

Pecan Street Financial Conflict of Interest Policy for U.S. Department of Energy Financial Assistance Awards

Effective 08/01/2024

1. OBJECTIVE

This policy applies to all Pecan Street Inc. subsidiaries, affiliates, and business units engaging in projects where funding is received from the U.S. Department of Energy (DOE) and such funding requires compliance with the DOE's Conflict of Interest Policy for Financial Assistance (DOE Interim COI Policy).

1.1. The DOE issued the DOE Interim COI Policy in December 2021, to establish standards that provide a reasonable expectation that the design, conduct, and reporting of projects funded in whole or in part by DOE financial assistance awards will be free from bias resulting from individual and/or organization conflicts of interest. The DOE Interim COI Policy imposes additional restrictions and/or procedural requirements related to financial and organizational conflicts of interest (COI) when funding such projects.

1.2. To that end, Pecan Street adopts this policy, which describes requirements and procedures related to financial conflicts of interest under the DOE Interim COI Policy to ensure that Pecan Street complies with applicable rules. This policy shall be maintained, up-to-date, and enforced, and is available on a publicly available Pecan Street website.

2. SCOPE / APPLICABILITY

2.1. This policy applies only to projects that have DOE funding, whether in part or in whole. If you are not sure whether this policy applies to you, consult the CFO. For projects that pre-date the DOE Interim COI Policy release in December 2021, consult with the Point of Contact at the end of this policy, who will determine whether or not the DOE Interim COI Policy applies to a specific project.

2.2. **Note that this policy addresses financial conflicts of interest of Investigators (as defined below) and Investigators' spouses and dependent children.**

2.3. Questions related to this policy should be directed to the CFO listed in 2.1

3. DEFINITIONS / REQUIREMENTS

3.1. Definitions

- 3.1.1. A **Financial COI** means a situation in which an Investigator or the Investigator's spouse or dependent children has a significant financial interest or financial relationship that could directly and significantly affect the design, conduct, reporting or funding of a project.
- 3.1.2. **Financial interest** means anything of monetary value, whether or not the value is readily ascertainable.
- 3.1.3. **Investigator** means the Principal Investigator and any other person, regardless of title or position, who is responsible for the purpose, design, conduct, or reporting of a project funded by DOE or proposed for funding by DOE. Note: An Investigator may be a Pecan Street employee, student/intern, consultant, subcontractor, or subrecipient, whether or not he/she receives income directly from Pecan Street.
- 3.1.4. **Principal Investigator (PI)** means a principal investigator of a project funded under a DOE financial assistance award; PI is included in the definitions of senior/key personnel and Investigator.
- 3.1.5. **Project** means the interdependent activities funded wholly or in part under the DOE financial assistance award. A project has a defined start and end point with objectives described in an application or in an approved scope that, when attained, signify completion and achievement of a specific goal, and creation of a unique product, service, or result. For awards that include recipient cost share as part of the approved budget, activities funded with that recipient cost share are included.
- 3.1.6. **Recipient** means an entity, usually but not limited to non-Federal entities, that receives a Federal award directly from a Federal awarding agency. The term recipient does not include subrecipients or individuals that are beneficiaries of the award.
- 3.1.7. **Senior/key personnel** means the PI; any other person who significantly influences the design, conduct, or reporting of a project funded under a DOE award; and any other person identified as senior/key personnel by Pecan Street in the application for financial assistance, approved budget, progress report, or any other report submitted to the DOE by Pecan Street under this Policy.
- 3.1.8. **Significant financial interest** means:
- 3.1.8.1. A financial interest consisting of one or more of the following interests of the Investigator (and those of the Investigator's spouse and dependent children) that reasonably appears to be related to the Investigator's Pecan Street responsibilities:

- 3.1.8.1.1. With regard to any foreign or domestic publicly traded entity, a significant financial interest exists if the value of any remuneration received from the entity in the twelve months preceding the disclosure and the value of any equity interest in the entity as of the date of disclosure, when aggregated, exceeds \$5,000. For purposes of this definition, remuneration includes salary and any payment for services not otherwise identified as salary (e.g., consulting fees, honoraria, paid authorship); equity interest includes any stock, stock option, or other ownership interest, as determined through reference to public prices or other reasonable measures of fair market value;
- 3.1.8.1.2. With regard to any foreign or domestic non-publicly traded entity, a significant financial interest exists if the value of any remuneration, not otherwise disclosed as current, pending, or other support, received from the entity in the twelve months preceding the disclosure, when aggregated, exceeds \$5,000, or when the Investigator (or the Investigator's spouse or dependent children) holds any equity interest (e.g., stock, stock option, or other ownership interest);
- 3.1.8.1.3. Intellectual property rights and interests (e.g., patents, copyrights), upon receipt of income related to such rights and interests.
- 3.1.8.2. Investigators also must disclose the occurrence of any reimbursed or sponsored travel (i.e., that which is paid on behalf of the Investigator and not reimbursed to the Investigator so that the exact monetary value may not be readily available) related to Investigator's (or the Investigator's spouse or dependent children's) institutional responsibilities that is not otherwise disclosed in current and pending or other support disclosures, provided that this disclosure requirement does not apply to travel that is reimbursed or sponsored by a Federal, state, or local government agency of the United States; a domestic Institution of Higher Education (as that term is defined under 20 U.S.C. § 1001(a)); or a domestic research institute that is affiliated with a domestic Institution of Higher Education. Note: Travel disclosures must include, at minimum, the purpose of the trip, the identity of the sponsor/organizer, the destination, and the duration. The Pecan Street Reviewing Official(s) will determine if further information is needed, including a determination or disclosure of monetary value, in order to determine whether the travel constitutes a Financial COI with the project funded under the DOE award.
- 3.1.8.3. The term significant financial interest does not include the following types of financial interests: salary, royalties, or other remuneration paid by Pecan Street to the Investigator if the Investigator is currently employed or otherwise

appointed by Pecan Street, including intellectual property rights assigned to Pecan Street and agreements to share in royalties related to such rights; any ownership interest in Pecan Street held by the Investigator; income from investment vehicles, such as mutual funds and retirement accounts, as long as the Investigator does not directly control the investment decisions made in these vehicles; income from seminars, lectures, or teaching engagements sponsored by a Federal, state, or local government agency of the United States, a domestic Institution of Higher Education, or a domestic research institute that is affiliated with a domestic Institution of Higher Education; or income from service on advisory committees or review panels for a Federal, state, or local government agency of the United States, a domestic Institution of Higher Education, or a domestic research institute that is affiliated with a domestic Institution of Higher Education.

3.1.9. **Subrecipient** means an entity, usually but not limited to non-Federal entities, that receives a subaward from a pass-through entity to carry out part of a Federal award, but does not include an individual that is a beneficiary of such award. A subrecipient may also be a recipient of other Federal awards directly from a Federal awarding agency.

3.2 EXPECTATION

3.2.1 Whenever Pecan Street applies for or receives DOE funding for a Pecan Street project, the DOE Interim COI Policy will apply to that application and any award. Therefore, Pecan Street will follow the processes outlined below for all Pecan Street employees, contingents, students/interns, or contractors that are working on any portion of a DOE application and the DOE-funded project. This will include billing time to the DOE project or being a student /intern directly involved in the project (collectively, Pecan Street Investigator):

3.2.2 In order to submit timely reports to the DOE, the Pecan Street Reviewing Official shall ensure that each Pecan Street Investigator:

3.2.2.1 Has awareness of and access to this policy;

3.2.2.2 Has been provided a list of third parties directly involved in the project (such as suppliers, service providers, research partners, universities, vendors, etc.) so that the Pecan Street Investigator can accurately disclose whether a Financial COI exists related to the project work;

3.2.2.3 Has been assigned and completes Pecan Street's training for DOE COIs prior to engaging in project work and at least every four years after, and completes additional training if the Investigator was not in compliance with the policy (or if Pecan Street revises the policy); and

3.2.2.4 Has submitted any Financial COI disclosures (Special Status Report Certification) within the timeframes allowed by the DOE Interim COI Policy (prior to participating in any work on the DOE project, no later than 30 days after discovering or acquiring a COI, and at least annually during the project's performance period).

3.2.3 As noted above, each Pecan Street Investigator involved in a project shall complete a Special Status Report Certification for the DOE awarded grant/contract.

3.2.4 The Pecan Street Reviewing Official may seek additional support from the Principal Investigator (PI), Pecan Street management, and counsel. At a minimum, the Pecan Street Reviewing Official shall:

3.2.4.1 Review all Disclosure submissions from Pecan Street Investigators (including subrecipients) prior to application for DOE grant, and review all disclosure submissions from Pecan Street Investigators who are added to the project after application before each begins performance on the project;

3.2.4.2 Collaborate with Principal Investigator(s) and appropriate Pecan Street management on each DOE project to manage any COI through management, avoidance, or mitigation using any management plan mechanisms outlined in the DOE Interim COI Policy at Section V;

3.2.4.3 Submit initial and ongoing reports to DOE of: (1) any significant, unmanaged/unmanageable COIs to DOE prior to application for the DOE award, (2) any significant, unmanaged/unmanageable COIs to DOE within 60 days of discovery if after award of DOE award; and (3) an updated disclosure of any significant COIs at least annually and provide the status of any existing, previously disclosed COIs;

3.2.4.4 Maintain records related to all Pecan Street Investigator disclosures of COIs, Pecan Street's review and response to such disclosures, and any actions taken in compliance with this policy, for three years (except as otherwise provided under 2 CFR 200.334);

3.2.4.5 Upon request from the DOE, make information available to the DOE; and

3.2.4.6 File timely submissions to DOE, reporting on financial and/or organizational COI, as required by, and outlined in the DOE Interim COI Policy at Section V(b).

3.2.5 The Pecan Street Reviewing Official(s) shall take any actions necessary to manage financial conflicts of interest reported by Pecan Street Investigators, including development and implementation of a management plan as appropriate to ensure the project will be free from bias. This could include modification of the project plan, change in personnel or personnel responsibilities, or reduction or elimination of the financial interest.

3.2.6 The Pecan Street Reviewing Official(s) shall ensure this policy has public accessibility through the Pecan Street website, and respond to any financial of interest conflict which may arise through a request by the DOE in accordance with Section V(a)(5).

4.0 SUB-RECIPIENT NOTIFICATION AND CONFIRMATION OF COMPLIANCE

4.1 For DOE grants where Pecan Street is the prime recipient, Pecan Street is required to take reasonable steps to ensure that any subrecipient of a DOE financial assistance award complies with DOE rules regarding COIs.

4.2 Therefore, Pecan Street shall include language in its subaward and/or contracts with subrecipients requiring the subrecipient to certify it will comply with DOE COI rules by maintaining its own policies/procedures to comply with DOE COI rules (including a policy and a mechanism to identify, manage, and report COIs to DOE). In the event a subrecipient cannot certify as to its organizational compliance with the DOE Interim COI Policy, it shall be subject to this policy, which shall be incorporated into any subaward or contract.

5.0 ORGANIZATIONAL CONFLICT OF INTEREST PROCEDURES

5.1 The DOE also has rules governing organizational conflict of interest.

5.2 When Pecan Street has multiple entities (including a parent, affiliate, or subsidiary) involved in a DOE -funded project, the Pecan Street Reviewing Official(s) shall disclose in writing to DOE any organizational COIs prior to engaging in a procurement/transaction involving DOE funds with such an affiliated entity.

5.3 The disclosure shall include elements in Section VI of the DOE Interim COI Policy, including but not limited to the name, address, and website of the entity that presents the potential or actual COI; relationship between the entities; nature of the anticipated procurement or transaction; the anticipated value of the procurement or transaction, and the basis for making the procurement; Pecan Street's basis for determining the existence of an organizational COI; and how Pecan Street will avoid, neutralize, or mitigate the organizational conflict of interest.