

## UC SANTA BARBARA POLICY AND PROCEDURE

### **POLICY ON DISCLOSURE OF FINANCIAL INTERESTS RELATED TO ACCEPTANCE OF PRIVATE FUNDS FOR RESEARCH TO PROMOTE OBJECTIVITY IN RESEARCH**

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### **POLICY ON DISCLOSURE OF FINANCIAL INTERESTS RELATED TO ACCEPTANCE OF PRIVATE FUNDS FOR RESEARCH TO PROMOTE OBJECTIVITY IN RESEARCH**

The following policy on *Disclosure of Financial Interests Related to Acceptance of Private Funds for Research to Promote Objectivity in Research* is mandated by the Fair Political Practices Commission (FPPC). It applies to all person or persons at an institution of higher education with principal responsibility for a research project funded in whole or in part by a non-governmental entity sponsor detailed in the California Code of Regulations §18755.

#### **I. SCOPE**

The purpose of this policy is to define a financial interest and explain the disclosure and review of financial interests in non-governmental sponsors for Principal Investigators.

#### **II. POLICY**

A Principal Investigator must disclose whether or not he or she has a direct or indirect financial interest in the sponsor of research that is funded in whole or in a part (a) through a contract or grant with a non-governmental entity or (b) by a gift from a non-governmental entity that is earmarked by the donor for a specific research project or a specific Principal Investigator. The Fair Political Practices Commission has approved a list of non-governmental research sponsors that are exempt from this requirement (see <http://www.ucop.edu/research-policy-analysis-coordination/policies-guidance/conflict-of-interest/list-of-non-governmental-entities-exempt-from-disclosure-requirement.html>). Disclosure statements must be filed (a) before final acceptance of such a contract, grant, or gift; and (b) when funding is renewed. The statements will be open to public inspection upon receipt of a formal request under the California Public Records Act. When disclosure indicates that a financial interest exists, an independent substantive review of the disclosure statement and the research project must take place prior to acceptance of the contract, grant, or gift. Department chairs must disqualify themselves from approving a research proposal for a project that is funded in whole or in part by a non-governmental entity in which they have a financial interest. The Chancellor has delegated responsibility for the implementation of this policy on the Santa Barbara campus to the Vice Chancellor for Research.

### 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. 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 and responding to public requests for information regarding COI.

### IV. PROCEDURES

#### PROCESSING OF PRIVATE FUNDS FOR RESEARCH

Whether a private award for research is classified as a gift, or as a grant or contract, it is subject to the research review process as well as to the administrative rules and procedures that apply to all University funds. Specifically:

1. When Disclosures are required:
  - a. Initial Disclosure Principal Investigators who anticipate receiving a gift or grant/contract funds from a non-governmental sponsor, including individual donors and for-profits, must file a Statement of Economic Interests for Principal Investigators (Form 700-U) in the campus electronic disclosure system, unless the organization providing the funding appears on the UCOP list of exempt organizations. If completion of the 700-U form identifies a financial interest, the Conflict of Interest Coordinator may request a Disclosure of Economic Interests: Addendum to be filed electronically.
  - b. Additional Disclosure requirements In addition to the initial disclosure, Principal Investigators are also required to use the 700-U process to disclose financial interests in a sponsor:
    - i. When any gift, contract or grant subject to the 700-U process is renewed;

- ii. For "interim" statements, the filer must submit a statement within 30 days after the contract, grant, or gift is renewed that discloses reportable investments, income and business positions that the filer held or received during the period between the date the initial statement was filed and the date the project contract, grant, or gift was renewed.
- iii. In cases where the UCSB researcher identifies an interest in a sub-recipient, the researcher is required to file an electronic form 700-U (e.g. a position on the Board of Directors or an equity interest in the sub-recipient).
- iv. If materials (e.g., drugs, devices, equipment, reagents, cell lines, animals, etc.) being tested or used as tools in the research are being provided by a for-profit or not-for-profit organization for use in a project.

### DISCLOSURE REVIEW PROCESS

All financial interests disclosed in the 700-U form are potential conflicts of interest and must be subject to an independent substantive review prior to the acceptance of the funding at issue. As outlined in Academic Personnel Manual Section 028, these reviews shall be performed by the Conflict of Interest Committee, which recommends to the Vice Chancellor for Research whether the funds should be accepted by the University and if so, whether conditions should be attached to manage or eliminate the conflict of interest. The Vice Chancellor for Research must approve the acceptance of funds, and any conditions to be attached, before the funds can be accepted by the University. The Conflict of Interest Committee shall be composed of academic senate members from representative campus departments and the members shall be appointed by the Vice Chancellor for Research. The Conflict of Interest Committee may require the submission of additional documents or information, or require the Investigator to appear before the Committee, if needed, to make its determination.

### SANCTIONS

Failure of an individual to file a complete and truthful Statement of Economic Interest for pending gifts, contracts or grants, or failure to comply with any conditions or restrictions directed or imposed, including failure to cooperate with appointed project monitoring bodies, will be grounds for disciplinary actions pursuant to the University Policy on Faculty Conduct and the Administration of Discipline (Academic Personnel Manual, APM-016) and/or other applicable employee disciplinary policies.

## **V. REFERENCES**

- 1) California Code of Regulations, Regulations of the Fair Political Practices Commission, Title 2, Division 6, Chapter 7, Article 3, §18755
- 2) University of California, Office of the President – Contract and Grant Manual, Chapter 9: Gifts and Endowments

- 3) University of California, Office of the President – Disclosure of Financial Interest in Private Sponsors of Research, APM-028
- 4) University of California, Office of the President – Guidelines on University-Industry Relations
- 5) University of California, Office of the President – List of Non-governmental Entities Exempt from Disclosure Requirement
- 6) University of California, Office of the President – Review of Gifts and Grants for Research
- 7) University of California, Office of the President – University Policy on Faculty Conduct and the Administration of Discipline, APM-016
- 8) University of California, Santa Barbara – Gifts, Grants, Contracts, and Sponsorships Determinations
- 9) University of California, Santa Barbara – Solicitation and Acceptance of Gifts

## VI. APPENDICES

### DEFINITIONS

- A. **Financial Interest** in the sponsor of research means holding a position in the sponsor (i.e., director, officer, partner, trustee, consultant, employee), having a direct or indirect investment in the sponsor totaling \$2,000 or more, and/or receiving income from the sponsor within 12 months prior to the time the award is made. “Income” means payments received, including but not limited to any salary, consulting income, honoraria payments, travel payments, totaling \$500 or more. A gift is reportable if its fair market value is \$50 or more.
  - B. **Indirect Investment or Indirect Financial Interest** is when the Principal Investigator has a spouse, or a registered domestic partner, or dependent children with a financial interest in the sponsor and/or the Principal Investigator, his/her spouse, or registered domestic partner, or dependent children own directly, indirectly, or beneficially a 10 percent interest or greater in any business entity or trust which has a financial interest in the sponsor of the research.
  - C. **Equity (Ownership Interest)**, for the purposes of this policy, is an investment totaling \$2,000 or more in the sponsor held by the Principal Investigator, his/her spouse, or registered domestic partner, or dependent children.
  - D. **Independent Substantive Review** is conducted by a committee and occurs when a disclosure indicates that a financial interest exists. The committee reviews disclosure statements and relevant features of the research project and makes recommendations to the Vice Chancellor for Research based on its findings. The review should occur prior to acceptance of contract, grant, or gift and may require consultations with Principal Investigators, department chairs, administrators, faculty and others involved in the research and review process in order to make a fully informed recommendation.
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Please direct questions about this policy to Office of Research, Research Integrity. For general questions or comments about this website, please contact [coi@research.ucsb.edu](mailto:coi@research.ucsb.edu).

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