

**LOYOLA UNIVERSITY NEW ORLEANA (“LOYOLA”)  
OFFICE OF GRANTS AND SPONSORED PROGRAMS  
CONFLICT OF INTEREST POLICY AND PROCEDURES FOR NSF-FUNDED  
SPONSORED PROJECTS**

*February 22, 2017*

**A. Introduction**

The [Loyola University Conflict of Interest policy](#) (“university-wide policy”) applies to all faculty and staff. As specified in Section II.B of that policy, those faculty and staff who participate in government-supported sponsored projects may be subject to additional requirements. The current, agency-specific policy aims to protect Loyola and Loyola employees participating in National Science Foundation (NSF)-funded sponsored projects by establishing procedures for complying with the agency’s policies and guidelines for award administration. To the extent possible, the responsibilities and procedures described herein complement those established through the university-wide policy. In case of a discrepancy, this policy shall prevail.

**B. Scope**

1. Activities. This policy pertains to all research or educational activities that are funded or proposed for funding, in whole or in part, by the NSF. This policy applies to both direct awards and subawards (award subcontracts) and to additional instruments as required by the agency.
2. Duration. This policy applies to the aforementioned activities for as long as the NSF application is pending or any resulting award or subaward is effective.
3. Persons. This policy applies to all Loyola Investigators associated with the aforementioned activities. The policy applies whether the Investigators are part-time employees or regular or exceptional faculty; and to the Office of Grants and Sponsored Programs staff, including the director, who chairs the Loyola Conflict of Interest Committee.

**C. Definitions**

**“Investigator”** means any person who is responsible for the design, conduct, or reporting of research or educational activities funded or proposed for funding by the NSF.

**“NSF Conflict of Interest”** is a situation which occurs when the director of Grants and Sponsored Programs, the Loyola Conflict of Interest Committee, and/or an appropriate representative of a Subrecipient reasonably determines that a significant financial interest could directly and significantly affect the design, conduct, or reporting of NSF-funded research or educational activities.

**“Principal Investigator (PI)/Project Director (PD)”** is the Loyola employee who is most responsible for the development and completion of research or educational activities funded or proposed for funding by the NSF.

**“Reportable SFI”** means a Significant Financial Interest as defined below (i) that would reasonably appear to be affected by the research or educational activities funded or proposed for funding by the NSF; or (ii) in entities whose financial interests would reasonably appear to be affected by such activities.

**“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:

- a. Salary, royalties or other remuneration from Loyola;
- b. Income from seminars, lectures, or teaching engagements sponsored by public or nonprofit entities;
- c. Income from service on advisory committees or review panels for public or nonprofit entities;
- d. An equity interest that, when aggregated for the Investigator and the Investigator’s spouse and dependent children, meets both of the following tests: (i) does not exceed \$10,000 in value as determined through reference to public prices or other reasonable measures of fair market value, and (ii) does not represent more than a 5% ownership interest in any single entity; or
- e. Salary, royalties or other payments that, when aggregated for the investigator and the investigator’s spouse and dependent children, are not expected to exceed \$10,000 during the prior twelve-month period.

**“Sponsored Project”** is an organized activity that is supported by external funding from a grant, contract, or cooperative agreement and for which there is a level of accountability to the sponsor which is characterized by three things: 1) a pre-defined work plan or scope of work, 2) a budget, and 3) reporting requirements. All projects funded, in whole or in part, by the federal or state governments are sponsored projects.

**“Subrecipient”** means a non-Federal entity that receives a subaward, or is proposed to receive a subaward, from Loyola to carry out part of an NSF-funded activity.

**“Submission Date”** is the date on which the Office of Grants and Sponsored Programs submits either of the following: a grant application directly to the NSF, or an institutionally approved budget to another institution proposing Loyola as an NSF subawardee.

## **D. Statement of Policy and Procedures**

Loyola is committed to meeting its obligations under award agreements, including those for sponsored projects supported by the NSF. All employees covered by this policy shall take all steps necessary to comply with the NSF and applicable Loyola policies and guidelines concerning conflicts of interest.

### **Responsibilities and Procedures**

#### **Policy Development, Interpretation, and Dissemination**

- The director of Grants and Sponsored Programs (“grants director”) shall update this policy as necessary to maintain consistency with current NSF requirements.
- The grants director shall make this policy available through the grants office website and by other means upon request.
- The grants director shall determine and interpret the sponsor requirements as well as the terms of this policy.
- The PI/PD shall make all other Investigators aware of this policy in a timely manner.

#### **Disclosure and Review**

- The PI/PD shall provide the Office of Grants and Sponsored Programs with the names of all other Investigators prior to the Submission Date.
- The PI/PD shall disclose in writing to the grants director (i) prior to the submission date and annually over the lifetime of the award, any Reportable SFI; and (ii) while the application is pending and over the lifetime of the resulting award, any changes to the status of the Reportable SFI within thirty (30) calendar days of occurrence.
- The PI/PD shall ensure that each other Investigator discloses in writing to the grants director (i) prior to the submission date and annually over the lifetime of the award, any Reportable SFI; and (ii) while the application is pending and over the lifetime of the resulting award, any changes to the status of the Reportable SFI within thirty (30) calendar days of occurrence.
  - An exception shall be made if the Investigator is from a Subrecipient with a Conflict of Interest policy that has been determined to be acceptable by the Loyola grants director. In this case, the grants director shall share this determination in writing with the PI/PD, and the PI/PD shall instruct the other Investigator to follow his or her institution’s policy.
- Prior to the expenditure of award funds, the grants director shall complete each of the following, as applicable:
  - Review all Reportable SFI disclosures which have been submitted.
  - For each disclosure, either
    - Make a determination as to whether an NSF Conflict of Interest exists; or
    - Work with the Loyola Conflict of Interest Committee and/or an authorized representative of the NSF to determine whether an NSF Conflict of Interest exists.
  - Meet the requirements specified under the **Subrecipients** section of this policy.

- If the grants director makes the determination as to whether an NSF Conflict of Interest exists, either the PI/PD or the other Investigator with the SFI in question may request that the Loyola Conflict of Interest Committee review and consider reversing the grant director's decision. This appeal should be made in writing to the grants director, who chairs the Loyola Conflict of Interest Committee and who shall abstain from any resulting vote on the matter.

### **Managing an NSF Conflict of Interest**

- The grants director shall work with the Loyola Conflict of Interest Committee, hereinafter referred to as the Committee, and others as necessary to develop a plan for managing, reducing, or eliminating each identified NSF Conflict of Interest.
- The grants director shall inform Financial Affairs that no award funds are to be expended until the plan is implemented, and shall keep Financial Affairs current on the status of the situation.
- The Office of Grants and Sponsored Programs has posted and will maintain general guidelines that the grants director and the Committee will use in determining whether an Investigator's SFI represents an NSF Conflict of Interest.
- For each Reportable SFI disclosure that is either made by an Investigator joining the project after the Submission Date or updated by an Investigator, the grants director and the Committee shall act in a timely manner to conduct a review of the disclosure, make a determination regarding any potential NSF Conflict of Interest, and implement a management plan as necessary.
- For each undisclosed Reportable SFI brought to the attention of the Office of Grants and Sponsored Programs, the grants director and Committee shall act in a timely manner to conduct a review of the disclosure, make a determination regarding any potential NSF Conflict of Interest, and implement a management plan as necessary.
- The grants director will work with the Committee, additional administrative offices, and Subrecipients as necessary to manage each NSF Conflict of Interest and to monitor Investigator and Subrecipient compliance with applicable management plans until the completion of the project.
  - Examples of conditions or restrictions that might be imposed to manage, Reduce, or eliminate conflicts of interest include, but are not limited to:
    - a. Public disclosure of significant financial interests;
    - b. Monitoring of research by independent reviewers;
    - c. Modification of the research plan;
    - d. Disqualification from participation in the portion of the NSF-funded research that would be affected by significant financial interests;
    - e. Divestiture of significant financial interests; or
    - f. Severance of relationships that create conflicts.
  - If the Conflict of Interest Committee determines that imposing conditions or restrictions would be either ineffective or inequitable, and 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, then the Committee may allow

the research to go forward without imposing such conditions or restrictions.

- If the Conflict of Interest Committee determines that Loyola is unable to satisfactorily manage a conflict of interest and if the Committee finds that research will proceed without the imposition of conditions or restrictions when a conflict of interest exists, the grants director provide timely, written notice to the NSF's Office of the General via online submission or as otherwise specified by the agency.

### **Recordkeeping**

- The Office of Grants and Sponsored Programs will maintain all NSF Conflict of Interest-related records for as long as necessary to fulfill the award terms and the university's recordkeeping policy.

### **Subrecipients**

- Prior to submitting an application involving a Subrecipient, the grants director will secure from an authorized official a certification that the Subrecipient either (i) is enforcing a written policy on conflicts of interest which is consistent with the provisions specified in the agency's current policy guide; or (ii) will ensure that each of its Investigators will follow the Loyola policy as directed.
- Prior to releasing any NSF funding to a Subrecipient, grants director shall determine whether the Subrecipient shall be subject to this policy or its own conflict of interest policy. In making this determination, the grants director shall consider whether the Subrecipient is actively registered with grants.gov and receiving NSF or other federal award funding.
- If the grants director has determined that the Subrecipient shall follow its own policy, then prior to the release of any NSF funds to that institution, the Office of Grants and Sponsored Programs will obtain (i) a certification from an authorized official of that institution that its policy complies with the NSF requirements and will be followed, and (ii) a written agreement endorsed by the Subrecipient's institution's authorized official that the Subrecipient will report identified NSF Conflicts of Interest and forward management plans in a timely manner.
- If the Subrecipient shall follow this policy, then the Office of Grants and Sponsored Programs shall obtain a written agreement that the Subrecipient (i) shall provide Investigator disclosures as specified by the Loyola grants director and within a timeframe that enables the Loyola to meet its reporting obligations to the NSF; and (ii) agrees to enforce any NSF Conflict of Interest management planned established by Loyola.

### **Enforcement and Retrospective Review**

- Failure to comply with this policy may result in sanctions and administrative actions, including refusal on the part of the Office of Grants and Sponsored Programs to submit an application when pre-submission requirements are not met.
- Failure of an Investigator to disclose one or more Reportable SFI's as specified elsewhere in this policy or to comply with the development or implementation of a management plan within the timeframe specified by the grants director will result in the following initial sanctions:

- The PI/PD, the Investigator's chair or immediate supervisor, the Investigator's dean, and the Provost will be notified in writing of the lack of compliance.
- The grants director will notify the Investigator, the PI/PD, the Investigator's chair or immediate supervisor, the Investigator's dean, the Provost, and the Office of Financial Affairs that the Investigator is not permitted to participate in the project, at least until compliance is achieved.
- Sanctions and administrative actions beyond the initial sanctions will be determined by the grants director after review by the Committee, and in accordance with applicable Loyola policies and procedures. Possible sanctions include those listed in the university-wide policy.

### **Appeals**

The appeals process is identical to that described in the university-wide policy, except that each employee shall submit a copy of his or her written appeal to the grants director on the same day that the original appeal is submitted to his or her Vice President.

### **History**

This policy was developed after the amendment of the university-wide policy dated August 15, 2012, and was amended on February 22, 2017.

### **Contact Information**

For information, please contact the Office of Grants and Sponsored Programs:

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