



## **Policy on Conflict of Interest in Research**

Pepperdine University | Office of Research and Sponsored Programs

### **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 University 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. An actual conflict of interest depends on the situation and not on the character or actions of the individual. For the purposes of this policy, a conflict of interest exists when the University, through procedures described herein, reasonably determines that a significant financial interest could directly and significantly affect the design, conduct, or reporting of sponsored projects.

*Investigator* means the principal investigator/project director, co-principal investigators, and any other person 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 or domestic partner 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 University;
- (2) An equity interest that when aggregated for the Investigator and the Investigator's spouse or domestic partner 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 represent more than a five percent ownership interest in any single entity; or
- (3) Salary, royalties or other payments that when aggregated for the Investigator and the Investigator's spouse or domestic partner and dependent children over the next twelve months, are not expected to exceed \$5,000; or
- (4) Income from seminars, lectures, or teaching engagements sponsored by public or nonprofit entities; or
- (5) Income from service on advisory committees or review panels for public or nonprofit entities.



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Provided, however, that the exclusions in the first three items shall not apply if the compensation or transfer of an equity interest is conditioned upon a particular outcome in a sponsored research project.

### **DISCLOSURE**

All Investigators are required to disclose their outside financial interests to Pepperdine on an ad hoc basis, as described below, using the Financial Interest Disclosure Form. Forms are available upon request from the Office of Research and Sponsored Programs. The Office of Research and Sponsored Programs is responsible for the receipt, processing, review, and retention of disclosure forms.

Regardless of the minimum disclosure 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.

Investigators provide the following information for all Significant Financial Interests: name of the entity, nature of the financial interest, the monetary value of the financial interest or its approximate value, and any supporting documentation needed to make a determination of whether a FCOI exists.

#### **a) Ad hoc Disclosures**

In addition to annual disclosure, certain situations require ad hoc disclosure.

**New Hires:** All Investigators involved with externally-funded research must disclose their Significant Financial Interests to Pepperdine, through the Office of Research and Sponsored Programs, within 30 days of being appointed or employed.

**New grant proposal or subaward:** Before submitting grant proposals for external funding or entering into subaward agreements for externally-funded research, each Investigator must submit to the Office of Research and Sponsored Programs an ad hoc updated disclosure of his or her Significant Financial Interests. The Institution will not submit a research proposal unless the Investigator(s) have submitted such ad hoc disclosures.

**New Significant Financial Interest:** All Investigators must submit to the Institutional Official an ad hoc disclosure of any Significant Financial Interest they acquire during the course of the year within thirty (30) days of discovering or acquiring the Significant Financial Interest.



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### **b) Travel**

Investigators must also disclose reimbursed or sponsored travel related to their institutional responsibilities, as defined above in the definition of Financial Interest. Such disclosures must include, at a minimum, the purpose of the trip, the identity of the sponsor/organizer, the destination, the duration, and, if known, the monetary value. The Institutional Official will determine if additional information is needed (e.g., the monetary value if not already disclosed) to determine whether the travel constitutes a Financial Conflict of Interest with the Investigator's research.

### **REVIEW PROCESS**

If the disclosure form reveals a Conflict of Interest, the Investigator will ask the Department Chair or Designee to promptly review whether it constitutes a Financial Conflict of Interest. This should occur prior to submission of the Financial Interest Disclosure Form to the Office of Research and Sponsored Programs. The Department Chairperson or designee will then be required to certify that they have reviewed the form and have determined either:

- A conflict of interest exists and the department cannot recommend approval of this activity.
- A conflict of interest exists but it is minimal and the department does NOT recommend management, reduction, or oversight.
- A conflict of interest exists but it can be reduced, eliminated, or managed.

If appropriate, the Department Chairperson will then be expected to recommend action to eliminate, reduce, or manage the conflict.

Upon submission to the Office of Research and Sponsored Programs, the Institutional Official will then review the Financial Interest Disclosure Form and Department Chairperson's recommendations as to whether the activity cannot be approved, exists but is minimal and does not require management, reduction or oversight, or exists but can be reduced, eliminated, or managed. The Institutional Official will then make a formal decision on behalf of the University as to whether the plan, as recommended, will be formally adopted or modified.

Examples of conditions or restrictions that might be imposed to manage conflicts of interest include, but are not limited to: (1) public disclosure of significant financial interests; (2) appointment of independent monitor(s) capable of taking measures to protect the design, conduct, and reporting of the research against bias resulting from the financial conflict of interest; (3) modification of the research plan; (4) change of personnel or personnel responsibilities, or disqualification of personnel from participation in all or a portion of the research; (5) reduction or elimination of the financial interest (e.g., sale of an equity interest); or (6) severance of relationships that create financial conflicts.



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To address complex situations, oversight committees may be established by the Institutional Official to periodically review the ongoing activity, to monitor how the activity is conducted (including use of students and postdoctoral appointees), to ensure open and timely dissemination of the research results, and to otherwise oversee compliance with the management plan.

### **MANAGING CONFLICTS OF INTEREST**

Actual or potential conflicts of interest will be satisfactorily managed, reduced, or eliminated in accordance with these Guidelines and all required reports regarding the conflict of interest submitted to the sponsor prior to expenditure of any funds under an award. [For example, the PHS requires the University to report to the PHS Awarding Component the existence of a conflicting interest (but not the nature of the interest or other details) found by the University and assure that the interest has been managed, reduced or eliminated. NSF only requires the University to report conflicts that cannot be satisfactorily managed, reduced, or eliminated.]

### **VIOLATIONS OF CONFLICT OF INTEREST POLICY**

Whenever an Investigator has violated this policy or the terms of any resolution plan required by the Institutional Official (including failure to file or knowingly filing incomplete, erroneous, or misleading disclosure forms) the Institutional Official shall notify the Provost who will impose sanctions or institute disciplinary proceedings against the violating individual.

In addition, the University shall follow Federal regulations regarding the notification of the sponsoring agency in the event an Investigator has failed to comply with this policy. The sponsor may take its own action as it deems appropriate, including the suspension of funding for the Investigator until the matter is resolved.

### **RECORD MAINTENANCE**

Records of investigator financial disclosures and of actions taken to manage actual or potential conflicts of interest, shall be retained by the Office of Research and Sponsored Programs 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.

### **COLLABORATIVE PROJECTS/SUBAGREEMENTS**

Collaborators/subrecipients/subcontractors from other organizations must either comply with this policy or provide a certification that their organizations are in compliance with Federal



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policies regarding investigator significant financial interest disclosure and that their portion of the project is in compliance with their institutional policies.