

OFFICE OF FINANCE AND ADMINISTRATION

**Financial Conflict of Interest Policy**

**Last Revised March 2021**

**I. Introduction**

This policy defines Western New England University's policy and procedures regarding financial conflicts of interest in relationship to sponsored projects involving research, education, and University service. The purpose of this policy is to protect the credibility and integrity of the University's faculty and staff so that public trust and confidence in the University's sponsored activities is ensured.

In accordance with Federal regulations, the University has a responsibility to manage, reduce, or eliminate any actual or potential conflicts of interest that may be presented by a financial interest of an investigator. Thus, the University requires that investigators disclose any significant financial interest that may reasonably appear to be affected by sponsored projects.

**II. Definitions**

Potential Conflict of Interest: occurs when there is a divergence between an individual's private interests and his or her professional obligations to the University such that an independent observer might reasonably question whether the individual's professional actions or decisions are determined by considerations of personal gain, financial or otherwise.

Actual conflict of interest: depends on the situation and not on the character or actions of the individual. For the purposes of this policy, a Financial Conflict of Interest exists when the University, through procedures described herein, reasonably determines that a significant financial interest could directly and significantly affect the design, conduct, or reporting of sponsored projects.

Investigator: the principal investigator/project director, co-principal investigators, and any other person who is responsible for the design, conduct, or reporting of research, educational, or service activities funded, or proposed for funding, by an external sponsor.

Institutional Official: the individual within the University who is responsible for the solicitation and review of disclosures of significantly financial interests including those of the Investigator's family related to the Investigator's institutional responsibilities. For the purposes of this policy the Institutional Official is Vice President for Finance and Administration, or their designee.

Institutional Responsibilities: the Investigator's professional responsibilities on behalf of the University, which are defined by the University and may include responsibilities related to teaching, professional development, research, scholarship, advising and University governance and service.

Financial Interest: anything of monetary value received or held by an Investigator or an Investigator's Family, whether or not the value is readily ascertainable, including but not limited to: salary or other payments for services (e.g., consulting fees, honoraria, or paid authorships for other than scholarly works); any equity interests (e.g., stocks, stock options, or other ownership interests); and intellectual property rights and interests (e.g., patents, trademarks, service marks, and copyrights), upon receipt of royalties or other income related to such intellectual property rights and interests.

Financial Interest term does not include:

1. Salary, royalties, or other remuneration from the University;
2. Income from investment vehicles, such as mutual funds and retirement accounts, as long as the Investigator does not directly control the investment decisions made in these vehicles; or
3. Salary, royalties or other payments that when aggregated for the Investigator and the Investigator's spouse or domestic partner and dependent children over the next twelve months, are not expected to exceed \$5,000; or
4. Income from seminars, lectures, or teaching engagements sponsored by public or nonprofit entities; or
5. Income from authorship of academic or scholarly works; or
6. Income from service on advisory committees or review panels for public or nonprofit entities.

Provided, however, that the exclusions in the first three items shall not apply if the compensation or transfer of an equity interest is conditioned upon a particular outcome in a sponsored research project.

Significant Financial Interest: anything of monetary value that appears to be related to the Investigator's institutional responsibilities, including, but not limited to:

- Salary or other payments for services (e.g., consulting fees or honoraria) as defined as the aggregate value of any salary or other payments for services received during the 12 month period preceding the disclosure, and the value of any equity interest during the 12 month period preceding or as of the date of disclosure, exceeds \$5,000;
- Equity interests (e.g., stocks, stock options or other ownership interests) as defined as the aggregate value of any salary or other payments for services received during the 12 month period preceding the disclosure, and the value of any equity interest during the 12 month period preceding or as of the date of disclosure, exceeds \$5,000;
- Intellectual property rights (e.g., patents, copyrights and royalties from such rights) not reimbursed through the University.

### **III. History**

These guidelines define general Western New England University policy and procedures regarding conflicts of interest in relationship to sponsored projects. Their purpose is to protect the credibility and integrity of the University's faculty and staff so that public trust and confidence in the University's funded sponsored activities is ensured.

This policy applies to all Investigators of the University (as defined by the policy) who are involved with funded research. The Institutional Officer (i.e., Vice President for Finance and Administration) is responsible for ensuring implementation of this policy and may suspend all relevant activities until the financial conflict of interest is resolved or take other action deemed appropriate by the Institutional Officer. Violation of any part of these policies may also constitute cause for disciplinary or other administrative action pursuant to relevant employee handbook.

### **IV. Disclosure of Financial Interest**

All Investigators are required to disclose their outside financial interests to the University on an annual and ad hoc basis.

1. Each Investigator is required to disclose the following Significant Financial Interests:
  1. (i) Any Significant Financial Interest of the Investigator that would reasonably appear to be affected by the research or educational activities funded, or proposed for funding, by an external sponsor; or
  2. (ii) Any Significant Financial Interest of the Investigator in an entity whose financial interest would reasonably appear to be affected by the research or educational activities funded, or proposed for funding, by an external sponsor.

Regardless of the above minimum requirements, a faculty or staff member, in his or her own best interest, may choose to disclose any other financial or related interest that could present an actual conflict of interest or be perceived to present a conflict of interest. Disclosure is a key factor in protecting one's reputation and career from potentially embarrassing or harmful allegations of misconduct.

Each Investigator shall complete a Disclosure Statement Regarding External Affiliations and attach all required supporting documentation. The completed Disclosure Form must be submitted to the Vice President for Finance and Administration, or their designee. Supporting documentation that identifies the affiliation or entity involved and the nature and amount of the interest and/or income should be submitted in a sealed envelope marked confidential and accompany the Disclosure Form.

As required by Federal regulation, all Significant Financial Interests must be disclosed prior to the time a proposal is submitted. All financial disclosures must be updated by Investigators during the period of the award on an annual basis or as new reportable Significant Financial Interests are obtained. New reportable Significant Financial

Interests must be reported with 30 days of discovering or acquiring the Significant Financial Interest.

Investigators must also disclose reimbursed or sponsored travel related to the institutional responsibilities, as defined above. Such disclosures must, at a minimum, include the purpose of the trip, the identity of the sponsor/organizer, the destination, the duration, and, if known, the monetary value. Excluded from this requirement is reimbursed travel or sponsored travel by federal, state, or local government agencies, an institution of higher education, an academic teaching hospital, a medical center, or a research institute that is affiliated with an institution of higher education.

The Vice President for Finance and Administration, or their designee will determine if any travel requires further investigation, including determination or disclosure of the monetary value.

## **V. Review Process**

1. The Vice President for Finance and Administration, or their designee shall review all financial disclosures to determine whether a conflict of interest exists. A conflict of interest exists when the review reasonably determines that a Significant Financial Interest could directly and significantly affect the design, conduct, or reporting of the proposed sponsored project. If the Vice President for Finance and Administration, or their designee, determines that there is a potential for conflict of interest covered by this policy, then the Vice President for Finance and Administration, or their designee, and Provost will determine what conditions or restrictions, if any, should be imposed by the institution to eliminate, reduce or manage actual or potential conflicts.
2. Prior to submitting a proposal that involves disclosure of Significant Financial Interests or after a new Significant Financial Interest has been discovered or acquired, the Investigator should discuss with appropriate University officials proposed measures that will be taken to manage, reduce, or eliminate any actual or potential conflict of interest presented by a Significant Financial Interest. Such measures could include:
  1. Public disclosure of significant financial interests;
  2. Review of research protocol by independent reviewers;
  3. Monitoring of research by independent reviewers;
  4. Modification of research plan;

Following review of the Disclosure materials the Vice President for Finance and Administration, or their designee or the Provost may impose additional conditions or restrictions, including the following:

1. Modification of the research plan;
2. Disqualification from participation in all or a portion of the research funded;
3. Divestiture of significant financial interests; or
4. Severance of relationships that create actual or potential conflicts.

The Vice President for Finance and Administration, or their designee, or the Provost will require that a plan for reducing or eliminating conflicts of interest be incorporated into a Memo of Understanding between the University and the Investigator, providing a management plan on an on-going basis until completion of the funded research project.

To address complex situations, oversight committees may be established by the Institutional Official to periodically review the ongoing activity, to monitor the conduct of the activity (including use of students and postdoctoral appointees), to ensure open and timely dissemination of the research results, and to otherwise oversee compliance with the management plan.

#### **VI. Violations of Conflict of Interest Policy**

Whenever an Investigator has violated this policy or the terms of any resolution plan (including failure to file or knowingly filing incomplete, erroneous, or misleading disclosure forms) the Vice President for Finance and Administration, or their designee, shall notify the Provost, who will impose – or, if the violation has been discovered by the Provost, who will initiate the imposition of – sanctions or institute disciplinary proceedings against the violating individual, including suspension of all relevant activities until the matter is resolved.

In addition, the University shall follow Federal regulations regarding the notification of the sponsoring agency in the event an Investigator has failed to comply with this policy. The sponsor may take its own action as it deems appropriate, including the suspension of funding for the Investigator until the matter is resolved.

#### **VII. Retrospective Review**

In addition, if the Vice President for Finance and Administration, or their designee, determines that a Financial Conflict of Interest was not identified or managed in a timely manner, including but not limited to an Investigator's failure to disclose a Significant Financial Interest that is determined to be a Financial Conflict of Interest, or failure by an Investigator to materially comply with a management plan for a Financial Conflict of Interest, a committee appointed by the Institutional Official will complete a retrospective review of the Investigator's activities and the research project to determine whether the research conducted during the period of non-compliance was biased in the design, conduct or reporting of the research.

Documentation of the retrospective review shall include the project number, project title, PI, name of Investigator with the Financial Conflict of Interest, name of the entity with which the Investigator has the Financial Conflict of Interest, reason(s) for the

retrospective review, detailed methodology used for the retrospective review, and findings and conclusions of the review. This review shall take place within 120 days of the Institution's determination of non-disclosure.

The Vice President for Finance and Administration, or their designee or designee will update any previously submitted reports to the funding entity relating to the research, specifying the actions that will be taken to manage the Financial Conflict of Interest going forward. If bias is found, the report will include a mitigation report, including a description of the impact of the bias on the research project and the plan of action to eliminate or mitigate the effect of the bias.

### **VIII. Record Maintenance**

Records of Investigator financial disclosures and of actions taken to manage actual or potential conflicts of interest, shall be retained by the Vice President for Finance and Administration, or their designee's Office until 3 years after the later of the termination or completion of the award to which they relate, or the resolution of any government action involving those records.

### **IX. Collaborative Projects/Subagreements**

Collaborators/subrecipients/subcontractors from other organizations must either comply with this policy or provide a certification that their organizations are in compliance with the regulations regarding investigator significant financial interest disclosure and that their portion of the project is in compliance with their institutional policies.

### **X. Training**

Each Investigator must complete training on this Policy prior to engaging in research and at least every four years thereafter. They must also complete training within a reasonable period of time as determined by the Vice President for Finance and Administration, or their designee, in the event that this Policy is substantively amended in a manner that affects the requirements of Investigators, or if it is determined that the Investigator has not complied with this policy or with a management plan related to their activities.

### **XI. Public Accessibility**

Prior to the expenditure of funds, the University will ensure public accessibility of information about any Financial Conflict of Interest, via response to requestor within five business days of the request, information concerning any Significant Financial Interest that meets the following criteria:

1. The Significant Financial Interest was disclosed and is still held by the Investigator;
2. A determination has been made that the Significant Financial Interest is related to the funded research; and
3. A determination has been made that the Significant Financial Interest is a Financial Conflict of Interest.