



SRI INTERNATIONAL POLICIES, PROCEDURES AND GUIDELINES

Policy #: Ethics - 02

Policy Title: Conflicting Financial Interests of Investigators on PHS and NSF Projects

Executive Owner: General Counsel

Policy Owner: Ethics Officer

REVISION CONTROL

By printing this document, it becomes a “Reference” copy. Users are responsible for verifying that they are using the latest revision available. An Index of Policies listing current revision number and date is available from the SRI Corporate Policies Page on the Insider through SharePoint.

When any part of this document requires amendment, the document shall be reissued in its entirety. Requests for change shall be addressed to the Document Owner.



1.0 Overview

This policy augments SRI's general conflict of interest policy, adding specific rules to avoid financial conflicts of interest of investigators performing projects funded by the National Science Foundation (NSF) and the Public Health Service (PHS), including the National Institutes of Health. Other clients may request application of this policy to their projects as well, on a project-by-project basis.

2.0 Policy Statement

Each principal investigator ("PI"), project director ("PD"), co-PI, co-PD, and any other person (regardless of title or position) who is responsible for the design, conduct, or reporting of research or educational activities funded by a PHS- or NSF-funded contract or grant (collectively "Investigators") must disclose to the ethics officer for review and appropriate action all "Significant Financial Interests" of the Investigator and the Investigator's spouse and dependent children.

Significant Financial Interests are defined differently for PHS and NSF: definitions are found in the appendix to this policy, and are reproduced on the SRI disclosure forms.

With respect to PHS-funded projects, disclosures of Significant Financial Interests must also include the occurrence of any reimbursed or sponsored travel, unless exempted by the PHS-definition of Significant Financial Interests.

If the PHS- or NSF-funded project uses collaborators (e.g., subrecipients, subcontractors, and consultants), SRI will take reasonable steps to ensure that they have their own policies in place that meet the funding agency's requirements. If they do not have a policy, SRI will require the third party's investigators to follow SRI's policy.

3.0 Responsibilities

Investigator

- ❏** Before submitting a proposal to PHS or NSF, or when joining an ongoing project as an Investigator, submit the required financial disclosure statement to the Contracts Administrator.
- ❏** Update your financial disclosure statement: (a) annually, by March 1st, for the duration of the project; and (b) within 30 days of obtaining a new reportable Significant Financial Interest.
- ❏** PIs/PDs of each PHS- and NSF-funded project must include in their disclosure the names of any other SRI or third-party Investigators for the project.
- ❏** Complete training on this policy, the Investigator's disclosure responsibilities, and the Federal regulations: (a) before engaging in PHS- or NSF- funded research; (b) at least every 4 years thereafter; and (c) immediately whenever: (1) this policy is changed; (2) the Investigator is new to SRI; or (3) SRI finds that the Investigator is not in compliance with this policy.



Contract Administrator

- FOI
E1 Before submitting a proposal to PHS or NSF, ensure that each Investigator has submitted a financial disclosure and that if a Significant Financial Interest is disclosed, that it has been reviewed by the Ethics Officer.
- FOI
E1 Enter the annual disclosure of Significant Financial Interests as a deliverable in the Contract Brief for all PHS and NSF projects.
- FOI
E1 Provide all financial conflict of interest reports and certifications as required by the client.

Subcontract Administrator

- FOI
E1 Obtain written assurance from each collaborator on PHS- or NSF-proposals (e.g., subrecipients, subcontractors, and consultants) that it has in place a financial conflict of interest policy that meet the funding agency's requirements.
- FOI
E1 If the collaborator (whether entity or individual) does not certify that it has a compliant policy: (a) provide a copy of this policy to the collaborator; (b) obtain written confirming that the third party's investigators to follow SRI's policy; and (c) inform the Ethics Officer.

Institutional Official (Ethics Officer)

- FOI
E1 Review any Investigator's Significant Financial Interests, determine whether any financial conflict of interests exist and, if so, create a management plan detailing what conditions or restrictions, if any, SRI should impose to manage, reduce, or eliminate such conflict of interest. Any Significant Financial Interests disclosed at proposal time must be reviewed before proposal submission; subsequent statements identifying additional Significant Financial Interests must be reviewed and any required plan created within 60 days.
- FOI
E1 Monitor compliance with conflict management plans until completion of the affected project.
- FOI
E1 Review all Investigator disclosures of reimbursed or sponsored travel, determine if additional information is needed (including the monetary value of the travel), and determine if the travel constitutes a financial conflict of interest.
- FOI
E1 Promptly notify PHS is bias is found within the design, conduct, or reporting of PHS-funded research.
- FOI
E1 For NSF projects, keep the NSF Office of the General Counsel appropriately informed if: (a) a conflict of interest cannot be satisfactorily managed; and (b) if SRI finds that research will proceed without the imposition of conditions or restrictions when a conflict of interest exists.
- FOI
E1 Maintain records of all Significant Financial Interests reviewed, and all actions taken to resolve any conflicts of interest, for at least 3 years from submission of the final expenditure report / closeout of the project to which they relate, or until final resolution of litigation, audit, or similar action involving those records, if longer.



- Ensure that this policy is posted on a publicly accessible web site, and (for PHS projects) make information that SRI has reported to PHS regarding financial conflicts of interest accessible to the public upon request.

4.0 Enforcement

Violations of the policy must be reported to the SRI Ethics Officer. Non-compliance may result in disciplinary action, up to and including termination.

5.0 Exceptions

No exceptions to this policy are permitted.

6.0 Policy Review

This Policy will be reviewed periodically and updated as appropriate.



Appendix: Definition of “Significant Financial Interest”

NSF-funded Projects

Significant Financial Interest means (with respect to the Investigator, including his or her spouse and dependent children): 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):

- (a) That would reasonably appear to be affected by the research or educational activities funded or proposed for funding by NSF; or
- (b) In entities whose financial interests would reasonably appear to be affected by such activities.

The term does not include:

- (c) salary, royalties, or other remuneration from SRI;
- (d) income from seminars, lectures, or teaching engagements sponsored by public or non-profit entities;
- (e) income from service on advisory committees or review panels for public or non-profit entities;
- (f) an equity interest that, when aggregated for the Investigator and the Investigator's spouse and dependent children, meets both of the following tests: (i) does not exceed \$10,000 in value as determined through reference to public prices or other reasonable measures of fair market value; and (ii) does not represent more than a five percent (5%) ownership interest in any single entity; or
- (g) 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 prior 12-month period.

PHS-funded Projects

Significant Financial Interest means anything of monetary value, whether or not the value is readily ascertainable, consisting of one or more of the following interests of the Investigator (and those of the Investigator's spouse and dependent children) that reasonably appears to be related to the Investigator's SRI responsibilities:

- (a) With regard to any publicly traded entity, a Significant Financial Interest exists if the value of 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, when aggregated, exceeds \$5,000. For purposes of this definition, remuneration includes salary and any payment for services not otherwise identified as salary (e.g., consulting fees, honoraria, 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;



- (b) With regard to any non-publicly traded entity, a Significant Financial Interest exists if the value of any remuneration received from the entity in the twelve months preceding the disclosure, when aggregated, exceeds \$5,000, or when the Investigator (or the Investigator's spouse or dependent children) holds any equity interest (e.g., stock, stock option, or other ownership interest); or
- (c) Intellectual property rights and interests (e.g., patents, copyrights), upon receipt of income related to such rights and interests.

Investigators also must disclose the occurrence of any reimbursed or sponsored travel (i.e., that which is paid on behalf of the Investigator and not reimbursed to the Investigator so that the exact monetary value may not be readily available), related to their institutional responsibilities; provided, however, that this disclosure requirement does not apply to travel that is reimbursed or sponsored by a Federal, state, or local government agency, an Institution of higher education as defined at 20 U.S.C. 1001(a), an academic teaching hospital, a medical center, or a research institute that is affiliated with an Institution of higher education. The disclosure must include, at a minimum, the purpose of the trip, the identity of the sponsor/organizer, the destination, and the duration.

The term Significant Financial Interest does not include the following types of financial interests:

- (a) salary, royalties, or other remuneration paid by SRI to the Investigator if the Investigator is currently employed or otherwise appointed by SRI, including intellectual property rights assigned to SRI and agreements to share in royalties related to such rights;
- (b) 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; income from seminars, lectures, or teaching engagements sponsored by a Federal, state, or local government agency, an Institution of higher education as defined at 20 U.S.C. 1001(a), an academic teaching hospital, a medical center, or a research institute that is affiliated with an Institution of higher education; or
- (c) income from service on advisory committees or review panels for a Federal, state, or local government agency, an Institution of higher education as defined at 20 U.S.C. 1001(a), an academic teaching hospital, a medical center, or a research institute that is affiliated with an Institution of higher education.