



OFFICE OF THE VICE PRESIDENT - RESEARCH AND GRADUATE STUDIES

OFFICE OF THE PRESIDENT  
1111 Franklin Street, 11<sup>th</sup> Floor  
Oakland, California 94607-5200

March 29, 2018

CHANCELLORS  
LABORATORY DIRECTOR WITHERELL  
ACADEMIC COUNCIL CHAIR WHITE  
ANR VICE PRESIDENT HUMISTON

**RE: Systemwide Review of (1) Proposed Presidential Policy on Disclosure of Financial Interests and Management of Conflicts of Interest in Private Sponsors of Research and (2) Revised APM - 028, Disclosure of Financial Interest in Private Sponsors of Research**

Dear Colleagues:

Attached for Systemwide Review is a new Presidential Policy on Disclosure of Financial Interests and Management of Conflicts of Interest in Private Sponsors of Research, as well as proposed related revisions to APM - 028, Disclosure of Financial Interest in Private Sponsors of Research.

**Presidential Policy on Disclosure of Financial Interests and Management of Conflicts of Interest in Private Sponsors of Research**

Effective July 22, 2015, the Fair Political Practices Commission (FPPC) revised its regulations regarding review of Statements of Economic Interests for Principal Investigators (also known as the Form 700-U). The revision removed the requirement to perform independent substantive review of Forms 700-U by campus conflict of interest committees. However, in subsequent conversations, the FPPC staff has indicated that the change was inadvertent, and the University is still expected to perform substantive reviews of Forms 700-U. Also, the UC Systemwide Provost and the Council of Vice Chancellors for Research have expressed their desire to continue to have a review process to mitigate risks associated with conflicts of interest possibly resulting in harm to the University and its researchers.

This new Policy provides the core parameters for continued compliance with the regulations issued by the FPPC, including a continuation of the University's long-standing practice of performing a substantive review of Forms 700-U. The foregoing conversations indicate that UC has flexibility in how the substantive review is performed. Accordingly, this new Policy provides the UC campuses, Lawrence Berkeley National Laboratory, and the Division of Agriculture and Natural Resources greater flexibility in their local processes for reviewing the Forms 700-U.

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## **APM - 028, Disclosure of Financial Interest in Private Sponsors of Research**

Also enclosed for Systemwide Review are proposed revisions to APM - 028, Disclosure of Financial Interest in Private Sponsors of Research. The rationale for the proposed revisions to APM - 028 is two-fold: (1) APM - 028 has not been substantively revised since 1984 and the referenced state and federal laws are outdated; and (2) the proposed new Presidential Policy applies to all University employees, not just academic appointees. As a result, the proposed APM revisions strike topics now covered by the new Presidential Policy. Thus, the new Presidential Policy will govern continued compliance with FPPC regulations and review of Forms 700-U for all University employees while revised APM - 028 will maintain additional important principles guiding the conduct of sponsored research for academic appointees.

### Systemwide Review

Systemwide Review is a public review distributed to the Chancellors, the Director of Lawrence Berkeley National Laboratory, the Chair of the Academic Council, and the Vice President of Agriculture and Natural Resources, requesting that they inform the general University community, affected employees, and union membership about policy proposals. Systemwide Review also includes a mandatory, three-month full Senate review. Employees should be afforded the opportunity to review and comment on the draft policy, available online at <https://www.ucop.edu/academic-personnel-programs/academic-personnel-policy/policies-under-review/index.html>. Attached is a Model Communication which may be used to inform non-exclusively represented employees about these proposals. The Labor Relations Office at the Office of the President is responsible for informing the bargaining units representing union membership about policy proposals.

We would appreciate receiving your comments by June 27, 2018. Please submit your comments on the proposed new Presidential Policy on Disclosure of Financial Interests and Management of Conflicts of Interest in Private Sponsors of Research to [RPAC@ucop.edu](mailto:RPAC@ucop.edu). Please indicate "700-U Policy Comments" in the subject line. Please submit your comments on the proposed revisions to APM - 028 to [ADV-VPCARLSON-SA@ucop.edu](mailto:ADV-VPCARLSON-SA@ucop.edu).

Questions relating to the proposed new Presidential Policy on Disclosure of Financial Interests and Management of Conflicts of Interest in Private Sponsors of Research may be directed to Timothy Miller at [Timothy.Miller@ucop.edu](mailto:Timothy.Miller@ucop.edu) or (510) 987-0647. Questions relating to the proposed revisions to APM - 028 may be directed to Kimberly Grant at [Kimberly.Grant@ucop.edu](mailto:Kimberly.Grant@ucop.edu) or (510) 987-9499.

Sincerely,



Susan Carlson  
Vice Provost  
Academic Personnel and Programs

Sincerely,



Arthur Ellis  
Vice President  
Research and Graduate Studies

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Attachments:

1. Proposed Presidential Policy on Disclosure of Financial Interests and Management of Conflicts of Interest in Private Sponsors of Research
2. Revised APM - 028, Disclosure of Financial Interest in Private Sponsors of Research (clean and redline copies)
3. Model Communication

cc: President Napolitano  
Provost and Executive Vice President Brown  
Executive Vice Chancellors/Provosts  
Executive Vice President & Chief Financial Officer Brostrom  
Executive Vice President, Chief Operating Officer & Chief of Staff Nava  
Executive Vice President Stobo  
Senior Vice President & Chief Compliance and Audit Officer Bustamante  
Senior Vice President Gulbranson  
Vice President & Chief Investment Officer Bachher  
Vice President & General Counsel Robinson  
Vice President Budil  
Vice President Duckett  
Vice President Holmes-Sullivan  
Vice Provost Gullatt  
Deputy General Counsel Woodall  
Vice Chancellors/Vice Provosts of Academic Personnel/Academic Affairs  
Vice Chancellors for Research  
Academic Personnel Directors  
Chief Policy Advisor & Executive Director Kao  
Senior Counsel Auriti  
Senior Counsel Morodomi  
Executive Director Baxter  
Executive Director Chester  
Executive Director Peterson  
Executive Director Streitz  
Chief of Staff and Director Henderson  
Director Grant  
Director Lee  
Director Myjer  
Manager Donnelly  
Manager Smith  
Academic HR Manager Jordan  
Human Resources Manager Crosson  
Analyst Ha  
Analyst Miller



# Disclosure of Financial Interests and Management of Conflicts of Interest in Private Sponsors of Research

<b>Responsible Officer:</b>	Provost & EVP - Academic Affairs
<b>Responsible Office:</b>	AA - Academic Affairs
<b>Issuance Date:</b>	[Issuance Date]
<b>Effective Date:</b>	[Effective Date]
<b>Last Review Date:</b>	
<b>Scope:</b>	This Policy applies to any research activity that is funded or supported by a non-governmental entity in whole or in part (a) through a contract or grant, (b) by a gift which is designated by the gift donor for a specific research project, or a specific Principal Investigator, or a laboratory or research program headed by a Principal Investigator, or (c) through in-kind support provided under a material transfer agreement (MTA).

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Contact:	Wendy Streit
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Phone #:	(510) 987-9108

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## I. POLICY SUMMARY

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This Policy describes the review process for disclosures of financial interests made on the State of California financial disclosure form entitled, *Statement of Economic*

## Disclosure of Financial Interests and Management of Conflicts of Interest in Private Sponsors of Research

*Interests for Principal Investigators* (Form 700-U).<sup>1</sup> The Policy sets forth the requirements for review of such disclosures by campuses, and other UC locations, and authorizes reviewers to make recommendations about how to manage, reduce, or eliminate conflicts of interest.

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## II. DEFINITIONS

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### **A. Designated Campus Reviewer (DCR)**

A Designated Campus Reviewer (DCR), or the DCR's designee, is responsible for conducting preliminary reviews of financial interests disclosed on Forms 700-U. Consistent with this Policy, a DCR may either perform a substantive review and make a recommendation about how possible conflicts of interest can be eliminated, reduced, or managed, before the acceptance of the grant(s), contract(s), gift(s), or Material Transfer Agreement(s) (MTA) or refer the matter to the location's Independent Substantive Review Committee (ISRC) for substantive review. A DCR is designated by the Chancellor of each UC campus, or in the case of the Lawrence Berkeley National Laboratory, the Director, or, in the case of the Division of Agriculture and Natural Resources, the Vice President.

### **B. Filing Officer**

A person or persons designated by the Chancellor of each UC campus, or in the case of the Lawrence Berkeley National Laboratory, the Director, or, in the case of the Division of Agriculture and Natural Resources, the Vice President, to retain Forms 700-U submitted by Principal Investigators. The Filing Officer may be the DCR.

### **C. Financial Interest**

As defined under the Fair Political Practices Regulations,<sup>2</sup> a Financial Interest includes one or more of the following for the Principal Investigator, Principal Investigator's spouse/registered domestic partner, and dependent children:

1. A business position with the sponsor or donor, such as a director, officer, partner, trustee, consultant, employee, or holding any position of management with the sponsor.
2. Investment or equity (ownership) interest in the sponsor or donor worth \$2,000 or more.
3. Income or loan from the sponsor or donor aggregating \$500 or more.
4. A gift from the sponsor or donor with a value of \$50 or more.

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<sup>1</sup> The Fair Political Practices Commission publishes and periodically updates the Statement of Economic Interests for Principal Investigators, also known as the Form 700-U.

<sup>2</sup> Cal. Code Regs., tit. 2, § 18755

## Disclosure of Financial Interests and Management of Conflicts of Interest in Private Sponsors of Research

5. Payment for travel from the sponsor or donor with a value of \$50 or more if a gift or \$500 or more if income. Payments either in advance, as reimbursement, or in-kind are reportable.

### ***D. Statement of Economic Interests for Principal Investigators (or Form 700-U)***

A State of California financial disclosure form entitled, *Statement of Economic Interests for Principal Investigators*, is used to comply with the Fair Political Practices Regulations as it relates to the University of California and its Principal Investigators. The Form 700-U is a public record under Gov. Code Section 81008(a).

### ***E. Independent Substantive Review Committee (ISRC)***

A committee that performs a substantive review of research projects and makes recommendations to the Chancellor, Director, or Vice President of the UC Location or their designees regarding disclosed Financial Interests. The ISRC may make recommendations as to whether disclosed Financial Interests present a conflict of interest and, if so, about how possible conflicts of interest can be eliminated, reduced, or managed before the acceptance of the grant(s), contract(s), gift(s), or material transfer agreement(s) (MTA).

### ***F. Principal Investigator (PI)***

An employee of a UC Location who is eligible to submit a proposal for research support in accordance with UC Contract and Grant Manual Section 1-520 and as further implemented by local policies and procedures, and who is principally responsible for the conduct of the research (a Principal Investigator, Co-PI, or Multiple PI).

### ***G. UC Location***

UC campus, the Office of the President, the Lawrence Berkeley National Laboratory, and the Division of Agriculture and Natural Resources.

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## **III. POLICY TEXT**

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### ***A. Purpose, Scope and Application***

The purpose of this Policy is to describe the process of receiving and reviewing disclosures of financial interests made on the State of California financial disclosure form entitled, *Statement of Economic Interests for Principal Investigators* (Form 700-U).

## Disclosure of Financial Interests and Management of Conflicts of Interest in Private Sponsors of Research

This Policy applies to all UC Locations and requires that Principal Investigators use the Form 700-U to disclose whether or not they have a Financial Interest in the sponsor of research that is funded or supported in whole or in part (a) through a contract or grant with a non-governmental entity or (b) by a gift from a non-governmental entity which is designated by the gift donor for a specific research project, or a specific Principal Investigator, or a laboratory or research program headed by a Principal Investigator, or (c) through in-kind support provided under an MTA. This Policy also authorizes reviewers to make recommendations on how to manage, reduce, or eliminate a conflict of interest.

Forms 700-U and supplemental materials associated with Forms 700-U are open to public inspection.

### ***B. Disclosure Requirement***

#### 1. Initial Disclosure

The initial Form 700-U must be submitted by PIs in accordance with the rules and procedures of the respective UC Location before final acceptance of a contract, grant, gift, or MTA. Each Form 700-U shall include any and all reportable business positions with and investments in the sponsor or donor as of the date that the award is made.<sup>3</sup> Furthermore, each Form 700-U shall include reportable income, gifts, and travel payments received from the sponsor or donor within the 12 months prior to the date that the award is made.<sup>4</sup>

#### 2. Interim Disclosure

A Form 700-U must be filed within 30 days after funding is renewed and shall disclose any and all reportable business positions, investments, income, gifts, and travel payments held or received during the period between the date the initial statement was filed and the date the funding for the project was renewed.

### ***C. Supplemental Forms and Information***

UC Locations may create supplemental forms and require PIs to complete them to gather additional information to make informed decisions regarding assessment and management of any conflicts that may arise from Financial Interests disclosed by a PI. Forms on which supplemental information is gathered must bear appropriate privacy notices.

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<sup>3</sup> Reportable investments and business positions are described above in § II.C.1 & 2.

<sup>4</sup> Reportable income, gifts, and travel payments are described above in § II.C.3-5.

Disclosure of Financial Interests and Management of Conflicts of Interest  
in Private Sponsors of Research

***D. Disclosure Retention***

Submitted Forms 700-U shall be retained at the UC Location by the locally designated Filing Officer in accordance with applicable UC document retention and disposition schedules. See [UC Records Retention Schedule](#).

***E. Disclosure Review***

When a Principal Investigator's Form 700-U indicates they have no Financial Interests (a "negative disclosure"), no further review is required.

When a Principal Investigator's Form 700-U indicates that a Financial Interest exists (a "positive disclosure"), a substantive review must be performed. Pursuant to this Policy and local procedures and practices, a DCR must assess whether the disclosure must be reviewed by the ISRC or whether the DCR may perform the substantive review.

1. Criteria for Required ISRC Reviews

If, during review of the Principal Investigator's Form 700-U, the DCR determines that any of the following circumstances exist, the ISRC shall perform a substantive review of the Form 700-U and related supplemental forms or information:

- The PI has received income, gifts, loans, or travel reimbursement from the sponsor or donor that, alone or when aggregated, equals or exceeds \$10,000 during the previous twelve months.
- The PI holds an equity interest in the sponsor or donor that equals or exceeds \$10,000.
- The PI holds a position as director, officer, partner, trustee, consultant, employee, or any position of management with the sponsor or donor.

2. ISRC Review Pursuant to Local Procedures and Practices

For positive disclosures that do not meet the thresholds listed above in Section E.1, each UC Location may adopt local procedures and practices designating whether the substantive review of the research project should be conducted by the DCR or ISRC. Each UC location may establish procedures and practices where the DCR has the flexibility to seek substantive review by the ISRC even if the disclosed financial interests do not warrant a mandatory ISRC substantive review as specified in Section E.1.



Disclosure of Financial Interests and Management of Conflicts of Interest  
in Private Sponsors of Research

3. Conduct of Reviews

The DCR and/or ISRC may seek additional information and/or consult with administrators, faculty, and others involved in the research and review process, and may also consult with or request Principal Investigators and department chairs to provide additional or supplemental information to make a fully informed recommendation. Individuals with competence in special areas may assist in the review process when expertise beyond, or in addition to, that available to the DCR or ISRC is needed.

DCRs or ISRCs should recommend to the Chancellor, Director, or Vice President of the UC Location as appropriate or their designees whether there are any conflicts of interest that must be managed, reduced or eliminated before support for the research project can be accepted by the campus.

4. Timeline of Reviews

Reviews must be completed and any identified conflicts of interest must be managed, reduced, or eliminated prior to the institution's expenditure of contract, grant, or gift funds, or acceptance of MTAs associated with the financial disclosure.

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## IV. COMPLIANCE / RESPONSIBILITIES

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### ***A. Chancellors and the Chief Executive or Head of each UC Location***

Each UC Location is responsible for implementing this Policy locally and developing procedures for conducting independent substantive review consistent with this policy. Each Chancellor, the LBNL Director and the ANR Vice President (or a designee) is responsible for establishing the ISRC, and for designating a Filing Officer(s) and/or DCR to receive Forms 700-U, and store them for record keeping.<sup>5</sup> Filing Officers and DCRs do not need to be the same person.

Subject to the requirements of this Policy, each UC Location has the authority to determine how reviews shall be conducted including whether such reviews should be conducted by a DCR or by an ISRC.

### ***B. Designated Campus Reviewers (DCRs) and Independent Substantive Review Committees (ISRCs)***

DCRs and ISRCs are responsible, per local campus policies and procedures, for reviewing substantively the subject matter of the proposed research and assessing the

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<sup>5</sup> Cal. Gov't Code § 81009(e)(f).

## Disclosure of Financial Interests and Management of Conflicts of Interest in Private Sponsors of Research

Principal Investigator's disclosed Financial Interest(s). In addition, they are responsible for communicating their assessment to the Chancellor, LBNL Director, or Vice President of ANR (or designee) along with a recommendation of whether support for research in the form of a contract, grant, gift, or MTA should be accepted and, if so, whether any modifications or conditions are required to manage identified conflicts of interest.

DCRs, their designees, and ISRC members should possess the academic, professional, and administrative competence and expertise necessary to review the subject matter of the proposed research and to assess the University and other public interests involved.

### ***C. Principal Investigators***

Principal Investigators are responsible for complying with this Policy, including the California Fair Political Practices Commission's (FPPC) requirement to file Forms 700-U for research supported by non-governmental entities, and the policies and/or procedures adopted by their UC Location to implement this Policy.

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## **V. PROCEDURES**

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UC Locations should develop local procedures to implement this policy.

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## **VI. RELATED INFORMATION**

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- Cal. Code Regs., tit. 2, § 18755.
- Fair Political Practices Commission, California Form 700-U and Instructions on Filing a Form 700-U, available at <http://www.fppc.ca.gov/search.html?q=Form+700U&currentTab=1> (last visited Mar. 26, 2018).
- University of California, Guidelines for Disclosure and Review of Principal Investigator's Financial Interest in Private Sponsors of Research, APM-028.

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## **VII. FREQUENTLY ASKED QUESTIONS**

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Not applicable

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## **VIII. REVISION HISTORY**

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This policy supersedes RPAC Guidance Memo 17-03 and is intended to establish the terms of that Guidance Memo as policy.

GENERAL UNIVERSITY POLICY REGARDING APM 028  
ACADEMIC APPOINTEES  
~~Disclosure of Financial Interest in Private Sponsors of Research~~

~~028-0~~ **Policy**

The University of California policy on disclosure of financial interest in private sponsors of research (revised April 26, 1984, with technical updates made on April 29, 2010) is set forth in the following pages:

028-10 **Guidelines**

The University of California guidelines on disclosure of financial interest in private sponsors of research are set forth in the following pages:

University of California

Office of the President

April 29, 2010

**UNIVERSITY POLICY ON DISCLOSURE OF  
FINANCIAL INTEREST IN PRIVATE SPONSORS OF RESEARCH**

**I. Policy on Disclosure of Financial Interest in Private Sponsors of Research**

A principal investigator must disclose whether or not he or she has a direct or indirect financial interest in the sponsor of research which is funded or supported in whole or in part (a) through a contract or grant with a non-governmental entity or (b) by a gift from a non-governmental entity which is earmarked by the donor for a specific research project or a specific principal investigator. Disclosure statements must be filed (a) before final acceptance of such a contract, grant, or gift; and (b) when funding is renewed. The Statements will be open to public inspection. When disclosure indicates that a financial interest exists, an independent substantive review of the disclosure statement and of the research project must take place prior to acceptance of the contract, grant, or gift. Department chairs must disqualify themselves from approving a research proposal for a project which is funded in whole or in part by a non-governmental entity in which they have a financial interest.

This policy is consistent with California Code of Regulations, Title 2, Section 18702.4(c).

**II. Definitions**

A. "Financial Interest." A "financial interest" in the sponsor of research means:

1. A direct or indirect investment in the sponsor worth \$2,000 or more;<sup>1</sup>
2. A position as director, officer, partner, trustee, employee or any other position of management in the sponsor;

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<sup>1</sup>An "investment" is defined by Government Code Section 82034, and includes any financial interest in or security issued by a business entity, including but not limited to common stock, preferred stock, rights, warrants, options, debt instruments and any partnership or other ownership interest.

GENERAL UNIVERSITY POLICY REGARDING APM 028  
ACADEMIC APPOINTEES  
Disclosure of Financial Interest in Private Sponsors of Research

3. ~~Income from the sponsor, including consulting income, aggregating \$500 or more in value, received by or promised to the principal investigator within 12 months prior to the time the award is made. (For the purposes of this policy, "income" is further defined as in California Government Code Section 82030.)~~

4. ~~A gift or gifts provided to, received by, or promised to, the principal investigator within 12 months prior to the time the award is made which, when aggregated, meet or exceed the gift limit in the Political Reform Act, California Government Code Section 89503, as adjusted biennially on January 1 of every odd-numbered year based on a Consumer Price Index escalator, California Code of Regulations, Title 2, Section 18940.2.<sup>2</sup>~~

B. ~~"Indirect Investment" or "Indirect Financial Interest." A principal investigator has an "indirect investment" or "indirect financial interest" in a sponsor if:~~

1. ~~His or her spouse, registered domestic partner, or dependent child has a financial interest in the sponsor;~~

2. ~~The principal investigator, his or her spouse, registered domestic partner, or dependent child own directly, indirectly, or beneficially a 10 percent interest or greater in any business entity or trust which has a financial interest in the sponsor of the research.~~

C. ~~"Equity (Ownership) Interest." For the purposes of this policy, an "equity (ownership) interest" shall be an investment of \$2,000 or more in the sponsor by the principal investigator, his or her spouse, registered domestic partner, or dependent children.~~

D. ~~"Gift." As defined by the Fair Political Practices Commission Form 700-U, also known as the Statement of Economic Interests for Principal Investigators, a gift is anything of value for which you have not provided equal or greater consideration to the donor.~~

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<sup>2</sup>As of January 1, 2009, the gift limit was \$420. ~~California Code of Regulations, Title 2, Section 18940.2.~~

### ~~III. Disclosure Requirement~~

~~When a principal investigator has disclosed a financial interest in a sponsor of research, the required financial disclosure statement on Fair Political Practices Commission Form 700-U shall contain:<sup>3</sup>~~

#### ~~A. Disclosure of Income~~

- ~~1. The name and address of the sponsor, a general description of the business activity, if any, of the sponsor, and the amount of research funding;~~
- ~~2. A statement whether the aggregate value of income from the sponsor, or in the case of a loan, the highest amount owed to the sponsor, was at least \$500 but did not exceed \$1,000, whether it was in excess of \$1,000 but was not greater than \$10,000, whether it was in excess of \$10,000 but was not greater than \$100,000, or whether it was greater than \$100,000;~~
- ~~3. In the case of a gift of \$50 or more, a description of and the amount of the gift, and the date received; and~~
- ~~4. In the case of a loan, the annual interest rate and the security, if any, given for the loan.~~

#### ~~B. Disclosure of Equity or Ownership Interest and Disclosure of Position in Sponsor~~

~~When an investment or equity (ownership) interest is required to be disclosed, or when the principal investigator is a director, officer, partner, trustee, employee, or holds any position of management, the disclosure statement shall contain:~~

- ~~1. A statement of the principal business activity of the sponsor;~~
- ~~2. A statement whether the fair market value of the investment or interest exceeds \$2,000 but does not exceed \$10,000, whether it exceeds \$10,000, but does not exceed \$100,000, whether it exceeds \$100,000 but was not greater than \$1,000,000, or whether it exceeds \$1,000,000; and~~
- ~~3. The position held in the entity by the principal investigator.~~

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<sup>3</sup>~~The Fair Political Practices Commission publishes and periodically updates the Form 700-U, also known as the Statement of Economic Interests for Principal Investigators. A current copy of the form may be found at: <http://www.fppe.ca.gov/index.php?id=500>.~~

#### **IV. ~~Independent Substantive Review Committees~~**

~~When disclosure indicates that a financial interest exists, an independent substantive review of the disclosure statement and research project shall take place before a contract, grant, or gift is accepted. Chancellors, the Lawrence Berkeley National Laboratory Director, and the Vice President—Agriculture and Natural Resources, after consultation with appropriate academic and administrative groups, shall develop a procedure for independent substantive review including the designation or establishment of a committee to conduct the review.~~

~~The committees shall review disclosure statements and relevant features of the research project and on the basis of the review recommend to the Chancellor, the Lawrence Berkeley National Laboratory Director, or the Vice President—Agriculture and Natural Resources whether funding for the research project should be accepted and, if so, whether any modifications or conditions are needed. The committees shall be sufficiently qualified through the experience of their members to promote respect for their advice.~~

~~The committees should possess the academic, professional, and administrative competence and expertise necessary to review the subject matter of the proposed research and to assess the University and other public interests involved. The committee may include graduate students and one or more qualified members not affiliated with the University. The committee may consult with administrators, faculty, and others involved in the research and review process and the academic discipline in question. It may also consult with or request principal investigators and department chairs to provide information in order to make a fully informed recommendation. It may also invite individuals with competence in special areas to assist in the review process which require expertise beyond, or in addition to, that available to the committee. The committee review should occur as early as possible in the overall review process to assure that commitments are not inadvertently made to the sponsors. The committee shall, in its written documentation of the review, address each of the principles set forth in the Guidelines. The basis for the recommendation should be clearly established in the documentation of the review.~~

#### **V. ~~Implementation~~**

~~Chancellors, the Lawrence Berkeley National Laboratory Director, and the Vice President—Agriculture and Natural Resources shall implement this policy. They must provide the committees with appropriate administrative support, assure that technical advice on conflict of interest matters is provided, and assure that appropriate documents related to this policy are available to the public, as required by law.~~

~~GENERAL UNIVERSITY POLICY REGARDING \_\_\_\_\_ APM 028  
ACADEMIC APPOINTEES \_\_\_\_\_  
Disclosure of Financial Interest in Private Sponsors of Research \_\_\_\_\_~~

~~The Provost and Executive Vice President—Academic Affairs has responsibility for assuring compliance with applicable State law, this policy, and related University policies. The Provost and Executive Vice President—Academic Affairs is responsible for developing and issuing implementing guidelines for this policy. The Provost and Executive Vice President—Academic Affairs serves as the liaison on these matters with the Fair Political Practices Commission and with the campuses, the Lawrence Berkeley National Laboratory Director, and the Vice President—Agriculture and Natural Resources.~~



University of California  
Office of the President  
April 29, 2010

**GUIDELINES FOR DISCLOSURE AND REVIEW  
OF PRINCIPAL INVESTIGATOR'S FINANCIAL INTEREST  
IN PRIVATE SPONSORS OF RESEARCH**

**These Guidelines Implement the University Policy on Disclosure of  
Financial Interest in Private Sponsors of Research**

**I. Rationale**

University research is currently reviewed according to the principles specified below and according to other well-established policies guiding the conduct of sponsored research, including the principle that researchers must be free to pursue knowledge and that this freedom, which is essential to the research process, must not lightly be abridged. The proposed review is supplemental to this process and takes advantage of the expertise and structure of the existing system. While it is normally the case that a principal investigator takes responsibility for the central issues raised in these guidelines, when a principal investigator has a financial interest of the sort defined in the University Conflict of Interest Code requiring disclosure, it is possible that his or her judgment may appear to be affected by potential financial gain rather than by the pursuit of knowledge. Therefore, it is proper that the principal investigator, the University community, and the public be assured that the principles central to the research process are followed.

**II. Principles**

**A. Traditional conflict of interest situations should continue to be avoided**

In the conventional sense, conflict of interest refers to situations in which employees may have the opportunity to influence the University's business decisions in ways that could lead to personal gain or give advantage to associates or entities in which employees have an interest. Principal investigators, like all UC employees, are expected to continue to separate their University and private interests in accordance with existing University policies and State law.

**B. Research is appropriate to the University**

The research must be appropriate to the mission of the University, i.e., promising significant contributions to scholarship and knowledge and, when possible, providing appropriate opportunities for students. The suitability of the research would be judged according to the standards of the discipline and should be guided by the principles and policies of University Regulation 4, Special Services to Individuals and Organizations (APM - 020).

**C. The teaching and research environment is open**

The teaching and research environment should continue to promote the free exchange of ideas, information, and materials among students and faculty in all of their forums—classrooms, laboratories, meetings, and anywhere in the University. Selection of students for participation in the research project should not be inappropriately influenced by the interest of the sponsoring entity.

**D. Freedom to publish and to disseminate research results is preserved**

Consistent with current University policies, there should be no limits placed on the freedom to publish, except for short periods of delay that permit a sponsor to comment or to permit filing of patent applications.

**E. Licensing agreements require thorough review**

If the principal investigator has a financial interest in the sponsoring entity, justification for granting of an exclusive license to the sponsoring entity will require careful review to ensure that the best interests of the public and the University are served. This review should be coordinated with the Patent Administrator for consideration in negotiations concerning patent rights.

**F. University facilities and resources are used appropriately**

As is currently the policy, University resources—supplies, equipment, and facilities, as well as staff time—must not be used for the benefit of the outside entity without proper compensation.

### III. Procedures for conduct of committee review

Review committees should be guided by the following practices and apply them as appropriate.

#### A. Assure adherence to relevant University policies, guidelines, and regulations

These policies are identified; summarized, and paraphrased in the Business & Finance Bulletin G-39, Conflict of Interest Policy and Compendium of Specialized University Policies, Guidelines, and Regulations Related to Conflict of Interest.

#### B. Consider, to the extent possible, the nature and extent of the financial interest in the relationship of the principal investigator to the sponsoring entity

In addition, to the extent possible, the potential financial effects of the research both on the sponsor and on the principal investigator should be considered.

#### C. Give special consideration to:

1. Conditions of research agreements which involve:
  - a. The testing of a sponsor's products or inventions;
  - b. Research conducted in the sponsor's facilities;
  - c. Research performed jointly with an employee or agent of the sponsor; or
  - d. Research involving the provision of proprietary information from the sponsor.
2. The relationship between the principal investigator and the sponsor when the principal investigator has:
  - a. A significant ownership interest in the sponsor;
  - b. The opportunity to receive substantial financial benefits from the sponsor (e.g. bonuses, stock options); or
  - c. A long term or ongoing consulting relationship with the sponsor.

**D. Obtain additional information from the Principal Investigator when necessary**

Since committees may find it useful to get more information from the principal investigator than is covered in the Statement of Economic Interests, Form 700-U, a sample form is provided (entitled the Principal Investigator's Addendum to Statement of Economic Interest) which includes possible questions and also advice to the principal investigator about the purpose of the request and its legal status.

In the event that such a sample form, or the like, is utilized, it must contain a privacy statement.

**E. Apply the principles set forth in II above:**

**Some questions which might be considered when appropriate are:**

1. Do the facts and circumstances suggest that the principal investigator's financial involvement with the sponsoring entity will in any way affect or impair the conduct of the research in accordance with the applicable University policies and the highest professional standards?
2. How will the interests of the University be maintained in consideration of the principal investigator's interest in the sponsor?
3. Will the research project lead to the advancement of knowledge rather than to routine testing of primary benefit to the sponsor?
4. How will this research project contribute to the University's mission of teaching, research, and public service?
5. Do the potential public benefits to be gained from undertaking this research outweigh any potential erosion of academic freedom, collegiality, or public trust?
6. Are the best interests of the University and the public served by granting an exclusive license to the sponsor?

**F. Make a recommendation providing the necessary documentation and indicating:**

- Acceptance of the gift or grant.
- Non-acceptance of the gift or grant.
- Modification, specifying what modifications need to be made, or what conditions need to be imposed.

[The UC Presidential Policy on Disclosure of Financial Interests and Management of Conflicts of Interest in Private Sponsors of Research can be found at \[insert link\].](#)

~~Attachment to Guidelines~~

~~Sample Form~~

~~PRINCIPAL INVESTIGATOR'S  
ADDENDUM TO STATEMENT OF ECONOMIC INTEREST~~

~~Campus~~

~~Principal Investigator \_\_\_\_\_  
NAME~~

~~DATE~~

~~Research Project \_\_\_\_\_~~

~~Proposed Sponsor \_\_\_\_\_~~

~~Introduction~~

~~(Include here information about the research process on the campus for review of disclosures of financial interest; reasons additional information is needed; and any other relevant information.)~~

~~Request for Information (recommended questions)~~

~~1. \_\_\_\_\_ Describe the nature of your financial interest in the sponsor, such as your responsibilities as a director, officer, partner, trustee, employee, consultant, ownership interest including actual or promised options or convertible securities or loans, and the relationship between that interest or position and this research project. Please indicate if there are any written agreements between you and the sponsor.~~

~~2. \_\_\_\_\_ Describe to the extent possible the potential financial effect of this project on the sponsor.~~

~~3. Explain if you separately, or along with your spouse, registered domestic partner, or dependent children, own 10% or more of the entity sponsoring this research project.~~

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- ~~4. Describe your role in the research program of the sponsoring entity.~~
- ~~5. Describe in some detail if the research project involves:
  - ~~a. testing;~~
  - ~~b. licensing or other approval of any product or device by a governmental agency; or~~
  - ~~c. development of any product or other device of potential economic value to the sponsor.~~~~
- ~~6. Explain how the research will lead to the extension of knowledge, to an increased effectiveness in teaching, or will provide a public service.~~
- ~~7. Provide funding information about the project:
  - ~~a. Is the sponsor funding the full cost of the project?~~
  - ~~b. If other funding sources are involved in this research project, please indicate who they are and the dollar value of their support.~~
  - ~~c. Will the University be contributing to this project, either by supporting faculty or other salaries, or by directly providing supplies, equipment, or facilities?~~~~
- ~~8. Describe any participation of the sponsor in deciding the direction of the research, once begun.~~
- ~~9. Describe the role of students in the research project.~~
- ~~10. Indicate whether selection of topics for students will be restricted by commercial considerations.~~
- ~~11. Describe how the terms of your relationship with the sponsor could affect the free exchange of ideas, information, and materials among students and faculty.~~

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~~12. Describe how the terms of your relationship with the sponsor could affect publication or other dissemination of research results by faculty or students involved in the project.~~

~~13. Indicate whether the contract, grant, or gift funding this research will require the granting of an exclusive license to the sponsor.~~

~~14. Indicate whether the sponsor will be providing any proprietary data for use on the project.~~

~~15. Indicate whether possession of proprietary data will require controls on access to the research data. Please describe any such requirements.~~

~~(Please include any additional information that may be of use to the committee in reviewing the proposal, including any background documentation about the development of the project, related research interests, negotiations or other correspondence with the sponsor, and a proposed budget if one has not already been submitted.)~~

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_ SIGNATURE

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_ DATE



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ACADEMIC APPOINTEES~~

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~~Privacy Statement<sup>†</sup>~~

~~The State of California Information Practices Act of 1977 (effective July 1, 1978) requires the University to provide the following information to individuals who are asked to supply information about themselves: The principal purpose for requesting the above information is to accomplish the independent and substantive review of positive financial disclosures as required by the Policy on Disclosure of Financial Interest in Private Sponsors of Research (Revised April 29, 2010). University policy and State law authorize maintenance of this information. Submission of this information is mandatory. The consequences of not providing all or any part of the requested information could be nonacceptance of your award from the proposed sponsor. The information is a public record under University policy and State law. Individuals have the right to review their own records in accordance with Academic Personnel Manual, Section 160. Information about this records policy may be obtained from the campus or Office of the President—Office of Academic Affairs. The officials responsible for maintaining the information collected on this form are the (appropriate campus officer) and the Provost and Executive Vice President—Academic Affairs.~~

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~~<sup>†</sup>—This statement must be included in the form.~~

University of California  
Office of the President  
April 29, 2010

**GUIDELINES FOR DISCLOSURE AND REVIEW  
OF PRINCIPAL INVESTIGATOR'S FINANCIAL INTEREST  
IN PRIVATE SPONSORS OF RESEARCH**

**These Guidelines Implement the University Policy on Disclosure of  
Financial Interest in Private Sponsors of Research**

**I. Rationale**

University research is currently reviewed according to the principles specified below and according to other well-established policies guiding the conduct of sponsored research, including the principle that researchers must be free to pursue knowledge and that this freedom, which is essential to the research process, must not lightly be abridged. The proposed review is supplemental to this process and takes advantage of the expertise and structure of the existing system. While it is normally the case that a principal investigator takes responsibility for the central issues raised in these guidelines, when a principal investigator has a financial interest of the sort defined in the University Conflict of Interest Code requiring disclosure, it is possible that his or her judgment may appear to be affected by potential financial gain rather than by the pursuit of knowledge. Therefore, it is proper that the principal investigator, the University community, and the public be assured that the principles central to the research process are followed.

**II. Principles**

**A. Traditional conflict of interest situations should continue to be avoided**

In the conventional sense, conflict of interest refers to situations in which employees may have the opportunity to influence the University's business decisions in ways that could lead to personal gain or give advantage to associates or entities in which employees have an interest. Principal investigators, like all UC employees, are expected to continue to separate their University and private interests in accordance with existing University policies and State law.

**B. Research is appropriate to the University**

The research must be appropriate to the mission of the University, i.e., promising significant contributions to scholarship and knowledge and, when possible, providing appropriate opportunities for students. The suitability of the research would be judged according to the standards of the discipline and should be guided by the principles and policies of University Regulation 4, Special Services to Individuals and Organizations (APM - 020).

**C. The teaching and research environment is open**

The teaching and research environment should continue to promote the free exchange of ideas, information, and materials among students and faculty in all of their forumsCclassrooms, laboratories, meetings, and anywhere in the University. Selection of students for participation in the research project should not be inappropriately influenced by the interest of the sponsoring entity.

**D. Freedom to publish and to disseminate research results is preserved**

Consistent with current University policies, there should be no limits placed on the freedom to publish, except for short periods of delay that permit a sponsor to comment or to permit filing of patent applications.

**E. Licensing agreements require thorough review**

If the principal investigator has a financial interest in the sponsoring entity, justification for granting of an exclusive license to the sponsoring entity will require careful review to ensure that the best interests of the public and the University are served. This review should be coordinated with the Patent Administrator for consideration in negotiations concerning patent rights.

**F. University facilities and resources are used appropriately**

As is currently the policy, University resourcesCsupplies, equipment, and facilities, as well as staff timeCmust not be used for the benefit of the outside entity without proper compensation.

### III. **Procedures for conduct of committee review**

Review committees should be guided by the following practices and apply them as appropriate.

#### A. **Assure adherence to relevant University policies, guidelines, and regulations**

These policies are identified; summarized, and paraphrased in the Business & Finance Bulletin G-39, Conflict of Interest Policy and Compendium of Specialized University Policies, Guidelines, and Regulations Related to Conflict of Interest.

#### B. **Consider, to the extent possible, the nature and extent of the financial interest in the relationship of the principal investigator to the sponsoring entity**

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1. Conditions of research agreements which involve:
  - a. The testing of a sponsor's products or inventions;
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  - c. Research performed jointly with an employee or agent of the sponsor; or
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  - a. A significant ownership interest in the sponsor;
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