

PM 2015-02
President Willie Hagan

Supersedes PM 01-09

Policy and Procedures on Financial Conflict of Interest For Sponsored Programs

1.0 REFERENCES

- a) CSUDH PM 01-09
- b) California "The Political Reform Act" (Government Code Section 81000)
- c) California "Fair Political Practices Commission" (Government Code Section 18755)
- d) California Government Code sections 1090, et. Seq., pertaining to contractual conflicts of interest
- e) 42 C.F.R, Part 50, Subpart F
- f) 45 C.F.R Part 94
- g) NSF Manual 15

2.0 POLICY

2.1 Definitions

"Investigator" means the project director or principal investigator and any other person, regardless of title or position, who is responsible for the design, conduct, or reporting of funded research or educational program (or proposed for research or educational program funding), which may include, for example, collaborators or consultants, and any other individuals (including personnel from other institutions) who are involved in accomplishing project objectives. "Investigator" may also include students, graduate and undergraduate, and other personnel who may be listed as authors on project results, even if they are not paid from the project.

"Significant Financial Interest" means anything of monetary value, including, but not limited to:

- a) Income exceeding \$10,000 (or \$5,000 for PHS projects), when aggregated, for an Investigator and the Investigator's spouse and dependent children from a single Entity (Business, Public or Nonprofit) including salary, consultant payments, honoraria, royalty payments, dividend, loan, or any other payments or consideration with value. Income from a Public or Nonprofit Entity for seminars, lectures, teaching engagements, or service on advisory committees or review panels is exempt;
- b) Equity interest in the form of stock, stock options, real estate, loan to, or any other investment or ownership interest exceeding \$10,000 and does not represent more than a 5% ownership interest in any single entity (or equity interest of any amount for PHS projects) for any one enterprise when aggregated for an Investigator and the Investigator's spouse and dependent children;
- c) A management position such as board member, director, officer, partner or trustee held by the Investigator, the Investigator's spouse and/or dependent children; or

- d) Intellectual property interest held by the Investigator, or Investigator's spouse or dependent children on a patent, patent application, or a copyright of software assigned or to be assigned to a party other than the CSU upon receipt of income related to such rights and interests exceeding \$5,000 in the 12 months preceding disclosure.

Financial Interest does **not** include (1) payments made by California State University, Dominguez Hills or CSUDH Foundation (salary, royalties, honoraria, expense reimbursement or any other remuneration) or (2) an investment by a mutual fund, pension fund or other investment fund over which the investigator or his/her immediate family member does not exercise management of fund investment.

“Related Financial Interest” means the work to be performed under the sponsored project and results therefrom would reasonably appear to affect the financial interest of the Investigator or the financial interest of the Entity in which the Investigator has an interest. The following are financial interests “related” to a sponsored project:

- a) The Investigator is conducting a project where the results could be relevant to the development, manufacturing, or improvement of the products or services of the entity in which the Investigator has a financial interest;
- b) The Investigator has a financial interest in an entity which might manufacture or commercialize a drug, device, procedure or any other product used in the project or that will predictably result from the project;
- c) The Investigator has consulting income in his/her professional field that exceeds \$10,000 from a single entity during the prior twelve months. The Conflict of Interest Committee will provide an assessment for the Dean of Graduate Studies and Research as to whether any of that entity's financial interests, or the Investigator's financial interests related to consulting for that entity, would reasonably appear to be affected by the federally-sponsored research;
- d) The Investigator has 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
- e) The Investigator has a financial interest in an entity that is part of a consortium or that will otherwise participate in the sponsored project.

2.2. Disclosure

CSUDH requires that each Investigator of a sponsored program must disclose significant financial interests (and those of their spouse and dependent children) related to their institutional responsibilities. This requirement includes Investigators (and any other individuals) responsible for the design, conduct, or reporting of research or educational programs funded by the Public Health Service (PHS), National Science Foundation (NSF), other sponsors that have adopted the federal requirements for financial disclosure and nongovernmental agencies.

2.3. Certification

CSUDH requires that each Investigator of a sponsored program must certify to provide a complete disclosure of all reportable financial interests prior to award receipt, as those interests change, or on an annual basis during the project award period, as required by the funding agency. The Investigator agrees to cooperate in the development of a Resolution a Resolution Plan to address any actual or potential conflicts of interest identified via this

disclosure. The Investigator agrees to comply with any conditions or restrictions imposed by California State University, Dominguez Hills to manage, reduce, or eliminate actual or potential conflicts of interest or forfeit the award.

2.4. Training

CSUDH requires that each Investigator of a Sponsored Program participate in an online ethics training course. This course has to be completed within six months of the award receipt and every two years thereafter.

3.0 PURPOSE

CSUDH affirms that impartiality of academic work should not be compromised by, or appear to be compromised by, financial interests the project personnel may have in the conclusions or recommendations derived from the project. Moreover, the decisions about the use of University resources should not be guided, or appear to be guided, by considerations of private gain.

CSUDH also recognizes that several conflict-of-interest policies issued by federal and state agencies govern specific campus units or categories of employees. The purpose of this document is to define a policy and procedures to be observed in all sponsored program cases and for meeting the requirements of particular funding agencies and nongovernmental sponsors.

4.0 RESPONSIBILITIES

Investigator of a Sponsored Program is responsible for Disclosure and Certification of Financial Conflict of Interest by completing and submitting required FCOI forms to the Office of Graduate Studies and Research, and completion of required training.

Research Compliance Coordinator is responsible for reviewing the disclosure information for completeness and consistency with prior disclosures, record keeping and monitoring FCOI policy implementation and training. Information provided in the Disclosures of those Investigators having a Related, Significant Financial Interest and additional appropriate documentation shall be forwarded to the Dean of Graduate Studies and Research.

Dean of Graduate Studies and Research is responsible for reviewing of the conflict of interest information and, in consultation with the chair of the Academic Senate making a recommendation as to how a management plan should be developed to reduce or eliminate potential conflicts of interest or forfeit the award.

5.0 PROCEDURES

5.1. Proposal Stage

Each Investigator must complete one of the following forms before a proposal can be submitted and a copy of the completed form is retained in the proposal folder:

- a) For governmental sponsors: *CSUDH Disclosure of Financial Interests Certification Form*

- b) For non-governmental sponsors: *California Form 700-U*

5.2. When the Award/Contract is Issued

No expenditures can be charged against the Award/Contract Issued until the following compliance requirements are met:

- a) When a new award is received, either directly or as a subcontract, a copy of the "Notice of New Award" must be forwarded to the GS&R within five business days in order to add the project to the list of projects needing to adhere to the FCOI requirement.
- b) The Investigator(s) who are issued a new award must complete the Sponsored Program Compliance Verification form, which asks them to verify there are no additional financial interests to disclose since proposal submission.
- c) If an Investigator indicates they she/he has additional disclosures to report, the Research Compliance Coordinator will follow-up to collect a signed, updated version of the appropriate Financial Conflict of Interest (FCOI) form(s).
- d) Research Compliance Coordinator makes note of any disclosed FCOIs.
- e) The Dean of Graduate Studies and Research reviews the conflict of interest information and, in consultation with the chair of the Academic Senate makes a recommendation as to how a management plan should be developed to reduce or eliminate potential conflicts of interest or forfeit the award.
- f) Research Compliance Coordinator informs Investigator(s) that they need to take online ethics training course. The online ethics trainings is good for two years unless there is a policy revision, new investigator, or an instance of non-compliance.

5.3. Ongoing Monitoring

Research Compliance Coordinator ensures that Conflict of Interest documentation is complete, current, and appropriate to the funding source, for each project. PIs are required to complete and submit FCOI forms:

- a) Annually, during the period of the award
- b) Within 30 days of discovering or acquiring a new FCOI

5.4 Additional Requirements for Direct Awards or Subcontracts from the PHS (NIH, CDC, HRSA, FDC, Susan G. Komen Foundation, etc.)

- a) Research Compliance Coordinator informs Investigator (s) that they need to take FCOI training specifically related to those funds, and that they need to complete an online training course. The online trainings are good for four years unless there is a policy revision, new investigator, or an instance of non-compliance.

- b) Research Compliance Coordinator monitors the Investigator's trainings and completion of the online training program.
- c) Sub-recipients of PHS funds (when CSUDH is the prime recipient) certify adherence to their institution's FCOI policy, or agree to adhere to CSUDH FCOI policy, on the Sub-recipient Commitment Form submitted before the Sub-recipient Agreement is issued.