

California State University, Sacramento

CONFLICT OF INTEREST POLICY

1. INTRODUCTION

A. General Principles

These principles are intended to provide guidance in the management of formal relationships between members of the California State University, Sacramento community and their external constituencies in order to ensure that the design, conduct, and reporting of sponsored research will not be biased by any conflicting financial interests. Under the Public Health Service (PHS) and National Science Foundation (NSF) final rules on Objectivity in Research (*Federal Register*, July 11, 1995), each Sacramento State investigator is required to disclose a listing of her/his significant financial interests, as well as those of his/her spouse and dependent children, that would reasonably appear to be affected by the research proposed for funding by the PHS or the NSF. If, after review of these disclosures, it is determined that the reported financial interests could directly and significantly affect the design, conduct, or reporting of the research, Sacramento State will report the existence of such conflicting interests to the sponsor and act to protect the resulting research from bias owing to the conflict of interest. This statement is intended to satisfy current Federal rules for disclosure with regard to projects funded by the PHS or the NSF as well as applicable State of California statutes involving conflict of interest situations.

B. Scope

This document and the associated procedures are applicable immediately to all sponsored program activity at California State University, Sacramento carried out by Sacramento State faculty members, professional staff, scientists, trainees, technicians and other staff members, students, fellows, volunteers, guest researchers, or collaborators. The document and the associated procedures are derived from the final rules on Objectivity in Research promulgated by the PHS and the NSF that were published in the *Federal Register* of July 11, 1995 and from relevant State of California statutes and regulations. These procedures will be followed whenever a member of the University community submits a request for funding from any external agency, whether it is the PHS, the NSF, another Federal agency, or any private entity.

C. Research and Mission Statement

The Mission and Goals of California State University, Sacramento commits Sacramento State faculty and staff to the development of an educational environment where teaching, scholarship, and public service can thrive:

The mission of California State University, Sacramento - a regional comprehensive public university - is to preserve, communicate, and advance knowledge; cultivate wisdom; encourage creativity; promote the value of humankind; and improve the quality of life for its graduates and the people of the region.

Scholarship is among the goals stated in the Strategic Plan adopted by Sacramento State.

Goal: *to build and support a university community whose excellence in teaching, learning, research and public service will be strengthened by scholarship.*

Carrying out research and scholarly activity for the benefit of society, therefore, is a key element of the University's mission. Such research and scholarly activity is facilitated and/or made possible through external funding, from private as well as public sources. It is the Sacramento State responsibility to assure the integrity of all aspects of such sponsored research while, simultaneously, taking care not to discourage the development of external funding opportunities for its faculty, staff, and students. The purpose of this document is to identify situations where potential conflicts of significant financial interest are likely to arise and to establish a process whereby such conflicts are either avoided or at least managed equitably to the satisfaction of all concerned parties.

II. DEFINITIONS

A. Conflict of Significant Financial Interest

A Conflict of Significant Financial Interest is considered to occur whenever a Sacramento State faculty or staff member, or other Sacramento State employee, or a family member of the Sacramento State employee, has an existing or potential financial or other material interest that impairs, or appears to impair, the Sacramento State employee's independence and objectivity in the discharge of his/her responsibilities to and/or for Sacramento State: or, alternatively, conflict of significant financial interest is considered to occur whenever a Sacramento State employee receives financial or other material benefit through inappropriate use of knowledge or information confidential to Sacramento State.

B. Employee

An Employee is any individual employed on a full- or part-time basis at California State University, Sacramento and is receiving, or will receive, compensation for such employment.

C. Investigator

Investigator is the principal investigator, co-principal investigators, or any other Sacramento State employee responsible for the design, conduct, or reporting of externally funded educational, public service, or research activities.

D. Family Member

Family Member includes the Sacramento State employee's spouse and children or other adults who qualify as dependents under the Internal Revenue Code definitions.

E. Project

Project implies any externally funded activity such as basic, applied, action or developmental research, instructional, curricular, or creative activities, student aid, career development, or other activity conducted by Sacramento State faculty or staff members on behalf of the Sacramento State.

F. Significant Financial Interest

Significant Financial Interest is any item of monetary value including, but not limited to: 1) salary or other payments for services rendered such as consulting fees or honoraria; 2) equity interests such as stocks, stock options, or other ownership interests; and 3) intellectual property rights such as patents, copyrights, and royalties from such intellectual property rights.

Significant Financial Interest does not include: 1) Sacramento State remuneration such as salary or royalties; 2) consulting fees or honoraria from service on advisory committees or review panels for public or nonprofit entities; or 3) financial interest in business enterprises or entities where the value of such interests would not be anticipated to exceed \$10,000 per annum or represent more than a five per cent (5%) ownership interest. The value of such equity interests is to be determined on the basis of public prices or other reasonable measures of fair market value.

G. Negative Finding

Negative Finding means a determination has been made that no conflict of significant financial interest exists.

H. Positive Finding

Positive Finding means a determination has been made that a conflict of significant financial interest does exist and, therefore, appropriate administrative action will be required as given under III. D. below.

III. DOCUMENT STATEMENT

A. Mandatory Disclosure of Significant Financial Interests

In accord with relevant Federal and State regulations, Sacramento State is required to manage, eliminate, or reduce any potential conflicts of significant financial interest that may be inherent in the personal financial interests of an investigator. California State University, Sacramento, therefore, requires investigators on proposals to all external public and private agencies to disclose to Sacramento State, prior to submittal of the proposal, any significant financial interest, including those of her/his family members, which would reasonably appear to be affected by the project described in the proposal. Investigators are required to provide updated disclosure information during the time period in which the proposal is pending, annually during the time period of an award, or whenever new significant financial interests are obtained by the investigator.

B. Identification of Conflicts of Significant Financial Interest

In conjunction with the administrative review of applications for external support the Director of Research Administration will review each Financial Disclosure submitted. The Associate Vice President, Research Administration or designee, in consultation with the Director of Research Administration, shall make the determination of whether or not a conflict of significant financial interest exists. If it is determined that no conflict of significant financial interest exists, the resulting negative finding will be filed in the Office of Research Administration. For negative findings no further review is required.

C. Appeal of Positive Findings

Investigators may appeal a resulting positive finding to the Subcommittee for Research and Creative Activity (RCA) for a review of the conflict of significant financial interest determination. 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 RCA will be guided by the following principles: 1) Assure adherence to all relevant Sacramento State policies and provisions of collective bargaining agreements; 2) Give full consideration to the nature and extent of the financial interests in the relationship of the investigator, and/or the investigator's family members, with the external constituencies; 3) Give special consideration to the terms and conditions of sponsored project agreements that mitigate or complicate the given situation; and 4) Consult fully with the investigator and obtain additional information from the investigator, as deemed appropriate to the management of the apparent conflict of significant financial interest.

D. Managing Conflicts of Significant Financial Interest

Following the determination of a positive finding, or upon receipt of the review by the RCA, the Provost and Vice President for Academic Affairs 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 investigator's, or his/her family's, affiliation with the external constituencies involved. Reasonable modifications under option 3) above might include one or more of the following actions: 1) Requiring that public disclosure of the identified financial interests be made; 2) Requiring that the data and research results be reviewed by independent reviewers identified by the RCA and the investigator; 3) Requiring that the research plan be modified; 4) Requiring that the investigator be disqualified from participation in a portion of the research; 5) Requiring that the investigator and/or her/his family member(s) divest certain significant financial interests related to the positive finding; or 6) Requiring that the investigator and/or his/her family member(s) sever relationships that create the conflict of significant financial interest.

E. Compliance

If an investigator who is required under this document to file a conflict of 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 Sacramento State disciplinary rules and procedures. If an unreported significant financial interest involves a research project administered by Sacramento State, the University Enterprises or otherwise, appropriate administrative action required by the funding agency will also be taken. Sacramento State will promptly notify the funding agency if it is

determined that Sacramento State is unable to manage satisfactorily any conflict of significant financial interest. Intentional disregard for the principles and procedures specified in this document, including non-adherence to the agreed upon management plan, shall constitute serious misconduct and may be the basis for an academic research misconduct inquiry.