

ADMINISTRATIVE MEMORANDUM

To: Vice Presidents, Deans, Directors, Department Chairs, and Other Administrative Officials

From: Salme Harju Steinberg, President

Subject: Significant Financial Disclosure Policy for Sponsored Research Investigators

Date: January 16, 2004

The University has a responsibility to manage, reduce, or eliminate any actual or potential conflicts of interest that may be presented by a financial interest of an investigator, who is seeking, or who has been awarded, research funding. Thus, the University requires that investigators disclose any significant financial interest that would reasonably appear to be affected by sponsored research.

This policy covers all activities for which research funding is available and is sought. When deemed necessary, the Office of Sponsored Programs will submit policy modifications to the President who will review and approve the policy in consultation with the Provost and Vice Presidents. The policy is posted on the website of the Office of Sponsored Programs (www.neiu.edu/~sprogram).

POLICY OF INVESTIGATOR SIGNIFICANT FINANCIAL DISCLOSURE POLICY FOR SPONSORED RESEARCH

This policy covers all activities for which research funding is available and is sought.

The University has a responsibility to manage, reduce, or eliminate any actual or potential conflicts of interest that may be presented by a financial interest of an investigator, who is seeking, or who has been awarded, research funding. Thus, the University requires that investigators disclose any significant financial interest that would reasonably appear to be affected by sponsored research.

I. Definitions

A potential **Conflict of Interest** occurs when there is a divergence between individuals' private interests and their professional obligations to the University such that an independent observer might reasonably question whether the professional actions or decisions are determined by considerations of personal gain, financial, or otherwise. An *actual* conflict of interest depends on the situation and not on the character or actions of the individual. For purposes of this policy, *a conflict of interest exists when the University, through procedures described herein, reasonably determines that a significant financial interest could directly and significantly affect the design, conduct, or reporting of sponsored projects.*

Investigator means the principal investigator/project director, co-principal investigators, and any other person who is responsible for the design, conduct, or reporting of research funded, or proposed for funding. In this context, the term "Investigator" includes the investigator's spouse, dependent children or any other individual with whom he/she has a close economic relationship.

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),
- 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 University;
- (2) Income from seminars, lectures, or teaching engagements sponsored by public or nonprofit entities;
- (3) Income from the service on advisory committees or review panels for public or nonprofit entities;
- (4) An equity interest that, when aggregated for the Investigator (as defined above) 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

- (5) Salary, royalties or other payment that, when aggregated for the Investigator (as defined above) over the next twelve months, are not expected to exceed \$10,000.

II. Guidelines

1. Each Investigator is required to disclose the following Significant Financial Interests:
 - i) Any Significant Financial Interest of the Investigator that would reasonably appear to be affected by the research or educational activities funded, or proposed for funding.
 - (ii) Any Significant Financial Interest of the Investigator in an equity whose financial interest would reasonably appear to be affected by the research or educational activities funded, or proposed for funding.

Regardless of the above minimum requirements, faculty or staff members, in their own best interest, may choose to disclose any other financial or related interest that could present an actual conflict of interest or be perceived to present a conflict of interest. Disclosure is a key factor in protecting one's reputation and career from potentially embarrassing or harmful allegations of misconduct.

2. Each Investigator who has Significant Financial Interest requiring disclosure shall complete a **Significant Financial Interests Disclosure Form** (available on the Office of Sponsored Programs website) and attach all required supporting documentation. The completed Disclosure Form must be submitted with the proposal to the Office of Sponsored Programs. Supporting documentation that identifies the business enterprise or entity should be placed in an envelope marked confidential and accompany the Disclosure Form.
3. All Significant Financial Interests must be disclosed prior to the time a proposal is submitted. All financial disclosures must be updated by Investigators during the period of the award as new reportable Significant Financial Interests are obtained.
4. The Director of Sponsored Programs, or official designee, shall conduct an initial review of all financial disclosures. If the initial determination is made that there may be a potential for conflict of interest covered by this policy, then the Disclosure packet will be referred to the Provost or an official designee appointed by the Provost. A conflict of interest exists when the Provost (or designee) reasonably determines that a Significant Financial Interest could directly and significantly affect the design, conduct, or reporting of the proposed sponsored project. The Provost (or designee) shall then determine what conditions or restrictions, if any, should be imposed by the institution to manage actual or potential conflicts of interest arising from disclosed Significant Financial Interests.
5. Prior to consideration by the Provost (or designee), the Investigator, in cooperation with the academic unit or College, shall develop and present to the Provost (or designee) a Conflict of Interest Resolution Plan that details proposed steps that will be taken to manage, reduce or eliminate any actual or potential conflict of interest

presented by a Significant Financial Interest. At a minimum, the Resolution Plan shall address such issues as:

- (1) Public disclosure of significant financial interests,
- (2) Review of research protocol by the independent reviewers; and
- (3) Monitoring of research by independent reviewers.

Where the Provost (or designee) deems it appropriate, the Provost (or designee) shall review the Resolution Plan and approve it, or add conditions or restrictions, including the following:

- (1) Modification of the research plan;
- (2) Disqualification from participation in all or a portion of the research funded;
- (3) Divestiture of significant financial interests; or
- (4) Severance of relationships that create actual or potential conflicts of interest.

If the Provost (or designee) determines that imposing the above referenced conditions or restrictions would be either ineffective or inequitable, and the potential negative impacts that may arise from a significant financial interest are outweighed by interests of scientific progress, technology transfer, or the public health and welfare, then the Provost (or designee) may recommend that, to the extent permitted by Federal regulations [U.S. Public Health Service (PHS) policy, for instance, does not permit such an action], the research go forward without imposing such conditions or restrictions. In these cases, the President shall make the final decision regarding resolution.

6. The approved Resolution Plan shall be incorporated into a Memorandum of Understanding between Northeastern Illinois University and the faculty member that details the conditions or restrictions imposed upon the Investigator in the conduct of the project or on the relationship with the Business Enterprise or Entity. The Memorandum of Understanding shall be signed by the Investigator, the Department Chair/Head, the Dean, the Provost (or designee) and the President. Actual or potential conflicts of interest will be satisfactorily managed, reduced, or eliminated in accordance with these Guidelines and all required reports regarding the conflict of interest submitted to the sponsor prior to expenditure of any funds under an award. [For example, the PHS requires the University to report to the PHS Awarding Component the existence of a conflicting interest (but not the nature of the interest or other details) found by the University and to assure that the interest has been managed, reduced, or eliminated.]
7. Records of Investigator financial disclosures and of actions taken to manage actual or potential conflicts of interest shall be retained by the Office of Sponsored Programs until three years after the later of the termination or completion of the award to which they relate, or the resolution of any government action involving those records.
8. Whenever an Investigator has violated this policy or the terms of the Memorandum of Understanding, the Provost shall recommend to the President that appropriate sanctions be brought against the Investigator under the provisions of the applicable collective bargaining agreement procedures or University regulations.

In addition, the University shall follow Federal regulations regarding the notification of the sponsoring agency in the event an Investigator has failed to comply with this policy.

Collaborators/subrecipients/subcontractors from other academic or not-for-profit institutions must either comply with this policy or provide a certification from their institutions that they are in compliance with Federal policies regarding investigator significant financial interest disclosure and that their portion of the project is in compliance with their institutional policies. Subcontractors from commercial firms need not make a certification, except when the prime award is from the Public Health Service. The PHS requires a certification from any subcontractors, including commercial firms, stating that it is in compliance with Federal policies regarding investigator significant financial interest disclosure and that its portion of the project is in compliance with company policies.