# POLICY ON CONFLICT OF INTEREST IN GRANTS AND CONTRACTS FOR INVESTIGATORS

1. **Introduction**

The purpose of conflict-of-interest laws is to prohibit public employees from personally benefitting at the expense of the public interest. The Political Reform Act of 1974, administered by the Fair Political Practices Commission (FPPC), is often regarded as the principal conflict of interest law, and is the guiding regulation for the CSU Conflict of Interest Code (see CSU Conflict of Interest Handbook) and the Integrated CSU Administrative Manual (ICSUAM) Policy 11010.02.

This policy governs the actions of [Investigators](#Investigator) on grants and contracts so as to remain compliant with institutional, local, state and federal guidelines and regulations pertaining to conflicts of interest. This policy is intended to strengthen, and where appropriate, be consistent with the CSU Conflict of Interest Code, California Government Code 87302, and federal requirements of 2 CFR 200, and individual federal agency requirements regarding subrecipient financial Conflicts of Interest.

The Glossary of Terms can be found in section V below.

For procedural inquiries/easy-to-read instructions, please reference ORSP's Research Compliance websites: [https://academics.fresnostate.edu/drgs/grants/forms/conflict.html](https://academics.fresnostate.edu/drgs/grants/forms/conflict.html" \t "_blank)

1. Responsibilities of Investigators

Investigators applying for external grants and contracts must comply with the following requirements regarding conflict-of-interest [disclosure](#Disclosure) and training:

1. Principal investigators must identify to Office of Research and Sponsored Programs (ORSP) all investigators - whether or not they are identified in the proposal, grant or contract – on the *Intent to Apply* form ~~no later than 30 days prior to the grant submission deadline.~~ All procedures will be described in the intent to apply form, which may be found on <https://academics.fresnostate.edu/drgs/grants/index.html>.
2. The ORSP Division of Research and Graduate Studies will prompt, monitor and manage all [Significant Financial Interest](#Significant) (SFI) and [Financial Conflict of Interest](#FCOI) (FCOI) disclosures. Investigators must comply with SFI and FCOI disclosure requirements and disclosure deadlines as prompted by the ORSP.
3. In accordance with FPPC requirements and consistent with ICSUAM, Principal Investigators must complete the CSU Ethics and Conflict of Interest training within six (6) months of receiving a grant. Subsequent training is required at least once within each two calendar-year period that the grant or contract is active. Investigators must comply with training requirements and deadlines, whenever prompted by ORSP and HR.
4. Review and management of disclosures, record keeping

If a significant financial interest or the appearance of a significant financial interest is determined by ORSP after reviewing a disclosure, it will be submitted to the Conflict of Interest Review Committee composed of: the Associate Provost, the AVP for Financial Services, and the AVP for Faculty Affairs. The Committee shall review and make recommendations for the management of the conflict(s) as necessary.

When the Committee believes a “significant” conflict of interest exists under either State or Federal regulations, it shall:

(1) inform the employee and Office of Human Resources;

(2) with the appropriate Dean, draft a Resolution Plan that details steps that will be taken to manage, reduce, or eliminate the conflict of interest prior to acceptance of funding; and

(3) enter into an MOU between the university and investigator that details the conditions or

restrictions imposed upon the investigator in the conduct of the project or in the relationship with the business entity.

Records of investigator financial disclosures and of actions taken to manage actual or potential conflicts of interest shall be retained by the Recipient (Foundation or University) until three (3) years after the date of termination or completion of the award to which the documents relate, or the resolution of any government action involving these records.

1. Appeals

Appeals to a positive finding of a FCOI determination that results in declination of the sponsored project award, or a FCOI determination that results in the implementation of a management plan can be made to the Dean of the Division of Research and Graduate Studies for final review, discussion, and determination. The review of an appealed positive finding must be completed prior to the expenditure of any funds under an award.

In reviewing positive findings that are appealed, the Dean of the Division of Research and Graduate Studies will be guided by the following principles:

1) Assure adherence to all relevant Fresno State policies and provisions of collective bargaining agreements;

2) Give full consideration to the nature and extent of the financial interests in the relationship of the investigator, and/or the investigator’s family members, with the external constituencies;

3) Give special consideration to the terms and conditions of sponsored project agreements that mitigate or complicate the given situation; and

4) Consult fully with the investigator and obtain additional information from the investigator, as deemed appropriate to the management of the apparent FCOI.

# Glossary of terms

1. **Investigator** means the Principal Investigator, Co-Investigators, Project Directors, and any other person at the institution who is responsible for the design, conduct, or reporting of research activities funded or proposed for funding, including relevant federal sub-recipient funding. For reporting of Significant Financial Interest, “investigator” includes the investigator’s spouse and dependent children.
2. **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)
* 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;
* 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:
  1. does not exceed $10,000 (or $5,000 for Public Health Service (PHS) projects) in value as determined through reference to public prices or other reasonable measures of fair market value, and;
  2. does not represent more than a 5% ownership interest in any single entity.
* salary, royalties or other payments that, when aggregated for the investigator and the investigator’s spouse and dependent children over the next twelve months, are not expected to exceed $10,000 (or $5,000 for PHS projects).

1. **Financial Conflict of Interest (FCOI)** is a Significant Financial Interest (SFI) that could directly and significantly affect the design, conduct, or reporting of the funded research. The following are examples of when an Investigator would be deemed to have a financial conflict of interest:
2. If the Investigator (together with Investigator’s spouse or domestic partner and dependent children) has a Significant Financial Interest in an entity that could be affected by the research results from a proposed PHS/NSF‐funded contract based on an analysis of the scope and subject matter of the proposed project described in the application, or
3. The Investigator (together with Investigator’s spouse or domestic partner and dependent children) has a Significant Financial Interest in an entity that licenses technology from the University which has resulted in license income and that technology is the subject of a proposed PHS/NSF‐funded award. In making this determination, the designated institutional official(s) may consult with all appropriate institutional and governmental officials.
4. **Disclosure** means the process of an investigator, as defined above, completing and submitting a Financial Conflict of Interest form to the Office of Research and Sponsored Programs when the following occur:

Public Health Services (PHS) disclosures:

* Initial proposal (prior to award)
* Non-competing continuations
* Renewals
* Supplemental funding
* New personnel added
* Must be reported within 60 days of addition
* New financial interests that would be considered “significant” according to PHS
* Must be reported within 30 days of acquiring or discovering new significant financial interests

National Science Foundation (NSF) disclosures:

* Initial proposal (prior to award)
* New personnel added
* Any change in an investigator’s financial interest

1. **Recipient** means the legal entity awarded a contract or grant. At California State University, Fresno, the Recipient is either the University or one of its recognized auxiliary organizations and shall not be an individual, department, or other constituent unit.

# 