

Financial Conflict of Interest Policy

A. OVERVIEW

The University is committed to conducting research in a manner that promotes the integrity of the research and maintains the public trust in activities performed by faculty and staff. It is the intent of the University to demonstrate that the research and the results of the research conducted at the University are not biased or prejudiced by any external commitments or significant financial interests of any person(s) with involvement in the design, conduct, reporting, or administration of the research project.

B. PURPOSE

The purpose of this policy is to ensure that faculty and staff are aware of their responsibilities concerning financial conflicts of interest when performing research at the University. The University requires that individuals participating in sponsored projects disclose any significant financial interests that may present actual or potential conflicts of interest in regards to externally sponsored projects.

This policy has been developed to promote objectivity in research by establishing standards that provide a reasonable expectation that the design, conduct, and reporting of research awards will be free from bias resulting from financial conflicts of interest. It also promotes compliance with all applicable Federal and State laws and University policies.

This policy applies to all Federally funded research and non-research grants, contracts, and cooperative agreements.

C. DEFINITIONS

ECTD	Executive Committee on Technology Development
Financial Conflict of Interest (FCOI)	A significant financial interest that could directly and significantly affect the design, conduct, or reporting of research awards.
FCOI Form	Financial Conflict of Interest Form

FCOIRReport	A financial conflict of interest report required by the sponsor agency.
Financial Interest	Anything of monetary value, whether or not the value is readily ascertainable.
Management Plan	An action plan to address, to the extent possible, a financial conflict of interest, which can include reducing or eliminating the financial conflict of interest, so that the design, conduct, and reporting of research will be free from bias.
Senior Key Personnel	For purposes of this policy, senior key personnel includes the PI and Co-PI(s), and any individual identified as a senior key personnel in the grant application, regardless of title or position (including subgrantees, contractors, consortium participants, collaborators, and consultants), responsible for the design, conduct, or reporting of research results.
SRA	Sponsored Research Administration
Subrecipient	An entity that is responsible for performing some portion of the work on a project which the University has agreed to perform.

D. SIGNIFICANT FINANCIAL INTEREST

A significant financial interest is a financial interest of a senior key personnel, his/her spouse, and his/her dependent children which jointly equals or exceeds \$5,000 and reasonably appears to be related to the senior key personnel's responsibilities. With regard to any publicly or non-publicly traded entity, the financial interest includes any remuneration received from the entity in the twelve months preceding the disclosure and the value of any equity interest in the entity as of the date of disclosure. A financial interest exists with regard to intellectual property rights and interests, such as patents and copyrights, upon receipt of income related to such rights and interests. Remuneration includes salary and any payment for services not otherwise identified as salary, such as consulting fees, honoraria, and paid authorship. Equity interest includes any stock, stock option, or other ownership interest, as determined through reference to public prices or other reasonable measures of fair market value

The term *significant financial interest* does not include the following types of financial interests:

- salary, royalties, or other remuneration paid by the University to senior key personnel if he/she is currently employed or otherwise appointed by the University, including intellectual property rights assigned to the University and agreements to share in royalties related to such rights.

- income from investment vehicles, such as mutual funds and retirement accounts, as long as senior key personnel do not directly control the investment decisions made in those vehicles.
- income from seminars, lectures, or teaching engagements and from service on advisory committees or review panels sponsored by a Federal, State, or local government agency, 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.

E. TRAINING REQUIREMENTS

Senior key personnel are required to successfully complete training prior to engaging in any research conducted on behalf of the University, and once every four years thereafter.

If senior personnel are not in compliance with Federal or State law or University policy related to financial conflicts of interest, he/she may be required to retake the training course immediately.

F. DISCLOSURE, REVIEW AND MONITORING REQUIREMENTS

Senior key personnel are required to complete the FCOI Form in order to disclose his/her significant financial interests and those of his/her spouse and his/her dependent children. This form must be completed:

- at the time of the application for the research award
- at the time the award is granted
- annually during the period of the award
- within thirty days after a new financial interest is found during the period of the award

SRA will review the FCOI Forms prior to the expenditure of funds to determine if a financial conflict of interest exists that could directly and significantly affect the design, conduct, or reporting of the research award.

If SRA determines that a financial conflict of interest exists, SRA will report this finding to the ECTD. The ECTD will work with SRA and the senior key personnel to determine if the conflict is manageable and, if so, will assist the senior key personnel to develop and implement a Management Plan. The ECTD will periodically review senior key personnel compliance with the Management Plan.

If a new senior key personnel is identified, he/she, prior to participation with an existing award, is required to complete an FCOI Form and have it reviewed by SRA.

Senior key personnel must disclose the occurrence of any reimbursed or sponsored travel (i.e., that which is paid on his/her behalf), related to their University responsibilities as to the research award. This disclosure is to be made annually via the Annual College and University Disclosure Form located at the following URL:

<http://www.state.nj.us/ethics/docs/ethics/scholarlycapacityform.pdf>

G. REPORTING REQUIREMENTS *(When Required by Sponsor Agency)*

Initial FCOI Reports

Prior to the University's expenditure of any funds under a research award, the University will provide to the sponsor agency a FCOI Report regarding any senior key personnel significant financial interests.

FCOI Reports During An Ongoing Research Award

The University will submit a FCOI Report within sixty (60) days after its determination that a financial conflict of interest exists for senior key personnel who are newly participating in the project or for existing senior key personnel who disclose a new significant financial interest to NJIT.

Whenever senior key personnel do not disclose timely or the University becomes aware of a previously existing significant financial interest SRA will, within sixty (60) days:

- review the significant financial interest
- determine whether it is related to the research award
- determine whether a significant financial conflict of interest exists
- if a significant financial conflict of interest exists
 - o report it to the ECTD
 - o submit a FCOI Report to the sponsor agency

If a conflict is found to exist, the ECTD will work with SRA and the senior key personnel to determine if the conflict is manageable and, if so, will assist him/her to develop and implement an Interim Management Plan. The ECTD will be responsible for periodically reviewing senior key personnel compliance with the Management Plan.

SRA will, within one hundred twenty (120) days of reporting a significant financial conflict of interest to the ECTD, complete a retrospective review of the senior key personnel's research activities to determine whether any of the research award(s), or portion thereof, conducted during the time period of the financial conflict of interest, was biased in the design, conduct, or reporting of such research.

Based on the results of the retrospective review, if appropriate, SRA will update the previously submitted FCOI Report, specifying the actions that will be taken to manage the financial conflict of interest going forward.

If bias is found, the University will notify the sponsor agency promptly and submit a mitigation report. The report will include the key elements documented in the retrospective review, a description of the impact of the bias on the research project, and the University's plan of action or actions taken to eliminate or mitigate the effects of the bias.

Annual FCOI Report

For any financial conflict of interest previously reported by the University, the University will provide an annual FCOI Report that addresses the status of the financial interest and any changes in the Management Plan to the sponsor agency. Annual FCOI Reports will specify whether the financial conflict of interest is still being managed or explain why the financial conflict of interest no longer exists.

Annual FCOI Reports will be submitted to the sponsor agency for the duration of the project period (including extensions with or without funds) at the same time as the submission of the annual progress report.

All FCOI Reports will include sufficient information to enable the sponsor agency to understand the nature and extent of the financial conflict of interest and to assess the appropriateness of the University's Management Plan, including, but not limited to:

- Award number
- PI's Name
- Name of the senior key personnel with the financial conflict of interest
- Name of the entity with which the senior key personnel has a financial conflict of interest
- Nature of the financial interest (e.g., equity, consulting fee, travel reimbursement, honorarium, etc.)
- Value of the significant financial interest (dollar ranges are permissible: \$5,000-\$9,999; \$10,000-\$19,999; amounts between \$20,000-\$100,000 by increments of \$20,000; amounts above \$100,000 by increments of \$50,000), or a statement that the interest is one whose value cannot be readily determined through reference to public prices or other reasonable measures of fair market value
- A description of how the financial interest relates to the research award and why the University determined that the financial interest conflicts with such research
- A description of the key elements of the University's Management Plan, including:

- o Role and principal duties of the conflicted senior key personnel in the research award
- o Conditions of the Management Plan
- o How the Management Plan is designed to safeguard objectivity in the research award
- o Confirmation of the senior key personnel's agreement to the Management Plan
- o How the Management Plan will be monitored to ensure senior key personnel compliance
- o Other information as needed

The University will submit a new FCOI Report if any of the following elements of a previously submitted FCOI Report changes:

- Award number
- Name of senior key personnel with a significant financial conflict of interest
- Name of the entity with which the significant financial conflict of interest exists
- Nature of the significant financial conflict of interest

If the value of a reported significant financial interest changes during the year, the senior key personnel is required to disclose the change to the University in his/her annual disclosure. A change in the value of a significant financial interest does not require a new FCOI Report.

H. MAINTENANCE OF RECORDS

Financial conflict of interest records are maintained in accordance with the University policy on records retention. The Grants and Contracts - Records Retention Policy can be found at the following URL: [PP 12-07 - Grants and Contracts - Records Retention](#).

I. ENFORCEMENT MECHANISMS AND REMEDIES AND NONCOMPLIANCE

Any senior key personnel who fail to comply with the provisions of this policy will be subject to disciplinary sanctions, up to and including termination.

If SRA determines that a senior key personnel is not in compliance with this policy, SRA will document the non-compliance in accordance with the sponsor agency's requirements and notify the ECTD.

J. SUBRECIPIENT REQUIREMENTS *(When Required by Sponsor Agency)*

The University requires the compliance of all subrecipients either with this policy or with their own policy which must meet or exceed Federal regulations.

Subrecipients are required to report identified financial conflicts of interest to the University in sufficient time to allow it to meet its reporting obligations to the sponsor agency.

K. PUBLIC ACCESSIBILITY REQUIREMENTS

Within 5 business days of a written request, the University will provide a written response concerning any significant financial interest that meets the following three criteria:

- A significant financial interest was disclosed and is still held by the senior key personnel for the research award that is the subject of the request
- The University determines that the significant financial interest is related to the research award
- The University determines that the significant financial interest is a financial conflict of interest

The information provided in the written response will be current as of the date of the response.

Written requests to the University may be made through the Custodian of Records, completing the Open Public Records Act Request Form at the following URL:

<http://www.njit.edu/about/pdf/2010-public-records-request.pdf>

