

## POLICY

Effective Date: February 15, 2006  
Approved By: President Morse

Authority: Chapter 42.52 RCW

Cancels: POL-U4520.01 Interim Financial Disclosure Policy for Federally-Funded Projects

See Also:

### **POL-U5400.20 FINANCIAL DISCLOSURE POLICY FOR EXTERNALLY-FUNDED PROJECTS**

*This policy applies to all Faculty and Exempt Professional Staff.*

#### **INTRODUCTION**

The University and its faculty and staff often benefit from the participation in both public and private outside activities. The University has no interest in setting forth detailed rules that may interfere with faculty and staff members' legitimate outside interests. Faculty and staff members, in turn, must also ensure that their outside obligations, financial interests, and activities do not conflict or interfere with their commitment to the University.

#### **DEFINITIONS**

- **Conflict of Commitment:** A potential or actual conflict of commitment exists when commitments and obligations to consulting, research, and other scholarly activities require the individual to perform work or activities during time that the individual is expected to perform services for the University.
- **Conflict of Interest** exists if the reviewer(s) of disclosures determines that a significant financial interest could directly and significantly affect the design, conduct, or reporting of externally-funded activities. Examples of conditions or restrictions that might be imposed to manage, reduce, or eliminate conflicts of interest include, but are not limited to:
  1. Public disclosure of significant financial interests;
  2. Monitoring of research by independent reviewers;
  3. Modification of the research plan;
  4. Disqualification from participation in the portion of the externally-funded research that would be affected by the significant financial interests;
  5. Divestiture of significant financial interests; or
  6. Severance of relationships that create conflicts.
- **Conflict Review Committee** reviews disclosures of potential conflicts. The committee consists of the Vice Provost for Research, Assistant Attorney General, Risk Manager, and the Director of the Office of Research and Sponsored Programs.

## POLICY

- **Investigator:** faculty or staff member who is responsible for the design, conduct, or reporting of a research project funded by the federal government, state government or other external entities or proposed for such funding.
- **Members of Immediate Family:** the investigator's spouse, dependent children, parents, parents-in-law, siblings or other relatives living at the same address as the investigator.
- **Records:** all financial disclosures and all written documentation on action taken by the Institution to manage conflicts of interest shall be retained until three (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.
- **Reviewer:** a person or persons designated by the institution to review financial disclosures, determine whether a conflict of interest exists, and determine what conditions or restrictions, if any, should be imposed by the institution to manage, reduce, or eliminate such conflict of interest.
- **Significant 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., 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 Western Washington University;
  2. Income from seminars, lectures, or teaching engagements sponsored by public or nonprofit entities;
  3. Income from service on advisory committees or review panels for public or nonprofit entities;
  4. An equity interest that when aggregated for the investigator and the investigator's spouse and dependent children, meets both of the following tests: does not exceed \$10,000 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 (5) percent ownership interest in any single entity; or
  5. Salary, royalties, or other payments that when aggregated for the investigator and the investigator's spouse and dependent children over the next twelve months are not expected to exceed \$10,000.

## POLICY

### **1. University Requires Disclosure of Any Significant Financial Interest in Relationship with an Externally-Funded Project**

In accordance with Federal regulations, the University has a responsibility to manage, reduce, or eliminate any actual or potential conflicts of interest that may be presented by a financial interest of a faculty or staff investigator. Thus, the University requires that faculty or staff investigators disclose any significant financial interest that may present an actual or potential conflict of interest or commitment in relationship with an externally-funded project.

### **2. Faculty and Staff Must Disclose Potential Conflicts of Interest**

Faculty and staff investigators are required to make full and timely disclosures to the University of all outside financial activities and/or financial holdings related to their externally-funded grant and research activities. They must also disclose equities and positions of immediate family members which could create a conflict of interest or the perception of same between their University obligations and the family member's outside activities and/or financial holdings.

Each faculty or staff investigator participating in a University externally-funded project must disclose whether or not he or she has external affiliations that may constitute a conflict of interest within the criteria stated in paragraph 3(a-d) below. A disclosure must be completed prior to the University's acceptance of the externally-funded project or issuance of purchase order or subcontract for the acquisition of goods and services. The disclosure form (attachment 1) is to be sent to the Office of Risk Management through the faculty or staff investigator's department chair, dean or supervisor. Positive disclosures will be reviewed by a Conflict Review Committee consisting of the Vice Provost for Research, Assistant Attorney General, Risk Manager, and the Director of the Office of Research and Sponsored Programs.

### **3. Guidelines for Considering Whether Conflict of Interest Exists**

In those circumstances in which the University is engaged in or intends to engage in an externally-funded project with a commercial organization, or has subcontracted or intends to subcontract to an external organization under one of the University sponsored projects, a conflict of interest may occur when a faculty or staff investigator's

## POLICY

affiliation with the federal government or external organization involved in the project meets the following criteria:

- a. The faculty or staff investigator is an officer, director, partner, trustee, employee, advisory board member, or agent of an external organization or corporation assisting in the funding of the externally-sponsored project or providing goods and services under a sponsored project in which the faculty or staff investigator is participating in any capacity.
- b. The faculty or staff investigator is the actual or beneficial owner of more than five percent (5%) of the voting stock or a controlling interest of such organization or corporation, and;
- c. The faculty or staff investigator has dealings with such organization or corporation from which he or she derives income of more than \$10,000 per year, exclusive of dividends and interest.
- d. The faculty or staff investigator's immediate family meet any of the criteria stated in a-c above.

#### **4. Conflict Review Committee Will Determine Whether a Conflict Exists Before the Sponsored Project is Accepted**

In reviewing the positive disclosures, the Conflict Review Committee will be guided by the following practices and apply them as may be appropriate:

- a. Assure adherence to relevant University policies, state laws, and procedures, the Faculty Handbook, and other University documents the Conflict Review Committee may deem appropriate.
- b. Consider the nature and extent of the financial interest in the relationship of the faculty or staff investigator and the external organization.
- c. Give special consideration to the terms and conditions of sponsored project agreements that may mitigate or complicate the given situation.
- d. Consult with and obtain additional information from the faculty or staff investigator as either the Conflict Review Committee or the faculty or staff investigator feel may be helpful in resolving actual or potential conflicts.

## POLICY

- e. Act in a timely manner so as not to delay unduly the conduct of the externally-funded project.
- f. Conclude that the University may take one of the following actions:
  - 1. Accept the sponsored project award.
  - 2. Not accept the externally-sponsored project award.
  - 3. Accept the sponsored project subject to suitable modifications in either the sponsored project award document or the external organizational affiliation of the faculty or staff investigator or faculty or staff investigator's family.
- g. It shall be the responsibility of the Vice Provost for Research to inform the agency funding the project if the institution is unable to satisfactorily manage a conflict of interest.

### **5. Faculty or Staff May Appeal an Adverse Decision**

If the faculty or staff investigator is dissatisfied with the Conflict Review Committee's conclusion, the faculty or staff investigator may appeal to the Provost who will consult with the faculty or staff investigator and the Conflict Review Committee as the Provost deems necessary and appropriate for the particular circumstance. The decision of the Provost shall be final.

### **6. Violations of the Policy May Result in Sanctions**

Violations of this policy, such as willful concealment of financial interests, may result in sanctions being imposed upon the violating individual. The Conflict Review Committee will review allegations of violations and will make recommendations regarding the imposition of sanctions to the Provost. The decision of the Provost with regard to the imposition of sanctions shall be final.

### **7. Confidential Records Will Be Maintained By the Office of Research and Sponsored Programs**

Records pertaining to each disclosure will be maintained in strict confidence by the Office of Research and Sponsored Programs. Access to such records will be limited to the faculty or staff investigator, Conflict Review Committee, Provost, and others who have a legal right to review the records.

## POLICY

### WESTERN WASHINGTON UNIVERSITY FACULTY AND STAFF INVESTIGATORS DISCLOSURE STATEMENT REGARDING EXTERNALLY-FUNDED PROJECTS

*Report only those outside interests related to your externally-funded University activities. Interests and activities related to your externally-funded projects are not necessarily impermissible. This disclosure is intended to meet the Federal and University requirements and to protect faculty and staff investigators from speculation or perception of compromising academic and/or institutional integrity.*

NAME \_\_\_\_\_ TITLE/RANK \_\_\_\_\_

DEPARTMENT \_\_\_\_\_

DIVISION \_\_\_\_\_

NAME OF FUNDING SPONSOR \_\_\_\_\_

PROJECT PERIOD \_\_\_\_\_

DATE OF COMPLETION \_\_\_\_\_

1. Are you or any member of your immediate family (spouse, parents, parents-in-law, siblings, children, or others relatives living at the same address as the faculty or staff investigator) an officer, director, partner, trustee, employee, advisory board member, or agent of the external organization involved in this sponsored project or of any organization from which goods and services will be obtained under the sponsored project?

\_\_\_\_\_ Yes (if so, describe in detail the nature and extent of the affiliation on an attached sheet)

\_\_\_\_\_ No

2. Do you or any immediate family member have an interest that, when aggregated for you and your spouse and dependent children, have an interest exceeding \$10,000 in value as determined through reference to public prices or other reasonable measures of fair market value, AND represents more than 5% ownership interest in any single entity?

\_\_\_\_\_ Yes (if so, describe in detail the nature and extent of the equity interest on an attached sheet).

\_\_\_\_\_ No

WESTERN WASHINGTON UNIVERSITY

**POLICY**

3. Have you or any member of your immediate family derived income within the past year or do you or any member of your immediate family anticipate deriving income exceeding \$10,000 per year from the external organization involved in this sponsored project or any external organization from which goods and services will be obtained under this sponsored project?

\_\_\_\_\_ Yes (if so, describe on an attached page the amount of the income and the reason for which it was or will be derived)

\_\_\_\_\_ No

4. Do you have any affiliation with an external organization that would diminish your ability to fulfill your paramount obligations to your students, your colleagues, or the University; or have you involved any graduate student in a proprietary capacity with the external organization?

\_\_\_\_\_ Yes (if so, describe on an attached page the nature of the affiliation and the amount of time per week you dedicate to it)

\_\_\_\_\_ No

5. Are you or a member of your immediate family involved in any situation which you believe may create an actual or perceived conflict of interest?

\_\_\_\_\_ Yes (if so, describe on an attached sheet in detail the situation in which you believe there is a conflict of interest)

\_\_\_\_\_ No

**CERTIFICATION:**

I have read and concur with the Financial Disclosure Policy for Externally-Funded Projects. The above questions are answered in a complete and accurate manner and are a reflection of my current reportable interests and activities.

SIGNATURE: \_\_\_\_\_ DATE \_\_\_\_\_  
Faculty or Staff Investigator, Rank/Title

**POLICY****Statement of Department Chair, Dean, Director:**

I certify that \_\_\_\_\_ reports to me, and that I am (not aware \_\_\_\_\_) (aware \_\_\_\_\_) of any existing conflict of interest either real or perceived or which has not already been reported and resolved.

SIGNATURE: \_\_\_\_\_ DATE: \_\_\_\_\_

TYPED NAME AND TITLE: \_\_\_\_\_

**Statement of University Designated Reviewer Responsible for Financial Disclosure Policy:**

I have reviewed this form and find (No \_\_\_\_\_) (Yes \_\_\_\_\_) further action is required.

SIGNATURE: \_\_\_\_\_ DATE: \_\_\_\_\_

TYPED NAME AND TITLE: \_\_\_\_\_