



Broward  
Community  
College

## Procedure Manual

<b>Title:</b> Financial Conflicts of Interest in Federally Sponsored Grant Projects	<b>Number:</b> A6Hx2-6.31
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A conflict of interest is a situation in which persons affiliated with a project funded by federal sources may have the opportunity to influence the project's business decisions in ways that could lead to personal gain or give improper advantage to themselves, their spouses, or dependents. Such conflicts could affect the design, conduct, or reporting of project results.

The college has instituted this procedure to protect projects funded by the National Science Foundation (NSF) or the United States Department of Health and Human Services (HHS) from any bias arising from the financial interests of project directors/principal investigators/co-principal investigators.

**Significant Financial Interest.** A financial interest is anything of significant monetary value, including but not limited to:

- Payments for services, such as salary, royalties derived from the licensing of technology, commissions, consulting fees, or honoraria
- Equity interests, such as stocks, stock options, or other ownership interests
- Allowance
- Forbearance
- Forgiveness of debt
- Interest in real or personal property
- Dividends
- Rent
- Capital gain
- Intellectual property rights, such as patents, copyrights, and royalties from such rights

Whether a financial interest is significant will depend upon the situation. Monetary value will be considered significant according to the following guidelines:

1. An equity interest is significant if it exceeds \$10,000 in value, as determined through reference to public prices or other reasonable measures of fair market value, or represents more than a five-percent ownership interest in any single entity, when aggregated for the project

<b>Recommending Officer's Signature</b> 	<b>Date</b> 02/13/98	<b>President's Signature</b> 	<b>Date</b> 02/13/98
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director/principal investigator/co-principal investigator and his/her family members.

2. Salary, royalties, or other payments are significant if they are expected to exceed \$10,000 when aggregated for the project director/principal investigator/co-principal investigator and his or her family members over the 12 months following the date of the disclosure.

Financial interest does not include:

- Salary or other remuneration from Broward Community College.
- 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.

**Financial Disclosure.** The director of resource development will insure that a financial disclosure form is filled out by any project director/principal investigator/co-principal investigator of a project and any other key person who is responsible for the design, conduct, or reporting of a project funded or proposed for funding by the NSF or HHS. For purposes of financial interests, “project director/principal investigator/co-principal investigator” also includes his or her spouse and dependent children. In addition, any subgrantees, contractors, or collaborators must fill out a report form or provide certification from their organization that they are in compliance with federal policies regarding significant financial disclosure.

The director of resource development will insure that the financial disclosure form is updated annually by July 1.

**Determining Financial Interests.** Financial disclosure forms will be returned to the college attorney, who will determine whether any of the reported financial interests could directly and significantly affect the design, conduct, or reporting of the research or project activities. The director of resource development will retain records of all financial disclosures and all actions taken by the college with respect to each conflicting interest for at least three years from the date of submission of the final expenditures report.



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**Managing Conflicts.** If a conflict of interest exists, the director of resource development will, prior to any expenditure of awarded funds, report the existence of such conflicting interests to the funding body and act to protect project activities from bias due to the conflict of interest. The college attorney will determine what actions should be taken by the college to manage, reduce, or eliminate such conflict of interest. Examples of conditions or restrictions that might be imposed to manage conflicts of interest include, but are not limited to:

- Public disclosure of significant financial interests.
- Monitoring of project activities by independent reviewers.
- Modification of the project.
- Disqualification from participation in all or a portion of the funded project activities.
- Divestiture of significant financial interest.
- Severance of relationships that create actual or potential conflicts.

**Failure to Comply.** If the failure of a project director/principal investigator/co-principal investigator to comply with this conflict of interest procedure has biased the design, conduct, or reporting of project activities, the director of resource development must promptly notify the funding body of the corrective action to be taken. The funding body will consider the situation and, as necessary, take appropriate action or refer the matter to the college for further action, which may include directions to the college on how to maintain appropriate objectivity in the funded project.

**Rights of Funding Body.** The funding body may at any time inquire into the college procedures and actions regarding conflicting financial interest, including a requirement for submission of, or review on site, all records pertinent to compliance. To the extent permitted by law, the funding body will maintain the confidentiality of all records of financial interests. On the basis of its review of records and/or other information that may be available, the funding body may decide that a particular conflict of interest will bias the objectivity of the project to such an extent that further corrective action is needed or that the college has not managed, reduced, or eliminated the conflict of interest. The funding body may determine that suspension of funding is necessary until the matter is resolved.

[Link to Policy 6Hx2-6.31](#)