

### The Investigator Financial Disclosure Policy

NSF's Investigator Financial Disclosure Policy has the following primary features:

A. A requirement that any NSF grantee employing more than fifty persons maintain "an appropriate written and enforced policy on conflict of interest."

B. Minimum requirements for what must be in an institution's policy. These include (a) limited and targeted financial disclosure, (b) designation of a person(s) to review the disclosures and resolve actual or potential problems revealed, (c) enforcement mechanisms, and (d) arrangements for informing NSF of conflicts issues that are not resolved to the satisfaction of the institution.

Changes made to NSF issuances to establish and communicate the Policy are described below. Copies of the NSF Grant General Conditions and the NSF Grant Proposal Guide referenced in the Policy may be obtained from the National Science Foundation, Forms and Publications Unit, 4201 Wilson Blvd., Rm. P-15, Arlington, Virginia 22230, (703) 306-1130, Internet: pubs@nsf.gov. Copies of the NSF Grant Policy Manual may be obtained from the Government Printing Office.

### What Would be Required in Institutional Policies

#### Grant General Conditions

Insert a new subparagraph b. to Article 23:

Records of investigator financial disclosures and of actions taken to manage conflicts of interest (see Grant Policy Manual Section 510), shall be retained until 3 years after the later of the termination or completion of the award to which they relate, or the resolution of any government action involving those records.

Renumber subsequent subparagraphs accordingly.

Insert a new Article 33:

For proposals submitted on or after October 1, 1995, if the grantee employs more than fifty persons, the grantee shall maintain an appropriate written and enforced policy on conflict of interest consistent with the provisions of *Grant Policy Manual* Section 510.

Renumber subsequent articles accordingly.

#### Grant Policy Manual

Add a new GPM 510 "Conflict of Interest Policies":

a. NSF requires each grantee institution employing more than fifty persons to maintain an appropriate written and enforced policy on conflict

of interest. Guidance for such policies has been issued by university associations and scientific societies.<sup>1</sup>

b. An institutional conflict of interest policy should require that each investigator disclose to a responsible representative of the institution all significant financial interests of the investigator (including those of the investigator's spouse and dependent children) (i) that would reasonably appear to be affected by the research or educational activities funded or proposed for funding by NSF; or (ii) in entities whose financial interests would reasonably appear to be affected by such activities.

The term *investigator* means 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.

The term *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); and 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 applicant institution;
2. 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;
3. Income from seminars, lectures, or teaching engagements sponsored by public or nonprofit entities;
4. Income from service on advisory committees or review panels for public or nonprofit entities;
5. 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

6. 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 next twelve month period.

c. An institutional policy must ensure that investigators have provided all required financial disclosures at the time the proposal is submitted to NSF. It must also require that those financial disclosures are updated during the period of the award, either on an annual basis, or as new reportable significant financial interests are obtained.

d. An institutional policy must designate one or more persons to review financial disclosures, determine whether a conflict of interest exists, and determine what conditions or restrictions, if any, should be imposed by the institution to manage, reduce or eliminate such conflict of interest. A conflict of interest exists when the reviewer(s) reasonably determine that a significant financial interest could directly and significantly affect the design, conduct, or reporting of NSF-funded research or educational activities.

Examples of conditions or restrictions that might be imposed to manage, reduce or eliminate conflicts of interest include, but are not limited to:

1. Public disclosure of significant financial interests;
2. Monitoring of research by independent reviewers;
3. Modification of the research plan;
4. Disqualification from participation in the portion of the NSF-funded research that would be affected by the significant financial interests;
5. Divestiture of significant financial interests; or
6. Severance of relationships that create conflicts.

If the reviewer(s) 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(s) may allow the research to go forward without imposing such conditions or restrictions.

e. The institutional policy must include adequate enforcement mechanisms, and provide for sanctions where appropriate.

f. The institutional policy must include arrangements for keeping NSF's Office of General Counsel appropriately

<sup>1</sup> See On Preventing Conflicts of Interests in Government-Sponsored Research at Universities, a Joint Statement of the Council of the American Association of University Professors and the American Council on Education (1964); Managing Externally Funded Programs at Colleges and Universities, especially "Principle X. Research Ethics and Conflicts", issued by the Council on Government Relations (1989); Guidelines for Dealing with Faculty Conflicts of commitment and Conflicts of Interest in Research, issued by the Association of American Medical Colleges (1990); and Framework Document for Managing Financial Conflicts of Interest, issued by the Association of American Universities (1993).