

**UNIVERSITY OF LOUISIANA AT MONROE
POLICIES AND PROCEDURES MEMORANDUM**

<i>Title:</i>	FINANCIAL CONFLICT OF INTEREST POLICY
<i>Effective Date:</i>	10/13/2008
<i>Update Responsibility:</i>	Academic Affairs
<i>Update Date:</i>	NONE
<i>Cancellation Date:</i>	NONE

1) PURPOSE/PREAMBLE

This policy serves as a guide for faculty and staff members to properly structure their relationships with industry and other outside ventures given their position responsibilities. Faculty and staff members are expected to make reasonable inquiry about their relationships and activities within the provisions of the policy. Familiarity with this policy should enable faculty members to recognize situations that may be subject to question and ensure that such situations are properly reviewed and, if necessary, resolved appropriately. Thus, an integral part of the policy is a disclosure mechanism whereby faculty members regularly review their activities. The guidelines are intended to maintain the professional autonomy of researchers and provide assurance to the public that the University of Louisiana at Monroe (ULM) upholds the highest level of integrity in the handling of funds.

ULM has an obligation to ensure that conflicting financial interests involving the principal investigator, co-investigator or other key personnel do not compromise research. A researcher has a conflict of interest when he/she, any of his/her family, or any associated entity possesses a financial interest in an activity which involves his/her responsibilities as an employee of ULM. Included in these responsibilities are all activities in which the researcher is engaged in the areas of teaching, research, service or administration.

2) DEFINITIONS

- A. Co-Investigator refers to any ULM faculty or staff member involved in the development and/or conduct of a project or program and budgeted as a co-principal investigator in it.
- B. Conflict of Interest (potential) refers to any situation where an independent observer might reasonably question whether the ULM faculty or staff member's professional actions or decisions are influenced by considerations of personal gain, financial or otherwise.
- C. Department of Health and Human Services (HHS) is the United States government's principal agency for protecting the health of all Americans and providing essential human services, especially for those who are least able to help themselves.
- D. Family Member includes the University employee's spouse, children, parents, siblings, or other persons who qualify as dependents under the Internal Revenue Code definitions.
- E. Key Personnel refers to any ULM faculty or staff member involved in the project that, without this or these person/people, the project would not be able to meet the stated objectives.
- F. Negative Finding means a determination has been made that no conflict of interest exists.
- G. Positive Finding means a determination has been made that a conflict of interest does exist and, therefore, appropriate administrative action will be required as given under III. D. below.
- H. Principal Investigator refers to the ULM faculty or staff member designated by the University and recognized by the funding agency as the person directly responsible for the project or program supported by the award.

- I. Public Health Service Commissioned Corps (PHS) is a team of public health professionals dedicated to delivering prevention programs and advancing public health science.
- J. Research means a systematic investigation designed to develop or contribute to generalizable knowledge, including biomedical, behavioral and social-sciences or other scholarly activity. The term encompasses basic and applied research and product development.
- K. 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); and intellectual property rights (e.g., patents, copyrights and royalties from such rights). The term does not include:
 - 1. Salary, royalties, or other remuneration from the applicant institution;
 - 2. Any ownership interests in the institution, if the institution is an applicant under the Small Business Innovation Research Program;
 - 3. Income from seminars, lectures, or teaching engagements sponsored by public or nonprofit entities;
 - 4. Income from service on advisory committees or review panels for public or nonprofit entities;
 - 5. An equity interest that, when aggregated for the Investigator and the Investigator's spouse and dependent children, meets both of the following tests: does not exceed \$10,000 in value as determined through reference to public prices or other reasonable measures of fair market value, and does not represent more than a five percent ownership interest in any single entity;
 - or
 - 6. 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.
- L. Small Business Innovation Research (SBIR) Program means the extramural research program for small business that is established by the Awarding Components of the Public Health Service and certain other federal agencies under Pub. L. 97-219, the Small Business Innovation Development Act, as amended. For purposes of this subpart, the term SBIR Program includes the Small Business Technology Transfer (STTR) Program, which was established by Pub. L. 102-564.

3) PROCEDURES

- A. At the time the proposal for external funding is routed for approval, the principal investigator is responsible for:
 - 1. including a completed *University of Louisiana at Monroe Screening Form for Identifying Conflicts of Significant Financial Interests* (Screening Form) for certifying that there is no conflict of interest or for disclosing the existence of possible conflicts of interest related to the proposed project, and
 - 2. securing a completed *Screening Form* for all co-principal investigators and other key personnel listed in the proposal.
- B. At anytime during the proposal process or project administration when a new potential or actual financial conflict of interest arises, or when there are changes to existing potential or actual financial conflicts of interest, the investigator must submit a revised *Screening Form* documenting the change.
- C. Review of Forms:
 - 1. The Office of Sponsored Programs and Research (OSPR) will review the *Screening Form* during proposal approval process. Should a proposal indicate that there is a potential for a financial conflict of interest, OSPR will forward a *Financial Conflict of Interest Assurance and Disclosure Form* (Assurance Form) to the principal investigator for completion.

2. OSPR will forward the completed *Assurance Form* to the Associate Provost, who shall determine whether an actual or potential conflict exists and, if so, what conditions or restrictions should be imposed by the university to avoid, reduce, or manage the conflict in compliance with federal or state laws and university policies.
 - a. Possible conditions may include public disclosure of financial interests; review or monitoring of project activities by independent reviewers; modification of the project design; disqualification from participation in all or part of the project; divestiture of substantial financial relationships; or severance of relationships that create actual or potential conflicts of interest.
 - b. In making such determinations, the Associate Provost shall seek input as appropriate from university, state or federal officials, legal counsel, or other advisors. He/she may also appoint an ad hoc committee to review the disclosure and to recommend a course of action. Before the Associate Provost reaches a decision (positive or negative), the individuals involved, including the person with the actual or potential conflict, shall be given the opportunity to meet with the Associate Provost (and with the ad hoc committee, if one is appointed) to discuss the actual or potential conflict and strategies for managing, reducing, or eliminating the conflict.

4) APPEAL OF POSITIVE FINDINGS

Investigators may appeal a resulting positive finding to the University Research Council (URC) for a review of the conflict of interest determination reached by the Associate Provost. The review of an appealed positive finding must be completed prior to the expenditure of any funds under an award. In reviewing positive findings, the URC will be guided by the following principles:

1. assure adherence to all relevant federal, state, and local laws, as well as relevant University policies;
2. give full consideration to the nature and extent of a significant financial interest;
3. give special consideration to the terms and conditions of sponsored project agreements that mitigate or complicate the particular situation; and
4. consult fully with the investigator and obtain additional information from the investigator, if management of the apparent conflict of interest is deemed appropriate.

5) MANAGING CONFLICTS OF INTEREST

A. Following the determination of a positive finding and upon receipt of the review by the URC (if an appeal occurs), the Associate Provost shall make a final determination involving one of the following administrative actions:

1. accepting the sponsored project award;
2. not accepting the sponsored project award; or
3. accepting the sponsored project award subject to suitable modifications in the award documentation or in the investigators, or his/her family's affiliation with the external constituencies involved.
4. Reasonable modifications under option 3 above may include, but are not limited to, one or more of the following actions:
 - a. requiring disclosure to all affected parties of the identified conflicts of interest;
 - b. requiring data and research results to be reviewed by independent reviewers identified by the URC and the investigator;
 - c. requiring modification of the research plan;
 - d. requiring the investigator's disqualification from participation in a portion of the research;
 - e. the investigator and/or her/his family member(s)' voluntarily divesting certain significant financial interests related to the positive finding; or

- f. the investigator and/or his/her family member(s)' voluntarily severing relationships that create the conflict of interest.

6) COMPLIANCE

- A. If an investigator who is required under this policy to file a significant financial interest disclosure fails to do so or fails to disclose a significant financial interest on the disclosure form, the investigator may be subject to discipline under the appropriate governing University disciplinary rules and procedures.
- B. If an unreported conflict of interest involves a research project administered by the University, through OSPR or otherwise, appropriate administrative action required by the funding agency will also be taken. ULM will promptly notify the funding agency if it is determined that the University is unable to manage satisfactorily any conflict of interest. Intentional disregard of this policy, including non-adherence to the agreed upon management plan, shall constitute serious misconduct and may be the basis for an academic research misconduct inquiry.

7) INSTITUTIONAL RESPONSIBILITIES

- A. ULM will inform each investigator of the institution's policy and his/her "disclosure" reporting obligations.
- B. ULM will retain records "for at least three years from the date of submission of the final expenditures report" or other dates as specified in 45 CFR 74.53(b).
- C. In each PHS application for funding, ULM will certify that:
 - 1. it has in effect a written and enforced process to identify and manage, reduce, or eliminate conflicting interests;
 - 2. prior to expending any funds under the award, ULM will report to the PHS Awarding Component the existence of a conflicting interest and assure that it has been managed, reduced, or eliminated, AND, for any interest identified as conflicting subsequent to the institution's initial report, a report will be made and the conflicting interest managed, reduced, or eliminated, at least on an interim basis, within 60 days; and
 - 3. upon request, ULM agrees to make information available to HHS regarding all conflicting interests and how those interests have been managed, reduced, or eliminated.
- D. Financial interests related to externally sponsored projects are recorded on the *Financial Conflict of Interest Assurance and Disclosure Form*, which is submitted to the OSPR with the *Internal Proposal Routing and Approval Form* and complete proposal package. This form serves to report the existence of any financial interests for any proposed or actual externally funded project. This reporting form must be submitted before the proposal packet will be reviewed.
- E. If the failure of the investigator to comply with the Institution's policy has biased the research, the institution must promptly notify the PHS Awarding Component of the corrective action taken or to be taken.

Policy References:

42 CFR I:50 (F)--*Responsibility of Applicants for Promoting Objectivity in Research for Which PHS Funding Is Sought*
U.S. Department of Health & Human Services website
U.S. Public Health Service Commissioned Corps website

Review Process:

Academic Affairs
Academic Deans

Distribution:

Academic Deans
Controller
Budget Officer
Vice President for Business Affairs

University of Louisiana- Monroe Screening Form for Identifying Conflicts of Significant Financial Interests

Effective Date: October 13, 2008

This Screening Form is used to identify potential conflicts of significant interests for ULM-based projects. Regardless of your responses on this form, all ULM employees must also abide by the Louisiana Code of Governmental Ethics—Code of Ethical Standards for Public Servants (Louisiana Revised Statutes Section 42)

Name: _____

University Title: _____

Department/Unit: _____

College: _____

Proposal Title: _____

Intended Funding Agency: _____

1. Do you or a *family member* have a consulting or other financial relationship with a non-governmental; external sponsor/donor of your research?

Yes ___

No ___

2. Do you or a family member have a managerial role in or an opportunity for personal gain through a significant financial interest in a company in a field of your research, a company that does business with the University, or hold an interest in a firm, corporation, or other association (hereinafter "company") to which the Board has assigned, licensed, transferred, or sold the University's interest in discoveries or inventions partially or wholly made or created by you?

Yes ___

No ___

3. Do you have non-University professional or income-producing activities involving University of Louisiana-Monroe students, professional staff, or facilities?

Yes ___

No ___

4. Do you or a *family member* have any other relationships, commitments, or activities that might, in your good faith judgment, present or appear to present a conflict of *significant financial interest* with your University of Louisiana-Monroe research activities?

Yes ___

No ___

5. Do you currently have, or will this proposal lead to the award of, external funding for research in a subject area in which you also have a significant financial interest in an external activity such as a managerial or ownership role in a company or an opportunity to receive a significant financial interest?

Yes ___

No ___

N.B.: If you answer *yes* to any of the above five questions, you will receive a significant financial interest disclosure form requesting further information. *Italicized phrases* are defined in the Policy for Managing Conflicts of Interest at University of Louisiana-Monroe.

Affirmation: In submitting this form, I affirm that the above information is true and accurate and, further, that I accept responsibility for being familiar with the Policy on Conflicts of Interests at University of Louisiana-Monroe. Furthermore, I attest that I will immediately report any Conflicts of Interest that may arise after the submission of this proposal up through and including the execution of the project should the proposal be funded, in accordance with ULM policies.

Signature

Date

This form should be submitted by all Investigators named on the Proposal Transmittal Form, as well as all key personnel. Return completed form to: **Office of Sponsored Programs and Research**, Library 211. If you require assistance, please contact us at