

**Area: General Administration**

Date Adopted: May 30, 2002

Certified by \_\_\_\_\_

Dr. Adolphus Andrews  
Executive Vice President and  
Chief Financial Officer

Revisions Approved:  
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**Subject: SPONSORED PROJECTS AND RESEARCH  
CONFLICT OF INTEREST**

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**1. Purpose**

The policy promotes objectivity in research and other sponsored activities by defining special standards of conduct appropriate for each faculty/staff member participating in a sponsored project. The intent is to ensure that the design, conduct, and reporting of the project are neither compromised nor appear to be compromised by any significant financial interest of the responsible faculty/staff members.

**2. Applicability**

This policy applies to all faculty/staff members who apply for, receive, or who are currently working on a grant, contract, cooperative agreement, subgrant, subcontract, or sub-cooperative agreement which is funded in whole or in part by external funds. Faculty/staff members who apply for, receive, or are currently working on projects funded from non-federal external sources are strongly encouraged to comply with this policy.

**3. Definitions**

a. **"Project"** means any externally funded scholarly activity such as basic, applied, or developmental research; instructional or curricular activities; student aid; career development; or other activity conducted by faculty or staff members on behalf of the University.

b. **"Investigator"** means the principal investigator, co-investigators, and any other person (e.g., technicians, project directors, students) at the University who is responsible, in whole or in part, for the design, conduct, or reporting of the project.

c. **"Family"** means spouse, domestic partner, relatives, and any member of the household.

d. **"Financial interest"** means anything of monetary value including, but not limited to, salary or other payments for service such as consulting fees or honoraria; equity interests such as stocks, stock options, or other ownership interests; and intellectual property rights such as patents, copyrights, and royalties from such rights.

e. **"Significant financial interest "** means a financial interest that leads to or may appear to lead to a conflict of interest. However, a financial interest is not a significant financial interest if:

- (1) Salary, royalties, or other remuneration are from the University;
- (2) Income is from seminars, lectures, or teaching engagements sponsored by public or nonprofit entities;
- (3) Income is from service on advisory committees or review panels for public or nonprofit entities;
- (4) The interest arises solely by reason of investment in a business by a mutual, pension, or other institutional investment fund over which the employee does not exercise control;
- (5) The financial interest is in a business and the value of such financial interests when aggregated for the investigator and the investigator's family does not\*
  - (a) exceed \$10,000 per annum of salary, fees, or other continuing payments, or;
  - (b) constitute an equity interest of \$10,000 or more, or;
  - (c) represent more than five (5%) percent ownership interests for any one enterprise or entity; or
- (6) The financial interest is an ownership interest in a business that is the applicant organization under Phase I of a Small Business Innovative Research (SBIR) program or Phase I of a Small Business Technology Transfer (STTR) program and the University is a subcontractor under the business application.

f. **"Conflict of Interest"** exists if financial interests or other opportunities for tangible personal benefit may exert a substantial and improper influence on an employee's professional judgment in exercising any University duty or responsibility,

\*Federal Guidelines

including designing, conducting, or reporting on a project. A conflict of interest is not an accusation and does not imply that an employee's judgment has been compromised.

#### **4. Conflict and Non-Conflict Situations**

a. A conflict of interest occurs when an investigator compromises or appears to compromise the conduct of a project because of an outside relationship that directly or indirectly affects the financial interests of the investigator or the investigator's family. Situations in which conflicts of interest for investigators or their families may arise or may be perceived to arise include:

- (1) Failing to perform University responsibilities adequately due to involvement in external activities.
- (2) Possessing a significant financial interest, including a significant consulting relationship, in a business that competes with services provided by the University.
- (3) Accepting other than nominal gratuities or favors from an individual or entity that does business with the University or is proposing to do business with the University.
- (4) Associating one's name or one's work with an external activity (such as consulting) in a way that implies endorsement or sponsorship by the University.
- (5) Using, without authority, confidential information obtained through one's University position.
- (6) Publishing or presenting results of sponsored research conducted at the University without simultaneously disclosing any significant financial interest relating to the results or the subject.
- (7) Taking an administrative action or negotiating an agreement in a manner that benefits a business in which the employee or his/her family members have a significant financial interest.
- (8) Serving in an executive, management or directorship role or having a significant financial interest in an entity that does business with the University.
- (9) Conducting research, testing, or clinical trials sponsored by a company in which the University employee or his/her family members have a significant financial interest.

(10) Diverting research or business opportunities away from the University to another entity.

(11) Making referrals or directing purchasing opportunities to a business in which the University employee, his/her family members, or his/her business associates has a significant financial interest.

(12) Assigning students or other University employees to work on projects from which the University researcher stands to gain financially (beyond ordinary University compensation mechanisms) or which are funded by an outside sponsor or donor in which the researcher has a significant financial interest.

b. What financial gains do not involve a conflict of interest situation?

A conflict of interest situation generally does not exist when a University employee's personal financial gains result from:

(1) Properly approved remuneration from the University such as salary, royalties, or other interests of value.

(2) Income from activities unrelated in any way to his/her position at the University.

(3) Income from seminars or lectures sponsored by public non-profit entities.

(4) Income from service on advisory committees or review panels for public or non-profit entities or from service as a reviewer of manuscripts for possible publication by journals and other publishers.

(5) An interest arising solely by reason of investment in a business by a mutual, pension, or other institutional investment fund over which the researcher exercises no control.

(6) Income from royalties from intellectual property unrelated to his/her University duties and in which the University has no interest.

(7) Income from routine consulting, consistent with the University's policy on consulting, and which does not pose any potential conflict with University interests.

(8) Royalties, stipends, and/or honoraria received for published scholarly works and other writings, creative works, lectures, and/or presentations.

## 5. Disclosure of Potential Conflict of Interest

a. Disclosure of potential conflict of interest is intended to protect the integrity of the design, conduct, and reporting of project activities by effectively permitting the management, reduction, or elimination of those factors which cause or appear to cause a conflict of interest on the part of an investigator. Successful implementation of this policy assumes a shared responsibility by all investigators and the administration of the University. Investigators are expected to comply with all the disclosure requirements described below. Once proposed activities have been administratively approved and a plan of action addressing potential conflicts has been determined, University officers will permit the activity as long as the investigator complies with the plan of action, the disclosure requirements, other University policies, and the law.

b. Any investigator applying for or conducting any project shall make prompt, written disclosure of any potential conflict of interest to the Director, Office of Sponsored Programs and Research (Director).

c. Faculty/staff applying for an externally funded project shall complete a Financial Conflict of Interest Screening/Disclosure form indicating that either no conflict of interest exists or that the investigator has filed a written disclosure with the Director. The conflict of interest box must also be marked on the proposal transmittal form.

d. The Director shall review the Conflict of Interest Form and make an initial determination as to whether or not a potential conflict of interest exists as defined above. If no evidence of a potential conflict of interest is disclosed, then the Director shall provide written documentation of this determination, which shall be retained with the other project records and shall so advise the investigator, the chair, the dean, and the Vice President for Academic Affairs or other appropriate Vice President. If a faculty/staff member fails to complete this form, fails to return it, or fails to disclose a potential conflict of interest to the Director, or if a conflict of interest is not resolved the Director and the appropriate Vice President shall not submit the proposal, withdraw the proposal if already submitted, or decline an award.

e. If the Director determines that a potential conflict of interest as defined above may exist, the Director will promptly convene a meeting of the Conflict of Interest Review Committee within ten working days. This committee will consist of:

- (1) Director, Office of Sponsored Programs and Research;
- (2) University Legal Counsel;
- (3) Director, Grants Accounting; and
- (4) Two Members of the Faculty Senate Research Committee.

f. If the Conflict of Interest Review Committee determines a conflict of interest does exist, the committee will then notify the faculty/staff. The committee shall consult with the dean of the college or department head and together they shall review the disclosure, consult with the faculty/staff concerned, and seek any additional information to determine whether a possible conflict of interest exists. If they determine that a potential conflict of interest exists, they shall determine a plan of action consisting of the conditions or restrictions that shall be required by the University to manage, reduce, or eliminate such actual or apparent conflict of interest. If they are unable to agree on a mutually acceptable method for managing, reducing, or eliminating the potential conflict of interest, then the Conflict of Interest Review Committee shall refer the disclosure to the appropriate Vice President for a final determination.

g. Examples of the conditions or restrictions that might be imposed include:

- (1) Public disclosure of the significant financial interest;
- (2) Monitoring of the project by independent reviewers;
- (3) Modification of the project plan;
- (4) Disqualification of the investigator from participation in all or a portion of the project;
- (5) Withdrawal of the proposal or declination of an award;
- (6) Divestiture of the significant financial interest;
- (7) Severance of the relationship(s) that create actual or potential conflicts; or,
- (8) Notifying the sponsor that a significant financial interest exists.

h. The appropriate Vice President shall notify the faculty or staff member, the appropriate chair and dean, faculty/staff director, and the President of the final determination.

i. Investigators shall update the Financial Conflict of Interest Screening/Disclosure Form in each September of each year. If an investigator acquires a new reportable significant financial interest, the investigator shall submit a revised or new Financial Conflict of Interest Screening/Disclosure Form to the Director within five (5) working days after acquisition.

j. Prior to accepting an award, the Director shall ensure that any potential conflicts of interest have been satisfactorily managed, reduced, or eliminated in accordance with this policy. If it is determined that a conflict cannot be satisfactorily

managed, reduced, or eliminated, the appropriate Vice President shall disclose the existence of a conflict to the sponsoring agency before accepting the award.

k. If a sponsor requires disclosure of a significant financial interest or any potential or actual conflict of interest, the appropriate Vice President shall make such disclosures as required by the sponsor.

## **6. Reporting Requirements**

The Director of the Office of Sponsored Programs and Research shall submit a written report to the appropriate Vice President detailing the number, nature, and resolution of significant financial interest and/or conflict of interest disclosures annually, within 60 days after the close of each fiscal year.

## **7. Related Sections of the Ohio Revised Code and Federal Statutes and Regulations**

Among others, federal regulations and statutes of the Ohio Revised Code govern conduct related to a staff member's carrying out of his or her assigned duties for the University.

## **8. Possible Disciplinary Actions for Violations of this Policy**

a. The University expects investigators to comply fully and promptly with all the requirements of this policy. Examples of breaches of this policy include failure to file; intentionally filing an incomplete, erroneous, or misleading disclosure form; or failing to provide additional information as required by the Director or appropriate Vice President.

b. In addition to any potential legal penalty(ies), the University may take appropriate disciplinary action against individuals who violate this policy. This disciplinary action may include, but not be limited to, oral admonishment, written reprimand, reassignment, suspension, or termination of the individual's employment. Disciplinary action under this policy shall be consistent with and subject to applicable provisions of the University's human resources policies or applicable sections of the Collective Bargaining Agreement between the University and the AAUP and AFSCME. If the sponsor requires disclosure of any disciplinary actions taken for violations of this policy, the appropriate Vice President shall make such disclosure in a timely manner.

## **9. Records Retention**

All records pertaining to conflict of interest for sponsored projects shall be retained for a minimum of three years after the completion of all project activity by the Office of Sponsored Programs. Records for proposals that are not funded by sponsoring agencies will be retained for a period of at least one year after the decision of the

sponsoring agency. All records shall be retained in a manner to protect confidentiality as allowed by law.