
**Sinclair Community College
Policy for Financial Disclosure to
Avoid Conflict of Interest in Federally Funded Programs**

In accordance with federal regulations to avoid conflicts of interest, Sinclair Community College establishes this policy, which is effective immediately. It requires key personnel involved in programs funded by the National Science Foundation and the U.S. Department of Health and Human Services to complete a Report Form for Financial Disclosure.

What is conflict of interest?

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 dependent children. Such conflicts could affect the design, conduct or reporting of project results.

Who must fill out a Report Form for Financial Disclosure?

All project Investigators must complete the form including the project directors, principal investigators and any other key personnel who are responsible for the design, conduct, or reporting of a research project funded or proposed for funding by the National Science Foundation (NSF) or the U. S. Department of Health and Human Services (DHHS). Also, 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 Investigator significant financial disclosure.

Who must actually disclose financial information on this Report Form?

All project Investigators, as indicated above, must report their significant financial interests which would reasonably appear to be affected by the project. In addition all Investigators must report the significant financial interests of their spouses and dependent children which would reasonably appear to be affected by the project.

What is a Significant Financial Interest?

A financial interest is anything of monetary value received from non-Sinclair sources which would reasonably appear to be affected by the project, including, but not limited to, salary or other payments for services (e.g., consulting fees or honoraria); equity interests (e.g., stocks, stock options or other ownership interests); and intellectual property rights (e.g., patents, copyrights and royalties from such rights). Salary, royalties or other payments are "significant" when the aggregated amount for the Investigator, the Investigator's spouse and dependent children over the next 12 months are expected to exceed \$10,000. An equity interest is "significant" when aggregated for the Investigator,

the Investigator's spouse and dependent children exceeds \$10,000 in value as determined through reference to public prices or other reasonable measures of fair market value, or (2) represents more than a 5% ownership interest in any single company.

A Significant Financial Interest does not include and you do not report the following:

- 1) Salary, royalties, or other remuneration from Sinclair
- 2) Any ownership interests in a company that is an applicant under the SBIR (Small Business Innovation Research) Program
- 3) Income from seminars, lectures, or teaching engagements sponsored by public or nonprofit entities
- 4) Income from service on advisory committees or review panels for public or nonprofit entities
- 5) Aggregated family income below \$10,000 or equity valued below \$10,000 or 5% ownership
- 6) Income which could never to be affected by the project (i.e., mutual funds, stocks completely unrelated to the project, etc.).

Who will review the report form for financial disclosure?

Report Forms will be returned to the Director of Grants Development, 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. If a potential conflict of interest exists, the Vice President and Chief Financial Officer will review the Report Forms and recommend action. According to federal regulations, records of all financial disclosures and all actions taken by the college with respect to each conflicting interest will be retained for at least three years from the date of submission of the final expenditures report.

What happens if a conflict of interest does exist?

The college must, prior to any expenditure of awarded funds, report the existence of such conflicting interests to the funding body and act to protect the research or project activities from bias due to the conflict of interest. The Vice President and Chief Financial Officer will recommend what actions should be taken by the college to manage, reduce or eliminate such conflicts of interest. Examples of conditions or restrictions that might be imposed to manage conflicts of interest include, but are not limited to:

- 1) Public disclosure to the agency of significant financial interests

- 2) Monitoring of research or project activities by independent reviewers
- 3) Modification of the research or activity plan
- 4) Disqualification from participation in all or a portion of the funded research or activities
- 5) Divestiture of significant financial interests; or
- 6) Severance of relationships that create actual or potential conflicts

How will this policy to avoid conflict of interest be enforced? What sanctions might apply?

Any Sinclair employee who knows of, or could reasonably have been expected to know of, and deliberately fails to respond appropriately to a potential conflict of interest shall be subject to disciplinary action ranging from reprimand to discharge. The nature and severity of the disciplinary action shall be consistent with established Sinclair disciplinary procedures (see Section 2.9.2 and Section 2.9.6 of the Sinclair Faculty Handbook).

How often must the Report Form for Financial Disclosure be updated?

The report form must be updated annually by October 1 or when additional potential conflicts arise during the year.