Office of the President  
Ray M. Bowen  

Dr. Pierce E. Cantrell  
Speaker, The Faculty Senate  
Mail Stop 1225  

Dear Dr. Cantrell:  

Per your recommendation, the document entitled "Proposed Regulations on Conflicts of Interest in the Design, Conduct and Reporting of National Science Foundation and Health and Human Services Sponsored Research" recommended by the Research Committee (FS.13.032) has been approved with the following corrections to the cites: Policies of The Texas A&M University System, 7.01:3.1, 7.01:3.2, 7.01:3.4, and 7.01:9.0.  

By copy of this letter, Dr. Robert Kennedy is instructed to forward the corrected regulations to the appropriate federal officials.  

Sincerely yours,  

Ray M. Bowen  

Attachment  

RMB:mls  

cc: Dr. J. Charles Lee  
Dr. Robert Kennedy
THE FACULTY SENATE

June 19, 1995

Dr. Ray M. Bowen
President
Texas A&M University  1246

Dear President Bowen:

At its regular meeting held June 12, 1995 the Faculty Senate approved the enclosed document entitled "Proposed Regulations on Conflicts of Interest in the Design, Conduct and Reporting of National Science Foundation and Health and Human Services Sponsored Research" as recommended by the Research Committee (FS.13.032). This document had earlier been revised and approved by the APC on May 10, 1995. The document approved at our Senate meeting is a revision of that approved by the APC and is being forwarded for your information and action as you deem appropriate.

Sincerely,

Pierce E. Cantrell
Speaker, 1995-96

Enclosure
pc:       Dr. J. Charles Lee, Interim Executive Vice President & Provost
          Dr. Robert Kennedy, Vice President for Research & Associate Provost for Graduate Studies
          Senator Turgut Var, Chair, Research Committee

APPROVED

DATE

Per my letter dated July 11, 1995

TEXAS A&M UNIVERSITY COLLEGE STATION, TEXAS  77843-1225  TEL. 409/845-9528  FAX 409/845-6415
PROPOSED REGULATIONS ON CONFLICTS OF INTEREST 
IN THE DESIGN, CONDUCT AND REPORTING OF 
NATIONAL SCIENCE FOUNDATION AND 
HEALTH AND HUMAN SERVICES SPONSORED RESEARCH 

Cross References 
Policies of The Texas A&M University System 3.1, 3.2, 3.3, and 3.4 
Texas A&M University Policies and Procedures Manuals 2.3, 2.3.10, and 2.5 

I. Introduction 

Texas A&M University recognizes its responsibilities as a public institution to encourage 
interaction between its academic employees and the public and private sectors as an important 
component of its research, instructional and service activities. The University encourages the 
recruitment, retention and recognition of individuals with creative abilities who can contribute 
to technology transfer and interactions with the business community and public entities consistent 
with their primary commitment to the University. The University and its employees are also 
committed to conducting themselves and their activities in a manner consistent with the highest 
standards of integrity and ethics. 

These guidelines define the general University regulations and procedures regarding conflicts of 
interest in relation to research and/or educational projects sponsored by the National Science 
Foundation and/or the Department of Health and Human Services. Their purpose is to protect 
the credibility and integrity of the University's researchers and staff as well as the Institution so 
that public trust and confidence in its sponsored research activities are maintained. The University 
has a responsibility to manage, reduce or eliminate any actual or potential conflicts of interest 
that may arise due to a financial or other personal interest of an investigator. Therefore, the 
University requires that investigators disclose any significant financial interest that might create 
a real or potential conflict of interest in relation with a sponsored project. 

In addition to issues addressed in these regulations, there may be ethical considerations that are 
distinct and separate from conflict of interest questions. 

II. Definitions 

A potential conflict of interest occurs when an individual's private interests compete with his/her 
professional obligations to the University to a degree 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. These regulations address such conflicts 
when a significant financial interest could affect or may be reasonably expected to bias the 
design, conduct or reporting of NSF and/or HHS sponsored research.
Investigator means the principal investigator/project director, co-principal investigators, and any other person at the University who has authority and responsibility for the design, conduct or reporting of research or educational activities funded, or proposed for funding, by the above cited agencies. In this context, "Investigator" also includes the investigator's spouse 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 from profit making enterprises); equity interests (e.g., stocks, stock options or other ownership interests); and intellectual property rights (e.g., patents, copyrights and royalties from such rights). These regulations adhere to the definitions put forth in the guidelines of the National Science Foundation and the Department of Health and Human Services, which say that the possibility of a potential conflict of interest exists when financial interests in business enterprises or entities exceed either $5,000 or represent more than 5% ownership interest for any one enterprise or entity when aggregated for the investigator and the investigator's spouse and dependent children (National Science Foundation Notice No. 117, "Investigator Financial Disclosure Policy," June 30, 1994, and Department of Health and Human Services, Public Health Service proposed Rule on Conflicts of Interest, "Objectivity in Research," Federal Register, Volume 59, No. 123, June 28, 1994, pp. 33242 33251). The term does not include:

- Salary, royalties or other remuneration from the Texas A&M University System;
- Income from seminars, lectures, or teaching engagements sponsored by public or nonprofit entities;
- Income from service on advisory committees or review panels for public or nonprofit entities;

III. Guidelines

A. Disclosure of Financial Interests

1. The possibility of a potential conflict of interest should be noted at the appropriate place on the normal University or agency routing sheet in accordance with the Policies of The Texas A&M University System regarding Conflicts of Interest (Section 3.2 "Disclosure of Interest for Non-CEOs"). For each NSF/HHS proposal, if a potential conflict of interest does exist, investigators are required to disclose the following information about any entity which would reasonably appear to have a financial interest that would be directly and significantly affected by the research or educational activities funded or proposed to be funded by the NSF or HHS: regarding themselves, their spouses, and their dependent children (if the reporting individual had actual control over that activity for the preceding calendar year); significant financial interests for each NSF/HHS proposal:
Any Significant Financial Interest of the Investigator, including those of the investigator's spouse and dependent children, that would reasonably appear to be directly and significantly affected by the research or educational activities funded, or proposed for funding, by the NSF/HHS sponsor.

Any Significant Financial Interest of the Investigator, including those of the investigator's spouse and dependent children, in an entity whose financial interest would reasonably appear to be directly and significantly affected by the research or educational activities funded, or proposed for funding, by the NSF or HHS sponsor.

(a) The names of affected corporations, both for-profit and not-for-profit, for which the person serves as a member of the governing board in the capacity of a director, advisory director, trustee, or otherwise.

(b) The names of affected corporations for which the person serves as an executive officer.

(c) The name of affected partnerships, limited partnerships, proprietorships, or other business associations of which the person is a partner, joint venturer, or owner.

(d) The amount of any compensation received for services related to (a), (b), and (c) above, including any benefits, direct or indirect (reported by range of amounts).

(e) Affected business entities in which the person holds a controlling interest or is the principal shareholder.

(f) Affected business entities in which the person owns a 5% or more interest, whether voting or nonvoting, in shares, stock, or otherwise, or of 5% or more of the profits, proceeds, or capital gains.

(g) Whether the person is employed by any affected business entities described in (a) through (f) above that have any relationship to The Texas A&M University System or any of its components, and a brief description of such relationship.

This information should be provided for investigators, their spouses, and their dependent children.

Questions regarding specific potential conflict of interest situations may be
clarified by consulting with the Director of the Office of Sponsored Projects in the Office of the Vice President for Research and Associate Provost for Graduate Studies.

2. Each investigator shall complete separate Significant Financial Interests Disclosure Forms for himself/herself, his/her spouse and his/her dependent children, attaching all required supporting documentation. These forms and supporting documents shall be mailed directly to the Director of the Office of Sponsored Projects.

3. All pertinent Significant Financial Interests must be disclosed at the time each proposal with potential conflict of interest is submitted for internal routing. Annual updates must be filed by all investigators by August 31 of each year, by filing a supplemental disclosure form through the Department Head and College Dean to the Director of Sponsored Projects.

B. Review of Disclosure

1. The Director of Sponsored Projects in the Office of the Vice President for Research and Associate Provost for Graduate Studies shall conduct an initial review of all financial disclosures to determine if any disclosed Significant Financial Interest could affect the design, conduct or reporting of the proposed sponsored project. If the initial determination is made that there may be a potential for conflict of interest covered by these regulations, the investigator will be notified and the Disclosure packet will be referred to the University Conflict of Interest Review Committee (UCIRC). Committee members and chair are appointed by the Vice President for Research and Associate Provost for Graduate Studies. The UCIRC shall be composed of researchers representing a cross section of disciplines and a research administrator. The Committee shall determine what conditions or restrictions, if any, should be imposed by the institution to manage actual or potential conflicts of interest arising from disclosed Significant Financial Interests.

2. Prior to consideration by the UCIRC, the Investigator, in cooperation with the Investigator’s Department Head, or other immediate supervisor, shall develop and present to the UCIRC a Resolution Plan that details proposed steps that will be taken to manage, reduce or eliminate any actual or potential conflict of interest presented by the Significant Financial Interest. The Resolution Plan shall include as appropriate:

- Public disclosure of Significant Financial Interests;
- Review of research protocol by independent reviewers;
- Monitoring of research by independent reviewers;
o Modifying the research plan;
- Disqualification from participation in all or a portion of the research funded;
- Divestiture of significant financial interests;
- Severance of relationships that create actual or potential conflicts of interest.

The UCIRC shall review the Resolution Plan and approve it, or where appropriate, add or delete conditions or restrictions.

If the UCIRC determines that imposing the above-referenced conditions or restrictions would be inequitable, or 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, the UCIRC may recommend that the research go forward without imposing such conditions or restrictions but managed with appropriate monitoring of the research to ensure that the financial interest does not bias the project. In cases where the Investigator feels that the UCIRC decision was unfair, the case may be appealed through the Vice President for Research and Associate Provost for Graduate Studies to the Executive Vice President and Provost who shall make the final decision regarding resolution. All non-resolved conflicts will be immediately reported to the funding agency or agencies.

3. The approved Resolution Plan shall be incorporated into a Memorandum of Understanding that details the conditions or restrictions imposed upon the Investigator in the conduct of the project or in the relationship with the Business Enterprise or Entity. The Memorandum of Understanding shall be signed by the Investigator, the Investigator's Department Head and the Chairperson of the UCIRC. Actual or potential conflicts of interests will be satisfactorily managed, reduced or eliminated in accordance with these Guidelines prior to accepting any award, or these actual or potential conflicts of interest will be disclosed to the sponsoring agency for action.

C. Record Keeping

1. Records of Investigator financial disclosures and of actions taken to manage actual or potential conflicts of interest shall be retained by the Office of Sponsored Projects until 3 years after the termination or completion of the award to which they related, or the resolution of any government action involving those records.

D. Enforcement

1. Apparent oversights or violations of these regulations shall be brought to the
attention of the Investigator, who will be afforded an opportunity to comply with these regulations. The Investigator shall present the proposed correction to the UCIRC for review and action within 30 calendar days of the notification. Failure to comply will constitute an intentional violation, as discussed in the following paragraph.

Repeated or intentional violations of these regulations may be reported to the funding agency and University by the UCIRC if not corrected. Sanctions may be imposed by the University and may range from a letter of reprimand to the removal of an Investigator from an ongoing project. Cases that include the possibility of scientific or academic misconduct, shall be processed in a manner consistent with the University Policy on "Ethics in Research and Scholarship," PPM 2.3.10.

Impending sanctions may be appealed by the Investigator to the University by normal procedures. These may include a request for a due process hearing by the Tenure Advisory Committee and, if necessary, by the Committee on Academic Freedom, Responsibility, and Tenure, as provided in the Texas A&M University policy, "Academic Freedom, Responsibility, and Tenure," PPM 2.3.2.5.
Significant Financial Interest Disclosure
(Applicable to all Sponsored Project Proposals)

Faculty/Staff Name

Department/Unit

College/Unit

Proposal Submitted to

I am disclosing the following significant financial interests (check one) and attaching a supporting documentation (in an envelope marked confidential) that identifies the business enterprise or entity involved and the nature and amount of the interest:

("Significant financial interests" are defined as interests valued at greater than $5,000 or an equity or ownership interest of more than five percent held by an investigator and the investigator’s spouse or dependent children.

_______ Salary or other payment 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).

_______ Other significant financial interest of the investigator that possibly could affect or be perceived to affect the results of the research or educational activities funded or proposed for funding.

Further I agree:

○ To update this disclosure during the pendency of the award, on an annual basis.
○ To cooperate in the development of a Memorandum of Understanding (MOU) that constitutes a conflict of interest "resolution plan."
○ To comply with any conditions or restrictions imposed by the University to manage, reduce, or eliminate actual or potential conflicts of interest or forfeit the award.

Signed: ____________________________  Date: ________________

(Original signature only = a "per" signature is not acceptable.)

Endorsements:

I have reviewed the significant financial interest disclosure and believe that it will be possible to develop and execute, prior to award, an MOU to manage, reduce, or eliminate any actual or potential conflict of interest; and, therefore, I recommend that proposal be submitted to the agency at this time.

Department/Unit Head: ____________________________  Signed  ____________________________  Date
College Dean/Director:  

Signed  

Date  

Director, Office of Sponsored Research:  

Signed  

Date  

- Accepted, No Actual Conflict  
- Referred to Committee  

Committee Action:  

* Does the nature of the research proposed affect the activities of the business enterprise or entity(s) involved. Activities include research, marketing, and sales activity of a product or service.
For each NSF/HHS proposal, if a potential conflict of interest does exist, investigators are required to disclose the following information.