

Frequently Asked Questions: Financial Conflict of Interest

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1. What is a Financial Conflict of Interest?

A financial conflict of interest (FCOI) is a situation in which significant financial interests (SFIs) might compromise or reasonably appear to compromise the objectivity of someone's professional judgment. [\[top\]](#)

2. Who needs to participate in Financial Conflict of Interest disclosure?

All full-time USM faculty members, research scientists, and librarians must participate in the disclosure process. Disclosure forms also need to be completed by investigators working on externally sponsored projects when sponsors require such disclosure. [\[top\]](#)

3. Why does The University of Southern Mississippi have a policy and procedures on Financial Conflicts of Interest?

Financial Conflicts of Interest (FCOIs) can damage the objectivity of research and scholarship and USM has a responsibility to reduce their potential influence. While Southern Miss has a long-standing FCOI policy, updated [regulations](#) from Health and Human Services (HHS), the National Science Foundation (NSF), and selected non-governmental funding organizations impose additional requirements. [\[top\]](#)

4. Where can I find USM's policy on Financial Conflicts of Interest?

USM's policy is found on the University's Institutional Policies [page](#), under "Research." [\[top\]](#)

5. Where can I find USM's Financial Conflicts of Interest Disclosure Form?

USM's Financial Conflicts of Interest (FCOI) Disclosure Form is found on the Office of Research Integrity's FCOI [page](#). [\[top\]](#)

6. I do not receive any federal funding for my work. Do I still need to complete a disclosure form?

Yes. It is appropriate for the University to be aware of employees' significant financial interests (SFIs) since they can interfere with individuals' institutional responsibilities. Annual disclosure by means of a convenient electronic reporting system makes the process minimally onerous and avoids unnecessary confusion about who needs to report what and when. Completing the form is comparable to reporting time and attendance in SOAR, except that, for most people, the disclosure needs to be done only once a year. [\[top\]](#)

7. What is a “Significant” Financial Interest?

Significant financial interests (SFIs) are one or more of the following related to an individual’s institutional responsibilities:

- i) Equity ownership in a publicly-traded company (at the time of disclosure) *or* compensation from a publicly-traded company (in the twelve months prior to disclosure) with an aggregated value of \$5000 or more.
- ii) Any equity ownership in a non-publicly-traded company (at the time of disclosure) *or* compensation from a non-publicly-traded company (in the twelve months prior to disclosure) with an aggregated value of \$5000 or more.
- iii) Intellectual property rights and interests, excluding rights from scholarly works but including rights to teaching materials.
- iv) Any reimbursed or sponsored travel paid for by an entity with interests related to an individual’s institutional responsibilities.

These provisions apply both to the individual and his or her spouse and/or dependent children. SFIs do not include compensation from USM, other local, state, or federal governments, government institutions or agencies, and investments in which the individual has no control over investment decisions. [\[top\]](#)

8. What are “Institutional Responsibilities”?

Only significant financial interests (SFIs) need to be disclosed, and SFIs include only interests that relate directly to individuals’ institutional responsibilities. Institutional responsibilities are professional obligations an individual has on behalf of the University. These could include responsibilities related to teaching, research, scholarship, creative activity, administration and/or service. [\[top\]](#)

9. When does Financial Conflict of Interest disclosure need to occur?

Disclosure forms are to be completed annually in August, and when necessary, updated disclosures need to be completed within 30 days of a change in financial status. A change in “financial status” occurs whenever, 1) a covered individual’s significant financial interests change, or 2) an individual becomes an investigator on an externally funded or proposed project and the sponsor requires such disclosure. [\[top\]](#)

10. What do I need to disclose?

Only significant financial interests (SFIs), defined above, need to be reported. [\[top\]](#)

11. Who are “Investigators”?

As defined in federal policy, an “investigator” is anyone who participates in the design, conduct, or reporting of an externally-funded research or scholarly project, regardless of that person’s discipline, title, or position. Depending on the project, this could include postdoctoral associates, staff, students, outside consultants and faculty collaborators at other institutions. [\[top\]](#)

12. What are examples of Significant Financial Interests?

Significant financial interests (SFIs) include equity ownership and/or salary in excess of \$5,000 from certain companies, intellectual property rights upon receipt (excluding scholarly works but including teaching materials), and travel paid for by non-governmental entities. So, for example, suppose a USM faculty member is researching materials patented by company XYZ, and the faculty member owns \$10,000 worth of XYZ stock. That is an SFI. [\[top\]](#)

13. Why does the disclosure form ask about the Significant Financial Interests of my family members?

According to federal regulations, an individual’s significant financial interests (SFIs) include those of immediate family members. [\[top\]](#)

14. What is an FCOI Addendum Form?

For most individuals, the disclosure process will consist solely of completing the standard FCOI Disclosure Form, available from the Office of Research Integrity’s FCOI [page](#). Those who have significant financial interests to disclose will also need to complete an FCOI Addendum Form. [\[top\]](#)

15. What happens after I disclose a Significant Financial Interest?

The Vice President for Research determines whether or not a significant financial interest (SFI) constitutes a financial conflict of interest (FCOI), with advice from the Conflict of Interest Review Committee (COIRC). If an SFI is an FCOI, the VP and the investigator must agree to a resolution plan with input from the COIRC. There are different ways of appropriately managing FCOIs; the best approach in a particular case will depend on the situation. [\[top\]](#)

16. Must I disclose a textbook I’ve authored and am using in one of my classes?

Possibly. While 2011 federal regulations exempt royalty rights from scholarly works, textbook authorship is considered a kind of payment for services. The issue is specifically

addressed in the preamble to the final rule, page 53264, which can be found at <http://www.gpo.gov/fdsys/pkg/FR-2011-08-25/pdf/2011-21633.pdf>. However, textbook authorship must be reported only if the royalties are received by an individual or member of the individual's immediate family. If instead the royalties are given to an academic department, the disclosure requirement does not apply. [\[top\]](#)

17. Do I need to disclose Significant Financial Interests even when I am sure there is no interference with my institutional responsibilities?

Yes. According to best practices and federal regulations, whether a significant financial interest (SFI) constitutes a financial conflict of interest (FCOI) is determined by the Vice President for Research with advice from the Conflict of Interest Review Committee (COIRC). [\[top\]](#)

18. Will I need to give up any Significant Financial Interests I disclose?

Perhaps, but probably not. Not all significant financial interests (SFIs) are financial conflicts of interest (FCOIs) and often FCOIs can be effectively managed without relinquishing the interests or recusal from the situation. [\[top\]](#)

19. Who will see the information I disclose?

Initially, positive Significant Financial Interest (SFI) disclosures will be reviewed only by the Vice President for Research. At the VP's request, the Conflict of Interest Review Committee (COIRC) may help determine whether disclosed SFIs are financial conflicts of interest (FCOIs). Completed disclosures are stored on a secure, confidential drive. [\[top\]](#)

20. When required by an external sponsor, how do I complete Financial Conflict of Interest training?

USM's financial conflict of interest (FCOI) training consists of a [Blackboard module](#) written by the Office of Research Integrity, accessible with SOAR credentials. [\[top\]](#)