

Financial Conflicts of Interest in Externally Funded Projects Policy

Preface

Faculty, staff, and students at all Loyola University of Chicago campuses are encouraged to participate in externally funded research, training, and public service projects. For purposes of this policy, each such participant shall be referred to as a “University Researcher” and each such project shall be referred to as a “Funded Research Project.” This policy sets forth requirements that all University Researchers shall comply with on Funded Research Projects, regardless of whether the external funding comes from the government (Federal, state or local), a foundation, industry, or any other entity (a “Sponsor”), to ensure that Funded Research Projects are undertaken in a manner that is free of potential or real conflicts of interest.

A financial conflict of interest refers to a situation in which either an affiliation (whether personal, professional, or associational) or a “significant financial interest” (as defined below) may compromise or have the appearance of compromising a University Researcher’s professional judgment in conducting or reporting on a Funded Research Project. For example, such conflicts may result in not only a bias affecting collection, analysis and interpretation of data, but also the hiring of staff, procurement of equipment and materials, sharing of results, choice of protocol, involvement of human participants, and the use of statistical methods. Conflicts of interest may occur when commercial industry Sponsors make significant gifts to the University, when a University Researcher receives financial remuneration from or an equity interest in the Sponsor, and in many other contexts.

Policy

University Researchers shall conduct activities free of bias resulting from affiliations giving rise to conflicts of interest and significant financial interests.

In addition to complying with the requirements of this policy, University Researchers must also comply with the contractual or legal requirements of each Sponsor regarding conflicts of interest. This policy does not restate such Sponsor requirements, which shall be in addition to, and not in lieu of, the requirements of this policy.

University Researchers shall disclose affiliations and significant financial interests giving rise to actual or potential conflicts of interest related to a Funded Research Project (a) before the application for funding may be submitted, (b) when any new conflict of interest arises, and (c) when a new University Researcher begins participation on such project. Such required disclosures shall be updated annually as long as funding or proposals for funding continue. The University will not normally enter into a Funded Research Project if University Researchers have affiliations giving rise to conflicts of interest or are expected to have significant financial interests.

No University Researcher shall, for personal gain or for the gain of others, use any information not available to the public that was obtained as a result of service to the University.

University Researchers shall also comply with the University’s general Conflict of Interest Policy found at https://www.luc.edu/hr/policies/policy_conflictinterest.shtml#d.en.71253. Among other things, this policy prohibits soliciting or accepting for personal use, or for the use of others, any gift, favor, loan,

gratuity, reward, promise of employment or any other thing of monetary value that might influence or appear to influence the judgment or conduct of the employee regarding University business or policy; provided, however, that persons may accept occasional unsolicited gifts or favors (e.g., business lunches, Christmas baskets) so long as the gifts or favors have a cumulative market value of under \$250, are customary in the industry, and will not influence or appear to influence the judgment or conduct of the recipient. Any exception to this policy must be approved by the Conflicts Policy Officer (as defined below) with a statement of the reasons for the exception.

Any University Researcher or other University employee who has information concerning possible violations of this policy, shall communicate this information in writing, to either (a) the Associate Provost for Research in the Office of Research Services, or (b) Dr. Walenga at Health Sciences Division (each, as applicable, the "Conflicts Policy Officer").

In the event of allegations of scholarly misconduct in connection with a Funded Research Project, the University's Misconduct in Scholarship policy and procedures shall also apply. If any Sponsor contractual or legal requirements also apply to the misconduct and conflict with the University policy and procedures, the Sponsor requirements shall be controlling.

Requirements for Disclosure

In order to avoid even the appearance of impropriety:

University Researchers are obligated to disclose to the applicable Conflicts Policy Officer any affiliation with any outside organization or individual which may lead to the appearance of or actual conflict of interest. Such an affiliation would ordinarily include (a) the holding of the position of officer, director, trustee, partner, employee or regularly retained agent of such organization or (b) the holding of a significant financial interest in an organization that stands to benefit from the Funded Research Project, whether an established organization or a start-up company, and including, without limitation, ownership or prospective ownership interests (such as options or warrants). In addition, any affiliation with such an organization by a close relative (e.g., spouse, child, sibling, parent or parent-in-law) must also be disclosed. The Disclosure of Financial Interest Form is available here. **Links to additional procedures for disclosing significant financial interests related to Public Health Service/NIH ("PHS") and National Science Foundation ("NSF") funded projects are found in the next section of this policy statement.**

University Researchers should also disclose any situation which has the appearance of violating this policy.

Determination of Conflict of Interest

The applicable Conflicts Policy Officer may take the following actions if he/she receives a Disclosure Form from a University Researcher or otherwise receives information concerning a possible violation of this policy. Any discussions of potential or real conflicts of interest should be handled professionally, protecting the rights, reputation and standing of all persons affected.

The Conflicts Policy Officer will determine whether the potential conflict of interest requires any further action, and may take any or all of the following additional steps:

- Review the Disclosure of Financial Interest form with the affected University Researcher;

- Request and document additional information, if necessary, for determination of the presence or absence of a conflict of interest;
- Determine whether the affected University Researcher’s supervisor should review the gathered information;
- Recommend and take appropriate action to resolve any apparent, potential or real conflict;
- Report the outcome to the Provost.

Links to additional requirements and procedures for determining and addressing financial conflicts of interest related to Public Health Service (including, without limitation, National Institute of Health funded projects) and National Science Foundation funded projects appear below. **These requirements and procedures are in addition to those set forth in this policy.**

- [Financial Conflict of Interest Procedures for PHS-Funded Research Projects](#) 
- [Financial Conflict of Interest Procedures for NSF-Funded Projects](#) 

Definition of Significant Financial Interest

A “significant financial interest” requiring disclosure under this policy includes any one of the following:

(i) with regard to any non-publicly traded entity, either (A) financial remuneration received or to be received by the University Researcher from such entity (or its affiliate) in the 12 months before and after the disclosure date, which, when aggregated for the University Researcher and any spouse and dependent children, exceeds \$5,000, or (B) the University Researcher or any spouse or dependent children hold any equity interest in such non-publicly traded entity (or its affiliate); or

(ii) with regard to any publicly traded entity, financial remuneration (i.e., anything of monetary value, such as salary, payments for services, or consulting fees) received or to be received by the University Researcher from such entity (or its affiliate) in the 12 months before and after the disclosure date which, together with the value of any equity interest in such entity (or its affiliate) held as of such disclosure date, and, when aggregated for the University Researcher and any spouse and dependent children, exceeds \$5,000; or

(iii) intellectual property rights (e.g., patents, copyrights) granted to the University Researcher, unless the University Researcher receives no income from such intellectual property rights; or

(iv) sponsored or reimbursed travel, unless such sponsorship or reimbursement is by the University, an academic teaching hospital, a medical center, a research institute affiliated with an institution of higher education, or a governmental agency.

Financial remuneration paid to a University Researcher by the University shall not be included in the significant financial interest determination set forth above.