

# **Procedures for Implementation of Auburn University's Conflict of Interest Policy as it applies to research and education activities funded by the National Science Foundation (NSF)**

## **I. DEFINITIONS**

**Investigator** - the principal investigator, co-principal investigators, and any other person at the institution who is responsible for the design, conduct, or reporting of research or educational activities funded or proposed for funding by NSF.

**Significant Financial Interest (SFI)** - anything of monetary value, including, but not limited to, salary or other payments for services (e.g., consulting fees or honoraria); equity interest (e.g., stocks, stock options or other ownership interests); and intellectual property rights (e.g., patents, copyrights and royalties from such rights).

The term does not include:

- salary, royalties or other remuneration from the applicant institution;
- any ownership interests in the institution, if the institution is an applicant under the Small Business Innovation Research Program or Small Business Technology Transfer Program;
- income from seminars, lectures, or teaching engagements sponsored by public or non-profit 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: does not exceed \$10,000 in value as determined through reference to public prices or other reasonable measures of fair market value, and does not represent more than a 5% ownership interest in any single entity; or
- salary, royalties or other payments that, when aggregated for the investigator and the investigator's spouse and dependent children, are not expected to exceed \$10,000 during the twelve month period.

**Immediate Family** - the Investigator's spouse and any dependent children. Throughout these procedures, Significant Financial Interest of the Investigator also shall include the interests of the Investigator's immediate family.

**Business Enterprise** - any corporation, partnership, proprietorship, firm, enterprise, franchise, trust, or other entity.

**Disclosure Form** - initially submitted at the time a proposal is submitted to NSF and is updated during the period of an award either on an annual basis or as new reportable

Significant Financial Interests are obtained.

**Reviewer** - a responsible representative of the University who reviews the Disclosure Form to determine if a conflict of interest exists and determines what conditions or restrictions, if any, should be imposed by the university to manage, reduce, or eliminate such conflict of interest. This individual is the appropriate Dean (or designated Associate Dean for Research), Institute Director, or Vice President whoever is closest to the Investigator in the university's reporting hierarchy.

**Conflict of Interest** - exists when the Reviewer reasonably determines that a Significant Financial Interest could directly and significantly affect the design conduct, or reporting of NSF funded research or educational activities.

**Authorized Institutional Representative** – is, for the purposes of these procedures, the Vice President for Research. The Authorized Institutional Representative is responsible for certifying to NSF that the authorized official of the applicant institution is certifying that the institution has implemented a written and enforced conflict of interest policy that is consistent with the provisions of Grant Policy Manual Section 510; that to the best of his/her knowledge, all financial disclosures required by that conflict of interest policy have been made; and that all identified conflicts of interest will have been satisfactorily managed, reduced or eliminated prior to the institution's expenditure of any funds under the award, in accordance with the institution's conflict of interest policy. Conflicts which cannot be satisfactorily managed, reduced or eliminated must be disclosed to NSF.

## II. DISCLOSURE REQUIREMENTS

Each Investigator must disclose to the Reviewer all Significant Financial Interests of the Investigator and the Investigator's immediate family:

- that would reasonably appear to be affected by the research or educational activities funded or proposed for funding by NSF; and
- in entities whose financial interests would reasonably appear to be affected by such activities.

All financial disclosures must be on file at the time a proposal is submitted to NSF. They also must be updated during the term of the award on an annual basis or as new reportable Significant Financial Interests are obtained.

Upon receipt of a disclosure, the Reviewer must:

- determine whether a conflict of interest exists;
- determine what conditions or restrictions, if any, should be imposed by the institution to manage, reduce or eliminate such conflicts of interest;
- certify that the Investigator's disclosure has been filed before a proposal to NSF will be approved by the university's Authorized Institutional Representative; and
- certify that no actual or potential conflict of interest exists or that appropriate conditions or restrictions will be imposed to ensure protection of NSF funded

research and educational activities before an award can be accepted by the university.

### **III. SANCTIONS FOR NON-DISCLOSURE**

As with any policy of Auburn University, sanctions shall apply for non-compliance with the implementation procedures of the Conflict of Interest policy. The appropriate Dean (or designated Associate Dean for Research); Institute Director, or Vice President shall utilize the standard disciplinary procedures set forth as a condition of each person's employment with Auburn University. Other sanctions which might be imposed include but are not limited to:

- prompt notification of NSF of the corrective action taken or to be taken;
- freezing expenditures from involved accounts;
- terminating sponsored agreements entered into in violation of this policy;
- penalties if conflict of interest is determined to be in violation of the Alabama Ethics Act;
- suspension or dismissal.

### **IV. MANAGEMENT OF ACTUAL OR POTENTIAL CONFLICT OF INTEREST**

Within sixty (60) days after identification of a conflict of interest, the Reviewer may impose conditions or restrictions on an Investigator or an NSF-funded project to manage, reduce, or eliminate conflicts of interest. The following are examples of actions which might be taken:

- public disclosure of Significant Financial Interests;
- monitoring of the project by independent reviewers;
- modification of the project plan;
- disqualification from participation in the portion of the NSF-funded project that would be affected by the Significant Financial Interests;
- divestiture of Significant Financial Interests; or
- severance of relationships that create conflicts.

The Investigator shall have the right to appeal the decision of the Reviewer by submitting concerns, in writing, to the Authorized Institutional Representative. The decision of the Authorized Institutional Representative shall be final.

When the Reviewer is unable to satisfactorily resolve the question of conflict the Reviewer will notify the Authorized Institutional Representative for further review and possible communication to NSF's Office of General.

If the Reviewer determines that imposing conditions or restrictions would be either ineffective or inequitable, and that the potential negative impacts that may arise from a Significant Financial Interest are outweighed by interests of scientific progress, technology transfer, or the public health and welfare, then the Reviewer may allow the

project to go forward without imposing such conditions or restrictions.

## **V. MAINTENANCE OF RECORDS**

A disclosure form must be filed with the Reviewer before submission of a proposal to NSF. The Reviewer will maintain such disclosures with due care for their confidential nature. Updates shall be filed before an NSF award can be accepted by the University, but not less frequently than annually.

The Reviewer shall be responsible for maintenance of records relating to all decisions regarding whether or not a conflict exists. Additionally, the Reviewer shall maintain all documentation of university actions to manage, reduce or eliminate conflicts of interest.

These records shall be maintained until at least three (3) years after the later of the termination or completion of the award to which they relate, or the resolution of any Federal Government action involving those records. These records shall be available for audit by Auburn University and Government officials.

## **VI. CERTIFICATIONS**

The signature of the Reviewer will be required on the Cover Form for Extramural Programs to certify that the disclosure has been filed and that the proposal may be signed for submission to NSF. To ensure compliance with the NSF regulations, Auburn University will require such certification before approval for submission of the proposal is given by the Authorized Institutional Representative. The Investigator and the Reviewer will provide additional certifications that any conflict has been managed, reduced or eliminated before the Authorized Institutional Representative will accept an NSF award on behalf of the university.

The Authorized Institutional Representative will certify to NSF that the university has implemented a written and enforced conflict of interest policy that is consistent with the provisions of NSF Grant Policy Manual Section 510 or 45 CFR Part 94; that to the best of his/her knowledge, all financial disclosures required by that conflict of interest policy have been made; and that all identified conflicts of interest will have been satisfactorily managed.