



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 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 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.