



Procedure on: Financial Conflicts of Interest Related to Grants and Sponsored Projects

Purpose:

To establish guidelines, procedures, and responsibilities for resolving actual and potential significant financial conflicts of interest solely related to grants and sponsored projects funded by federal agencies with specific conflicts of interest requirements.

Procedure:

These procedures are based on the expectation that investigators and project directors should minimize or avoid financial conflicts of interests (FCOI) and respond appropriately when conflicts arise.

Disclosure of Financial Interests When Applying for External Funding

Investigators and project directors must disclose significant financial interests (SFI) before submitting proposals for funding by agencies with specific conflicts of interest requirements or before entering into sub-award agreements funded by agencies with specific conflicts of interest requirements.

The Disclosure Statement – Conflict of Financial Interests must be submitted to the Grants & Sponsored Projects office at the same time the required Transmittal Form is submitted for institutional approval.

In certain situations, such as a change in research or external activities, an *ad hoc* disclosure must be made within thirty (30) days of discovering or acquiring the SFI.

Criteria for Relationship with External Entity

When Winona State University (WSU) engages in or intends to engage in a sponsored project with an external entity, or has subcontracted or intends to subcontract with an external organization under a sponsored project, a significant conflict of financial interest may occur when a grant applicant's affiliation with the external organization meets any of the following criteria:

- a) The grant applicant is an officer, director, partner, trustee, employee, advisory board member, or agent of the external organization or corporation funding a sponsored project or providing goods and services under a sponsored project on which the applicant is participating in any capacity
- b) The applicant is the actual or beneficial owner of more than five percent (5%) of the voting stock or controlling interest of such organization or corporation

- c) The applicant has dealings with such organization or corporation from which he or she derives income of more than \$5,000 in the 12 months preceding disclosure, exclusive of dividends and interest
- d) The grant applicant's or co-applicant's spouses or dependents (dependent children or other relatives living in the same address as the applicant or co-applicant) meet any of the criteria stated in (a) through (c) above

Disclosure of External Interests When Meeting the Criteria

Each grant applicant and co-applicant meeting the preceding criteria and participating in a sponsored project covered by Policy 3-28 must disclose external affiliations that may constitute a conflict.

The Disclosure Statement – Conflict of Financial Interests must be completed and submitted to the Grants & Sponsored Projects office as part of the institutional approval procedure, as established in Policy 2-8, Policies for Grants and Sponsored Projects.

Negative disclosures indicating no significant conflicts of interest will be filed in Grants & Sponsored Projects with no further review required.

Positive disclosures of significant conflicts of interest will be reviewed by a Conflict Review Committee, consisting of the Vice President for Academic Affairs or his or her designee, plus one Inter Faculty (IFO) member and one Minnesota State University Association of Administrative and Service Faculty (MSUAASF) member identified by the Vice President.

Conflict Review Committee Procedure

In reviewing positive disclosures, the Conflict Review Committee shall:

- a) Follow relevant Minnesota state law and Minnesota State Colleges and Universities and WSU policies
- b) Consider the nature and extent of the financial interests in the relationship of the applicants, co-applicants and their spouses or dependents and the external organization
- c) Consider to the terms and conditions of sponsored project agreements that may mitigate or complicate the given situation
- d) Consult with and obtain additional information from the applicant or co-applicant(s) that either the Committee or the applicant or co-applicant(s) feel may be helpful in resolving actual or potential conflicts
- e) Act in a timely manner so as not to delay unduly the conduct of a sponsored project
- f) Identify possible actions that WSU may take to ensure that financial conflicts of interest will be appropriately managed, reduced, or eliminated
- g) Report recommendations for possible actions to the Vice President for Academic Affairs

The review must be completed prior to WSU's acceptance of the grant or sponsored project award or approval of a sub-contract.

Administrative Procedure

Based on the Conflict Review Committee's findings, WSU may take one of the following actions:

- a) Accept the sponsored project award
- b) Not accept the sponsored project award

- c) Accept the award, subject to suitable modifications in the award document or in the applicant's, co-applicant's (s'), or their spouse's (s') or dependent's (s') affiliation with the external entity, which may include:
- Making public disclosure of the financial interests
 - Review of data, research, or project outcomes by in-house or external independent monitors identified by the Conflict Review Committee and the applicant(s)
 - Modifications to the research or project plan
 - Change of personnel or personnel responsibilities, or disqualification of personnel from participation in clearly identified portions of the research or project
 - Reduction or elimination of significant financial interests
 - Severance of relationships that create actual or potential conflicts

For all management plans, WSU will monitor compliance until completion of the funded project.

Should the applicant or co-applicant(s) be dissatisfied with the Conflict Review Committee's findings or with WSU's administrative action, the applicant may appeal to the WSU President. The President will consult with the Conflict Review Committee and the applicant as deemed necessary and appropriate to the circumstance. The President will make a decision, which will be final.

Investigator Compliance

Violations of this policy, such as willful concealment of financial interests or failure to comply with agreed-upon modifications to manage, reduce or eliminate financial interests, may result in sanctions being imposed upon the investigator in accordance with the appropriate collective bargaining agreement.

Training

Each investigator or project director must complete training on financial conflicts of interest prior to engaging in research or project activities funded by the Public Health Service (PHS).

Records

The Grants & Sponsored Projects office shall maintain records pertaining to each disclosure, including disclosure forms and conflict management plans, in accordance with the requirements of the Minnesota Data Practices Act.

For PHS funded research projects, all disclosure forms, conflict management plans, and related documents will be retained for at least a period of three (3) years from the date of the submission of the final expenditure report to PHS or to the prime PHS awardee.

Access to such records will be limited to the investigators or project directors, the Conflict Review Committee, the President, and others who have a legal right to review the records, in accordance with the appropriate collective bargaining agreement.

Certain sponsors, particularly federal agencies, may have requirements that differ from this policy regarding the content, accessibility, timing, and frequency of disclosures. In the case of such discrepancies, the sponsors' requirements will generally prevail.

If WSU provides disclosure forms, conflict management plans, and related information to an outside entity, the investigator will be informed of the disclosure

President's Signature: _____ **Date:** _____

Responsible Officer's Signature: _____ **Date:** _____

Definitions: None

Authorizing Policy: WSU Policy 3-28: Financial Conflicts of Interest Related to Grants and Sponsored Projects

Related Documents

42 CFR, Part 50, Subpart F – Promoting Objectivity in Research
Minnesota State Colleges and Universities Procedure 1.C.0.1 Employee Code of Conduct
Minnesota State Colleges and Universities Procedure 1.C.2 Fraudulent or Other Dishonest Acts

Policy History

Date of Adoption: Click or tap to enter a date.

Date of Implementation: Click or tap to enter a date.

Date and Subject of Revisions: WSU Regulation 3-28 dated October 1, 2002; January 3, 2012