, or service on advisory committees or review panels is exempt. Salary, royalties, stipends, honoraria, reimbursement of expenses, or any other remuneration from The Regents is also exempt.

2. **Equity (publicly-traded stock or stock options, real estate, or any other investment or ownership interest)** that exceeds \$10,000 (current market value) and is greater than a 5% ownership interest, for any one enterprise when aggregated for the Investigator, their spouse and dependent children.

Note: An investment in a mutual fund, pension fund or other investment fund over which the Investigator or his/her immediate family member does not exercise any control is excluded.

3. **Equity (non-publicly-traded stock or stock options, or any other investment or ownership interest):**
 - a. Disclosure is required for privately-held stock or stock options that exceed \$10,000 (internal estimate of value or the amount of investment, whichever is greater) and are greater than a 5% ownership interest, for any one enterprise when aggregated for an Investigator, their spouse and dependent children.
4. **Intellectual property** interest held by the Investigator, their spouse or dependent children in a patent, patent application, or a copyright of software assigned or to be assigned to a party other than The Regents.