

## **Financial Interest Disclosure Procedures for the National Science Foundation (NSF)**

February 6, 2015

### **A. Introduction**

Policy 7A-21, *Financial Conflict of Interest Disclosure*, requires Investigators to submit significant financial interest disclosures in accordance with the regulations governing their individual proposal or award. These procedures outline the significant financial interest disclosure requirements of NSF and supplement FSU's Financial Conflict of Interest Disclosure Policy.

NSF regulations on conflict of interest are applicable to each Institution that is applying for, or that receives, NSF research funding by means of a grant or cooperative agreement, and through implementation of the NSF regulations by the Institution, to each Investigator who is planning to participate in, or is participating in, such research; provided, however, that the specific subpart of the NSF regulations does not apply to Small Business Innovation Research ("SBIR") Program or Small Business Technology Transfer ("STTR") applications.

### **B. Definitions**

***Financial Conflict of Interest (FCOI)*** means a significant financial interest that could directly and significantly affect the design, conduct, or reporting of NSF-funded research.

***Financial Interest*** means anything of monetary value, whether or not the value is readily ascertainable.

***Investigator*** means the project director or principal investigator and any other person, regardless of title or position, who is responsible for the design, conduct, or reporting of research, including collaborators or consultants.

***Institutional Official (IO)*** means the individual within FSU that is responsible for the solicitation and review of disclosures of significant financial interests of Investigators and those of the Investigator's spouse and dependent children related to the Investigator's institutional responsibilities. For the purposes of this policy, the Institutional Official shall be FSU's Director of Research Compliance Programs.

***Significant Financial Interest (SFI)*** means anything of monetary value, including, but not limited to, salary or other payments for services (e.g., consulting fees or honoraria); equity interest (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 organization;
2. Any ownership interests in the organization, if the organization is an applicant under the Small Business Innovation Research Program or Small Business Technology Transfer Program;

## **Financial Interest Disclosure Procedures for the National Science Foundation (NSF)**

3. Income from seminars, lectures, or teaching engagements sponsored by public or non-profit 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: (i) does not exceed \$10,000 in value as determined through reference to public prices or other reasonable measures of fair market value; and (ii) 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 prior twelve-month period.

### **C. Disclosure Requirements**

Investigators are required to disclose all SFIs of the Investigator (including those of the Investigator's spouse and dependent children) when:

1. The SFI is one that would reasonably appear to be affected by the research or educational activities funded or proposed for funding by NSF; or in entities whose financial interests would reasonably appear to be affected by such activities, **and**
2. The financial interests meet the definition of *significant financial interest* shown in Section B above.

When both conditions above are met, Investigators are required to submit a signed [Significant Financial Interests Disclosure Form](#) to the IO prior to the time a proposal is submitted to NSF. In addition, financial disclosures must be updated as follows:

1. Prior to any expenditures made to a resulting award;
2. During the period of the award on July 1 of each year following initial disclosure; and
3. Within thirty days of discovering or acquiring (e.g., through purchase, marriage, or inheritance) a new significant financial interest.

Please note that agency regulations prohibit the submission of any proposal where all of the Investigators on the project have not disclosed significant financial interests as described herein.

**Disclosure forms may be submitted via hand delivery, campus mail, or U.S. Postal Service to:**

Director, Research Compliance Programs  
FSU Office of Research  
2021 Westcott North  
Tallahassee, FL 32306-1330

**Signed and scanned forms may also be submitted via email to Diana Key at [dkey@fsu.edu](mailto:dkey@fsu.edu).**

These procedures are based on the 2015 version of the NSF Conflict of Interest Regulations, *NSF Proposal and Award Policy and Procedures Guide*, Chapter IV.A. (Appendix A).

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**NSF Conflict of Interest Regulations**

*2015 NSF Proposal and Award Policy and Procedures Guide, Chapter IV.A.*

**Chapter IV: Grantee Standards**

**A. Conflict of Interest Policies**

1. NSF requires each grantee organization employing more than fifty persons to maintain an appropriate written and enforced policy on conflict of interest and that all conflicts of interest for each award be managed, reduced or eliminated prior to the expenditure of the award funds. If the organization carries out agency-funded research through subrecipients, contractors, or collaborators, the organization must take reasonable steps to ensure that:

- a. the entity has its own policies in place that meet the requirements of this policy; or
- b. investigators working for such entities follow the policies of the primary organization.

Guidance for development of such policies has been issued by university associations and scientific societies.

2. An organizational conflict of interest policy should require that each investigator disclose to a responsible representative of the organization 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/project director, co-principal investigators/co-project directors, and any other person at the organization 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 interest (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:

- a. salary, royalties or other remuneration from the applicant organization;
- b. any ownership interests in the organization, if the organization is an applicant under the Small Business Innovation Research Program or Small Business Technology Transfer Program;
- c. income from seminars, lectures, or teaching engagements sponsored by public or non-profit entities;
- d. income from service on advisory committees or review panels for public or nonprofit entities;
- e. an equity interest that, when aggregated for the investigator and the investigator's spouse and dependent children, meets both of the following tests: (i) does not exceed \$10,000 in value as determined through reference to public prices or other reasonable measures of fair market value; and (ii) does not represent more than a 5% ownership interest in any single entity; or

## **Financial Interest Disclosure Procedures for the National Science Foundation (NSF)**

f. 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 prior twelve-month period.

3. An organizational 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.

4. An organizational 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 organization to manage, reduce or eliminate such conflict of interest. A conflict of interest exists when the reviewer(s) reasonably determines 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:

- a. public disclosure of significant financial interests;
- b. monitoring of research by independent reviewers;
- c. modification of the research plan;
- d. disqualification from participation in the portion of the NSF-funded research that would be affected by significant financial interests;
- e. divestiture of significant financial interests; or
- f. 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.

5. The organizational policy must include adequate enforcement mechanisms, and provide for sanctions where appropriate.

6. The organizational policy must include arrangements for keeping NSF's Office of the General Counsel (OGC) appropriately informed if the organization finds that it is unable to satisfactorily manage a conflict of interest and if the institution finds that research will proceed without the imposition of conditions or restrictions when a conflict of interest exists.<sup>3</sup>

When OGC is notified of an unmanageable conflict of interest by an awardee, OGC will conduct the following review:

- a. Examine a copy of the organization's conflict of interest policy to ascertain if the policy includes procedures for addressing unmanageable conflicts.
- b. Contact the awardee organization's representative to determine what actions the organization plans/has taken with respect to the reported unmanageable conflict of interest, ensuring consistency with their conflict of interest policy.
- c. Request confirmation from the awardee when proposed actions have been accomplished.

7. Organizations must maintain records of all financial disclosures and of all actions taken to resolve conflicts of interest for at least three years beyond the termination or completion of the grant to which they relate, or until the resolution of any NSF action involving those records, whichever is longer.

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<sup>3</sup> Grantee notifications of conflict of interest that cannot be managed, reduced, or eliminated and awardee notifications of situations where research will proceed without the imposition of conditions or restrictions when a conflict of interest exists, must be submitted electronically via use of NSF's electronic systems.