

## COMMISSION ON RESEARCH

December 14, 2011

210 Burruss Hall

3:30 – 5:00 p.m.

**Members Present:** Randy Wynne (Chair), Michael Akers, Kevin Davy, Jesus de la Garza, William Huckle, William Knocke, Bradley Martens, Heather Moorefield-Lang, Annie Pearce, Arnab Roy, Chris Zobel and Tammy Bose (Recording Secretary).

**Absent:** Lay Nam Chang, Dennis Dean, Guru Ghosh, Serkan Gugercin, Terry Herdman, Delbert Jones, Jeff Moore, Anita Puckett, Wornie Reed and Robert Walters.

**Guests:** Rodd Hall (for R. Walters), Pat Hyer, Ken Miller, Sandra Muse, Elizabeth Tranter and Janet Webster (for Dennis Dean).

**I. Approval of Agenda:** A motion to approve the agenda as presented was offered, seconded and was carried.

### **II. Announcements**

**a. Approval and Posting of the minutes of November 9, 2011:** R. Wynne reported that the minutes from the last meeting on November 9, 2011 were approved by the membership electronically and are available on the Commission Scholar site. It was also noted that there is no meeting of the Commission in January, and that the next meeting will be on February 8, 2012.

### **III. Unfinished Business:**

#### **a. Report of Ongoing Activities**

**i. Library Committee:** H. Moorefield-Lang reported on the brand new services that will be offered by the library. There will be overdue courtesy notices. The library hours will be extended to 24 hours a day five days per week, Sunday through Thursday. A new instructional librarian and a new humanities librarian will be hired. Brian Mathews and Julie Spear, two new library deans, will be starting their positions soon. Electronic device checkout will be available in January, 2012. Additional photocopiers have been added to the fourth floor. See the attached handout entitled "What's New in Access Services."

**ii. Centers and Institutes Committee:** W. Knocke reported that the ICAM institute review is under way, and the ICTAS review will begin in January, 2012. The VTTI review will be initiated sometime in the spring.

**iii. Human Resource Committee:** M. Akers reported that the committee met last week. The research office is helping the committee to gather data on Special Research Faculty.

**iv. Research Administration Committee:** K. Davy reported that the next meeting is this Friday, and there will be a report at the February Commission meeting.

**b. First Reading of Proposed Modifications to Policy 13010: Faculty Conflicts of Interest and Commitment:** Elizabeth Tranter and Pat Hyer, co-chairs of the Task Force on Consulting and Conflict of Interest (COI), presented the first reading of the current modifications to Policy 13010. The title of the policy has been changed to "Individual Conflicts of Interest and Commitment" in recognition of the fact that the policy is not limited to faculty, but rather applies to all university-related individuals. Pat Hyer reported that the COI Task Force has currently met with more than 13 different groups, including college deans, faculty, and others who are potentially affected by COI, to obtain input regarding the proposed policy changes. The Task Force will be

meeting with the Faculty Senate next month. See the attached handouts: "Revision of Policy 13010: Individual Conflicts of Interest and Commitment, Commission on Research, COR Resolution 2011-12 A," "Virginia Tech Policy 13010 Rev.: 5, DRAFT dated 12/9/2011," and "Additional Changes 12/13/2011 Policy 13010."

The Virginia Tech Policy 13010 Rev.: 5, DRAFT dated 12/9/2011 was reviewed in detail. The 15-page policy contains many details but the main emphasis in the reading was on Section 2.0, the Policy section. Section 1.0 of Policy 13010 states the purpose of policy, which is essentially to attain a balance between external engagements of university employees and the loyalty owed to the mission of the university.

In the introduction to Section 2.0, the difference between conflict of commitment and conflict of interest is described. In paragraph six, the definition of COI is given as defined in the *Virginia State and Local Government Conflict of Interest Act*. A COI occurs when an individual is in a position to advance personal interests to the detriment of the university. COI is further defined as owning three percent or more in equity in the company or receiving payments from the entity of \$10,000 or more annually. Conflict of commitment is more thoroughly addressed separately in the Faculty Handbook.

In the case of grants and contracts, federal agency guidelines apply in addition to the state requirements. Details of federal guidelines regarding disclosure requirements are included in Section 6.0 of the policy. The Public Health Service (PHS), which includes but is not limited to the National Institutes of Health (NIH), has defined the de minimus threshold of \$5,000 for disclosure of payments for services and / or equity interest from publicly-traded companies. Moreover, any equity interest in non-publicly-traded entities, regardless of value, must be disclosed. The task force has concluded that, in order to facilitate compliance, provide clear guidance to faculty, and reduce the complexity of administrative oversight, this threshold will be adopted for all individual disclosures.

In Section 2.1, it was noted that contracts between employee-owned businesses and the university are permitted by state law if the contract involves a research and development activity or commercialization of intellectual property. Otherwise the university may not contract with any faculty-owned business.

Organizational COI may occur if a faculty member is providing consulting or advisory services with a federal agency, such as a defense or energy contract. In some cases, such a circumstance may bar other faculty from participating in a subsequent contract due to a perceived institutional advantage derived from the prior involvement.

It was noted that according to existing policy, university resources cannot be used for any private external activity. There was some discussion of the difficulty of completely separating university vs. external activity regarding the use of phones, laptops, and other commonly used devices. University Legal Counsel has confirmed that there is no exception for de minimus use.

Section 2.2 was reviewed in regard to potential conflicts involving spouse and family members. It was noted that spouses and immediate family members may be employed by the university only if the employee does not exercise any control or have any influence over the evaluation or activities of the family member. Faculty may not be on a committee or serve as advisor to spouses, dependents, or immediate family members. Proposed exceptions to this policy require review by the BOV. It was noted that the legal definition of "family member" is expanded within the text of the draft policy to include defining additional categories of individuals who may be perceived as having a close personal relationship whose activities would fall under this restriction.

Situations may arise in which a faculty member has a family member enrolled in one of their classes. If the class is a required course in the program of study and there is no alternative instructor, the enrollment may still be approved provided that the department head and dean work together to appoint an alternate evaluator for the student.

Section 2.3 was reviewed in regard to potential COI involving graduate students and post-doctoral trainees. The Task Force met with DURSCAP to obtain their advice how to handle these types of situations. When a graduate student is on an assistantship grant funded by a company owned by faculty, there is a COI because the faculty member is the student's advisor as well as the owner of the company that funded the assistantship. The student may potentially be diverted from work on their dissertation to try and attain what might be proprietary results that would enrich the faculty member.

There are many similar situations that create the potential for abuse and unethical decisions. Rather than prohibiting these types of relationship as other universities have, there will be a requirement to appoint an alternate supervisor. It is felt that the research can be conducted ethically if the student's focus is not diverted. The student must have transparent knowledge regarding funding and risks, and the opportunity to address it with a designated neutral party if needed. The student will be required to sign an agreement acknowledging awareness of the risks.

There are situations in which a graduate student is funded through a GRA, and the objectives of the dissertation line up directly with the faculty member's company goals. In this case, the pressure for the student to perform is beneficial to the student as well as to the faculty member. In these situations there must be an independent co-advisor, and a co-PI to handle the financial aspects. The critical point is to have a co-advisor to protect the student and the integrity of the research.

It was noted that the policies in Section 2.5 already exist in faculty handbook. If faculty has authored instructional materials that they want their students to use they cannot obtain royalties from this, and the publication must have a co-author. Faculty cannot require students to use something from which they will attain financial gain.

Section 2.6 covers state law regarding gifts. The *Standards of Conduct* prohibit the acceptance of gifts and gratuities. Common exceptions will be listed on the COI web site.

Section 2.8 details the training requirements. PHS requires all investigators to be trained before a project is awarded and re-trained every four years or if there is a change in university policy. For other agencies, the Office of the Vice President for Research (OVPR) will have a guideline, as it is not possible to have everyone trained before the policy is posted on August 24, 2012. It is expected to take more than a year to train all those who are involved in sponsored projects. All policy documents will align across campus.

Section 3.0 reviews the disclosure procedures and the management of COI. Section 3.1 covers disclosure of external activities such as consulting. All faculty must disclose any financial interest or external activity. There is a possibility of an annual call for reporting of external activities as well as any other time there is a change, such as if an investigator inherits stock in a company or adds a new job. The forms will be filed only once, and eventually the reconciliation will be electronic.

Section 3.2 reports financial COI. Financial gain above the stated threshold must be reported, including travel reimbursements if paid for by an outside entity.

Section 3.4 covers management plans for COI. Most management plans consist of documentation of the strategy to mitigate or eliminate the COI. The mitigating factor may be the appointment of a co-pi or disclosure that there is a personal interest in the funding source. Publications in which there is a financial interest must be disclosed. There will be a list of multiple options for mitigating the COI listed on the website. There will be a three-member Independent Research Oversight committee to review COI management annually, to ensure the procedures are not tainted by bias. The COI designee will be checking on the implementation of the plans to ensure that they are being followed. The job description of the COI designee is currently being developed by the OVPR. There will be retrospective reviews in cases of non-disclosure to ensure that the research has not been compromised.

Section 3.5 was reviewed briefly. It was noted that the Virginia Tech Graduate School requires students to report their employment outside of their full time assistantship, including who they work for and the scope of their work.

As Section 4.0 was reviewed it was noted that there is need for further development of this section in the area of non-compliance with COI policies. It is important to determine whether or not the breach of policy was deliberate, among other factors. PHS will require a report on the investigations of the occurrence of non-compliance and details on the sanctions imposed. PHS will decide if the sanctions were sufficient to the situation, and may impose additional sanctions based on their own review. The COI designee will then follow-up to make sure if the additional sanctions were instituted appropriately.

The Task Force will continue to meet with groups through January to invite comments and suggestions regarding language in the documents, and return for the February Commission meeting for a second reading. The revised policies will be posted on the Scholar site and updated as the process continues.

**IV. New Business:** There was no new business to be addressed.

**V. Adjournment:** There being no further business, the meeting adjourned at 5:04 p.m.

## What's New in Access Services

### ILL Due Date Courtesy Notices - Begins November 8, 2011

- A courtesy notice will be emailed one week prior to ILL item coming due.

### Book Delivery Service - Begins January 9, 2012

- Participating Departments for campus and ILL materials
- Booking materials are deliverable ([https://aqua.lib.vt.edu/media\\_booking\\_form.php](https://aqua.lib.vt.edu/media_booking_form.php))
- <http://www.lib.vt.edu/circ-reserve/campus-delivery-input.html>

### Full Service Retrieval for all Patrons - Begins January 9, 2012

## My Library Account



Search  
Addison



My Unpaid  
Fines



My  
Requests



My Lists



Reading  
History



My Saved  
Searches



Modify  
My Info



Login to  
ILLiad

### 24/5 Hours - Begins January 17, 2012

- Open Sunday 9:00am to Friday 8:00pm, Saturday 9:00am to 8:00pm

### Electronic Device Checkouts Available - Begins January 2012

- Laptops (Windows and Macintosh)
- Digital Cameras
- iPads
- Voice Recorders

### Photocopy Changes - Begins Spring 2012

- Second and Fourth Floor Locations
- All Hours Access
- Wireless Printing

### In the Works

- Looking into full service scanning of materials for electronic delivery to patrons
- SMS Texting
- Possible FDI class for library services

## Additional Changes 12/13/2011 Policy 13010

### 2.3 Potential Conflicts Involving Students and Post-Doctoral or Other Trainees

The impact of a perceived or actual conflict of interest or commitment of faculty members on their students (including post-doctoral fellows and other trainees) is of special concern to the university. In particular, the university is committed to maintaining the content and quality of the educational experience for students whose research is sponsored by a for-profit business and whose faculty advisors have a financial interest or a management role in that business. The concern is even greater if the dissertation work could potentially affect the value of a company in which the faculty member has an ownership or managerial interest.

This policy recognizes that the involvement of students in faculty-owned or managed businesses or consulting may yield substantial benefit to the student, provided that certain conditions are met. Faculty members must disclose the proposed involvement of students in their external activities or in company-sponsored research. Faculty members who intend to serve as co-PI on sponsored projects and have graduate students or trainees conduct a portion of the research under their supervision must develop a conflict of interest management plan to address protections for these early career scholars. Students, trainees, and lab personnel have a right to be fully informed about the source of their funding, the nature of the faculty member's personal interest or involvement, and, if relevant, any agreements concerning data collection, copyright, or patent protection arising from the research. Documentation of a discussion held with the student by the graduate program director, department head, and/or relevant associate dean is required to assure that the student has been informed of university and academic policies, the potential risks of the proposed involvement, and the channels available for redress in the case of perceived problems. **NEEDS CLARIFICATION.**

It is most important that students make acceptable progress towards their degree goals. Work on a sponsored project funded by a faculty company, or working directly for a faculty-owned enterprise, must not inhibit the student's academic advancement

A faculty member with a significant financial interest in a company may not serve as sole advisor of a dissertation or thesis committee for a student who is funded through a university sponsored project supported by the advisor's company, or for a student who is employed directly by the faculty member's company. The faculty member with the conflict may serve as co-chair or committee member. If another co-chair is appointed, that faculty member must be of equal or greater rank, must not be involved with the sponsoring company, and must not be subject to undue influence by the faculty-owner.

If the student is engaged in longer term or more time-consuming participation in the advisor's consulting practice, or employed only during the summer months by the advisor-owned company, a co-advisor appointment may also be warranted, but is not automatically required.

The Graduate School shall receive a copy of any faculty disclosure or approved management plan involving a graduate student, and the signed student agreement acknowledging his or her understanding and voluntary participation. Every effort must be made by departmental officials to meet with the student prior to the start of the company-funded assistantship, or as quickly thereafter as possible, to review relevant policies and the terms of the student agreement. Copies of the signed student agreement should be distributed to all members of the student's graduate committee by the department head or graduate

program director to encourage their active engagement in protecting the student and assuring the integrity of the research.

Careful monitoring of the approved management strategies and annual reports of academic progress for the student is the responsibility of the department head and graduate program director, with oversight by the relevant academic dean(s).

Full-time graduate assistants must notify the Graduate School about any additional employment agreement, including the period of employment, name and contact information for the employer, and job title or short description of duties. The Graduate School will review such proposed employment for potential conflicts of interest. International students are prohibited from taking on additional work beyond their assistantship by virtue of their student visa requirements.

## **2.8 Training Requirement**

The complexity and importance of managing potential conflicts of interest warrant the full attention of members of the university community. Initial and periodic training concerning applicable university policies and state and federal law and the investigator's responsibilities for disclosure is required for all faculty engaged in sponsored research. Federal regulations require all Public Health Service investigators to complete training prior to the award of a grant or contract. Initial training for other investigators must be completed in conformance with procedures issued by the Vice President for Research.

Retraining related to conflict of interest is required every four years and/or whenever there is significant change in university policy related to investigator responsibilities. Any investigator found to be in non-compliance with disclosure requirements will also be required to complete immediate training.

## **3.5 Payments to Students**

*[This text comes from the VT Background document.]*

The participation of students in projects involving faculty-owners should be given particularly careful consideration. Work for faculty-owned companies or in faculty consulting provides valuable experience for undergraduate and graduate students. Nevertheless, such opportunities come with some risk that the student may be diverted from his or her educational goals or the perception that students are being used primarily for the benefit of those companies. For example, a faculty member who pressures a student to complete work related to the faculty member's company could easily affect the student's completion of graduate studies in a timely and appropriate way, thereby putting the faculty member's interest in obtaining proprietary results ahead of the student's academic or scholarly research activities. The concern is similar for the involvement of students in faculty consulting or other external activities. The risks and benefits of such involvement must be carefully weighed by departmental administrators responsible for evaluating the disclosure and approving the request, particularly where the involvement may be longer term and/or more time consuming. See section 2.3 for further discussion of issues related to student involvement in faculty members' external activities or outside businesses.

Where approved, students may be paid for involvement in faculty-owner activities in either of two ways:

1. Remuneration may be in the form of an assistantship and tuition, or wages funded by a sponsored project contracted to the university from the business or organization with which the faculty-owner is associated. The assistantship or wages are remuneration for work only within the agreed scope of that funded project and for no other tasks undertaken for the benefit of the external organization. This is no different from any other sponsored project that involves graduate

research assistants or wage-earning students. In these circumstances, assistantships are constrained to payments within the scales published by the university.

2. Alternatively, the company or agency might engage students directly as employees. This is the situation experienced by most off-campus and part-time graduate students. However, it is envisaged that in the case of faculty-owned businesses, students will spend time in university facilities when not engaged in direct work for the company. [However, students may not do work on behalf of the company in university facilities.] Remuneration is not limited to university scales when students are employed directly by the company and may include the cost of tuition.

Students who will be employed by either of the two methods of payment and have their research supervised by the faculty-owner must sign an agreement acknowledging that they have been informed by their graduate program director, department head, and/or associate dean about the source of their funding, the potential concerns associated with conflict of interest, and their channels for redress if needed.

Any work done on behalf of the faculty-owner's company in university facilities must be done in accordance with sponsored program guidelines and/or policy 5000, [University Facilities Usage and Event Approval](#).



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**Subject: Individual Conflicts of Interest and Commitment Policy**

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## **1. Purpose**

Virginia Tech recognizes that external activities congruent with the professional expertise of faculty and consistent with the mission of the affiliated department can enhance professional development of the faculty member and enrich the academic experiences of students. Activities such as licensing of technology, consulting, or business start-ups can be critical to promoting economic development and meeting society's needs. Given these potential benefits, Virginia Tech has encouraged innovation and entrepreneurial activity in support of the broad missions of the institution. However, the primary professional allegiance of the faculty must be, both in fact and in perception, to the university, and the primary commitment of the faculty member's time and intellectual energies must be devoted to the education, research/scholarship, and outreach programs of Virginia Tech. While external activities are encouraged, the integrity of the institution and of the research conducted by individual faculty members and students depends on a high degree of transparency and appropriate oversight of relationships with outside entities. Elimination or careful management of disclosed potential conflicts of interest provides assurance to research sponsors, subjects, and the broader public that possible personal gain has not influenced the design, conduct, or outcomes of the research, nor inappropriately biased decision making in other university activities. This policy provides the basic framework for assessing potential conflicts of interest or commitment and outlines related procedures for the management and monitoring of external activities in a manner that will both promote and safeguard the interests and reputation of Virginia Tech, its faculty and students, and their research.

## 2. Policy

All faculty members of the university must be committed to conducting themselves in accordance with the highest standards of integrity and ethics. This includes identification of the potential for *conflicts of interest and commitment*, and the assurance that participation by faculty in such activities does not improperly affect their teaching and research, relationships with students or colleagues, or otherwise jeopardize the reputation of the university. While this policy refers to “faculty,” its provisions apply to all employees, including all types of faculty, staff, or employed students, whether full or part-time. Issues of conflict of interest and commitment are also addressed in the Statement of Business Conduct Standards; all employees must acknowledge receipt of the statement and agree to abide by the standards.

A *conflict of commitment* arises when the external activities of a faculty member or employee are so demanding of time, attention, or focus that they interfere with the individual's responsibilities to the university.

The Faculty Handbook provides stated limitations on consulting activities and further guidance on assessing and managing conflicts of commitment and outside employment for faculty members. Special consulting policies apply for faculty with Cooperative Extension appointments and for all faculty members in the College of Veterinary Medicine; these policies are included in unit specific policy and procedure documents. Policy 4070 addresses outside/additional employment for classified and university staff. Please see these documents for a more complete discussion of conflicts of commitment and expectations of employees.

An *individual conflict of interest* occurs when a faculty member is in a position to advance one's own interests or that of one's family or others, to the detriment of the university.

In essence, a conflict of interest may occur when an individual's private interests influence his or her professional obligations such that an independent observer might reasonably question whether the individual's actions or decisions are determined by considerations of personal gain, financial or otherwise. A conflict of interest is assessed based on the factual context of the situation; it is not based on any implied judgment about the character or intent of the individual.

State and federal law define differently a *significant financial interest* and the conditions under which a conflict of interest may be deemed acceptable. The *Virginia State and Local Government Conflict of Interests Act* defines a prohibited conflict of interest when an employee, or a company in which an employee or member of the employee's immediate family, has a personal interest contract directly or through a subcontract with a state institution of higher education. In this instance, a *personal interest* is defined as owning three percent or more of the equity in the company or receiving payments from the entity of \$10,000 or more annually from consulting fees, salary, royalties, honoraria, rent, or other income.

In the case of grants and contracts, federal agency guidelines on conflict of interest disclosure apply in addition to state requirements. As a result, investigators are required to disclose personal financial interests beyond that required by state law in order to comply with sponsoring agency regulations. For publicly traded entities, 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 non-publicly traded entities, the threshold is \$5,000 for remuneration or when the investigator or investigator's spouse or immediate family members hold *any* equity interest (e.g. stock, stock option, or other ownership interest). A detailed definition of significant financial interest and a list of income and investments excluded from disclosure requirements are included in section 6 (Definitions) of this policy and on the Conflict of Interest (COI) website maintained by the vice president for research.

The required disclosures are those that are reasonably related to the investigator's institutional responsibilities. Institutional responsibilities are defined broadly and include but are not limited to teaching, advising, research and scholarly activities, outreach, administrative and institutional committee service, and service to professional associations or on panels such as peer, institutional, or accreditation review boards.

## 2.1 Potential Conflicts Involving Research and Development Contracts or Commercialization of Intellectual Property

To ensure compliance with federal regulations and to provide consistent institutional policies and practices in relation to all research sponsors, investigators engaged in sponsored research must disclose any significant financial interest that may reasonably appear to be related to their institutional responsibilities very broadly defined, including teaching, research, outreach, service on panels or advisory boards, or administrative and professional activities. A significant financial interest is defined as \$5,000 in remuneration and/or equity ownership for publicly-traded entities or \$5,000 in remuneration or *any* equity ownership regardless of value in a non-publicly traded entity. The investigator must present a complete picture of his or her financial interests, not just those interests related to a specific funded project. Examples of potential conflicts of interest in R&D that must be reported by investigators are available on the COI website. Investigator obligations for disclosure extend to collaborators, consultants, and subcontractors on a sponsored project, who must certify disclosure and compliance with conflict of interest policies promulgated by their home institution or, in the absence of relevant institutional policies, must disclose in accordance with Virginia Tech policies and procedures.

Contracts between employee-owned businesses and the university that involve research and development (R&D) activities and/or commercialization of intellectual property are permitted by state law provided that disclosure and approval requirements of this policy are followed. In the case of a sponsored project funded by an employee-owned business, the role of the faculty-owner in relation to the university research project must be carefully examined. If the circumstances warrant, the faculty-owner may serve as co-principal investigator (never as sole PI) with an independent co-principal investigator responsible for financial oversight of the project. Work done on behalf of a faculty owner's company in a university facility must be done in accordance with the provisions of Policy 5000, [University Facilities Usage and Event Approval](#).

Organizational conflicts of interest may occur where the involvement of a faculty member in a consulting or advisory services contract with a federal agency may bar other faculty members from participating in a subsequent contract or grant from that agency. The limitation is based on a perceived institutional advantage derived from that prior involvement. The Office of the Vice President for Research, in consultation with the department head, dean, or unit leader as appropriate, is responsible for determining whether the risk of exclusion from bidding on a subsequent contract should result in denial of the faculty member's involvement in the initial consulting or advisory services contract.

Virginia Tech is committed to the free and open exchange of ideas and the timely dissemination of research results to the broader scholarly community and public. Providing preferential access to an outside entity to research results, materials, or products generated from university teaching, research, or administrative activities for personal financial gain is prohibited. University resources, including facilities, personnel, equipment, email, or confidential information, may not be used for faculty consulting or other non-university purposes. University letterhead may only be used for university business and not for outside consulting or other personal purposes.

## 2.2 Potential Conflicts Involving Spouses and Immediate Family Members

*[This section is adapted from UVA policy and is based on state law.]*

As a matter of state law, employees must avoid being in a position of authority over a spouse or a member of the immediate family who is also employed by the university where the spouse or family member earns \$10,000 or more during a fiscal year. An employee and his or her spouse or another member of the immediate family may both be employed by the university so long as the employee does not exercise any control over the employment conditions and activities (such as initial appointment, retention, promotion, tenure, salary, travel approval, leave of absence, or grievance review) of the spouse and is not in a position to influence those activities. Proposed exceptions and alternate reporting relationships are reviewed and approved by the senior vice president and provost (or relevant vice president for a non-academic appointment) prior to submission to the board of visitors for approval.

*[The section below is current practice at VT, but not documented in policy or Faculty Handbook.]*

Faculty members have a responsibility to avoid any potential conflict of interest between their professional responsibilities in teaching, research, or administration and their personal interests in relationship to students who are also family members. The concern is assuring an absence of bias in evaluation of coursework and maintaining both the appearance and reality of fairness of treatment among all students in a class or an academic program. When there is no reasonable alternate course or instructor for a required course taught only by the conflicted faculty member, then the relevant academic associate dean and department head work with the faculty member to identify an alternate evaluator for the student-family member's work. It is the prerogative of the conflicted faculty member to agree to the selection of the faculty colleague for this alternate evaluator assignment. Graduate School policies prohibit faculty members from serving as advisor or committee member for family members (spouse/partner, son/daughter, or other relative).

### **2.3 Potential Conflicts Involving Students and Post-Doctoral or Other Trainees**

The impact of a perceived or actual conflict of interest or commitment of faculty members on their students (including post-doctoral fellows and other trainees) is of special concern to the university. In particular, the university is committed to maintaining the content and quality of the educational experience for students whose research is sponsored by a for-profit business and whose faculty advisors have a financial interest or a management role in that business. The concern is even greater if the dissertation work could potentially affect the value of a company (or a competitor) in which the faculty member has an ownership or managerial interest.

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It is most important that students make acceptable progress towards their degree goals. Work on a sponsored project funded by a faculty company, or working directly for a faculty-owned enterprise, must not inhibit the student's academic advancement. For instance, a faculty member who pressures a student to complete work related to the faculty member's company could easily affect the student's completion of graduate studies in a timely and appropriate way, thereby putting the faculty member's interest in obtaining proprietary results ahead of the student's academic or scholarly research activities. The concern is similar for the involvement of students in faculty

consulting or other external activities. The risks and benefits of such involvement must be carefully weighed by departmental administrators responsible for evaluating the disclosure and approving the request, particularly where the involvement may be longer term and/or more time consuming.

A faculty member with a significant financial interest in a company may not serve as sole advisor of a dissertation or thesis committee for a student who is funded through a university sponsored project supported by the advisor's company, or for a student who is employed directly by the faculty member's company. The faculty member with the conflict may serve as co-chair or committee member. If another co-chair is appointed, that faculty member must be of equal or greater rank, must not be involved with the sponsoring company, and must not be subject to undue influence by the faculty-owner.

If the student is engaged in longer term or more time-consuming participation in the advisor's consulting practice, or employed only during the summer months by the advisor-owned company, a co-advisor appointment may also be warranted, but is not automatically required.

The Graduate School shall receive a copy of any faculty disclosure or approved management plan involving a graduate student, and the signed student agreement acknowledging his or her understanding and voluntary participation. Every effort must be made by departmental officials to meet with the student prior to the start of the company-funded assistantship, or as quickly thereafter as possible, to review relevant policies and the terms of the student agreement. Copies of the signed student agreement should be distributed to all members of the student's graduate committee by the department head or graduate program director to encourage their active engagement in protecting the student and assuring the integrity of the research.

Careful monitoring of the approved management strategies and annual reports of academic progress for the student is the responsibility of the department head and graduate program director, with oversight by the relevant academic dean(s).

In addition to faculty disclosure, full-time graduate assistants must notify the Graduate School of any additional employment as a further check on potential conflicts of interest or commitment.

## 2.4 Potential Conflicts Involving Other University Employees

The involvement of other faculty or staff members in employee-owned businesses or faculty consulting also requires caution and careful consideration. Any such employment must be outside the scope, and schedule, of their regular university duties and must be approved by the department head and other administrators as required by this policy and policy 4070, Additional/Outside Employment for Classified or University Staff. The concerns may be a potential conflict of interest if the faculty member supervises and evaluates the staff member (or a less senior faculty member), creating an opportunity for bias (favorable or unfavorable) toward the individual based on their involvement in the faculty member's (or supervisor's) personal company or consulting. There is also a potential conflict of commitment, where the employee's effectiveness in his or her primary role at VT may be compromised by the outside employment. For university or classified staff, the department head will determine if the additional employment may adversely affect the employee's performance in the university salaried position and therefore should not be approved. If a request is granted and job performance subsequently deteriorates, the department head may rescind permission for the outside/additional employment. The involvement of other faculty members in an employee-owned business or consulting is documented and approved as part of the disclosure by the employee-owner and by the faculty member's own request for involvement in external activities.

## 2.5 Faculty Authored Instructional Materials

[*Current policy, section 9.4.1 Faculty Handbook*]

A faculty member teaching a course may not receive a royalty and/or other fees beyond direct cost of production and sales for any material used as part of class activity, except for material that has received an independent external review, that has been copyrighted, and a portion of the copyright is owned by a publisher other than the author. Faculty accused of abusing the distribution of classroom material for personal financial gain are subject to review by the Committee on Faculty Ethics.

## 2.6 Procurement-Related Conflicts and Gifts to Employees

The purchase of goods or services by the university from an entity owned by an employee of the university, or by a member of the employee's immediate family, is a prohibited conflict of interest under state law. The conflict exists even if the purchase is being made by a department/unit other than the employee's home department. A business owned by an employee's spouse or immediate family member is thus barred from doing business with Virginia Tech to prevent any perception of inappropriate favoritism. Any proposed exception must be handled in accordance with the Virginia Public Procurement Act.

The university seeks to maintain the highest level of public trust in its procurement processes, which includes avoiding perceptions of conflicts of interest that might be generated by contracting with firms where employees were previously employed or with whom they have a close personal relationship when the employee is in a position to influence a purchasing or contracting decision. Decision makers with potential conflicts should recuse themselves from participation in the evaluation and selection process.

The university Standards of Conduct apply to all employees and they prohibit the acceptance of gifts and gratuities, or promises of future employment from contractors or individuals seeking to do business with the university. Meals and travel offered by vendors are included in this prohibition. Nominal gifts (such as pens, calendars, note pads, other give aways, or reception food provided by vendors at a public event such as a conference) may be accepted.

More information and examples of potential conflicts related to procurement and gifts can be found on the Purchasing website: <http://www.purch.vt.edu/Department/Ethics.html>.

## 2.7 Disclosure Requirement

State law and federal law require that faculty members fully disclose personal financial interests that present a potential conflict of interest with one's university responsibilities. Involvement with external activities, such as consulting or outside employment, or financial relationships with external entities related to one's professional responsibilities must be approved in advance. All employees (or their immediate family members) who have a private company (or personal ownership interest meeting or exceeding state limitations) that wishes to do business with Virginia Tech must disclose this financial interest annually. All investigators (or their immediate family members) who own or have ownership interest in a private business that would reasonably appear to be related to their institutional responsibilities must disclose that financial interest and have it evaluated for potential conflicts of interest or commitment, whether or not that company intends to do business with Virginia Tech. A renewal application must be filed annually for those approved activities that extend beyond one year. When a conflict management plan is required by the circumstances, full and immediate compliance is essential to assure the integrity of university-sponsored research, teaching, outreach, and administrative activities. University officials, not the faculty member, ultimately determine whether a reported financial interest constitutes a conflict and whether an award can be accepted or must be declined given the possible unresolved issues.

Virginia Tech will follow regulations contained in the Code of Federal Regulations (cited in the Reference section) and state law to respond to a written request for information concerning disclosed financial conflicts of interest related to research projects funded by the Public Health Service.

## 2.8 Training Requirement

The complexity and importance of managing potential conflicts of interest warrant the full attention of members of the university community. Training concerning applicable university policies and state and federal law and the investigator's responsibilities for disclosure is required for all faculty engaged in sponsored research prior to the award of a grant or contract. Following completion of the initial training, retraining is required every four years and/or whenever there is significant change in university policy related to investigator responsibilities. Any investigator found to be in non-compliance with disclosure requirements will also be required to complete immediate training.

This policy must be read in conjunction with related university policies and procedures, such as intellectual property, use of facilities and university resources, procurement, and Faculty Handbook sections on consulting, outside employment, and conflict of interest and conflict of commitment. Policy guidance is provided on the Conflict of Interest (COI) website maintained by the Office of the Vice President for Research and the Standards of Conduct and Ethics website maintained by the Purchasing Department.

## 3. Procedures

### 3.1 Disclosure of External Activities

University policy requires reporting of a wide variety of external activities, whether they generate additional income for the faculty member, or an immediate family member, or not. Certain traditional scholarly-related activities do not require reporting, such as serving on a peer-review panel, guest lecturing at another institution, serving as a speaker or panelist at a professional society meeting or conference, or editing a scholarly journal, even when the faculty member receives an honorarium for such service. A list of common activities that do not need to be reported is available on the COI website.

Advance approval is required for consulting or outside employment. Use form 13010 for disclosure and approval of such activities on an annual basis each fall, or as needed for new activities. Include sufficient information for department and college officials to review and evaluate the proposed activities for conflict of interest or commitment. External activities with no anticipated impact on related sponsored research, or employment or funding of students or trainees, and within stated limitations of university policies on consulting and/or outside employment may be approved by the department head and relevant dean or senior administrator. Exceptions to the time limitations on consulting and outside or additional VT employment require approval by the provost, or the relevant vice president. The original approved form is kept in the employee's departmental personnel file. Copies are sent to the employee and retained by the relevant dean or vice president's office.

Staff members may request approval for outside employment and/or additional employment at Virginia Tech in accordance with Policy 4070 using the form *Request for Additional/Outside Employment for Classified or University Staff*.

### 3.2 Disclosure of Potential Conflicts of Interest

Form 13010 is also used to disclose annually external activities, or relationships with external entities, that may involve a potential conflict of interest. Examples of activities that generally require disclosure are available on the COI website, such as employee (or family) ownership of a private business seeking to sponsor research at Virginia Tech, or utilizing students, trainees, or other university employees in the faculty member's private business or consulting. A newly acquired significant financial interest, such as might occur through marriage, inheritance, or establishment of a new company, must be disclosed within 30 days. Disclosures must be filed and approved prior to submission of a related proposal for sponsored research.

For faculty members with PHS/NIH funding, reimbursed or sponsored travel paid for by an external entity must also be disclosed. Disclosure includes at a minimum the purpose of the trip, identity of the sponsor/organizer, the destination, and duration. Disclosure is not required for travel reimbursed by the university from any source of university funds (e.g. departmental, foundation, sponsored project), or travel paid for (or reimbursed) by a federal, state, or local government agency, an institution of higher education, affiliated research institute, or academic teaching hospital. Special rules concerning reporting of travel apply to those employees who must complete the annual Commonwealth Statement of Economic Interest forms.

It is essential that the employee describe in detail the totality of the relationship with the external entity, including but not limited to the extent of personal or family financial interest, any involvement of students or other employees, and any project-specific considerations. Disclosures will be reviewed initially by the department head or the designated administrator for employees in non-academic units. Guidance on how to assess reported activities or relationships for potential conflicts of interest is available on the COI website. A management plan must be drafted if the faculty member expects related future research involvement with the entity.

Once approved by the department or unit head, the form is routed for review and approval by the relevant dean or vice president's office. Review and approval by the Office of the Vice President for Research is required for disclosures involving business ownership interests of investigators (or their family members), significant financial interests related to sponsored research, employment or funding of students/trainees/staff, and any proposed management plan.

When the Office of Sponsored Programs receives a proposal involving an employee-owned business either as a research sponsor or subcontractor, relevant disclosures (completed form 13010, management plan, Virginia Statement of Economic Interest) are collected and reviewed by the designated COI officer for sufficiency. A summary of the proposed award and nature of the financial interest is prepared for further review by university legal counsel, the vice president for research, the provost, and president. Contracts approved by the president are subsequently reported to the board of the visitors.

A fully approved disclosure and management plan, if relevant, must be in place prior to execution of a related sponsored award. An investigator's significant financial interest related to a sponsored project and key elements of the management plan are reported by the designated conflict of interest officer to the federal agency sponsor in accordance with agency requirements.

Should a significant financial interest be identified subsequent to project initiation, the COI officer will promptly review the financial interest and its relationship to the project and implement an interim management plan to mitigate the potential conflict, including suspending further project expenditures pending a more complete review and determination of appropriate action.



### 3.3 Virginia Statement of Economic Interest

The Commonwealth of Virginia requires separate, additional reporting of economic interests by members of the boards of visitors, senior administrators, select others with financial decision making authority, and employee business owners whose companies seek to contract with the university for research and development or commercialization of intellectual property. The *Statement of Economic Interest* is completed annually and submitted on or before January 15, and as needed in the case of a new research contract. The form must be notarized and filed with the associate vice president for human resources, who will submit it to the commonwealth authorities. For disclosures related to a pending research contract, a copy of the employee's completed statement is sent to the designated COI officer in the Office of the Vice President for Research. A current, completed statement must be filed prior to execution of an award for a related research contract.

### 3.4 Management of Potential Conflicts

A management plan is used to document the proposed strategies for eliminating, mitigating, or managing a potential conflict of interest. Approved strategies must reflect the commitment of the faculty member to university principles and values of transparency; strict adherence to the highest standards of professional ethics and conduct of research; appropriate and timely dissemination of research results; and protection of students, employees, and human subjects involved in the research. The management plan can call for implementation of several strategies designed to protect these values and the integrity of the research, research sponsors, the employee, and the university. Examples of frequently adopted strategies and sample management plans are available on the COI website. Management plans are typically project specific, reflecting the conditions of the proposed research. In accordance with Public Health Service (PHS) regulations, disclosure of an investigator's significant financial interest must be made directly to the human subjects involved in the PHS-funded research project.

A faculty-owner may not serve as sole principal investigator on a university project that is funded wholly, or partially, by the external organization with which the faculty-owner is associated. If a co-principal investigator is approved, it must be a faculty member who is not in a subordinate position to the faculty-owner, nor associated with the faculty-owner's company, or in any way susceptible to potentially inappropriate influence by the faculty-owner. The faculty-owner may not have financial responsibility for the contract. Oversight arrangements must be carefully crafted for those cases where the faculty-owner remains involved in the sponsored research. Faculty consulting with an external entity which then sponsors research at the university involving that faculty member also presents a potentially serious conflict of interest which must be eliminated or carefully mitigated.

All management plans are reviewed and approved by the Office of the Vice President for Research to assure consistency and compliance with applicable sponsor regulations and university policy.

Awards will be contingent upon acceptance and implementation of the plan by the faculty member. While the faculty member bears primary responsibility for carrying out the plan, department heads and deans are expected to monitor compliance and assure that protections are provided for employees and students. The faculty member must submit a report annually and at the end of a related sponsored project to the department head and the Office of the Vice President for Research to demonstrate compliance with all conditions identified in the management plan. The report must include certifications of compliance from other parties identified in the management plan, such as a research oversight committee. Such reports may also be required for submission to specific federal agency sponsors.

### 3.5 Payments to Students

*[This text comes from the VT Background document.]*

The participation of students in projects involving faculty-owners should be given particularly careful consideration. Work for external companies or agencies provides valuable experience for undergraduate and graduate students. Nevertheless, care should be taken to avoid a perception that students are being used primarily for the benefit of those companies or agencies, thereby providing personal gain to the faculty-owner and possibly diverting the students from their educational goals. See section 2.3 for further discussion of issues related to student involvement in faculty members' external activities or outside businesses.

Students may be paid for involvement in faculty-owner activities in either of two ways:

1. Remuneration may be in the form of an assistantship and tuition, or wages funded by a sponsored project contracted to the university from the business or organization with which the faculty-owner is associated. The assistantship or wages are remuneration for work only within the agreed scope of that funded project and for no other tasks undertaken for the benefit of the external organization. This is no different from any other sponsored project that involves graduate research assistants or wage-earning students. In these circumstances, assistantships are constrained to payments within the scales published by the university.
2. Alternatively, the company or agency might engage students directly as employees. This is the situation experienced by most off-campus and part-time graduate students. However, it is envisaged that in the case of faculty-owned businesses, students will spend time in university facilities when not engaged in direct work for the company. [However, students may not do work on behalf of the company in university facilities.] Remuneration is not limited to university scales when students are employed directly by the company and may include the cost of tuition.

Students who will be employed by either of the two methods of payment and have their research supervised by the faculty-owner must sign an agreement acknowledging that they have been informed by their graduate program director, department head, and/or associate dean about the source of their funding, the potential concerns associated with conflict of interest, and their channels for redress if needed.

Full-time graduate assistants must notify the Graduate School about any additional employment agreement, including the period of employment, name and contact information for the employer, and job title or short description of duties. The Graduate School will review such proposed employment for potential conflicts of interest. International students are prohibited from taking on additional work beyond their assistantship by virtue of their student visa requirements.

Any work done on behalf of the faculty-owner's company in university facilities must be done in accordance with sponsored program guidelines and/or policy 5000, [University Facilities Usage and Event Approval](#).

#### **4. Compliance**

Virginia Tech expects its employees to comply fully and promptly with the policy. The Office of the Vice President for Research is responsible for overseeing the implementation of the policy and associated procedures. The designated conflict of interest officer will work cooperatively with investigators and others to resolve any minor issues of noncompliance.

Breaches of the disclosure process, including (a) failures to comply with such process, whether by virtue of an employee's refusal to respond or by his/her responding with incomplete or knowingly inaccurate information, (b) failures to remedy conflicts, and (c) failures to comply with a prescribed management plan, will be forwarded to the appropriate university unit for investigation and appropriate action. Concerns about potential bias in the research will be handled through the policies and procedures for misconduct in research.

Instances of deliberate breach of policy - including failure to file a required disclosure form, knowingly filing an incomplete, erroneous, or misleading disclosure form, or failure to comply with prescribed monitoring procedures - will be adjudicated in accordance with applicable disciplinary policies and procedures of the university as described in the Faculty and Staff Handbooks. University procedures for imposition of a severe sanction or dismissal for cause described in section 3.6 of the Faculty Handbook provide appeal mechanisms for faculty members charged with serious breaches of university policies. Staff employees may appeal through the staff grievance process.

## **5. Record Retention**

All original signed disclosure forms and management plans related to conflicts of interest and commitment will be retained in the employee's departmental personnel file in accordance with university record retention guidelines. Copies of disclosure forms and management plans related to research will be maintained in the Office of the Vice President for Research in accordance with state and federal requirements.

## **6. Definitions**

1. "Business" means any corporation, partnership, sole proprietorship, firm, franchise, association, trust or foundation, or any other individual or entity carrying on a business or profession, whether or not for profit. The definition excludes the University or any other entity controlled by, controlling, or under common control with the University.
2. "Disclosure" is the full recording or specification of the employee's relationship with an external organization or involvement in external activities.
3. "Faculty member" is anyone who has faculty status at Virginia Tech, regardless of rank and including research faculty and administrative and professional faculty. The complete categories of faculty are defined in Section 2.1 of the Faculty Handbook. This policy also applies to staff employees and employed students where relevant.
4. "Family Member" means an employee's spouse or immediate family member who is a dependent of the employee (or of whom the employee is a dependent). A potential conflict of interest may arise when the party holding the "Financial Interest" as defined in (7) below is related to the employee in ways other than spouse and dependent children. Financial interests held by this party should be disclosed by the employee to the best of his or her knowledge.
5. "Institutional responsibilities" are defined broadly and include but are not limited to teaching, advising, research and scholarly activities, outreach, administrative and institutional committee service, and service to professional associations or on panels such as peer, institutional, or accreditation review boards.
6. "Investigator" means the project director or principal investigator and any other person, regardless of title or position, who is responsible for the design, conduct, or reporting of research. Collaborators, consultants, or subcontractors are considered investigators for the purposes of this policy, as is anyone identified as key personnel in the contract proposal and contract. Investigator disclosures must include the financial interests of their spouse and dependents.
7. "Organizational Conflict of Interest" exists when multiple university relationships with sponsors create an actual or perceived conflict of interest. Virginia Tech is treated as a single contractual entity in the federal contracting context. Separate sponsored projects and their principal investigators are considered part of the overall Virginia Tech contracting entity. Hence, the involvement of one faculty member in a consulting or advisory services contract with the agency may preclude a subsequent related contract from

that agency based on potential concerns that there may have been access to source selection criteria or confidential information not in the public domain in advance of an RFP or procurement, or that the organization might be evaluating its own work products and hence open to charges of biased judgment, or that the preparation of specifications or statements of work might have favored the institution. Organizational conflict of interest applies to more than one project and may affect all current or even future sponsored research with a particular federal sponsor

8. "Significant financial interest" is defined differently by state law and federal regulation. The Virginia State and Local Government Conflict of Interests Act uses the term "Personal Interest" and the defined thresholds for disclosure apply to all employees not engaged in sponsored research. The definition for "significant financial interest" below applies to all investigators involved in sponsored research, regardless of the source of funds for that research.
  - a. "Personal Interest" as defined by the Virginia State and Local Governments Conflict of Interests Act: A financial benefit or liability accruing to an officer or employee or to a member of his immediate family. Such interest shall exist by reason of (i) ownership in a business if the ownership interest exceeds three percent of the total equity of the business; (ii) annual income that exceeds, or may reasonably be anticipated to exceed, \$10,000 from ownership in real or personal property or a business; (iii) salary, other compensation, fringe benefits, or benefits from the use of property, or any combination thereof, paid or provided by a business or governmental agency that exceeds, or may reasonably be anticipated to exceed, \$10,000 annually; (iv) ownership of real or personal property if the interest exceeds \$10,000 in value and excluding ownership in a business, income, or salary, other compensation, fringe benefits or benefits from the use of property; (v) personal liability incurred or assumed on behalf of a business if the liability exceeds three percent of the asset value of the business; or (vi) an option for ownership of a business or real or personal property if the ownership interest will consist of (i) or (iv) above.
  - b. "Significant Financial Interest": 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 institutional responsibilities:
    1. With regard to any 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 the 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.
    2. With regard to any non-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, 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); or
    3. Intellectual property rights and interest (e.g. patents, copyrights), upon receipt of income related to such rights and interest;

Investigators must also 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 their institutional responsibilities. However, this disclosure requirement does not apply to travel that is reimbursed or sponsored by a federal, state, or local government agency, an institution of higher education, an academic teaching hospital, a medical center, or a research institute affiliated with an institution of higher education.

The term significant financial interest does not include the following types of financial interests:

- salary, royalties, or remuneration paid by Virginia Tech to the investigator, including intellectual property rights assigned to the institution and agreements to share in royalties related to such rights;  
  
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, and institution of higher education; or
- income from service on advisory committees or review panels for a federal, state, or local government agency, an institution of higher education, an academic teaching hospital, a medical center, or a research institute that is affiliated with an institution of higher education.

## 7. References

Code of Federal Regulations, 42 CFR chapter 1, subchapter D, part 50, and 45 CFR subtitle A, subchapter A, part 94

[Commonwealth of Virginia, Conflict of Interest Website](#)

Faculty Handbook, Section 2.14, Consulting and Outside Employment

Faculty Handbook, Section 2.15, Conflicts of Interest and Commitment

Faculty Handbook, Section 3.6, Imposition of a Severe Sanction or Dismissal for Cause

Faculty Handbook, Section 10.2, Policy on Misconduct in Research

Graduate Catalog, [Policy on Additional Employment for Students Holding a Graduate Assistantship Employment](#)

Policy 4070, Additional/Outside Employment Policy

Policy 5000, [University Facilities Usage and Event Approval](#)

Policy 13000, Intellectual Property

[Standards of Conduct and Ethics, Virginia Tech Purchasing Department](#)

[Statement of Business Conduct Standards, Virginia Tech](#)

Vice President for Research, Conflict of Interest website,xxxxxxx

[Virginia Statement of Economic Interests](#)

[Virginia State and Local Government Conflict of Interests Act, 2.2-3100 et seq.](#)

## 8. Approval and Revisions

Recommended by the Commission on Research.

Approved by University Council: January 20, 1992

Approved by the President: January 20, 1992

- Revision 1

Change in Sections 2 and 3 to reflect changes in the Code of Virginia and to bring the university into compliance with current law.

Approved by the Board of Visitors, November 9, 1998

- Revision 2

Complete revision of policy in all aspects to reflect broader range of external activities, new reporting and approval mechanisms, and other changes.

Recommended by the Commission on Research: April 26, 2000

Approved by University Council: May 1, 2000

Approved by the President: May 1, 2000

Approved by the Board of Visitors: June 5, 2000

- Revision 3

April 23, 2002: References to Code of Virginia section numbers updated; position titles updated.

- Revision 4

May 13, 2008: Updates to position titles and/or responsibilities due to university reorganization.

Delegation of Authorities and Responsibilities approved by the Board of Visitors, March 31, 2008.

- Revision 5

Recommendations for complete revision made by the Taskforce on Consulting and Conflicts of Interest and Commitment charged by the senior vice president and provost. Substantive changes intended to improve understanding of the policy and thereby encourage faculty compliance; to update the policy in light of changing federal regulation and expectations of research sponsors; to increase protection of students; and to adopt best practices related to conflicts of interest as recommended by federal agencies, professional societies, and other major research institutions.

- Eliminated references to Categories I, II, and II for assessing external activities. An extensive set of examples of activities that do, and do not, need to be reported are now available on comprehensive COI website
- Eliminated section on Committee on Conflicts of Interest and Commitment and revised section on appeals
- Added requirements of newly promulgated federal regulations including adoption of \$5,000 threshold for disclosure of financial interests; mandatory training; public posting of investigator conflicts or prompt response to FOIA request; retrospective review for relevant cases of non-compliance; and annual reports for management plans.
- Added sections on potential conflicts involving students and postdoctoral fellows/trainees, other employees, and spouses and immediate family members.

- Added reference to organizational conflict of interest, and sections on Statement of Economic Interest, Faculty Authored Instructional Materials, and Procurement-Related Conflicts.
- Clarified procedures for disclosures and for development of management plans once a potential conflict has been identified.
- Changed oversight of conflict of interest reporting from the senior vice president and provost to the vice president for research.

Approved by the Commission on Research, xxxxxx

Approved by University Council, xxxxxxxx

Approved by the Board of Visitors, xxxxx

**REVISION OF POLICY 13010  
INDIVIDUAL CONFLICTS OF INTEREST AND COMMITMENT  
Commission on Research  
COR Resolution 2011-12 A**

Discussions with DRSCAP Committee: Oct. 18, Nov 1 and 15, Dec 6, 2011  
Discussion with Commission on Graduate Studies and Policies: Dec 7, 2011  
Discussions with Commission on Faculty Affairs: Nov 18 and Dec 2, 2011  
Discussion with the Faculty Senate:

First Reading, Commission on Research: December 14, 2011  
Approved, Commission on Research:  
First reading by University Council:  
Approved by University Council:  
Approved by the President:  
Approved by the Board of Visitors:  
Effective Date:

**WHEREAS**, over the last 20 years, federal agencies have encouraged the commercialization of intellectual property developed at universities and medical centers through policy changes, small business development grants, and other funding incentives, resulting in a dramatic increase in the number of faculty-owned businesses and faculty consulting with external entities; and

**WHEREAS**, the increasing complexity of relationships among faculty researchers, sponsored research, and involvement with outside corporations has given rise to considerable public concern about conflicts of interest and heightened scrutiny by federal agency sponsors; and

**WHEREAS**, on August 25, 2011, the Public Health Service (PHS) issued new regulations to promote objectivity in research for recipients of PHS grants, with full compliance by institutional recipients required by August 24, 2012; and

**WHEREAS**, an advisory review conducted by the Virginia Tech Department of Internal Audit in 2010 found a number of areas for improvement in policies and practices concerning conflict of interest at Virginia Tech; and

**WHEREAS**, the provost charged a university-wide task force on consulting and conflict of interest with responsibility for reviewing existing policies and practices and make recommendations on needed improvements;

**WHEREAS**, the task force reported in spring 2011 that a major overhaul of policy 13010 and related procedures were required to address the extant concerns, including the lack of clarity about what needed to be disclosed and why, insufficient documentation of



procedures, and inconsistent oversight of plans to manage potential conflicts of interest, among other issues; and

**WHEREAS**, the task force closely examined policies and procedures at more than a dozen major research universities, reviewed multiple reports and recommendations from federal agencies and national associations supporting the university research community, conducted phone interviews and attended sessions with knowledgeable leaders in the higher education community, and consulted broadly with a wide variety of individuals and stakeholders within the university in preparing revisions to policy 13010;

**THEREFORE be it resolved that**

- Policy 13010 be revised as attached.
- Section 2.15 of the Faculty Handbook section on conflict of interest be replaced by the updated policy on conflicts of interest. (Revisions to section 2.15 guidelines on *conflict of commitment* are addressed by a separate resolution.)
- Dissemination of information about the new policy and procedures include (at minimum) a new comprehensive website maintained by the Office of the Vice President for Research and extensive education of affected employees and administrators.