


AUSTIN PEAY STATE UNIVERSITY
POLICIES AND PROCEDURES MANUAL

Policy Number: 99:024	Supersedes Policy Number:
Date: February 12 1996	Dated:
Subject: Financial Conflict of Interest on Externally-Sponsored Projects	
Initiating Authority: Vice President for Academic Affairs	TBR Policy/Guideline Reference:
Approved:  President	

Austin Peay State University adheres to the policies on financial conflict of interest established by the National Science Foundation (NSF GPM 510) and the U. S. Department of Health and Human Services, Public Health Service (42 CFR part 50, Subpart F and 45 CFR subtitle A, part 94), which became effective October 1, 1995, and as they pertain to research and other projects funded or sponsored by those or other organizations.

I. Investigators on externally-sponsored research, development and education projects shall be required to disclose to an authorized representative of the institution all significant financial interests related to the project in question (including those of the investigator's spouse and dependent children) when so required by written regulation or policy of the sponsoring organization. Financial interests related to the project in question are those which:

- A. Can be affected by the research or educational activities funded by external agencies or organizations; or
- B. Are held in entities whose financial interests can be affected by such activities.

II. Definitions:

- A. The term "investigator" means the principal investigator, co-principal investigators, and any other person at the institution who is accountable for the design, conduct or reporting of research or educational activities funded by

external agencies.

- B. "Significant financial interest" means anything of a monetary value which meets the criteria outlined in IA and IB above, and which exceed \$10,000 during the period of any one award year, including, but not limited to, salary or other payments for services (e.g., consulting fees or honoraria); equity interest (e.g., stocks, stock options or other ownership interests); and intellectual property rights (e.g., patents, copyrights, and royalties from such rights).

1. The term does not include:

- a. Salary, royalties or other remuneration from the investigator's institution;
- b. Income from seminars, lectures, or teaching engagements sponsored by public or non-profit entities;
- c. Income from service on advisory committees or review panels for public or non-profit entities;
- d. 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, at the time the interest was acquired, more than a 5% ownership interest in any single entity; or
- e. Salary, royalties or other payments that meet the criteria specified in IA and IB above and that, when aggregated for the investigator and the investigator's spouse and dependent children, are not expected to exceed \$10,000 during any one twelve-month award term.

II. Disclosures:

- A. Investigators must disclose that potential conflict of interest may exist at the time a proposal or application for funding is submitted to the sponsoring agency.
- B. If an Investigator's financial interests change during the time the proposal is under review or during the term

of an award, the Investigator must provide an updated disclosure reflecting pertinent changes.

- C. Investigators shall provide annual updates of financial disclosures during the term of the applicable grant or contract.
- D. Disclosure shall be made in the form of a signed and notarized statement by the principle investigator(s) which either declares that no financial conflicts of interest exist to the best of the investigator's knowledge, information, and belief at the time of the declaration, or lists, to the investigator's knowledge and belief, those financial interests which may apply to the project for which the proposal or application is being made.
- E. A Conflict of Interest Review Committee composed of the Research Committee of the Graduate and Research Council, supplemented by the President of the Faculty Senate and a disinterested non-University community member who has expertise in the field of professional ethics shall be the authorized institutional body to whom disclosures shall be made.

III. Review:

- A. The Conflict of Interest Review Committee (hereinafter referred to as the Committee) shall review financial disclosures, determine whether a conflict of interest exists, and determine what conditions or restrictions, if any, should be imposed by the institution to manage, reduce or eliminate such conflicts of interest.
- B. A conflict of interest exists when a majority of the members of the Committee determine that an investigator's significant financial interest could directly and significantly affect the design, conduct, or reporting of externally-funded research, development, or educational activities.
- C. Conditions or restrictions that might be imposed to manage, reduce or eliminate conflicts of interest include:
 - 1. Public disclosure of significant financial interests;
 - 2. Monitoring of research by independent reviewers, with said reviewers to be determine by the Committee;

3. Modification of the research plan, by the Investigator(s), subject to approval of the modifications by the Committee;
 4. Disqualification from participation in the portion of the externally-funded research or educational activities that would be affected by significant financial interest;
 5. Divestiture of significant financial interests;
 6. Severance of relationships that create conflicts.
- D. When the sponsoring agency allows, and if the Committee determines that imposing conditions or restrictions would be either ineffective or inequitable, or that the potential negative impacts that may arise from a significant financial interest are outweighed by the interests of scientific progress, technology transfer, or the public health and welfare, then the Committee may allow the research to go forward without imposing such conditions or restrictions.
- E. The Vice President for Academic Affairs will immediately inform the appropriate official at the sponsoring agency if a conflict of interest cannot be satisfactorily managed, reduced or eliminated by the University.
- V. Enforcement:
- A. No proposal or application for external support of research, development, or educational activities will be approved for submission by the University without a disclosure statement signed by the investigator or co-investigators (Attachment A to this policy) attached to the proposal review and approval form employed by the University for such purposes.
 - B. In the event that the Committee determines that a conflict exists, the investigator or co-investigators must agree to the conditions or restrictions deemed appropriate by the Committee before the proposal or application is approved for submission.
 - C. In the event of the award of a grant, contract or cooperative agreement, the Committee shall meet with the investigator or co-investigators to determine that compliance with any imposed conditions or restrictions is in place.
 - D. In the event of an investigator's knowledgeable and

willful non-compliance with previously agreed-upon conditions or restrictions, the Vice President for Academic Affairs shall have the authority to impose appropriate sanctions upon the investigator as recommended by the Committee.

E. Sanctions to be imposed may include:

1. Imposition of further conditions or restrictions upon the conduct of the sponsored research, development or educational activity such as:
 - a. Disqualification from participation in the portion of the externally-funded research or educational activities that would be affected by significant financial interest;
 - b. Disqualification from participation in future externally-funded research or educational activities;
 - c. Termination of employment by the University.

VI. Recordkeeping:

- A. The University will retain records of all financial disclosures and of all actions taken to resolve conflicts of interest for at least three years beyond the termination or completion of the sponsorship agreement (grant, contract or cooperative agreement) to which they relate, or until the resolution of any sponsoring agency action involving those records, whichever is longer.
- B. The records referred to above shall be housed with the permanent record of the related grant or contract in the Office of Grants and Sponsored Programs.

ATTACHMENT A

Investigator's disclosure statement:

I _____ hereby declare that I have received a copy of, read and understand the APSU policy on disclosure of financial conflicts of interest for externally-sponsored research or educational projects, and that I agree to comply with any conditions or restrictions imposed by APSU to manage, reduce, or eliminate conflicts of interest as they pertain to the project represented in the attached proposal or application.

I further declare that as they relate to the project represented in the attached application to -

entitled _____, and dated _____, to the best of my knowledge, information and belief at this present time, I (initial one)

_____ A. do not hold any financial interests which constitute a conflict of interest as defined in APSU policy 99:024.

_____ B. hold the following financial interests which constitute a conflict of interest as defined in APSU policy 99:024 (list interests below, use additional sheet of paper if necessary):

- 1. _____
- 2. _____
- 3. _____
- 4. _____
- 5. _____

Signed _____

Date _____

State of Tennessee
Subscribed and sworn to (or affirmed) before me this
_____ day of _____, 19____, by _____

Notary Public

My commission expires _____