

**Instructions for Statements of Economic Interests
for Principal Investigators at the
University of California**
Form 730-U

What is a Statement of Economic Interests?

A Statement of Economic Interests is a form mandated by the State of California Fair Political Practices Commission on which principal investigators disclose certain financial interests. A Statement of Economic Interests is also called a financial disclosure statement in University policy and related implementing guidelines.

Why Must a Statement of Economic Interests be Completed and What Must be Disclosed?

University Policy on Disclosure of Financial Interest in Private Sponsors of Research issued by President Saxon on April 9, 1982, and State regulations mandated by the Fair Political Practices Commission under the Political Reform Act (2 Cal. Admin. Code Section 18705) require that 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 in whole or in part:

1. through a contract or grant of \$250 or more with a non-governmental entity; or
2. by a gift from a non-governmental entity which is earmarked by the donor for a specific research project or a specific principal investigator, provided the amount of the gift, or the aggregate over a 12-month period, from the same donor is \$250 or more.

When an interest of principal investigator in the sponsor is disclosed a campus committee must review whether the contract, grant, or gift can be accepted.

When Must Statements of Economic Interests be Filed?

Disclosure statements must be filed:

1. before final acceptance of the above type of a contract, grant, or gift;
2. when funding is renewed; and
3. 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.

Where to Send Completed Statements of Economic Interests:

Send to: See UCI "Procedure for Completion and Review of Principal Investigator's Statement of Economic Interests"

Will the Statements be Available to the Public?

Yes, by both University policy and State law the completed statements will be open to public inspection.

What to Disclose

When a principal investigator has a reportable financial interest in a sponsor of research, the required financial disclosure statement shall contain:

1. Disclosure of Income
 - a. The name and address of the sponsor and a general description of the business activity, if any, of the sponsor;
 - b. 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 \$250 but did not exceed \$1,000, whether it was in excess of \$1,000 but was not greater than \$10,000, or whether it was greater than \$10,000.
 - c. in the case of a gift, a description of and the amount of the gift; and
 - d. in the case of a loan, the annual interest rate and the security, if any, given for the loan.
2. 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:

- a. a general description of the business activity in which the sponsor is engaged;
- b. a statement whether the fair market value of the investment or interest exceeds \$1,000 but does not exceed \$10,000, whether it exceeds \$10,000 but does not exceed \$100,000, or whether it exceeds \$100,000; and
- c. the position held in the entity by the principal investigator.

What is a "Financial Interest"?

A “financial interest” in the sponsor of research means:

1. a direct or indirect investment in the sponsor worth more than \$1,000;
2. a position as director, officer, partner, trustee, employee of or any other position of management in the sponsor;
3. income from the sponsor, including consulting income aggregation \$250 or more in value, or \$50 if the income was a gift, 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 Gov. Code Section 82030.)

What is an “Indirect Investment” or “Indirect Financial Interest”?

A principal investigator has an “indirect financial interest” or “indirect investment” in a sponsor if:

1. his or her spouse or dependent child has a financial interest in the sponsor; or
2. his or her spouse or dependent children 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.

What is an “Equity (Ownership) Interest”?

For the purposes of this policy, an “equity (ownership) interest” shall be an investment of more than \$1,000 in the sponsor by the principal investigator, his or her spouse, or dependent children.

What is a Gift?

“Gift” means, except as provided below, any payment to the extent that consideration of equal or greater value is not received and includes a rebate or discount in the price of anything of value unless the rebate or discount is made in the regular course of business to members of the public without regard to official status. The term “gift” does not include:

1. informational material such as books, reports, pamphlets, calendars or periodicals. No payment for travel or reimbursement for any expenses shall be deemed ‘informational material’;
2. gifts which are not used and which, within 30 days after receipt, are returned to the donor or delivered to a charitable organization without being claimed as a charitable contribution for tax purposes;
3. gifts from an individual’s spouse, child, parent, grandparent, grandchild, brother, sister, parent-in-law, brother-in-law, sister-in law, nephew, aunt, uncle, or first cousin or the spouse of any such person; provided that a gift from any such person shall be considered a gift if the donor is acting as an agent or intermediary or any person not covered by this paragraph;
4. any devise or inheritance;
5. hospitality involving food, beverages or lodging provided by an individual in his or her home to any public official filing a statement of economic interests; and
6. exchanges between a public official filing a statement of economic interests and an individual other than a lobbyist on holidays, birthdays or similar such occasions. This provision does not apply to the extent that the gifts received by the public official exceed in value the gifts that he or she has given.

What is Income?

“Income” means, except as provided below, a payment received, including but not limited to any salary, wage, advance, dividend, interest, rent, proceeds from any sale, gift, including any gift of food or beverage, loan, forgiveness or payment of indebtedness received by the filer, reimbursement for expenses, per diem, or contribution to an insurance or pension program paid by any person other than an employer, and including any community property interest in income of a spouse. Income also includes an outstanding loan. Income of an individual also includes a pro rata share of any income of any business entity or trust in which the individual or spouse owns, directly, indirectly, or beneficially, a 10% interest or greater.

Violations

Failure to file the required Statement of Economic Interests or failure to report a financial interest may subject a principal investigator to civil and criminal liability, including fines, as well as University discipline. (Government Code Sections 81000-91014)

Who to Contact if You Need More Information?

Office of Research Administration, (949) 824-7106

**Principal Investigator's
Statement of Economic Interests**

To be completed for all research projects which have been or will be funded, in whole, or in part: (1) through a contract or grant of \$250 or more with a non-governmental entity; or (2) by a gift from a non-governmental entity which is earmarked by the donor for a specific research project or a specific principal investigator, provided the amount of the gift, or the aggregate over a 12-month period, from the same donor is \$250 or more.

Title of Research Project: _____

Name of Principal Investigator: _____

Department: _____

University of California at: _____

A. Provide the following information about each non-governmental entity which will fund (or has funded) this project, in whole or in part:*

Name of entity: _____

Address of entity: _____

Principal business of entity: _____

Amount of funding: \$ _____ Estimated Actual

B. This statement is:

APPLICATION STATEMENT: This is an application for initial funding, or for renewal of funding for the research project.

PROJECT COMPLETION STATEMENT: The research project expired on _____

C. Are you a director, officer, partner, trustee, or employee of, or do you hold any position of management in, any entity listed in A?

No Yes, Title: _____

D. Do you, or does your spouse or dependent child, have:

1. An investment of \$1,000 or more in any entity listed in A above?

No Yes -- value does not exceed \$10,000

Yes -- value exceeds \$10,000 but does not exceed \$100,000

Yes -- value exceeds \$100,000

2. Income (including any payment, such as salary or consulting fees) or \$250 or more received from any entity listed in A within the last 12 months? (Do not include any salary or summer salary paid by the University with funds provided by an entity listed in A.)

No Yes -- value does not exceed \$1,000

Yes -- value exceeds \$1,000 but does not exceed \$10,000

Yes -- value exceeds \$10,000

*If more space is needed for listing multiple entities, add these on a separate piece of paper labeled "Section A, continued," and attach to this form.

3. Gifts from any entity listed in A of \$50 or more?

No Yes -- describe gift and state value_

4. Outstanding loans.

a. Loans** received from any entity listed in A for which the outstanding balance has exceeded \$250 in the past 12 months?

No Yes -- amount owed did not exceed \$1,000

Yes -- amount owed exceeded \$1,000 but does not exceed \$10,000

Yes -- amount owed exceeded \$10,000

b. If you answered yes (any yes box checked) to 4a:

was the loan secured or unsecured?

What was the interest rate of the loan? ___ %

Was the loan entirely repaid within the past 12 months? No Yes

E. If you listed more than one entity in A, and have answered yes to C or to any question in D, indicate in which entity you, your spouse or dependent child has each financial interest disclosed.

** (Do not include a loan from commercial lending institution made in the ordinary course of business on terms available to the public without regard to the official status if the loan: (1) was used to purchase your principal place of residence, or (2) is less than \$10,000, including indebtedness from an installment sale or contract.)

Verification

I declare under penalty of perjury that I have used all reasonable diligence in preparing this Statement and to the best of my knowledge it is true and complete.

Executed on _____ at _____
(date) (location)

Signature: _____

All of the information on this form is mandatory, is required by the provisions of the Political Reform Act, Government Code Sections 81000, et seq., and will be available to any member of the public upon request. This information is to be used to reveal to public scrutiny certain financial interests of public officials and employees in order to disclose potential conflicts of interest and to aid in the prevention of actual conflicts of interests.

1/83 Fair Political Practices Commission

Disposition Schedule: Original--7 years
Copies--4 years
