



2.7.3 Financial Conflicts of Interest

The University requires the disclosure, review, and management of financial conflicts of interest involving sponsored projects. Investigators on sponsored projects must disclose to the university any possible financial conflict of interest they may have with respect to their sponsored project, whether the conflict is present at the time sponsorship is sought or arises during the period of sponsorship. The university reviews possible financial conflicts of interest, and manages and discloses actual conflicts of interest, according to the procedures specified in this policy.

I. Definitions

"Sponsored project" means any research project, educational activity, or other activity for which funding by a sponsor is sought or obtained by or with the assistance of the university's Office of Sponsored Programs.

"Sponsor" means any public or private source from whom or which external funding is sought or obtained for a sponsored project.

"External funding" means funding from any source other than the university.

"University" means the University of San Diego and any university affiliate that is an applicant under the Small Business Innovation Research Program or Small Business Technology Program.

"Investigator" means any person at the university who has responsibility for decisions regarding the design, conduct, or reporting of the sponsored project or of its outcome or results. "Investigator" includes the sponsored project's principal investigator or director and co-principal investigator(s) or co-director(s). "Investigator" includes the spouse and dependent children, as defined by the Internal Revenue Code, of any investigator.

"Conflict of Interest" means an investigator's significant financial interest that could directly and significantly influence or be influenced by, or give the appearance of influencing or being influenced by, the sponsored project or its outcome, or the timely and accurate dissemination of its results.

"Significant financial interest" means anything of monetary value, including but not limited to payments for services (e.g., salary, consulting fees or honoraria), equity interests (e.g., stock options or other ownership interests), and intellectual property rights (e.g., patents, copyrights and royalties from such rights), except the following:

- (1) Remuneration derived from the university.
- (2) Any ownership interest in a university affiliate that is an applicant under the Small Business Innovation Research Program or Small Business Technology Program.
- (3) Remuneration derived from seminars, lectures, or teaching engagements sponsored by public or nonprofit entities independent of the university.
- (4) Remuneration derived from service on advisory committees or review panels for public or nonprofit entities independent of the university.
- (5) Any equity interest that, when aggregated for the investigator and the investigator's spouse and dependent children, (a) does not exceed \$10,000 in value as determined by reference to public prices or other reasonable measures of fair market value; and (b) does not represent more than a 5% ownership interest in any single entity.
- (6) Remuneration from any single source that, when aggregated for the investigator and the investigator's spouse and dependent children, is not expected to exceed \$10,000 during the period beginning with the calendar year in which the sponsored project proposal is made and continuing through the calendar year after the sponsored project is completed.

Forms: The university uses several forms, in the process of disclosing, reviewing, and managing conflicts of interest. In this policy these forms are defined and referenced as follows:

"Form A" means the Disclosure of Financial Interests Form;

"Form B" means the Description of Financial Interest Form;

"Form C" means the Reviewing Official's Recommendations form;

"Form D" means the Conflict of Interest Resolution Plan form;

"Form E" means Preproposal and Proposal Approval Form.

Forms A-E can be obtained from the Office of Sponsored Programs and will be updated as necessary to comply with applicable laws or otherwise as appropriate.

"Institutional Official" means the administrator designated by the university to oversee and coordinate the review, management, and disclosure of possible and actual conflicts of interest disclosed to the university by investigators. The university has designated the Vice President of Academic Affairs and Provost to be its Institutional Official. In this policy the term "Provost" means "Institutional Official."

"Provost" means Institutional Official (see "Institutional Official" in these definitions).

"Financial Disclosure Peer Review Committee" means a committee appointed and chaired by the Provost, consisting of no fewer than two nor more than four faculty or administrator peers in addition to the Provost, the membership of which depends on the academic or administrative title of the sponsored project's principal investigator.

II. Responsibilities of Investigator and Provost

A. Investigator's Responsibilities

1. **At Time of Seeking Sponsorship:** The investigator must disclose to the university all significant financial interests that may involve a conflict of interest with respect to the sponsored project.
2. **While Sponsorship Is Pending:** The investigator must immediately disclose to the university all significant financial interests that may involve a conflict of interest that are discovered or acquired during the period in which a proposal for sponsored project is pending or for which external funding is provided.
3. **Mixed Federal and Private Funding:** An investigator may participate in a sponsored project funded both by an agency of the federal government and by a private sponsor having a commercial interest in the results of the sponsored project, so long as all of the following conditions are met:
 - a. The sponsored project funding must be provided through the university.
 - b. The private sponsor is prohibited from applying restrictions, conditions or limitations regarding federal sponsorship.
 - c. Any direct payment to the investigator from the private sponsor must be treated as a significant financial interest for purposes of this policy.
 - d. All sponsored project support from whatever source must be documented in the proposal as "other support" provided in conjunction with the federal sponsor's support.

- e. The investigator must disclose any private sponsor support to the federal agency within 30 days of discovery or acquisition of such support.

B. Provost's Responsibilities

1. The Provost is responsible for overseeing and coordinating this policy and its implementation.
2. With respect to each sponsored project requiring certification, the Provost is responsible for certifying (if applicable):
 - a. This policy is consistent with applicable sponsor regulations and rules governing conflict-of-interest policies.
 - b. To the best of his or her knowledge, all financial disclosures required by this policy have been made.
 - c. All identified conflicts of interest either (1) have been (or will be) satisfactorily managed, reduced or eliminated in accordance with this policy before the university expends any external funds of a sponsor; or (2) if they cannot be satisfactorily managed, reduced or eliminated, then they have been or will be disclosed to sponsors requiring such disclosure.
 - d. The university has no actual or apparent undisclosed conflict of interest.

III. Procedures for Determining and Resolving Conflicts of Interest

A. On Application for Sponsorship

1. In applying for external funding through the university's Office of Sponsored Programs, the investigator must complete Form E and disclose whether he or she has any significant financial interest related to the work to be conducted under the sponsored project. If such an interest is disclosed, then the investigator must complete Forms A and B.
2. The Provost engages in initial review of the completed Form B to assess the likelihood and extent of conflict of interest. The Provost may appoint the Vice President of Finance and Administration (or his or her designee) to provide the initial assessment and, using Form C, to recommend to the Provost that further review is or is not warranted.
3. If further review is recommended, the Provost convenes a Financial Disclosure Peer Review Committee to determine, based on review of the sponsored project, the investigator's completed Form B, and such additional

information as the Committee may require, whether and to what extent a conflict of interest is present. (See Form C.)

4. If a conflict of interest is determined to be present, then the Provost and the investigator will attempt to develop a plan for addressing and eliminating, reducing or managing the conflict and will complete Form D. Resolution of conflicts will be documented in a Memorandum of Understanding executed by the investigator and by the Provost on behalf of the University.

5. If the Provost and investigator cannot agree on a plan to manage, reduce, or eliminate the conflict of interest, the Provost will authorize the university's Director of Sponsored Programs to disclose the conflict of interest to the sponsor.

B. While Sponsorship Is Pending

1. If the investigator discovers or creates a possible conflict of interest during the pendency of a sponsored project, he or she must immediately disclose the conflict to the university's Director of Sponsored Programs and initiate the process described in section III.A above.

2. During the pendency of a sponsored project contemplated to take place over a period of more than a year, the investigator must annually complete and deliver Form A to the Office of Sponsored Programs, and, if necessary, initiate the process described in section III.A above.

IV. Enforcement

Sponsors may suspend or terminate funding and/or debar the investigator from receiving future funding in the event of failure to comply with applicable regulations on disclosure and assessment of significant financial interests related to sponsored projects. Failure to disclose possible conflicts of interest on Form E or to file an accurate and complete Form A (and Form B if applicable), to update the information required on those forms, or to comply with any conditions or restrictions regarding conflict of interest that are imposed on the sponsored project constitute violations of this policy. Violations of this policy and its procedures are subject to the university's standard disciplinary procedures for violations of its policies.

V. Retention of Records

The university will maintain records of all financial disclosures and actions taken to resolve conflicts of interest under this Policy until the resolution of any sponsor action involving those records, and in any event for no fewer than three years beyond the termination of the sponsored project to which they relate. Such records will be retained in the files of the Office of Sponsored Programs, with copies provided to the Provost. The university will maintain all such records in confidence from the time

the university receives them, subject only to disclosure requirements of sponsors and to disclosure and/or enforcement requirements of this policy.

(February 1999)