

## **Conflict of Interest Policy for Grants and Contracts**

### Research & Sponsored Programs

#### **I. Introduction**

California State University, Northridge (CSUN) encourages its personnel to engage in a variety of scholarly and creative activities, including those leading to external funding or income from public agencies, private entities and individuals, and entrepreneurial ventures. At times, such activities may create situations that lead to potential or real instances of conflict of interest. The University recognizes the obligation of individuals and the institution to ensure that instances of conflict of interest do not improperly affect university activities, including those conducted through auxiliary organizations. Through the policies and procedures set forth in this document, CSUN intends to identify and address potential conflicts of interest that may arise among campus personnel proposing or engaging in externally funded activities.

Both the state of California and the federal government have conflict of interest regulations. These regulations require CSUN to establish and maintain a conflict of interest policy and corresponding implementing procedures. The intention of this document is to establish a uniform policy which meets both state and federal requirements, and to provide the public with accountability in the institution's dealings with external organizations.

#### **II. General Principles**

The policy which follows is based upon the principle that CSUN has a responsibility to manage, reduce, or eliminate any actual or potential conflicts of interest involving activities conducted under the authority of the University or its auxiliary organizations. Therefore, CSUN requires that potential recipients of contracts or grants disclose any significant financial interest, as defined below, that may present an actual or potential conflict of interest in the conduct of any externally funded sponsored activity. Specifically, the University seeks to ensure that such activities will not be compromised by any financial interest that will or may be reasonably expected to bias the design, conduct, or reporting of any such activities.

#### **III. Definitions**

A potential conflict of interest occurs when a divergence develops between an individual's private interests and his/her professional obligations to the University and its auxiliary organizations such that an independent observer might reasonably question whether the individual's professional actions or decisions are determined by considerations of personal gain, financial or otherwise. Reviewers of disclosure statements can find an actual or potential conflict of interest when it is determined that a significant financial interest of the investigator could directly or significantly affect the

design, conduct, or reporting of activities funded or proposed for funding. Each Investigator must disclose all financial interests that would reasonably appear to be affected by the proposed activities.

**Investigator** means the Principal Investigator (PI)/Project Director, co-Principal Investigators/Project Directors, and any other member of the campus community who is responsible for the design, conduct, or reporting of activities proposed for funding or funded by an external source. The latter includes funds provided by grants and contracts and other means. In this context, "Investigator" includes the Investigator's spouse and dependent children. For the purposes of this policy, Investigators also may include subcontractors where the foregoing definition may apply.

**Significant financial interest** refers to anything of monetary value, including but not limited to salary or other payments for services (e.g., consulting fees, honoraria, etc.), equity interests (e.g., stocks, stock options, or other ownership interests), and intellectual property rights (e.g., patents, copyrights, and royalties from such rights).

Significant financial interest is involved and must be disclosed where the funding source has allocated to the Investigator:

1. \$250 or more in salary or other payment(s) for services (outside the parameters of a current or previous award conducted through the campus wherein the investigator was paid through the campus) in the last 12 months;
2. A gift of \$50 or more in the last 12 months;
3. A loan of \$250 or more in the last 12 months;

Or, where the Investigator:

4. Has investment or equity interest in the funding source of more than \$1,000;
5. Serves as a director, officer, partner, trustee, or employee or holds any management position in the entity providing the funds; or,
6. Has an interest in any intellectual property rights belonging to the entity.

Regardless of the above minimum requirements, a member of the campus community should disclose any other financial or related information that could present an actual or perceived conflict of interest. The University recognizes disclosure as a key factor in protecting one's reputation and career from potentially embarrassing or harmful allegations of misconduct.

#### **IV. Investigator Disclosure and Resolution Plan**

Investigators must disclose significant financial interests at the time of proposal submission and update this information as new financial interests are obtained during the life of the award. Awards cannot be accepted until any conflict of interest issues are resolved.

Each Investigator who has a significant financial interest that would reasonably appear to be affected by the activities proposed for funding will complete a Conflict of Interest Disclosure Form in our electronic research portal, CAYUSE. The electronic form must be submitted to Research and Sponsored Programs prior to the submission of the proposal. In addition, each Investigator must make a disclosure at any time during the award period when a material change occurs that presents a conflict of interest as defined by this policy.

Supporting documentation that provides details as to the Investigator's significant financial interests, relationships with external entities, and any other pertinent information should be provided (in a sealed envelope labeled with the term "Confidential" and the Investigator's name if the Investigator prefers confidentiality beyond those who must review the documentation).

The Associate Vice President (AVP) for Research and Graduate Studies or designee is the designated Institutional Official (IO) responsible for ensuring implementation of this policy. If the University is notified that the proposal has been accepted for funding, the IO will review the Principal Investigator's financial disclosure forms. A conflict of interest exists when the review reasonably determines that a significant financial interest could directly and significantly affect the design, conduct, and reporting of the proposed activities. Upon such a finding, the IO will notify the Investigator of the finding and work with the individuals to devise a plan to manage, reduce, or eliminate the potential or actual conflicts of interest.

Upon developing a mutually agreed upon resolution plan, the IO will submit it to the Provost for final approval. Should mutual agreement not be reached for a plan, the IO will convene an ad hoc Independent Review Committee (IRC) composed of no fewer than three faculty members, who will represent various disciplines but not represent the Investigator's home department. The IO will select the IRC members and serve as non-voting Chair of the IRC. The IO and Investigator will present their respective resolution proposals to the IRC. The IRC will then settle upon one of these plans or one developed by the IRC as selected by majority vote. The plan and the IRC's vote will be forwarded by the IO to the Provost and President for final approval.

Resolution plans may include but not be limited to the following:

1. Public disclosure of significant financial interests,

2. Monitoring of research by independent reviewers,
3. Modification of the research plan,
4. Disqualification from participation in the portion of the project that is affected by the significant financial interest,
5. Divestiture of significant financial interests, and/or
6. Severance of relationships that create actual or potential conflicts.

To the extent allowable by state and federal laws and regulations, the IO and/or IRC may determine that imposing restrictive conditions such as those listed above would be inequitable or ineffective and that the potential negative impacts that may arise from a significant financial interest are outweighed by interests of the advancement of knowledge, discoveries, technology transfer, or the public health and welfare. In such instances, the IO or IRC may recommend that the project go forward without imposing restrictive conditions. Such a recommendation will be sent to the Provost and President for final resolution.

Final resolution, as approved ultimately by the President, will be sent to the Investigators, other parties as deemed appropriate and necessary by the IO and a copy placed in the project file.

The IO will serve as the University's contact with external entities for reporting, resolving, and otherwise dealing with matters related to this policy. The IO will report disclosure and resolution activities to agencies and funding sources as required and appropriate.

## **V. Enforcement and Sanctions**

Instances of failure to disclose conflicts of interest and potential violations of the resolution plan will be reported/referred to the IO and the Associate Vice President, Faculty Affairs. They will jointly investigate the issues, following campus and system-wide procedures and rules for such matters and submit a report to the President and Provost. Disciplinary measures, if any, will be in keeping with campus and system-wide policies, procedures, and union contracts current at the time. Funding sources and other appropriate parties will be notified and kept informed as required by state and federal laws and regulations and sponsored award documents.

## **VI. Required Training**

Each Investigator awarded a research or sponsored project must complete training on this policy, the Investigator's responsibilities regarding disclosure prior to engaging in research, and at least every four (4) years thereafter. They must also complete training within a reasonable period of time as determined by the Institutional Official in the event that this policy is substantively amended in a manner that affects the requirements of Investigators, if the Investigator is new to the institution, or if it is determined that the

Investigator has not complied with this policy or with a management plan related to their activities.

## VII. Documentation and Record Maintenance

Per its pre-award record retention policy in the Joint Statement of Policies and Procedures for Administering Grants and Contracts, the Research and Sponsored Programs office will maintain records of all disclosures and resulting actions for a period of at least five years after the later of the termination or completion of the award to which such documents related or the resolution of any actions involving these records.

## VIII. Conflict of Interest Form Processing

1. The Pre-Award office will monitor positive responses in CAYUSE SP proposal record of the Conflict of Interest tab (questions 1-3).
2. If PI indicates a positive response and as new interests are obtained, then the Pre-Award office will notify the IO of any positive responses (proceed to step 4).
3. If PI has disclosed no significant financial interest on the form, then no further review is required.
4. The Pre-Award office will create a workflow in CAYUSE to manage the progress and result of the Conflict of Interest.
5. The Pre-Award office will route the information to the IO who will coordinate the review of the significant financial interest.
6. Once the IO makes a determination, the information will be updated in the CAYUSE workflow record.
7. Pre-Award office will follow-up with the IO to obtain applicable documentation such as the management plan and upload the documentation to the workflow record.

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