



BOARD OF TRUSTEES
UNIVERSITY OF PUERTO RICO

CERTIFICATION NUMBER 63
2007-2008

I, Salvador Antonetti Zequeira, Secretary of the Board of Trustees of the University of Puerto Rico, DO HEREBY CERTIFY THAT:

The Board of Trustees, in its regular meeting held on May 17, 2008, upon the recommendation of the President of University of Puerto Rico and its Committees on Academic Affairs and Law and Regulations, approved:

The POLICY ON CONFLICTS OF INTERESTS AND DISCLOSURE OF FINANCIAL INTERESTS IN RESEARCH AND OTHER SPONSORED PROGRAMS OF THE UNIVERSITY OF PUERTO RICO, that is attached as an integral part of this Certification.

Issued under the seal of the University of Puerto Rico in San Juan, Puerto Rico,
this 23rd day of May, 2008.




Salvador Antnetti Zequeira
Secretary

UNIVERSITY OF PUERTO RICO
BOARD OF TRUSTEES

**Policy on Conflicts of Interests
And
Disclosure of Financial Interests
In Research
And
Other Sponsored Programs**

Certification No. 63 (2007-2008)
May 17, 2008

Policy on Conflicts of Interests
And
Disclosure of Financial Interests
In Research and Other Sponsored Programs

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**Policy on Conflicts of Interests
And
Disclosure of Financial Interests
In Research and Other Sponsored Programs**

I. INTRODUCTION

The University of Puerto Rico is a public corporation of the Commonwealth of Puerto Rico. Teaching, research and public service are the main functions of the University. Consistent with the mission of the University, all faculty, staff and students are encouraged to participate in activities associated with the University and in those that promote interactions with industry, businesses, government and other academic institutions. University research is being focused on technology and its uses for the benefit of the humanity. This knowledge or technology can have a commercial value and, consequently, must be treated as an asset that can be used, preserved or applied in such a way as to generate income for the inventor and the University, increasing the collaborations among academic, government and private sector. The University of Puerto Rico supports these efforts of collaboration and mutual benefit. Establishing ownership, patenting, licensing and protection rights to such inventions is consistent with the mission and objectives of the University.

The University permits its faculty substantial freedom in arranging their academic lives. This freedom is, however, subject to the principle that the primary professional loyalty of an employee is to the University. Orderly procedures must be followed to avoid ethical and legal conflicts of interest and to ensure that such activities do not conflict with the proper discharge of University responsibilities.

II. OBJECTIVE

The intent of this policy is to identify, eliminate or manage any possible threat to the integrity of the research and sponsored programs conducted at the University of Puerto Rico. This policy sets forth procedures and guidelines that are to be followed by the University in resolving or managing actual and potential faculty conflicts of interest and commitment pertaining to all research projects, independent to its source of funding.

III. SCOPE

This policy applies to all sponsored projects funded by (a) commercial sponsors; (b) federal agencies; (c) state agencies; (d) institutional funding; or (e) from any other source of funding. It also will guide cases in which faculty, staff, students or other members of the university community receive significant financial gain from commercialization, in any way, of intellectual property owned or co-owned by the

University. It is also the intent of this policy to address the potential conflict of interest that might arise when the University of Puerto Rico enters into a contract, including one of technology transfer, with private firms or corporations in which a University employee or researcher has a direct or indirect significant financial interest, as this concept is defined herein.

IV. DEFINITIONS

For purposes of this policy statement, the following definitions are provided:

- A. **University** or **UPR** refers to the University of Puerto Rico.
- B. **Researcher** or **Investigator** includes the principal investigator, co-principal investigators, and all faculty and research staff members or any other person at the institution who is responsible for the design, conduct, or reporting of the research or educational activities as well as the dissemination of the results.
- C. **Employees** refers to all full time or part time employees, including faculty, students, administrative and professional personnel, support personnel, faculty and visiting researchers, research assistants, scientists and visiting professors, or any person whose services are paid by the University.
- D. **Immediate family** refers to the employee or researcher's parents, siblings, spouse, and dependent children. It also refers to any individual who resides on a regular basis in the researcher's domicile or whose financial affairs are under the control of the employee or researcher.
- E. **Sponsored research project or other sponsored program** includes a variety of possible activities and not research alone. Sponsored programs include, but are not limited to; curriculum development projects, public service projects, instrumentation and infrastructure awards, training grants, conference grants and any other activity funded either directly, or indirectly, by an external entity, including private sponsors and agencies of the commonwealth and federal governments.
- F. **University funds** or **funds administered by the University** refer to any funds that the University administers regardless of their source: federal government, local government, private or any kind, and whose purpose is to support research or scholarly activities.
- G. **Significant financial interest** refers to the relationship between an investigator and the sponsor of a project and means any monetary value including, but not limited to, salary or any other payment or compensation for services (e.g. consulting fees or honoraria); equity interests

(e.g. stocks, stock options or other ownership interests); interests derived from investments, and any income derived from intellectual property rights (e.g. patents, copyrights) and royalties from such rights; a direct or indirect investment in the sponsoring entity worth more than \$10,000; an equity interest of more than five percent; a position as director, officer, partner, trustee, employee of or any other position of management in the sponsoring entity; income from the sponsor including consulting income, gifts and loans received from or promised by the sponsor within 12 months prior to the acceptance of the award. This term does not include:

1. Salary, royalties or other remuneration from the applicant institution;
2. Ownership interest in the sponsoring entity, if the entity is an applicant under the Small Business Innovation Research Program or Small Business Technology Transfer Program;
3. Income from seminars, lectures, conferences, or teaching agreements sponsored by public or non-profit entities;
4. Income from service on advisory committees or review panels for public or nonprofit entities;
5. An equity interest that, when aggregated for the investigator and the investigator's immediate family, meets both of the following tests: does not exceed \$10,000 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; or
6. Salary, royalties or other payments that, when aggregated for the investigator and the investigator's immediate family, are not expected to exceed \$10,000 during the next twelve month period.

H. Indirect investment or indirect financial interest occurs when an investigator's immediate family has a financial interest in the sponsoring entity, or when the investigator or his or her immediate family owns directly, indirectly or beneficially a five percent interest or greater in a business entity or trust that has a financial interest in the sponsoring entity.

I. Equity (ownership) interest means an investment of more than \$10,000 in a sponsoring entity or five percent of company ownership by an investigator, or his or her immediate family.

V. DISCLOSURE OF PERSONAL FINANCIAL INTERESTS

- A. The principal investigator and co-investigators must disclose to the Chancellor of the campus where he or she works and the Vice President for Research and Technology full information of any direct or indirect financial interest they or their immediate family have that could directly and significantly affect the design, conduct, or reporting of activities that are funded in whole or in part (a) through a contract or grant with a non-governmental entity; (b) by a gift from a non-governmental entity earmarked by the donor for a specific research project or a specific investigator, or (c) funds administered by the UPR. When disclosure indicates that a significant financial interest exists, an independent substantive review of the disclosure statement and 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 by another investigator for a project that is funded in whole or in part by a non-governmental entity in which the chair or his or her immediate family has a significant financial interest.
- B. In the event that the University of Puerto Rico is negotiating to enter into a contract, including one for technology transfer; an agreement; a licensing agreement or any other mechanism of commercialization of the intellectual property of the University with private firms or corporations in which a University employee or researcher or his or her immediate family has a direct or indirect significant financial interest, said employee or researcher shall disclose to the Chancellor of the campus where he or she works and the Vice President for Research and Technology such financial interest before the contract or agreement with such firm or corporation is accepted by the University.
- C. Disclosure statements must be filed (a) before final acceptance of a contract, grant, or gift; (b) when funding is renewed; and (c) within 90 days after expiration in the case of a contract or grant, or after funds have been completely expended in the case of a gift.
- D. The financial disclosure statement shall contain:
 1. The name and address of the sponsor and a general description of the business activity, if any, of the sponsor;
 2. A statement of the aggregate value of income from the sponsor, or in the case of a loan, the highest amount owed to the sponsor;
 3. In the case of a gift of \$50 or more, a description of and the amount of the gift; and

4. In the case of a loan, the annual interest rate and the security, if any, given for the loan.
5. Disclosure of Equity or Ownership Interest and Disclosure of Position in Sponsor
6. When an investment or equity (ownership) interest is required to be disclosed, or when the investigator or a member his or her immediate family is a director, officer, partner, trustee, employee, or holds any position of management, the disclosure statement shall contain a general description of the business activity in which the sponsor is engaged; a statement of the fair market value of the investment or interest; and the position held in the entity by the investigator.
7. Those researchers that are included as inventors, defined as the member or members who have done the research or made the discovery, in a patent or any other intellectual property in which the University of Puerto Rico is the assignee, owner or co-owner, have the responsibility to include this information in the financial disclosure statement. The number and name of the patent shall be included.

VI. INDEPENDENT SUBSTANTIVE REVIEW COMMITTEE

When the Chancellor determines that the disclosure statement indicates that a significant financial interest exists, an independent substantive review of the disclosed statement and research project shall take place before a contract, grant, or gift is accepted.

The review committee 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 members 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. The committee may also consult with or request that investigators and department chairs provide additional information so as to make a fully informed recommendation. The committee may also invite individuals with competence in special areas to assist in the review process if expertise beyond, or in addition to, that available to the committee is required. The review committee shall be sufficiently qualified through the experience of their members to promote respect for their advice.

The committee shall review disclosure statements and relevant features of the research project, following the guidelines adopted for this purpose by the Vice President for Research and Technology for the University of Puerto Rico. The review should occur

as early as possible in the overall application 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.

On the basis of this review, the committee shall recommend to the Chancellor whether funding for the research project should be accepted and, if so, whether any modifications or conditions are needed. The Chancellor shall notify his or her decision to the investigator.

The Chancellor of the pertinent institutional unit, after consultation with the Vice President for Research and Technology of the University of Puerto Rico, shall develop a procedure for this independent substantive review, including the designation or establishment of the institutional committee to conduct the review.

VII. IMPLEMENTATION

Chancellors shall implement this policy. They must provide the reviewers 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.

The Vice President for Research and Technology for the University of Puerto Rico has responsibility for assuring compliance with applicable State law, this policy, and related University regulations. The Vice President for Research and Technology is responsible for developing, issuing and notifying the necessary guidelines to implement this policy and will serve as the liaison on these matters with the campuses. These guidelines could be modified from time to time.

VIII. AMENDMENTS AND REPEALS

This Policy may be amended *motu proprio* by the Board of Trustees, or upon request of the President of the University of Puerto Rico.

This Policy repeals Circular Letter No. 96-03 of February 5, 1996, known as Investigator Financial Disclosure Policy, as well as any other rule, regulation, policy or official document in conflict with this policy.

IX. EFFECTIVE DATE

This Policy is effective upon its approval by the Board of Trustees.