



Financial Conflict of Interest Policy for Hobart and William Smith Researchers

In order to comply with Federal regulations, Hobart and William Smith Colleges have 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. The Colleges therefore require that Investigators disclose any Significant Financial Interest that would reasonably appear to be directly and significantly affected by an actual or potential conflict of interest in relationship with a sponsored project.

1. Definitions

A potential *Conflict of Interest* occurs when there is a divergence between an individual's private interests and his or her professional obligations to the Colleges 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.

Investigator means the principal investigator/project director, co-principal investigators, and any other person at the Colleges who is responsible for the design, conduct, or reporting of research, educational, or service activities funded, or proposed for funding, by an external sponsor. In this context, the term "Investigator" includes the investigator's spouse and dependent children.

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:

1. Salary, royalties, or other remuneration from the Colleges;
2. Income from seminars, lectures, or teaching engagements sponsored by public or nonprofit entities;
3. Income from service on advisory committees or review panels for public or nonprofit entities;
4. 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 \$5,000 in value as determined through reference to public prices or other reasonable measures of fair market value, and, does not constitute more than a five percent ownership interest in any single entity; or
5. 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 \$5,000.

Provided, however, that the exclusions in items (1), (4), and (5) shall not apply if the compensation or transfer of an equity interest is conditioned upon a particular outcome in a sponsored research project.

2. Guidelines

1. Each Investigator is required to disclose the following Significant Financial Interests:
 - a) 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
 - b) 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.

2. Each Investigator who has any Significant Financial Interest requiring disclosure shall complete a Financial Interests Disclosure Form and attach all required supporting documentation. **The completed Disclosure Form must be submitted with the proposal and the Proposal Authorization Form to the Office of Sponsored Programs.**
3. 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, either on an annual basis or as new reportable Significant Financial Interests are obtained.
4. Collaborators from other institutions must provide a certification that their institutions are in compliance with Federal policies regarding investigator Significant Financial Interest disclosure and that their portion of the project is in compliance with their institutional policies.
5. The Director of Sponsored Programs, or official designee, shall perform an initial review of all financial disclosures to determine whether an actual or potential conflict of interest exists. An actual or potential conflict of interest exists when the review reasonably determines that a Significant Financial Interest could directly affect the design, conduct, or reporting of the proposed sponsored project. If the initial determination is made that a Significant Financial Interest exists that could affect the design, conduct or reporting of federally funded activities, then the Disclosure packet will be referred to the Provost. The Provost shall determine what conditions or restrictions, if any, should be imposed by the institution to manage actual or potential conflicts of interest arising from disclosed Significant Financial Interests.
6. Prior to consideration by the Provost, the Investigator, in cooperation with the appropriate representative from the Colleges, shall develop and present to the Provost a Conflict of Interest Resolution Plan that details proposed steps that will be taken to manage, reduce, or eliminate any actual or potential conflict of interest presented by a Significant Financial Interest. At a minimum the Resolution Plan shall address such issues as:
 - a) Public disclosure of Significant Financial Interests;
 - b) Review of research protocol by independent reviewers; and

- c) Monitoring of research by independent reviewers.

The Provost shall review the Resolution Plan and approve it and add conditions or restrictions which may include the following:

- a) Modification of the research plan;
- b) Disqualification from participation in all or a portion of the research funded;
- c) Divestiture of Significant Financial Interests; or
- d) Severance of relationships that create actual or potential conflicts of interest.

If the Provost determines that imposing the above referenced conditions or restrictions would be inequitable, or 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 Provost may recommend that, to the extent permitted by Federal regulations, the research go forward without imposing such conditions or restrictions.

- 7. The approved Resolution Plan shall be incorporated into a Memorandum of Understanding between Hobart and William Smith Colleges and the Investigator that details the conditions or restrictions imposed upon the Investigator in the conduct of the project or in the relationship with the Business Enterprise or Entity. The Memorandum of Understanding shall be signed by the Investigator, the Department Chair or Program Director, and the Provost. The Director of Sponsored Programs will certify that actual or potential conflicts of interests will be satisfactorily managed, reduced, or eliminated in accordance with these Guidelines prior to expending any funds from the applicable federal award, or they will be disclosed to the sponsoring agency for action.
- 8. Records of Investigator financial disclosures, and of actions taken to manage actual or potential conflicts of interest, shall be retained by the Office of Sponsored Programs until three (3) years after of the termination or completion of the award to which they relate, or the resolution of any government action involving those records, whichever comes later.
- 9. Whenever an Investigator has violated this policy or the terms of the Memorandum of Understanding, the Provost shall recommend sanctions which may include disciplinary action ranging from a public letter of reprimand to dismissal and termination of employment. If the violation results in a collateral proceeding under College policies regarding misconduct in science, then the Provost shall defer a decision on sanctions until the misconduct in science process is completed. The Provost's recommendations on sanctions shall be presented to the President who, in consultation with the Provost shall enforce any disciplinary action.

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