

Federal Requirements Regarding Financial Disclosures and Agency Notifications - Guidance for University of Rochester Investigators

PHS and NSF require that, for EACH proposal, the Investigator (as defined by the University of Rochester's Policy on Conflict of Interest) certify that he or she has appropriately disclosed any significant financial interests RELATED TO THAT PROPOSAL. Before an award can be made, the University must determine how any potential conflict will be managed, reduced or eliminated. At the University of Rochester, each School/College will handle this responsibility for its own Investigators, relying principally on the annual and ad hoc disclosures submitted by faculty as required by our Policy on Conflict of Interest (see <http://www.rochester.edu/ORPA/policies/coipolicy.pdf>).

The definition of "Significant Financial Interest" under the **Federal** standards 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). Such interests become significant for PHS and NSF if, for any one enterprise, THE INTEREST HAS A VALUE OF \$10,000 OR MORE OR REPRESENTS MORE THAN 5% OWNERSHIP INTEREST. This threshold applies to the individual or aggregated interests of the investigator, spouse or domestic partner, and dependent children.

The University of Rochester's definition of Significant Financial Interest under its Policy closely mirrors that of PHS and NSF, with the exception that the University of Rochester's equity threshold is LOWER at a 1% ownership interest. Therefore, ALL potential conflicts related to NSF and NIH funding should have been disclosed under the processes prescribed in the University's Policy. To ensure that Investigators have considered and appropriately disclosed any significant financial interest related to these federal proposals, the University has instituted additional procedures. A description of these procedures follow:

- i. Conflict of interest disclosures related to research proposed to NSF or PHS must be submitted IN ADVANCE of submission of the proposal to the agency. All Investigators must disclose all significant financial interests:
 - (a) that would reasonably appear to be affected by the research or educational activities funded by the agency to whom the proposal will be sent; or
 - (b) that are in entities whose financial interests would reasonably appear to be affected by such activities.
- ii. Financial disclosure is accomplished in one of the following ways:
 - (a) Investigators who have no significant financial interest to disclose may certify this by signing the appropriate statement on the University Proposal Sign-Off Form; or

- (b) Investigators who have significant financial interest to disclose must so indicate on the University Proposal Sign-Off Form and complete a Conflict Disclosure Form (<http://www.rochester.edu/ORPA/Forms/UofR%20Conflict%20Disclosure%20Form.pdf>). Where there is more than one individual who can be classified as an Investigator on a proposal or protocol, a separate disclosure shall be made for each individual, if necessary.
- iii. The review of the Conflict Disclosure Form, and related Conflict Management Plan, must follow the process established by the University's Policy on Conflict of Interest. Reviews and resolutions of conflict must be completed PRIOR to the expenditure of funds on any award from NSF or PHS.
- iv. The Dean is responsible for determining what mechanisms are appropriate for managing, reducing, or eliminating conflicts of interest, and maintaining records of all financial disclosures, management plans and of all actions taken to resolve conflicts of interest. Examples of conditions or restrictions that might be imposed to manage, reduce, or eliminate conflicts of interest include:
- public disclosure of significant financial interests
 - monitoring of research by independent reviewers
 - modification of the research plan
 - disqualification from participation in the portion of funded research that could be affected by the significant financial interest
 - divestiture of significant financial interests
 - severance of relationships that create actual or potential conflicts
- v. If a conflict of interest cannot be resolved, the awarding agency must be notified.
- vi. PHS regulations require that the University report to the PHS awarding component the "existence of a conflicting interest (but not the nature of the interest or other details) found by the institution and assure that the interest has been managed, reduced, or eliminated." For NSF, there is no such notification requirement, except in situation where the conflict can not be managed at a University level. Further, the NSF and the PHS require that sanctions for non-compliance be imposed where necessary.
- vii. ORPA is responsible for providing appropriate written notice to the sponsoring agency.