I. Introduction

Collaborations between academic institutions and private businesses have given rise to concerns regarding conflicts between the interests of the publicly supported College researchers and an entity in which the researcher may have a financial interest. In October 1995, responding to congressional mandate, officials in the Public Health Service (PHS) and the National Science Foundation (NSF) developed policies to ensure that federal financial support is not compromised for personal gain.

II. Policy

It is the policy of Occidental College that any Investigator (that is, any College employee responsible for the design, conduct or reporting of a sponsored project at the College) must disclose significant personal financial interests related to that project, when proposed to be funded by NSF or PHS or when such disclosures are required by another sponsor. When the College determines that such an interest might reasonably appear to be directly and significantly affected by the sponsored project, the College will take steps either to manage or to eliminate the conflict, pursuant to the Management, Reduction or Elimination of Conflicts of Interest section of this document.

The Director of Undergraduate and Sponsored Research is responsible for implementation of and compliance with this policy at Occidental.

III. Purpose

The purpose of this policy is to establish a process of open disclosure and review, to identify any real or potential conflicts of interest between an Investigator’s sponsored project obligations and personal financial interests or obligations, and to establish a process to eliminate, manage or reduce such conflicts in order to preserve objectivity in the design, conduct, or reporting of research. The policy is consistent with the Public Health Service regulations, “Objectivity in Research,” 42 CFR Part 50 and 45 CFR Part 94, the “Investigator Financial Disclosure Policy” of the National Science Foundation, and Office of Management and Budget Circular A-110.

IV. Scope

This policy applies to any College employee responsible for the design, conduct, or reporting of a project submitted to the PHS, which includes the NIH, and the NSF. It will be expanded if necessary to comply with official requirements subsequently imposed by other research sponsors.

V. Definitions

**Oversight Committee (OC)**

The faculty advisory committee appointed by the Dean of the College or his designee to review disclosures where there is the possibility of a conflict of interest.

**Investigator**

Any individual responsible for the design, conduct, or reporting of the results of work performed or to be performed under the sponsored project. Reporting includes authorship on any publications resulting from the research; it may include students, graduate and undergraduate, even if they are not paid from the project. “Investigator” includes the Principal Investigator, Co-Investigators, and any other individual (including personnel from other institutions) who has independent responsibility for accomplishing project objectives.
**Principal Investigator (PI)**
The Occidental individual listed as the primary Investigator on the project.

**Related Financial Interest**
A related financial interest is any financial interest of the Investigator or of an entity in which the Investigator has a financial interest that would reasonably appear to be affected by the work to be performed under the sponsored project and/or its results. Financial interests that are considered “related” to a sponsored project include, but are not limited to, the following examples:

1. The Investigator is conducting a project where the results could be relevant to the development, manufacturing, or improvement of the products or services of the entity in which the investigator has a financial interest;
2. The Investigator has a financial interest in an entity which might manufacture or commercialize a drug, device, procedure or any other product used in the project or that will predictably result from the project;
3. The Investigator has consulting income in his/her professional field that exceeded $5,000 from a single entity during the prior twelve months, where the financial interest of the entity or the Investigator would reasonably appear to be affected by the federally sponsored research;
4. The Investigator has a financial interest in an entity and the sponsored project proposes to subcontract a portion of the work, or lease property, or make referral of participants, or make purchases from the entity; or
5. The Investigator has a financial interest in an entity that is part of a consortium or that will otherwise participate in the sponsored project.

**Significant Financial Interest**
Federal regulations and this policy define significant financial interests as anything of monetary value, including but not limited to the following:

1. Income exceeding $5,000 when aggregated for an investigator and the Investigator’s spouse and dependent children from a single entity (business, public or nonprofit) including salary, consultant payments, honoraria, royalty payments, dividends, or any other payments. Any income from a public or nonprofit Entity for seminars, lectures, teaching engagements, or service on advisory committees or review panels is exempt.
2. Equity in the form of stock, stock options, real estate, or any other investment or ownership interest exceeding $5,000 (current market value); or a 5% ownership interest, for any one enterprise when aggregated for an Investigator and the Investigator’s spouse and dependent children. An investment by a mutual fund, pension fund or other investment fund over which the investigator or his/her immediate family member does not exercise any control is excluded.
3. Management position, such as board member, director, officer, partner or trustee, held by the Investigator, the Investigator’s spouse and/or dependent children.
4. Intellectual property interest held by the Investigator, or the Investigator’s spouse or dependent children on a patent, patent application, or a copyright of software assigned or to be assigned to a party other than the College.

**VI. Disclosure Forms and When Disclosures are Required**

**A. Project Cover Sheet**
This form is signed by the Principal Investigator and must accompany each proposal. The form solicits project-specific information and includes a financial disclosure and certification component in which the PI discloses any known Significant and Related Financial Interests for him/herself and any investigators on proposals to PHS, NSF, or other sponsor who has adopted the federal requirements.

If a non-Occidental researcher serves on an Occidental project and will be responsible for the design, conduct, or reporting of the activities being proposed, the College must be assured that the home institution has policies that are in compliance with the PHS and HSF regulations. Disclosure need not be made directly to Occidental, but must be disclosed to and managed by that Investigator’s home institution.
The PI and all Investigators are required to sign the form, reporting any personal Significant and Related Financial Interests for a project sponsored by PHS, NSF, or other sponsor adopting the federal requirements. The College must also assure that each sponsored project and the related financial interests were examined in an annual review. Complete disclosure is required:

1. At the time of proposal submission, or, later, when funding appears likely and prior to award acceptance
2. Annually with non-competing continuation funding
3. As new investigators are added to the project
4. As Investigator’s financial interests change
5. For NSF projects, the Investigator must also disclose upon receipt of any amendment to a cooperative agreement or any grant funding increment in excess of $1,000,000.

It is the responsibility of the PI to submit the form, signed by all project Investigators, in sufficient time to allow for OC review of projects in which an Investigator has disclosed a significant financial or management interest in a related entity. The OC review must be completed and the award deemed acceptable by the Director of Undergraduate and Sponsored Research prior to any expenditure of funds.

The requirement that an Investigator report a significant financial interest and the designation of an Investigator’s financial interest as being related to the sponsored project, do not in and of themselves imply the existence of an actual or potential conflict of interest. The existence of a conflict of interest is determined subsequently by the Oversight Committee and the Director.

B. Description of Financial Interests/Disclosure Form

The Description form is to be completed by those Investigators who have a Significant and Related Financial Interest. It is sent to the office of the Director of Undergraduate and Sponsored Research and may be placed in a sealed envelope marked “Confidential.” The form solicits facts from the Investigator about the type of involvement (equity investment, income, etc) and the level of that involvement. It also seeks information regarding the potential for direct and significant impact of the sponsored activity on the Investigator’s financial interest and the Investigator’s separation of College and personal financial interests. Investigators complete a separate Description form of each entity in which they have a Significant and Related Financial Interest.

VII. Review Process

The OC is responsible for reviewing all disclosures, ensuring completeness and consistency with prior disclosures, and for the initial analysis of the disclosed information. When necessary, the OC determines whether an investigator’s consulting income from an entity, or that entity’s financial interests, would reasonably appear to be related to the sponsored research. The Disclosures reporting a Significant and Related Financial Interest, the Description of Financial Interests form, and other appropriate documentation are forwarded to the OC for review.

The OC considers whether the project could directly and significantly affect the financial interest or the financial interest could affect the design, conduct, or reporting of the project. A direct impact occurs when the project results would be directly relevant to the development, manufacturing, or improvement of the products or services of the organization in which the employee has a financial interest, or when the organization is a proposed subcontractor or participant in the project. A significant impact on the financial interest is one which will materially affect the value of the organization, its earnings, or the sales of its project, or when the organization is a proposed subcontractor or participant in the project.

On the basis of its evaluation, the OC forwards a recommendation to the Director indicating one of the following outcomes:

1. the financial interest poses little or no probability for bias in objectivity in the sponsored project; or
2. the conflict of interest requires management, elimination, or reduction (See Section VIII); or
3. in the case of NSF proposals only, the conflict exists but conditions to manage, reduce, or eliminate the situation would be ineffective or inequitable, and any possible bias is offset by interests of scientific progress, technology transfer, or public health and welfare.
The Director, acting on delegated authority from the Dean of the Faculty, and with advice from the OC, decides whether to accept the grant or contract in which a financial interest has been disclosed and, when a conflict of interest has been identified, decides how to manage, reduce or eliminate the conflict.

The Dean of the Faculty is responsible for the final decision. When necessary, the Director will notify the agency of the status of the disclosure review and conflict management.

VIII. Management, Reduction or Elimination of Conflicts of Interest

Under certain circumstances, the OC may recommend that the Dean impose special conditions or restrictions to manage, reduce or eliminate the effect of the related financial intent(s) on the design, conduct or reporting of the project. Examples of conditions or restrictions that may be imposed upon the Investigator include the following:

1. Public disclosure of the related financial interest(s);
2. Monitoring of the project by independent reviewers appointed by the Director;
3. Modification of the research or project plan;
4. Disqualification from participation in all or a portion of the project;
5. Divestiture of the related financial interest;
6. Severance of relationships that create actual or potential conflicts.

Adoption of conditions or restrictions to manage or eliminate the conflict of interest must be agreed to in writing by the Investigator prior to the expenditure of any funds under the award.

Alternatively, if the OC determines that an Investigator’s financial or management interest would be directly and significantly affected by the sponsored project, and the conflict cannot be managed, the OC may recommend that the project not proceed.

Under federal requirements, the disclosure information must be retained for three years following the termination of completion of the award to which the records relate, or the resolution of any government action involving the records, which ever comes last.

IX. Sanctions

Federal regulations may require reports to the federal sponsor of any violations of the policy. Sponsors may suspend or terminate the award and/or debar an Investigator from receipt of future awards in the event of failure to comply with applicable federal regulations on disclosure, review, and management of significant financial interests related to federally-sponsored projects.