



CALIFORNIA
STATE
UNIVERSITY,
FRESNO

February 23, 2009

MEMORANDUM

TO: Michael Botwin, Chair
Academic Senate

FROM: Jeff Cummins, Chair *JC*
Research Subcommittee

SUBJECT: **(APM 505) Proposed Interim Policy on Conflict of Interest
in Grants and Contracts for Principal Investigators**

On 9/22/08 the Research Subcommittee made the following motion via email regarding (APM 505) Proposed Interim Policy on Conflict of Interest for Principal Investigators:

MSC to approve (APM 505) Proposed Interim Policy on Conflict of Interest for Principal Investigators with no changes and forward to the Executive Committee.

Please feel free to contact me if there are any questions.

Office of the
Academic Senate

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CONFLICT OF INTEREST IN GRANTS AND CONTRACTS FOR PRINCIPAL INVESTIGATORS

Introduction

This policy sets institutional Conflict of Interest standards and practices applicable to Investigators on grants and contracts. This policy is intended to strengthen, and where appropriate, be consistent with the CSU Conflict of Interest Code, California Government Code 87302, and federal requirements of 42 CFR Part 50, Subpart F.

Definitions

Investigator means the Principal Investigator, Co-Investigators, Project Directors, and any other person at the institution who is responsible for the design, conduct, or reporting of research activities funded or proposed for funding. For reporting of Significant Financial Interest, "investigator" includes the investigator's spouse and dependent children.

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

- salary or other payments for services (e.g., consulting fees or honoraria)
- equity interests (e.g., stocks, stock options, or other ownership interests)
- intellectual property rights (e.g., patents, copyrights, and royalties from such rights)

The term does NOT include:

- salary, royalties, or other remuneration from the university;
- income from seminars, lectures, or teaching engagements sponsored by public or nonprofit entities;
- income from service on advisory committees or review panels for public or nonprofit entities;
- an equity interest that, when aggregated for the Investigator and the Investigator's spouse and dependent children meets both of the following tests:

(1) does not exceed \$10,000 in value as determined through reference to public prices or other reasonable measures of fair market value, and

(2) does not represent more than a 5% ownership interest in any single entity.

- salary, royalties or other payments that, when aggregated for the investigator and the investigator's spouse and dependent children over the next twelve months, are not expected to exceed \$10,000.

Recipient means the legal entity awarded a contract or grant. At California State University, Fresno, the Recipient is either the University or one of its recognized auxiliary organizations and shall not be an individual, department, or other constituent unit.

General Filing

When filing of the Conflict of Interest form is required, PIs must submit forms with the Project Information Form to the Office of Research and Sponsored Programs **prior to submission** of the grant application.

PIs requesting funds from state, county, and city government are exempt from filing conflict of interest forms.

California Form 700-U. PIs requesting funding from non-governmental sources must file the one-page California form 700-U. California regulations require: (1) an annual update of form 700-U; (2) California State ethics training in the first year and every two years thereafter; and (3) a final form 700-U submitted within 90-days after the project ends. The following link gives a list of private non-profit agencies that have been determined to be **EXEMPT** by the California Fair Political Practices Commission: <http://www.fppc.ca.gov>.

Federal Form. PIs applying to federal agencies requiring Financial Conflict of Interest disclosure (e.g., NIH, NSF) must complete the Federal Disclosure form available on the Office of Research and Sponsored Programs website (www.csufresno.edu/grants).

Responsibilities

It is the responsibility of the **Principal Investigator** of a grant or contract to identify all investigators (as defined above) – that is, all persons with design, conduct or reporting responsibilities on the grant or contract – whether or not they are identified in the proposal, grant or contract, and ensure that they follow the provisions of this policy.

It is the responsibility of each **Investigator** (as defined above) to disclose any changes or newly identified financial conflicts that arise during the course of the funded project.

The **Office of Research and Sponsored Programs** shall provide a copy of this policy statement to Investigators at the time of application for a project to be submitted to a non-governmental agency and/or a federal agency requiring such reporting.

The **Recipient** (Foundation or University) will include information about Conflict of Interest disclosure in the PI handbook.

The **Recipient** will notify PIs of annual deadlines for multi-year awards and annual/final reporting.

The **Recipient** will notify subrecipients of the Conflict of Interest requirements. Subrecipients of externally funded projects from nongovernmental and specified federal agencies will be asked to submit Conflict of Interest declarations or proof of an acceptable Conflict of Interest policy prior to receiving funding. The recipient will ask the subrecipient to complete disclosure forms prior to full execution of any subcontract.

The **Office of Human Resources** at the university will review and store the originals of all disclosure forms. Copies of such forms will be filed in the submission folder and grant folder if awarded.

Managing Conflicts of Significant Financial Interest

Upon initial review of the disclosure form, the **Office of Human Resources** will determine if there is any potential conflict of interest covered by this policy, and if so, will submit it to the **Conflict of Interest Review Committee**.

The Committee shall be composed of: the Associate Provost, the AVP for Financial Services, and the AVP for Academic Personnel.

Each member of the Committee is to be familiar with the State and Federal regulations governing conflicts of interest.

The Committee shall review all statements regarding potential conflicts of interest submitted by the Office of Human Resources.

When the Committee believes a “significant” conflict of interest exists under either State or Federal regulations, it shall:

- (1) inform the employee and Office of Human Resources;
- (2) with the appropriate Dean, draft a Resolution Plan that details steps that will be taken to manage, reduce, or eliminate the conflict of interest prior to acceptance of funding; and
- (3) enter into an MOU between the university and investigator that details the conditions or restrictions imposed upon the investigator in the conduct of the project or in the relationship with the business entity.

Examples of conditions or restrictions that might be imposed to manage, reduce, or eliminate actual or potential conflicts of interest include, but are not limited to:

- public disclosure of significant financial interests;
- monitoring of the project by independent reviewers;
- modification of the project plan;
- disqualification from participation in all or a portion of the project;
- divestiture of significant financial interests; and/or
- severance of relationships that create actual or potential conflicts.

Records of investigator financial disclosures and of actions taken to manage actual or potential conflicts of interest shall be retained by the Recipient (Foundation or University) until three (3) years after the date of termination or completion of the award to which the documents relate, or the resolution of any government action involving these records.

Actions for Noncompliance

Anyone found to be noncompliant with the University Independent Review Committee requests and/or in violation of this policy will be reported to the Provost for further action. If sanctions are imposed, they may range from a formal reprimand to the imposition of disciplinary action as defined in Article 19 of the Memorandum of Understanding (MOU) between The California State University and the California Faculty Association.