Conflict of Interest

Frequently Asked Questions

What is a conflict of interest?

A conflict of interest is a situation where an investigator’s (or those of the Investigator's spouse/domestic partner or dependent children) outside financial interests (e.g., salaries; consulting income; equity interests; honoraria; gifts; loans; or travel payments) or paid or unpaid obligations (e.g., director, officer, partner, consultant or manager of an entity) bias or have the potential to bias a research project. When a financial interest constitutes a financial conflict of interest, the University’s Conflicts Officer (CO) or Financial Conflicts of Interest Committee (FCOIC) will work with the disclosing individual to develop a management plan before the disclosure can be approved.

Is a financial interest automatically a conflict of interest?

Having an outside financial interest is not automatically a conflict of interest. It is also important to remember that some financial interests are of such low value and/or limited duration that they do not meet the definition or threshold of disclosable financial interests or are so small or inconsequential that the research support from the sponsor can be accepted with no further action. Disclosed financial interests and resulting conflicts of interest may be reduced, eliminated, or managed so that the research project can be accepted and funded by the proposed sponsor.

What if my project involves human subjects?

Special concerns arise when human subjects are involved, as the research subjects may be placed at additional risk because of an Investigator's financial interests. Situations that warrant additional consideration by the FCOIC include those where an Investigator has a financial interest in the sponsor or manufacturer of a product being tested in human subjects, or in which the Investigator is the inventor of the product.

Investigators are required to disclose any Significant Financial Interests that reasonably appear to be related to the Investigator's Institutional Responsibilities. A Significant Financial Interest includes an external financial interest consisting of Equity interests of >$5000 in a publicly-traded entity or any equity interest in a non-publicly-traded entity (e.g., a start-up company). In such situations, FCOIC maintains that any research involving human subjects must be free of conflict of interest and recommends that individuals who have independent roles in projects and who are responsible for the design, analysis, conduct or reporting of the research performed (or to be performed) under a human subjects protocol shall not concurrently receive any compensation from the sponsor or other entity supplying materials, drugs or devices for the project, including honoraria and consulting fees, during the course of the study.
However, the FCOIC will also consider:

- The Investigator's role in the project.
- Whether the Investigator is involved in subject selection, including prescreening for inclusion/exclusion criteria.
- Participation of the Investigator in the consent process.
  Investigator participation in clinical treatment of subjects, separate from the research interventions or procedures.
- The design of the clinical study; whether it is a single-site, investigator-initiated study or a multicenter study with oversight provided by a sponsor or other third party.

Can I start a company or serve on a board of directors?

The Chapman conflict of interest policy does not prohibit faculty from starting their own company or serving on a board of directors. However, where such outside activities are related to the faculty's research, an equity stake in a company (being an officer or being paid in anyway) may represent an unmanageable COI if that company is sponsoring your research or has licensed the technology.

I have a financial interest in an outside company; can they sponsor my research project at Chapman University?

Where such outside activities are related to the faculty's research, an equity stake in a company (being an officer or being paid in anyway) may represent an unmanageable COI if that company is sponsoring your research or has licensed the technology. The faculty may need to divest equity interest in the company or not participate in any research activity.

Additionally, if a Principal Investigator has significant financial interest in a small business entity, that individual may not bring research into his/her own laboratory under a SBIR or STTR subcontract from that same small business.

Are faculty, staff, and students required to disclose interests in mutual funds, closed-end funds, ETFs, hedge/venture funds, or retirement accounts?

No, disclosure of holdings or income from investment vehicles, such as mutual funds, closed-end funds, ETFs, hedge/venture funds, or retirement accounts, are not required as long as the faculty, staff, or student do not directly control the investment decisions made in these vehicles. As an example, a self-directed IRA may need to be disclosed, depending on its value and holdings, because the faculty, staff, or student is making decisions on the investments just like if the faculty, staff, or student held stock.
Do I need to disclose Intellectual Property?

Yes, the definition of Significant Financial Interest also includes intellectual property rights and interests (e.g., patents, copyrights), when the patent application is filed or when the copyright is asserted or upon receipt of income related to such rights and interests, including royalty income from Intellectual Property owned by Chapman.

Are there special considerations for involving students in research if I have a financial interest?

Yes, Chapman graduate students and postdocs also have to follow COI rules, and cannot hold financial interest in a company that involves his/her role as a student. Students cannot be involved in a company in which their adviser or faculty mentor has a significant financial interest. Involvement means they may not be employed in the company, undertake training in the company, or do their dissertation research in the company. Students and postdocs may undertake educationally-related research activities at companies as long as the following conditions are met:

- The faculty adviser does not have a significant financial interest in the company.
- The company places no confidentiality or non-disclosure restrictions on the student and permits the student to freely discuss and publish the results of their work without delays.
- Any company patent agreement the student is required to sign be reviewed and approved by the University.

Review and Management of a Conflict of Interest

Who reviews the positive disclosures?

The University’s Conflicts Officer (CO) will review disclosures of financial interests related to funded research and determine whether any of the significant financial interests constitute a financial conflict of interest.

Conflicts of interest generally do not require FCOIC review and may be handled administratively if the conflict is not a significant conflict, does not involve students or human subjects, and does not involve payment for personal services in excess of $5,000 in a 12-month period. However, the Vice President of Research, or his/her designee, reserves the right to require Committee review.

The FCOIC is comprised of faculty from throughout the campus and is advisory to the Vice President for Research. The FCOIC considers a number of factors to determine the seriousness of the conflict, and whether and how the conflict can be managed. It can recommend approval of a disclosure, which means an award can be accepted. It can also recommend the reduction
or elimination of a financial or other interest when one or more potential risks exist. And, it can recommend that certain actions be taken to manage the conflict of interest.

**Who gets to see the information I provide in my disclosure?**

The information provided in a disclosure is confidential and is only used for the purposes of administering the policy by the CO/FCOIC and the Office of Research Staff. However, per federal and state regulations and laws, some information may be disclosed to the public if requested.

**How are Conflicts of Interest managed?**

The CO/FCOIC advises the Vice President for Research on the seriousness of the potential conflict and, when necessary, whether and how the conflict can be managed. Sometimes the CO/FCOIC recommends that certain actions be taken to manage the conflict of interest in order to preserve objectivity in the design, conduct or reporting of research by creating a management plan.