

Minnesota State University, Mankato University Policy	
<b>Policy Name:</b> Conflict of Financial Interest with Grants and Sponsored Programs	<b>Effective Date of Last Review:</b> August 1, 2024
<b>Custodian of Policy:</b> Provost and Vice President for Academic Affairs	<b>Date of Last Review:</b> September 2023
<b>Date of Adoption:</b> October 2003	<b>Date of Next Review:</b> September 2030

**POLICY**

When the University engages in or intends to engage in a sponsored project with an external organization, or has subcontracted or intends to subcontract with an external organization under a sponsored project, a significant conflict of financial interest may occur when the affiliation of the project director/principal investigator (PI/PD) with the external organization meets any of the following criteria:

- The PI/PD is an officer, director, partner, trustee, employee, advisory board member, or agent of the external organization, agency, or corporation either funding a sponsored project or providing goods and services under a sponsored project on which the PI/PD is participating in any capacity.
- The PI/PD is the actual or beneficial owner of the voting stock or controlling interest of such organization or corporation worth more than \$5,000.
- The PI/PD has dealings with such organization or corporation from which he/she/they derive income of more than \$5,000 per year, exclusive of dividends and interest.
- The PI/PD's or co-applicants' spouses or dependents (dependent children or other relatives living at the same address as the PI/PD or co-applicant) meet any of the criteria stated in the bullet points above.

Per Title 42 Code of Federal Regulations (CFR) Part 50 Subpart F (grants and cooperative agreements) and Title 45 CFR Part 94 (research contracts), the University must:

- Create and maintain a written and enforced policy stating the procedures for implementing the regulation.

- Inform each project director/principal investigator (PI/PD) of the FCOI (Financial Conflict of Interest) regulation, of the University's policy, and of the PI/PD disclosure responsibilities under the regulation and the policy.
- Require each Investigator to complete training prior to engaging in research relating to any National Science Foundation (NSF) or Public Health Service (PHS) funded grant and at least every four years, and immediately when any of the following circumstances apply:
  - The University revises its financial conflict of interest policies or procedures in any manner that affects the requirements of Investigators;
  - An Investigator is new to the University; or
  - The University finds that an Investigator is not in compliance with the University's financial conflict of interest policy or management plan.
- Designate an institutional official(s) to solicit and review disclosures of significant financial interests from each Investigator who is planning to participate in, or is participating in, the NSF- or PHS-funded research.

Violations of this policy, such as willful concealment of financial interests or failure to comply with agreed-upon modifications to manage, reduce, or eliminate conflicts of financial interests, may result in sanctions being imposed upon the violating individual in accordance with the appropriate collective bargaining agreement.

## RATIONALE

### Introduction

This policy sets forth procedures and guidelines to be followed in resolving actual and potential conflicts of financial interests pertaining to grants and sponsored projects funded by: 1) commercial sponsors, 2) federal agencies having specific conflicts of interests requirements, such as the National Science Foundation and the Public Health Service, and 3) purchase orders and subcontracts issued by Minnesota State University, Mankato for such projects regardless of the source of funds.

Minnesota State University, Mankato benefits from faculty and staff participation in grants and sponsored projects and in other public and private activities. The University has no interest in setting forth detailed rules that may interfere with faculty and staff outside interests. However, full-time and part-time faculty and staff must ensure that their outside financial interests, and participation in outside activities, do not conflict or interfere with their obligations to the University.

This policy specifically addresses Conflicts of Financial Interests, situations in which applicants for grants and contracts may have the opportunity to influence the University's business decisions in ways that could lead to personal gain or give improper advantage to themselves or co-applicants (anyone involved in the design,

conduct, and reporting of the research results), or their spouses or dependents. Such conflicts could affect the design, conduct, or reporting of research and project results.

### Definitions

- Financial Interest: 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, royalties from such rights).
- Significant Financial Interest: anything of monetary value that would exceed \$5,000 (per project) in terms of income or would represent more than 5% ownership in a given organization (42 CFR Part 50; Subpart F).
- Negative Disclosure: a good faith revelation of a fact (or an item of information that is not generally known) on a disclosure form that does NOT lend itself to further review.
- Positive Disclosure: a good faith revelation of a fact (or an item of information that is not generally known) on a disclosure form that may lend itself to further review.
- Principal Investigator/Project Director (PI/PPD): the investigator and any other person, who is responsible for the design, conduct, or reporting of research funded by NSF or PHS or proposed for such funding, including investigators working for subgrantees/contractors/subcontractors/collaborators. The term Principal Investigator/Project Director includes the Principal Investigator/Project Director's spouse and dependent children.
- Public Health Service (PHS) agencies mean any component of the U.S. Public Health Service, including the National Institutes of Health (NIH), Food and Drug Administration (FDA), Centers for Disease Control and Prevention (CDC), Indian Health Service (IHS), Health Resources and Services Administration (HRSA), Substance Abuse and Mental Health Services Administration (SAMHSA), Agency for Healthcare Research and Quality (AHRQ), Centers for Medicare and Medicaid Services (CMS), Administration for Children and Families (ACF), and the Administration on Aging (AOA).

### Examples of Potential Financial Conflicts of Interest

Activities that are clearly permissible:

- Outside employment, service on boards and committees of public or private organizations, service as a consultant to outside organizations, or other outside activities as allowed by the terms of the appropriate collective bargaining agreement, provided the income generated from any organization through such activities does not exceed the \$5,000 threshold.

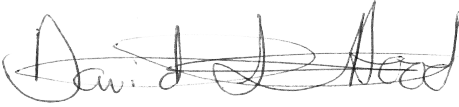
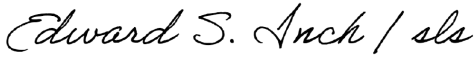
- Acceptance of royalties for published works and patents, payment for the creation of computer software or artistic works, or of honoraria for occasional speeches.
- Acceptance of income from seminars, lectures, or teaching engagements sponsored by public or nonprofit entities.
- Service on boards and committees of public or private organizations and acceptance of income for service on advisory committees or review panels for public or nonprofit entities.

Activities that present the potential for conflicts:

- Relationships that might enable a PI/PD or co-applicant to influence the University's dealings with an outside organization in ways leading to personal gain or improper advantage for the PI/PD or co-applicant's spouses or dependents. (Note: Making full disclosure of such relationships and making appropriate arrangements to manage, reduce, or eliminate potential conflicts would resolve such potential problems.)

Activities that are very likely to be unacceptable:

- Use for personal profit of unpublished information emanating from sponsored agreements or confidential University sources or assisting an outside organization by giving it exclusive access to such information, or consulting with outside organizations that impose obligations upon the PI/PD or co-applicant that conflict with the University's patents and intellectual property policies or the University's obligations under sponsored projects agreements.
- The PI/PD or co-applicant or their spouses or dependents is an officer, director, partner, trustee, employee, advisory board member, or agent of an external organization or corporation either funding a sponsored project or providing goods and services under a sponsored project on which the PI/PD or co-applicant is participating in any capacity.
- The PI/PD or co-applicant or their spouses or dependents is the actual or beneficial owner of more than five percent (5%) of the voting stock or controlling interest of such organization or corporation.
- The PI/PD or co-applicant or their spouses or dependents has dealings with such organization or corporation from which he/she/they derive income of more than \$5,000 per year, exclusive of dividends and interest.

<b>Policy:</b>		
<b>Formal Review Process</b>	<b>Date Submitted</b>	<b>Date Reviewed</b>
<b>✓ Vice President's Recommendation</b>		<b>Date</b>
		6/1/2024
<b>✓ President's Approval</b>		<b>Date</b>
		09/03/2024