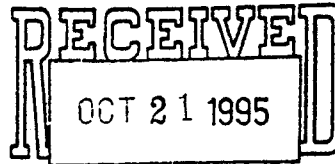


Memorandum



Date: October 16, 1995



To: Dr. Bob H. Suzuki
President

Copy: Dr. Gene Awakuni
Mr. James Glass
Dr. Ed Hohmann
Ms. Anita Martin
Dr. Juana Mora

From: *Patricia L. Farris*
Patricia L. Farris
Vice President for
Administrative Affairs

OFFICE OF THE PRESIDENT

Subject: Recommended Modification of the University Conflict of Interest and
Financial Disclosure Policy

Attached, for your review and approval, is an amendment to Cal Poly Pomona's present policy and procedures for conflict of interest. This ammendment has been prepared to meet the new requirements of the National Science Foundation and of the Public Health Service, published in the Federal Register on July 11, 1995.

I would like to recommend your approval of this amended policy and procedures on an interim basis. These amendments will also be referred to the Academic Senate for review and further development and refinement.

Your approval of this interim policy will enable faculty to continue to submit proposals to the National Science Foundation and the Public Health Service/National Institutes of Health while the policy continues to be developed through broader consultation.

Please let me know if I can provide further information.

Approved

Bob H. Suzuki

Bob H. Suzuki
President

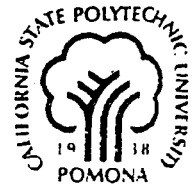
10/23/95

Date

Not
Approved



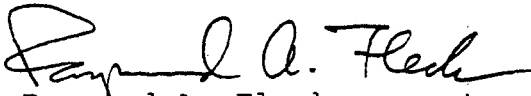
Memorandum



Date: September 28, 1995

To: Patricia L. Farris
Vice President for Administrative Affairs

Copy: Dr. Hohmann
Dr. Hopkins
IRC*

From: 
Raymond A. Fleck
Director
Research & Sponsored Programs Office

Subject: Recommended Modification of the University Conflict of Interest and Financial Disclosure Policy

In response to your September 20, 1995 memo, the Independent Review Committee has drafted the attached amendment to Cal Poly Pomona's present policy and procedures for conflict of interest to meet the new requirements of the National Science Foundation and of the Public Health Service, published in the Federal Register on July 11, 1995. The phraseology for the proposed revisions incorporates language from the regulations of the two agencies.

We request administration approval of this amended policy and procedures on an interim basis, while you refer them to the Academic Senate for review and further development and refinement.

Administration approval of this interim policy will enable faculty to continue to submit proposals to the National Science Foundation and the Public Health Service/National Institutes of Health while a more nuanced policy is being developed through broader consultation.

IRC Membership:

Raymond Fleck (Chair)
Jerry Kirkpatrick
Debra Lelewer
Cheryl Loggins

Background and Current Situation

The following statement appears in the 1995-96 Cal Poly Pomona Catalog:

Conflict of Interest

Each individual member of the University community is responsible for acting in an ethical and professional manner. This responsibility includes avoiding conflict of interest, conducting research and instruction in an ethical manner, and protecting the rights of all individuals. All members of the community, including members of the faculty, administration, student body and staff, should conduct themselves with the greatest professional objectivity.

This statement was adopted by the Academic Senate and forwarded to the University President in 1990 (AS-731-890/AA). In approving the statement for inclusion in the University Catalog, the President noted:

The Independent Review Committee, chaired by [the Director of Research and Sponsored Programs], reviews situations in which a project director would have both a funded project and a consulting agreement from the same company or agency. Results of these reviews are forwarded for approval by the campus Conflict-of-Interest Filing Officer.

This latter procedure flows from the implementation of State of California policy requiring principal investigators of research and sponsored projects to disclose financial interests they may have in certain projects. Form 730-U, "Principal Investigator's Statement of Economic Interests" is prescribed for this disclosure. Under this policy, financial disclosure is not required for projects being submitted to governmental entities.

New Requirement

Beginning October 1, 1995 two federal agencies, the National Science Foundation (NSF) and the Public Health Service (PHS) require financial disclosure on projects submitted to them for funding. PHS is the parent agency for the National Institutes of Health (NIH). It is not uncommon for Cal Poly faculty to develop proposals to NSF and NIH and, in order to continue to be eligible for support from these agencies, the University's existing conflict of interest policies and procedures must be broadened to cover such proposals.

Recommendations

The Independent Review Committee (IRC) recommends that the new requirement imposed by NSF and PHS for proposals being submitted to them be met in the following way:

1. Disclosure of significant financial interests in a proposal or project by an investigator (including financial interests of an investigator's spouse and dependent children) is to be made not only by the Principal Investigator/Project Director (PI/PD), but also by co-PI/PDs, and any other persons at the University who are responsible for the design, conduct, or reporting of the research or educational activities funded or proposed for funding by NSF or PHS. In the case of PHS/NIH proposals and projects, subgrantees, contractors, or collaborators must also comply with these requirements.

2. The term 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); and intellectual property rights (e.g. patents, copyrights and royalties from such rights). The term does not include:

Salary, royalties or other remuneration from the University;

Any ownership interests in the applicant if the application is under the Small Business Innovation Research Program or Small Business Technology Transfer Program;

Income from seminars, lectures, or teaching engagements sponsored by public or nonprofit entities;

Income from service on advisory committees or review panels for public or nonprofit entities;

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 more than a 5% ownership interest in any single entity; or

Salary, royalties or other payments that, when aggregated for the investigator and the investigator's spouse and dependent children, are not expected to exceed \$10,000 during the next twelve month period.

3. Disclosure will be made to the Director of Research and Sponsored Programs on the new Cal Poly Form 730-NSF/PHS, which the PI/PD will attach to the External Funding Approval Form (F538-01). F538-01 will be revised to include certification by the PI/PD of awareness of and compliance with the conflict of interest and financial disclosure policy of the University. (Disclosure of financial interest in proposals in non-governmental sponsors will continue to be made on Form 730-U, as

required by present State of California policy.)

4. If a significant financial interest is disclosed on Form 730-NSF/PHS, the Director of Research and Sponsored Programs will refer the case to the Independent Review Committee (IRC), to determine whether a conflict of interest exists, and what conditions or restrictions (Resolution Plan), if any, should be imposed by the University to manage, reduce, or eliminate such conflict of interest and resolve actual or potential problems revealed. A conflict of interest will be found to exist when it is reasonably determined that a significant financial interest could directly affect the design, conduct, or reporting of the research or educational activities.

The IRC will report its findings and recommendations to the Campus Conflict of Interest Filing Officer (the Vice President for Administrative Affairs).

5. For PHS/NIH proposals and projects, the University will report to the agency the existence of a conflicting interest (but not the nature of the interest or other details) found by the University and assure the agency that the interest has been managed, reduced or eliminated. For NSF proposals and projects, the University will only notify the agency if the University is unable to satisfactorily manage a conflict of interest.

6. Possible violation of the conflict of interest policy or failure to implement an agreed-upon Resolution Plan to manage, reduce, or eliminate such conflict in a project will be reviewed by the IRC and recommendations made to the campus Conflict of Interest Filing Officer for disposition and possible sanctions pursuant to existing University policies and procedures.

7. The Director of Research and Sponsored Programs will:

(a) retain records of financial disclosures and of actions taken to manage conflicts of interest;

(b) certify to NIH and PHS that the required financial disclosures have been made at the time the proposal is submitted and that all identified conflicts will be satisfactorily managed, reduced, or eliminated prior to the university's expenditure of any funds under the award;

(c) secure updated disclosures during the period of the award, either on an annual basis or as new significant financial interests arise.

CONFLICT OF INTEREST DISCLOSURE FORM

Investigator Name: _____

Department/College: _____

Project Title: _____

Proposed Sponsor: _____

I am disclosing my significant financial interests (and those of my spouse and dependent children) which may be impacted by the project which is proposed to NSF or PHS/NIH.

Name of Entity (corporation, partnership, private practice, etc.):

Address of Entity: _____

Principal Type of Business: _____

Are you a director, officer, partner, trustee, or employee of the entity? Yes ___ No ___

Do you have an equity interest aggregating more than \$10,000 in the entity? Yes ___ No ___

Do you hold an equity position of more than 5% in the entity? Yes ___ No ___

Do you anticipate receiving income from the entity aggregating more than \$10,000 in the next 12 months? Yes ___ No ___

Do you have an interest in any intellectual property rights impacted by the project? Yes ___ No ___

Investigator Certification:

- I agree to update this disclosure either on an annual basis, or as new reportable significant financial interests are obtained.
- I agree to cooperate in the development of a Resolution Plan to address any actual or potential conflict of interest identified via this Disclosure.
- I agree to comply with any conditions or restrictions imposed by Cal Poly Pomona to manage, reduce, or eliminate actual or potential conflicts of interest or forfeit the award.

Signed: _____

Investigator

Date: _____

Endorsements: I have reviewed the significant financial interest disclosure and believe that no significant financial interest exists or if one does exist that it is possible to develop and execute, prior to award, a Resolution Plan to manage, reduce, or eliminate any actual or potential conflict of interest; and, therefore, I recommend that the proposal be submitted to the agency at this time.

Signed: _____

Director, Research & Sponsored Programs

Date: _____

CALIFORNIA STATE POLYTECHNIC UNIVERSITY, POMONA

EXTERNAL FUNDING APPROVAL FORM

(This form is not for off-campus use.)

Agency's Deadline
for submission

Research Office
Proposal Number

Project Director

Department

Telephone

Proposal Title

Funding Agency

\$
Amount Requested

From: To:
Duration of Program

I. PRINCIPAL INVESTIGATOR certifies that:

- All grant or contract negotiations, including financial transactions will be processed through the Foundation or University Business Office.
- All the requirements of the grant or contract including budgetary requirements will be fulfilled.
- ~~Required statement regarding facilities, matching funds and/or positions is attached.~~ (Substitute)
- He/she has read and will abide by the policy contained in Executive Order 168.

SIGNED: _____ Date: _____

- II. A. Radiation Safety Committee Approval not required.
Approved: _____ Date: _____
- B. Human Subjects Committee Approval not required.
Approved: _____ Date: _____
- C. Recombinant DNA Committee Approval not required.
Approved: _____ Date: _____
- D. Animal Care & Use Committee Approval not required.
Approved: _____ Date: _____
- E. Independent Review Committee Approval not required.
Approved: _____ Date: _____

III. DEPARTMENT CHAIRPERSON certifies that:

- The project is consistent with departmental objectives and policies.
- Space and facilities are available for the project using departmental resources or will be paid for from grant funds.
- If reassigned time is approved, all classes will be met.

SIGNED: _____ Date: _____

IV. DEAN/DIRECTOR certifies that:

- The project is consistent with college objectives and policies.
- Explanation has been made to all involved in the project what effect participation may have on tenure and other faculty privileges and rights.
- Budget provisions are satisfactory.
- Space and facilities are available, or are to be paid for by the grant, or an explanation is attached.
- The Academic College will, if necessary, absorb any additional cost to this University from its normal allocation of funds and positions.

SIGNED: _____ Date: _____

V. EXECUTIVE DIRECTOR, FOUNDATION SERVICES acknowledges that:

- The budget is acceptable to the Foundation.
- He will negotiate all fiscal details with the grantor in consultation with the Principal Investigator.

SIGNED: _____ Date: _____

VI. DIRECTOR OF RESEARCH & SPONSORED PROGRAMS endorses the proposal.

SIGNED: _____ Date: _____

VII. VICE PRESIDENT FOR ADMINISTRATIVE AFFAIRS acknowledges that:

- The project is consistent with University policies and procedures.
- The budget is acceptable.
- Facilities, matching funds, and positions have been accounted for satisfactorily.

SIGNED: _____ Date: _____

VIII. VICE PRESIDENT FOR ACADEMIC AFFAIRS approves submission of the proposal and endorses its provisions:

SIGNED: _____ Date: _____

*IX. PRESIDENT approves submission of proposal and endorses its provisions.

SIGNED: _____ Date: _____

*If required, consult Director of Research and Sponsored Programs.

Substitute for I.3. on External Funding Approval Form, F308-01
Rev.1993:

He/she is aware of and will abide by the conflict-of-interest and
financial disclosure policy of the University.