

Valdosta State University
Office of Sponsored Programs & Research Administration
Financial Conflict of Interest Procedures for Sponsored Programs
(Effective 08.24.2012)

RELATED POLICY STATEMENT:

2402.1 FINANCIAL CONFLICTS OF INTEREST RELATED TO SPONSORED PROGRAMS

Valdosta State University complies with federal regulations regarding disclosure and management of financial conflicts of interest related to sponsored programs. Federal regulations require:

- Conflict of interest training of individuals (faculty, staff, and students) engaged in sponsored programs;
- Procedures for the management, reduction, or elimination of potential conflicts of interest;
- Oversight and continued review of financial conflicts of interest; and
- Public disclosure of information about individuals' financial conflicts of interest.

Valdosta State University ensures compliance with federal regulations by maintaining procedures to prevent and resolve potential financial conflicts of interest that may exist in relation to sponsored programs.

PROCEDURES:

DISCLOSURE AND MANAGEMENT OF FINANCIAL CONFLICTS OF INTEREST RELATED TO SPONSORED PROGRAMS

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1.0 INTRODUCTION

Valdosta State University, herein after referred to as VSU or the University, thrives when its faculty, staff, and students pursue and support research, scholarship, and service. The activities of these individuals will inevitably include interactions with external entities. Predictably, some external relationships will

have the potential to create a conflict of commitment or a conflict of interest, or the appearance thereof. A conflict of interest may arise when a member of the University has the opportunity to influence an externally funded project or program in ways that could lead to personal gain or advantage.

Relationships between University personnel/students and other external entities are not prohibited. However, VSU requires that certain types of these relationships be timely disclosed so that potential conflicts of interest and conflicts of commitment may be managed, reduced, or eliminated.

Relationships that may require disclosure and, if necessary, management include:

- Equity participation in a corporation;
- Service as an officer in a corporation;
- Service on a governing board;
- Service on a scientific advisory board; and/or
- Receipt of funding from an external entity in which the member has an interest.

The procedures herein are intended to ensure disclosure and management of relationships between VSU faculty, staff, and/or students and external organizations. They are designed to enable recognition of situations that may be subject to question as a conflict of interest.

2.0 APPLICABILITY

This *Financial Conflicts of Interest Related to Sponsored Programs* policy and these procedures apply to all faculty members, staff, and students who apply for and/or receive funding from external organizations through VSU or who are otherwise engaged in sponsored program activity, regardless of the nature of the activity or the sponsoring agency.

3.0 ADMINISTRATION

The Assistant Vice President for Research & Dean of the Graduate School (AVPR/Dean) is responsible for ensuring compliance with federal regulations and implementing and enforcing VSU's policy on conflicts of interest related to sponsored programs. The Office of Sponsored Programs & Research Administration (OSPRA) is responsible for the day-to-day management of disclosure and reporting activities for sponsored programs, including oversight of subrecipient conflict of interest compliance. If significant financial conflicts of interest related to sponsored programs are disclosed, OSPRA, in consultation with appropriate individuals, will recommend management strategies to the AVPR/Dean for approval.

4.0 DEFINITIONS

- 4.1 **Sponsored Program:** An activity financially sponsored, in whole or in part, by sources external to the University for which there is an expectation, implied or specifically stated, on the part of the sponsor for performance, deliverable(s), or outcome(s). Sponsors include, but are not limited to: federal, state, local, and quasi-governmental agencies; foreign and domestic corporations; foundations, associations, and other non-governmental organizations; and other institutions of higher education. Sponsored programs are generally conducted by faculty but may be conducted by staff and/or students. They may support research, instruction, and/or public service activities.

Sponsored programs are awarded through various mechanisms, including grants, contracts, cooperative agreements, and/or other legally binding means of transfer.

- 4.2 **Investigator**: The term “Investigator,” as used in these procedures, includes VSU faculty, staff, and students assigned to one of the following roles on a sponsored program:
 - 4.2.1 **Principal Investigator/Project Director (PI/PD)**: The individual, regardless of title, who has primary responsibility for the design, conduct, and/or reporting of a sponsored program or who has proposed funding for such.
 - 4.2.2 **Co-Principal Investigator/Co-Project Director (Co-PI/PD)**: An individual, regardless of title, officially designated by the PI/PD to share in the responsibility for the design, conduct, and/or reporting of a sponsored program.
 - 4.2.3 **Key Person**: Any other individual, regardless of title, who participates in the development and execution of a sponsored program in a substantive, measurable way.
 - 4.2.4 Any other individual who performs tasks on a sponsored program that leads to the development of outcomes or deliverables who potentially could be influenced by a conflict of interest in the production of those outcomes or deliverables.
- 4.3 **Immediate Family Member**: The spouse, domestic or civil union partner, or dependent child of an Investigator.
- 4.4 **Institutional Responsibilities**: An Investigator’s professional responsibilities on behalf of the University as outlined in the VSU Faculty Handbook, VSU Human Resources Policies and Procedures, the University System of Georgia Board of Regents Policy Manual and/or the Board of Regents Academic Affairs Handbook.
- 4.5 **Entity**: Any domestic or foreign, public or private, organization (excluding a federal agency) from which an Investigator or his/her immediate family member(s) receives remuneration or in which the Investigator or his/her immediate family member(s) has an ownership or equity interest.
- 4.6 **Subrecipient**: An organization to which the University flows down federal funds for the conduct of a substantive portion of a sponsored program; the subrecipient is accountable to the University for both programmatic outcomes and compliance matters.
- 4.7 **Conflict of Commitment**: A situation in which an Investigator engages in outside activities, either paid or unpaid, that interferes with his or her primary obligation to institutional responsibilities.
- 4.8 **Conflict of Interest**: A situation in which an individual’s financial, professional or other personal considerations may directly or indirectly affect, or have the appearance of affecting, his/her professional judgment in exercising any institutional responsibility.
- 4.9 **Significant Financial Interest (SFI)**: A financial interest consisting of one or more of the following interests of the Investigator and/or his/her immediate family member(s) that reasonably appears to be related to the Investigator’s institutional responsibilities.

- 4.9.1 With regard to any publicly traded entity, a significant financial interest exists if the value of any remuneration received from the entity in the twelve (12) months preceding the disclosure and the value of any equity interest in the entity as of the date of disclosure, when aggregated, exceeds \$5,000. Remuneration includes salary and any payment for services not otherwise identified as salary (e.g., consulting fees, honoraria, paid authorship). Equity interest includes any stock, stock option, or any other ownership interest, as determined through reference to public prices or other reasonable measures of fair market value;
- 4.9.2 With regard to any non-publicly traded entity, a significant financial interest exists if the value of any remuneration received from the entity in the twelve (12) months preceding the disclosure, when aggregated, exceeds \$5,000, or when the Investigator or his/her immediate family member(s) holds any equity interest (e.g., stock, stock option, or other ownership interest); or
- 4.9.3 Intellectual property rights and interests (e.g., patents, copyrights), upon receipt of income related to such rights and interests.

A Significant Financial Interest **does not** include the following types of interests:

- Salary, royalties, or other remuneration from VSU;
- Income from investment vehicles, such as mutual funds and retirement accounts, as long as the Investigator does not directly control the investment decisions of these vehicles;
- Income from seminars, lectures, or teaching engagements sponsored by a federal, state, or local government agency, an institution of higher education, an academic teaching hospital, a medical center, or research institute that is affiliated with an institution of higher education in the United States; and
- Income from service on advisory committees or review panels for public or non-profit entities.

- 4.10 Sponsored Travel: Travel paid by an external organization on behalf of an Investigator; because no direct reimbursement is made, the monetary value of the travel may require estimation.
- 4.11 Financial Conflict of Interest (FCOI): The presence of a significant financial interest in an external entity that may directly or indirectly affect, or have the appearance of affecting, an Investigator's professional judgment in the design, conduct, or reporting of results of a sponsored program.

5.0 INVESTIGATOR TRAINING REQUIREMENTS

Investigators must complete initial training prior to submitting a proposal for a sponsored program or prior to engaging in a sponsored program. Thereafter, training must be repeated at least every four (4) years. Additionally, training is required within seven (7) days in the following circumstances:

- The Investigator becomes engaged for the first time in an ongoing sponsored program activity;
- The University finds that an investigator is not in compliance with the institutional conflict of interest disclosure requirement or management plan; or
- Institutional conflict of interest procedures change in a manner that affects Investigator training requirements.

Training is provided online through the Collaborative Institutional Training Initiative (CITI). Investigators are required to review the *Conflicts of Interest, Stage 1* module and successfully complete the corresponding quiz. Upon completion of the quiz, the Investigator should print the course completion certificate from the CITI Web site and submit it to OSPRA to demonstrate compliance.

6.0 INVESTIGATOR DISCLOSURE REQUIREMENTS

An Investigator must disclose to the AVPR/Dean, through OSPRA, any significant financial interests and/or those of any immediate family member that reasonably appear to be related to the Investigator's institutional responsibilities.

Disclosure must be made at the following times:

- Prior to submission of the first sponsored program proposal or prior to engagement in a sponsored program if the award is not the result of a formal proposal;
- Within seven (7) days of engaging for the first time in an ongoing sponsored program activity;
- Annually thereafter, on a calendar year basis (on or before each January 31), as long as the Investigator remains engaged in any VSU sponsored program activity; and
- Within thirty (30) days of discovering or acquiring (e.g., through purchase, marriage, inheritance) a new significant financial interest (SFI).

Travel reimbursed or sponsored by an external entity that is related to the Investigator's institutional responsibilities must be included in the valuation of financial interests. As part of the disclosure process, the Investigator is required to provide the following:

- Name of the entity responsible for funding the travel
- Purpose, destination, duration, and actual or estimated monetary value of each trip

OSPRA will seek additional information as necessary to determine if the travel constitutes a financial conflict of interest (FCOI) related to the Investigator's sponsored program(s).

Disclosure **is not** required for travel that is reimbursed or sponsored by a federal, state, or local government agency, an institution of higher education, an academic teaching hospital, a medical center, or a research institute that is affiliated with an institution of higher education.

7.0 IDENTIFICATION AND MANAGEMENT OF FINANCIAL CONFLICTS OF INTEREST

OSPRA will review the disclosure to determine if a financial conflict of interest related to sponsored programs exists. If so, OSPRA, in conjunction with the Investigator, the Investigator's department head/unit director and dean/vice president, and others as necessary, will develop a plan to manage, reduce, or eliminate the FCOI. This plan will be submitted to the AVPR/Dean for review, modification if necessary, and approval. For new sponsored programs, this plan must be in place before funds are released. For existing sponsored programs, spending may be deferred until an approved plan is in place.

Possible conditions or restrictions for managing, reducing, or eliminating financial conflicts of interest include, but are not limited to, the following:

- Public disclosure of FCOIs;
- Monitoring of the sponsored program by an independent reviewer;
- Modification of the sponsored program;

- Change of personnel or personnel responsibilities, or disqualification of personnel from participation in all or part of the sponsored program;
- Reduction or elimination of the financial interest (e.g., by sale); and/or
- Severance of relationships that create financial conflicts.

8.0 SUBRECIPIENT COMPLIANCE

VSU is responsible for ensuring that any subrecipients on sponsored programs are in compliance with federal regulations and the sponsors' financial conflict of interest reporting requirements. VSU will incorporate, as part of the written agreement with the subrecipient, terms that establish whether VSU's financial conflict of interest policy or that of the subrecipient will apply to subrecipient's personnel who will be involved in the sponsored program. If the subrecipient organization does not have a financial conflict of interest policy that complies with federal regulations, the subrecipient's personnel involved in the sponsored program will be required to adhere to VSU's financial conflict of interest policy and procedures.

Subrecipients with a federally compliant financial conflict of interest policy and procedures must timely disclose to VSU any identified significant financial interests of their personnel involved in the sponsored program, including plans to manage, reduce, or eliminate any identified FCOIs, allowing sufficient time for VSU to review and report such FCOIs to the federal sponsor. Subrecipients who do not have a federally compliant conflict of interest policy and procedures must submit disclosures (including negative disclosures) for all personnel involved in the sponsored program to VSU, allowing sufficient time for VSU to assess, and, as necessary, develop a management plan for and report any FCOIs to the federal sponsor. OSPRA will monitor the subrecipient's compliance with these requirements.

9.0 REPORTING REQUIREMENTS

9.1 National Institutes of Health

- 9.1.1 For *new* sponsored programs, the University will submit an *initial* financial conflict of interest report prior to the expenditure of any sponsored program funds if the University determines that an Investigator does have a financial conflict of interest. Submission of the report will be in accordance with the regulation set forth by the National Institutes of Health.
- 9.1.2 For *ongoing* sponsored programs, the University will submit a financial conflict of interest report within sixty (60) days after such a FCOI is found to be held by a new Investigator on the sponsored program or if a current Investigator reveals a new or changed significant financial interest. During this sixty (60) day period, the University will review any disclosed change(s) in SFIs or any new SFI to determine whether a FCOI exists. If so, the University will implement a management plan that will specify what actions have been or will be taken to manage the FCOI. The University, within the same sixty (60) day time period, will submit a report to the National Institutes of Health according to regulation.
- 9.1.3 If a significant financial interest is not reported in a timely manner, in addition to the financial conflict of interest report submitted to the National Institutes of Health, the University will have 120 days to complete a retrospective review of the Investigator's

sponsored program to determine if any part of the sponsored program was biased in the design, conduct, or reporting of results. If bias is found upon retrospective review, the University will notify the National Institutes of Health promptly in accordance with their regulations.

- 9.1.4 For any financial conflict of interest reported to the National Institutes of Health, the University will *annually* provide a report that addresses the status of the FCOI and any changes made to the management plan. This annual report will be submitted in accordance with the regulations of the National Institutes of Health.

9.2 National Science Foundation

For sponsored programs funded through the National Science Foundation, notification of a financial conflict of interest that cannot be managed, reduced, or eliminated will be submitted electronically via the NSF FastLane system in accordance with agency requirements.

9.3 Other Sponsors

If an Investigator is found to have a financial conflict of interest related to a sponsored program funded through any other source, the University will submit the requisite reports according to the regulations of that particular sponsor.

10.0 PUBLIC ACCESSIBILITY

Financial conflicts of interest will be posted on the VSU University Web site when a significant financial interest meets all of the following:

- The SFI was disclosed and is still held by an Investigator who is identified by the University in a grant application, progress report, or any other report required by the sponsor;
- The University determines that the SFI is related to the sponsored program; and
- The University determines that the SFI is a financial conflict of interest.

If a significant financial interest meets the above criteria, the following information about the Investigator will be made publicly accessible through the VSU Web site:

- Investigator's name;
- Investigator's title and role with respect to the sponsored program;
- Name of the entity in which the SFI is held;
- Nature of the SFI; and
- Approximate dollar value of the SFI (in increments of \$10,000, \$20,000, or \$50,000) or a statement that the interest is one whose value cannot be readily determined through reference to public prices or other reasonable measures of fair market value.

Investigator financial conflict of interest information will be updated on the Web page as new or changes in financial conflicts of interest become known.