The National Science Foundation (NSF) requires universities 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 an institution carries out agency-funded research through subawards, contractors, or collaborators, the institution must take reasonable steps to ensure that the collaborating entity has its own policies in place that meet the requirements of this policy or that investigators working for such entities follow the policies of the primary institution.

NSF requires that each investigator disclose, to a responsible representative of the institution, all significant financial interests of the investigator (including those of the investigator’s spouse and dependent children) 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.

The term “investigator” means the principal investigator, co-principal investigators/co-project directors, and any other person at the institution who is responsible for the design, conduct, or reporting of research or educational activities funded or proposed for funding by NSF.

As specified by NSF, the term “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:

- salary, royalties, or other remuneration from the applicant institution
- income from seminars, lectures, or teaching engagements sponsored by public or non-profit entities
- income from service on advisory committees or review panels for public or nonprofit entities
- 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 $5,000 in value as determined through reference to public prices or other reasonable measures of fair market value, and does not represent more than a 5% ownership interest in any single entity
• salary, royalties or other payments that, when aggregated for the investigator and the investigator’s spouse and dependent children, are not expected to exceed $5,000 during the twelve month period

NOTE: Although current NSF regulations specify a higher threshold for SFI than PHS (NIH), Sacred Heart University policy identifies $5,000 as the monetary threshold. Similarly, in non-publicly traded companies, PHS and Sacred Heart University policy identifies any equity amount as the threshold.

NSF requires Sacred Heart University to ensure that investigators have provided all required financial disclosures at the time the proposal is submitted to NSF. Sacred Heart must also ensure 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.

Sacred Heart University designates individuals 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. 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:

• public disclosure of significant financial interests
• monitoring of research by independent reviewers
• modification of the research plan
• disqualification from participation in the portion of the NSF-funded research that would be affected by significant financial interests
• divestiture of significant financial interests
• severance of relationships that create conflicts

Sacred Heart University must have adequate enforcement mechanisms, provide for sanctions where appropriate and must keep NSF’s Office of the General Counsel appropriately informed, if the institution finds that it is unable to satisfactorily manage a conflict of interest. Grantee notifications of conflict of interest that cannot be managed, reduced, or eliminated must be submitted electronically via the NSF Fastlane system by the Office of Sponsored Programs.

Sacred Heart University 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.

The conflict of interest policies of the NSF can be found at: http://www.nsf.gov/pubs/policydocs/pappguide/nsf08_1/aag_4.jsp