



# St. George's University

## **Financial Conflict of Interest**

SGU faculty is made up of highly trained professionals, many of them of international reputation, representing a substantial reservoir of human resources. Services of this group are available to the various sectors of society for the mutual benefit of industry, government, the academic community and society at large. Outside employment and activities are encouraged, provided they do not detract from the full and competent performance of a faculty member's duties. In light of this, faculty whose activities are paid from grants or contracts should be aware of potential conflict of interest situations.

The following represent prohibited activities or activities that can be permitted only with conditions:

- Orienting/influencing University research to serve the needs of a private financial interest or enterprise.
- Purchasing major equipment, instruments, material or other items for research from any private firm in which the staff member has either a direct or indirect interest.
- Transmitting to any private firm or enterprise, use for personal gain, or other unauthorized use of sponsored work products, results, material, records, or information that are not made generally available. (This includes licensing arrangements for inventions or consulting on the basis of sponsored research results or in any way using the information in outside activities.)
- The use for personal gain or other unauthorized use of privileged information, such as sharing the information in the course of outside activities, acquired in connection with the staff member's sponsored activities. (The term "privileged information" includes but is not limited to medical, personnel, or security records of individuals; anticipated material requirements or price actions; possible new sites for sponsor's operations; knowledge of forthcoming programs or of selection of contractors or subcontractors in advance of official announcements; and academic principles, ideas or processes discovered or improved upon as a result of sponsored activity).
- The direct or indirect participation in the negotiation of agreements relating to the staff member's research, between SGU and private organizations with which the staff member has consulting or other contractual relationships.
- Acceptance of gratuities or special favors from private concerns with which SGU does conduct, or may conduct, business in connection with a sponsored research project; or extension of gratuities or special favors to employees of the sponsoring agency under circumstances that might reasonably be interpreted as an attempt to influence the recipients in the conduct of their duties.

As of October 1, 1995, new U.S. federal regulations require that universities manage, reduce, or eliminate any actual or potential conflicts of interest that may be presented by the compensated outside activities and other financial interests of persons involved in sponsored research projects funded by the Public Health Service (PHS), the National Science Foundation (NSF), and the American Heart Association (AHA). The primary purpose of the federal regulations is to prevent bias in the design, conduct, or reporting of research projects. Principal investigators and others working on projects funded by the PHS, NSF or AHA must abide by these requirements.

Based on this regulation, any employee submitting a grant or contract proposal to any funding agency through SGU or conducting research or educational activities pursuant to such a grant or contract at SGU as an "investigator" must report any "Significant Financial Interest" that would reasonably appear to be affected by the proposed or funded research activities, including interests maintained in entities that would be so affected. An "investigator" is defined as the principal investigator, co-principal investigator, or any other employee responsible for the design, conduct, or reporting the proposed or funded research or educational activities. For the purpose of determining a Significant Financial Interest, an "investigator" also includes an employee's spouse and dependent children.

A "Significant Financial Interest" refers to: salary or other payments for services, such as consulting fees and honoraria; equity interests, such as stocks and stock options; and intellectual property rights, such as patents, copyrights, and royalties. A Significant Financial Interest does not refer to salary or other remuneration from the university; income derived from seminars, lectures or teaching engagements sponsored by public or nonprofit entities; income derived from service on advisory committees or review panels for public or nonprofit entities; or salary, royalties or other payments that, when aggregated for the investigator and his or her spouse and dependent children, is not expected to exceed \$10,000 over a 12 month period. An equity interest that, when aggregated for the investigator, spouse, and dependent children, does not exceed \$10,000 and does not represent more than a five percent ownership interest in any entity is also not considered a Significant Financial Interest.

Significant Financial Interests must be disclosed at the time of the submission of the proposal, but approval of the outside activities and financial interests (with conditions if warranted) need not occur until the project has been funded. SGU also requires that the disclosures be made annually during the course of the research, or as new reportable significant financial interests are obtained. The employee must file a new report if a new Significant Financial Interest is obtained during the academic year. Review and approval or disapproval of the interests disclosed during the course of a research project must be accomplished within 60 days.

The SGU Director of Research is responsible for reviewing each disclosure to determine if there is a conflict of interest. If a Significant Financial Interest may directly and significantly affect the design, conduct, or reporting of the research a conflict will be deemed to exist. The university, through the Director of Research, is required to manage, reduce or eliminate the conflict.

Conditions that might be imposed in such cases include:

1. Public disclosure of the conflict
2. Modification of the research design
3. Monitoring of the research by independent reviewers

If adequate measures are not feasible, the employee may have to discontinue the compensated activities or divest himself or herself of the financial interest, or discontinue the research. The employee must abide by the conditions under which the research is permitted.

In order to certify compliance, this policy requires that all investigators and other key personnel on any research proposal fill out and sign a Sponsored Research Disclosure of Significant Financial Conflict of Interest form before the proposal is submitted by the Director of Research to the funding agency. The form should be part of the package submitted for review and approval through the Director of Research. It is the principal investigator's responsibility to ensure that Disclosure of Significant Financial Conflict of Interest form for all investigators (including co-principal investigators and other employees responsible for the design, conduct, and reporting of the research) are obtained on a timely basis in order to meet proposal application deadlines.

Regardless of whether or not a conflict exists, the proposal will be submitted to the agency. The form is kept on file in the Office of Research and is not sent to the agency. However, if requested, an institutional certification that the University's policy is active and in compliance with the regulation will be transmitted to the agency.

Please contact the Director of Research if you have questions or require assistance.