

OKLAHOMA STATE UNIVERSITY INSTITUTE OF TECHNOLOGY  
POLICY & PROCEDURES LETTER

<b>Financial Conflict of Interest</b>	<b>3-038 FISCAL SERVICES July 2009</b>
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INTRODUCTION

- 1.01 Employees of Oklahoma State University Institute of Technology have as their primary professional responsibility their obligations to the University. However, it is important that employees are allowed the opportunity to forge external relationships. While employees at Oklahoma State University Institute of Technology are not prohibited from developing external relationships with industry and private entrepreneurial ventures, such relationships carry an increased risk of a conflict of interest and commitment between obligations to the University and private concerns. Employees need to be sensitive to the possibility that outside obligations, financial interests or employment may affect their responsibilities and decisions as members of the University community.
- 1.02 It is the intent of this policy to ensure that the University is in compliance with current federal regulations and to provide guidance for employees regarding external relationships. The policy is also intended to provide assurance to employees, the University and the public, that potential conflicts of interest have been examined and will be managed in a manner consistent with University and public values.
- 1.03 A conflict of interest arises when an investigator compromises his/her professional standards in carrying out teaching, research, extension, or service activities as a result of an external relationship that affects the financial interests of the investigator, a family member, or associated entity. Further, conflict may violate or constitute compromises with ethical standards and guidelines associated with professional actions, activities, or treatment, as in the case of the medical profession.

DEFINITIONS

- 2.01 This policy shall apply to investigators who are seeking external funding through grant submissions to institutions (i.e., funding agencies, sponsors, or other educational institutions requiring a financial conflict of interest statement) or who are currently holding grants from those institutions. "Investigators" are those individuals or groups of individuals responsible for the design, conduct, and reporting of the research and includes all full or part-time faculty, staff and students. The extent to which an individual is defined as an "investigator" will be determined by the Principal Investigator(s) of record.
- 2.02 "Family" shall be interpreted as immediate family and shall include spouse and children and their spouses who qualify as dependents for tax purposes.

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- 2.03 "Financial interest" in a company or organization that indicates a potential conflict of interest may involve one or more of the following conditions if the investigator is dealing with the entity, or if the value or income of the entity may be directly affected by the results of the investigator's current or proposed externally funded research, or if the performance or results of the research could be influenced by the financial relationships with the entity.
- A. ownership, either legally or equitably, in excess of 5% or \$10,000, in face value of the stock of a publicly-held corporation or business entity,
  - B. ownership, either legally or equitably, in excess of 5% or \$10,000, in face value of a privately-owned corporation or business entity,
  - C. a contractual relationship with a business entity that results in compensation in any form, the aggregate of which is expected to exceed \$10,000 in the next 12 months or during the period/tenure of a sponsored project, grant, collaboration, or research agreement,
  - D. interest(s) that exceed \$10,000 in annual income of all types, equity, or ownership exceeding 5%, or commitment for future royalties in excess of \$10,000 or 5%, of the company or publicly-held stock in the business entity,
  - E. receipt of, or expectation of receipt of, any income from a corporate or business entity in the form of, but not limited to, any of the following:
    - 1. fee (such as consulting),
    - 2. salary,
    - 3. forgiveness of a debt,
    - 4. interest in real or personal property,
    - 5. dividends,
    - 6. royalties from licensing of technology (patents, copyrights, etc.),
    - 7. rent,
    - 8. capital gains,
    - 9. stock or stock options, or any combination of the above where the aggregate with any one single business entity exceeds or is expected to exceed \$10,000 or 5%, of the stock in the next 12 months.

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DISCLOSURE OF CONFLICT OF INTEREST

3.01 The Disclosure of External Relationships Form shall be completed by the investigator and submitted to the Office of the Vice-President for Fiscal Services at or before the time of a proposal submission to an institution requiring disclosure of conflicts of interest. Any changes in sources or amount (value) or ownership interests and/or remunerative activities during the funding period of the grant such that the reportable interest or business income now exceeds the values set forth in section 2.03 will require resubmission of the Disclosure of External Relationships Form within 30 (thirty) calendar days of such a change.

After examination of the information in the Disclosure of External Relationships Form, investigators needing to provide further information will be notified by the External Disclosure Administrator (see section 3.04).

3.02 It is the responsibility of the investigator to assure that sufficient time is allowed for submission of the disclosure form and necessary updates prior to the submission of the proposal. Appeal of decisions and final disposition of a case must be made in a timely manner prior to accepting the award and expenditure of funds. Policies of the granting agencies generally prohibit expenditure of funds prior to resolution of a conflict of interest.

3.03 Subcontractors to research projects shall be required to comply with this policy or certify in writing that their institution/firm is in compliance with the conflict of interest requirements (if any) of the research sponsor/agency.

3.04 The Vice President for Fiscal Services shall administer the policies in this document. Administration of the policies in this document shall include preparation and distribution of the Disclosure of External Relations form, collection of the forms, maintenance of pertinent records, and examination of all pertinent information to determine the presence of conflict and necessary remedial steps.

FORMATION OF CONFLICT OF INTEREST ADVISORY COMMITTEE

4.01 A standing committee shall be appointed by the Vice-President for Fiscal Services to advise on issues pertaining to conflict of interest and to consider appeals of decisions made by the Vice-President for Fiscal Services regarding conflict of interest.

4.02 The committee shall minimally consist of one representative from each academic unit appointed by the administrator of each unit with Presidential approval for a period of three years, a representative from the Oklahoma State University-Stillwater Office of the Vice-President for Research and a representative from the Office of Legal Counsel for the Board of Regents (ex-officio).

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RESOLUTION OF CONFLICTS OF INTEREST

- 5.01 The overriding consideration is that the resolution must result in the best interest of the project, the investigator, and the University. Procedures that must be undertaken to relieve a conflict of interest and allow the investigator to comply with the current applicable university, state, and federal guidelines will be particular for each case and may include, but not be limited to, the following:
- A. full and public disclosure of the holding or actions (this may require open and public bidding on some aspects of the work);
  - B. reworking the research or activities to resolve the conflict, such as purchasing from a different vendor, using open bids, having purchasing decisions made by an outside, non-involved party, etc.
  - C. close supervision or monitoring of the project on a periodic basis to be decided in each case to assure that a conflict does not occur or transferring the decisions that would result in a conflict of interest to a non-partisan, outside individual monitor;
  - D. divestiture of the financial interests;
  - E. refusal of the award or refusal to participate in the outside activity.
- 5.02 The Vice-President for Fiscal Services will determine if a conflict of interest exists and, if so, what steps shall be taken to relieve the conflict. The Vice-President for Fiscal Services will convey the decision to the investigator.
- 5.03 If the investigator believes that a conflict does not exist, or if the required resolution is in some way unwarranted, unfair, or inapplicable, the investigator may appeal the decision to the Oklahoma State University-Stillwater Office of the Vice-President for Research. An appeals committee, selected as indicated in section 7.01 below, will be assembled to hear the evidence and forward a recommendation to the Vice-President for Fiscal Services.

CONFIDENTIALITY OF DISCLOSURE RECORDS

- 6.01 All information and records supplied in accordance with this policy shall be deemed confidential, except where public disclosure is otherwise specifically required by law or where public disclosure is required as a resolution of a conflict of interest pursuant to section 5.01 of this policy. Records will be kept for three (3) years after termination of the project or after submission of the final technical and financial reports, whichever is later, at which time the records shall be shredded. University employees receiving or reviewing the information and records pursuant to the provisions of this policy shall maintain the confidential character of the information and records supplied.

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- 6.02 Access to the records and information maintained by the Vice-President for Fiscal Services pursuant to this policy requires approval from the OSU System President, Vice President for Research, Executive Vice President, or the Oklahoma State University Institute of Technology Campus President. The investigator shall be notified in writing if access to his/her records is granted to a party other than the Vice-President for Fiscal Services.

APPEAL OF DECISIONS

- 7.01 An investigator may appeal a decision by the Vice-President for Fiscal Services by submitting a written request describing the basis of the appeal within 10 (ten) working days after receiving notification of the decision to the Vice President for Research for a hearing before an appeals committee. The Vice-President for Research shall appoint an appeals committee consisting of 5 (five) members from the conflict of interest advisory committee (including a representative from the investigator's college or unit) plus an ex-officio representative from the Office of the Vice-President for Research and an ex-officio representative from the Office of Legal Counsel.
- 7.02 The appeals committee may, at its discretion, request documents and information from the appropriate university offices (Office of University Research Services, GCFA, etc.) to assist in its deliberations. The investigator shall submit a written statement to the appeals committee prior to the hearing and shall be invited to appear before the committee to explain the situation and provide additional information.
- 7.03 The committee shall forward its recommendation to the Vice-President for Research who, after consideration of the written arguments of the investigator, if submitted, and the recommendations of the committee and the Vice-President for Fiscal Services, shall render a final and binding decision.

DISCIPLINARY SANCTIONS

- 8.01 All investigators submitting proposals for external funding or currently receiving such funding are expected to comply fully and promptly with all requirements of this policy. Breaches of this policy include, but are not limited to: failure to file, intentionally filing an incomplete, erroneous, or misleading disclosure form; failure to provide additional information as required by the approving authority; or failure to comply with the recommendations and decisions of the Vice-President for Fiscal Services or Vice President for Research. Depending on the severity of the breach, the potential sanctions may include, but are not limited to, the following:
- A. Removal from a particular project;
  - B. Special monitoring of future work;
  - C. Written reprimand;
  - D. Probation for a specified period of time with conditions attached;

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- E. Suspension of rights and responsibilities for a specified period of time with conditions attached;
  - F. Separation of employment.
- 8.02 Breaches of this policy may also be considered forms of scientific misconduct and handled in accordance with the provisions of OSU Policy and Procedures Letter 4-0125, "Complaints of Scientific Misconduct."

Effective: October 1996  
Revised: April 2006  
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