University of South Carolina Instructions for Disclosure of Financial Interest Related to Sponsored Programs

All faculty are required to follow the University Policy ACAF 1.50 in regard to Outside Professional Activities. In addition, the attached disclosure form must accompany proposals submitted to the Office of Sponsored Awards Management (SAM). Many Federal agencies require such disclosures prior to release of grant funds.

WHEN MUST A DISCLOSURE FORM BE FILED?

- 1. At the time a proposal is submitted to SAM.
- 2. Whenever there is a change in reported financial interests, including while a proposal is pending, and following an award.

WHO MUST FILE A DISCLOSURE OF FINANCIAL INTERESTS FORM?

The Principal Investigator for each sponsored project must insure that a Disclosure Form is submitted by all University employees who are responsible for the design, conduct, or reporting of the results of work performed or to be performed under the sponsored project. This includes the Principal Investigator, Co-Investigator(s), and other individuals who have independent responsibility for accomplishing project objectives.

WHAT IS A "FINANCIAL INTEREST"?

A "FINANCIAL INTEREST" means:

- 1. Expected income during the next 12 months exceeding \$10,000, aggregated for you, your spouse, and dependent children. Income includes salary, consulting payments, honoraria, royalty payments, dividends or any other payments or consideration with value from a single business entity or a single public or nonprofit entity.
- 2. Equity in the form of stock, stock options, real estate, or any other investment or ownership interest exceeding either \$10,000 or a 5% ownership interest, for any one enterprise when aggregated for you and your spouse and dependent children.
- 3. Intellectual property interest held by you or your spouse or dependent children on a patent, patent application, or copyright of software assigned or to be assigned to a party other than the University of South Carolina or its related foundations.
- A financial interest does not include salary, royalties, stipends, honoraria, reimbursement of expenses or any other remuneration from the University of South Carolina. Nor does it include income from seminars, lectures or teaching engagements sponsored by public or nonprofit entities and income from service on advisory committees or review panels for public or nonprofit entities.

WHAT IS A "FINANCIAL INTEREST" RELATED TO A SPONSORED PROJECT?

Whenever the work to be performed under the sponsored project and the results of the undertaking could reasonably be expected to have an impact on a financial interest, the financial interest is "related" to the sponsored project and must be disclosed. The following are examples of "related" financial interests:

- 1. The organization in which you have a financial interest will manufacture or commercialize the drug, device, procedure, or any other product which will predictably result from the project;
- 2. The results of the project would be relevant to the development, manufacturing, or improvement of the product or services of the organization in which you have a financial interest;
- 3. Income from consulting is considered a financial interest and must be reported if it meets the \$10,000\$ threshold;

- 4. The sponsored project will subcontract a portion of the work, or lease property, or make purchases from an entity in which you have a financial interest; and
- 5. The sponsored project will involve referral of participants to organizations in which you have a financial interest, or includes collaboration or participation in a consortium of organizations in which you have a financial interest.

FINANCIAL INTERESTS WHICH ARE $\underline{\text{NOT}}$ "RELATED" TO THE SPONSORED PROJECT DO NOT NEED TO BE DISCLOSED ON THE FORM SUBMITTED TO SAM.

WHAT WILL HAPPEN AFTER THE DISCLOSURE OF FINANCIAL INTERESTS FORM IS FILED?

The Office of Research Compliance will review the form to determine whether any reported financial interest would reasonably appear to be directly and significantly affected by the sponsored project. If it is determined that an appearance of a conflict of interest or financial conflict exists, the Director of the Office of Research Compliance will forward the disclosure to the University Conflict of Interest Committee (ACAF 1.50 sec. H) for consideration. If the University Committee determines that a conflict does exist, the Committee will advise the Vice President for Research how the project must be managed to prevent the conflict or to reduce it to a manageable and acceptable level. Examples of options the Committee might choose include, but are not limited to:

- 1. Required public disclosure;
- 2. Monitoring by independent reviewers;
- 3. Modification of the research plan;
- 4. Disqualification from participation in all or a portion of the research;
- 5. Divestiture of significant financial interests; or
- 6. Severance of relationships that create actual or potential conflicts.

In the case of the PHS, prior to the expenditure of funds, the University will report the existence of a conflicting interest (but not the nature of the interest or other details) found by the University and assure PHS that the interest has been managed, reduced or eliminated.

If a conflict of interest or financial conflict should occur during the process of a funded project, the Principal Investigator must disclose the conflict immediately to the Office of Research Compliance. The same process for review will apply and the University will report the occurrence and an assurance of management of the conflict to PHS within 60 days of the disclosure.

WHAT WILL HAPPEN IN THE CASE OF VIOLATIONS?

Failure to file a complete Disclosure Form or to comply with any conditions or restrictions imposed on the conduct of the project will be grounds for discipline under the University Policy on Outside Professional Activity (ACAF 1.50 sec. G) for full time faculty, or the University Policy on Disciplinary Action and Termination for Cause (HR 1.39) for all other employees. Further, the University is required to inform the sponsor (in this case, PHS or NSF) of any conflict of interest that it is unable to manage. The Federal sponsor may suspend or terminate the award and/or debar an investigator from receiving future awards.

WILL THE DISCLOSURE FORM BE AVAILABE TO THE PUBLIC?

The forms will be retained as part of the proposal/award file, and could be made available under a Freedom of Information request. The proceedings of the Conflict of Interest Committee will be kept confidential to the extent allowed by law.

IS ADDITIONAL BACKGROUND INFORMATION AVAILABLE? These requirements were published in the July 11, 1995 issue of the $\underline{\text{Federal Register}}$, pages 35810-35819 (PHS) and 35820-35823 (NSF).

Several portions of these instructions contain language developed by the University of California, Office of the President in response to the NSF/PHS requirements.