

Clemson University Financial Disclosure Policy for Sponsored Programs

Approved by the Board of Trustees: July 28, 1995

Background Statement

The National Science Foundation has issued an Investigator financial Disclosure Policy requiring that any NSF grantee employing more than fifty persons maintain a written, enforced policy governing conflicts of interest and financial disclosure of certain designated relationships. Other grantor agencies are in the process of implementing similar requirements. In addition, the South Carolina Ethics Act requires state employees to make written disclosure of economic interests affected by their official responsibilities. The Ethics Act prohibits a state employee's performance of an official function relating to a contract in which the employee has an economic interest. This Financial Disclosure Policy is intended to comply with the NSF mandate in a manner consistent with the requirements of the Ethics Act, and attaches key excerpts of the South Carolina Ethics Act for convenient reference.

Clemson University recognizes that the University, its students, faculty, and staff benefit from participation in private and public outside activities. This Policy is intended to preserve the ability of Clemson employees to maintain beneficial outside interests, while protecting all parties from conflicts and interference with an employee's commitment to the University. This Policy is applicable to individuals employed by Clemson University who are involved in Sponsored Programs.

Definitions:

- A. Responsible Persons applies to the principal investigator, co-principal investigators, and any other person employed by Clemson who is responsible for the design, conduct or reporting of research, service or education activities.
- B. Sponsored Program is a program under which an external entity (sponsor) funds a research, education or service activity.
- C. Significant Financial Interests include anything of monetary value, including but not limited to salary and other payments for services, such as consulting fees or honoraria; equity interests such as stocks, stock options or other ownership interests; and intellectual property rights such as patents, copyrights, trademarks, and income such as royalties from such rights. The association with an outside enterprise, by reason of being a director, officer, owner, employee, or holder of stock, is included within this term.

The term "Significant Financial Interest" does not include:

1. Salary or other remuneration from the University; or

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2. Income from seminars, lectures or teaching engagements sponsored by public or nonprofit entities; or
3. Income from service on advisory committees or review panels for public or nonprofit entities; or
4. Stock or other ownership interests in outside enterprises or entities if the value of such stock or ownership interest of the Responsible Person and his or her spouse and dependent children do not exceed \$10,000 in the aggregate or represent more than a 5% ownership interest in any one enterprise or entity, and also provided that the Responsible Person's is not an officer, director, employee or consultant and their economic benefit from the outside enterprises or entities as a result of the Sponsored Program shall not exceed fifty dollars.

D. Positive Disclosure shall be any disclosure statement to be submitted under this policy when the answer to any question is "Yes".

Interests Which Must be Disclosed:

Responsible Persons must disclose "Significant Financial Interests":

1. That would reasonably appear to be affected by the Sponsored Program whether because the external organization is receiving or providing goods, services or funds to the Sponsored Program or program or otherwise;
2. In entities whose financial interests would reasonably appear to be affected by a Sponsored Program.

Disclosure Procedures:

Each Principal Investigator is responsible for securing executed certifications, on the disclosure Statement attached as Exhibit A, from all Responsible Persons proposed for involvement in the subject Sponsored Program. Each Principal Investigator shall certify upon submission of the Proposal that the applicable Disclosure Statements have been submitted in accordance with the procedures set forth in this Policy. The Principal Investigator shall also certify as to whether any Positive Disclosures were submitted in association with the Sponsored Program.

If a Positive Disclosure is submitted, then the process of further review required by this Policy must take place before the Sponsored Program can be finalized. Executed Positive Disclosures must be submitted to the Responsible Person's Department Chair, Director, and Dean (or, for Responsible Persons whose employment is in a unit other than a College, to the Vice President responsible for the applicable administrative unit). The Provost is charged with developing criteria to enhance the consistency of the determinations made by the Deans and other Vice Presidents in acting upon Positive disclosures.

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The Dean or Vice President as the case may be, shall issue a written opinion to the Responsible Person, with a copy being directed to Sponsored Programs, as to whether the University shall:

1. Accept the sponsored project award or proceed with the sponsored Program;
2. Not accept the sponsored project award or not proceed with the sponsored Program; or
3. Accept the sponsored project award or approve the Sponsored Program subject to conditions or restrictions, which may include:
 - a. modifications in the Responsible Person(s) assigned to work on the Sponsored Program, the scope of the Sponsored Program, or the external affiliations of the Responsible Persons;
 - b. public disclosure of Significant Financial Interests;
 - c. modification of the research plan;
 - d. disqualification from the portion of Sponsored Program that would be affected by the Significant Financial Interests; or
 - e. severance of relationships that create actual or potential conflicts.

The decision of a Dean may be appealed to a panel composed of the Provost, the Vice President for Research and Senior Vice Provost, and the Chair of the Faculty Senate Research Committee (or such delegates that they may appoint to serve in their place). The Vice President for Research and Senior Vice Provost and the Chair of the Faculty Senate Research Committee shall provide their advice and opinion to the Provost, who will render the final decision. A decision of a Vice President (or other than the Provost) may be appealed to the President, whose decision shall be final. Any appeal must be submitted, in writing, within ten days of the Responsible Person's receipt of the decision subject to appeal. Failure of the Responsible Person to submit a written appeal within this time limit shall cause the Dean's or Vice President's decision to be final.

Any individual who violates this policy, including violation by way of willful concealment of financial interests, may be subject to sanction.

Responsible Persons shall be responsible, during the pendency of the Sponsored Program and during the period of its performance, for updating any changes to their disclosure statements. During project performance, the Dean's or Chief Research Officer's office shall advise Sponsored Programs if it finds that is unable to manage an actual or potential conflict of interest related to a Sponsored Program, and Sponsored Programs shall in turn so advise the sponsor.

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Records for all financial disclosures and of all actions taken to resolve actual or potential conflicts shall be maintained by each Dean's or Vice President's office, in the Responsible Person's personnel file, until at least 3 years after the later of the termination or completion of the Sponsored Program to which they relate, or the resolution of any government action involving those records. Each office shall maintain the confidentiality of these records to the extent feasible under applicable law and regulation.

In the event that a sponsor's requirements differ from this policy by imposing more stringent definitions of significant financial interests, by requiring differing document retention periods, or otherwise, then the sponsor's requirements will typically take precedence. In addition, the provisions of the South Carolina Ethics Act as amended from time to time are made a part of this policy and shall be deemed incorporated herein. In the event that the provisions of the Ethics Act are more restrictive or mandate additional disclosures, then the Ethics Act controls.

The complete text of the South Carolina Ethics Act is found in Section 8, Title 13 S.C. Code for reference purposes. **The submission of any proposal or the involvement of any Clemson employee in a University contract, license, or other Agreement shall, in the absence of a written disclosure on the attached form, be a representation by that person that none of the listed circumstances are present.**