

**RESOLUTION TO APPROVE REVISIONS TO POLICY 13010 INDIVIDUAL
CONFLICTS OF INTEREST AND COMMITMENT**

WHEREAS, Virginia Tech must make disclosure requirements clear to protect the university and its employees; and

WHEREAS, the 2020 Conflict of Interest (COI) Task Force, convened at the request of President Sands, proposes revisions to Policy 13010: Individual Conflicts of Interest and Commitment, to clarify and streamline financial interest disclosure requirements; and

WHEREAS, the COI Task Force's report was endorsed by President Sands and includes the proposed changes to Policy 13010, as outlined in the attached; and

WHEREAS, as currently written, Policy 13010 covers both additional work commitments and financial interests; and

WHEREAS, work and financial are distinct forms of potential conflicts of interest with distinct processes, stakeholders; and

WHEREAS, the Faculty Handbook addresses potential work conflicts for faculty members, and Policy 4070 addresses potential work conflicts for staff employees; and

WHEREAS, the proposed revisions to Policy 13010 describe financial conflicts of commitment and the mechanisms for their disclosure for all faculty, staff, and students;

NOW, THEREFORE BE IT RESOLVED, that the title of Policy 13010: Individual Conflicts of Interest and Commitment be revised to Policy 13010: Conflicts of Interest; and

BE IT FURTHER RESOLVED, that the revisions to Policy 13010 be approved as outlined in the attached revised policy and published in appropriate electronic and other forms of university materials to be in effect upon approval by the Board of Visitors.

RECOMMENDATION:

That the resolution to approve revisions to Policy 13010 be approved.

June 7, 2022



Virginia Polytechnic Institute and State University

Conflicts of Interest

No. 13010

Policy Effective Date:
01/20/1992

Last Revision Date:
xx/xx/xxxx

Policy Owner:
Dan Sui

Policy Author:
(Contact Person)
Cristen Jandreau

Affected Parties:
Undergraduate
Graduate
Faculty
Staff
Other

1.0 Purpose

A conflict of interest (COI) describes a situation in which an individual's professional judgment is at risk of being biased by a secondary interest, resulting in possible harm or the implication of personal gain. Having a COI does not mean the person is biased or has done something wrong – the term refers to the risk of bias, whether or not bias or harm have actually occurred. A COI assessment is a factual evaluation based on the existence of certain parameters that could lead to biased judgement or inappropriate personal gain in university operations such as research, contracting, or purchasing. State law and federal research regulations allow for certain conflicts of interest when specified conditions are met, as outlined in this policy.

Virginia Tech recognizes the value and necessity of engaging with external entities to translate research into beneficial products. Transparency and appropriate oversight of relationships with external entities promotes and safeguards the interests and reputation of Virginia Tech and its employees. Transparency and appropriate oversight also assure research sponsors, participants, and the broader public that possible personal gain has not influenced or biased research or decision-making around other university activities.

This policy summarizes professional conduct standards that relate to objectivity and provides the basic framework for disclosing financial interests to ensure university-wide compliance with COI directives. It also establishes standards that provide a reasonable expectation that the design, conduct, and reporting of research will be free from bias resulting from an Investigator's financial conflict of interest (FCOI).

Because financial interests might stem from an additional commitment other than one's Virginia Tech employment, this policy must be read in conjunction with the [Consulting and Outside Employment](#) policy of the Faculty Handbook and Policy 4070, [Additional/Outside Employment Policy for Salaried Classified and University Staff](#), as needed.

While this policy primarily focuses on the disclosure of financial interests, conflicts of interest can be present in many aspects of university business; therefore, this policy should be read in conjunction with other relevant policies related to professional conduct standards and objectivity, including the university's [Statement of Business Conduct Standards](#) maintained by the Office of the Vice President for Finance. All employees must acknowledge receipt and agree to adhere to the standards in accordance with established university policies and procedures. See the [Conflicts of Interest and Commitment](#) website maintained by the Research Conflict of Interest Program for a list of other Virginia Tech policies that touch on conflicts of interest more broadly.

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2.0 Policy

This policy applies to all Virginia Tech employees. All faculty, staff, and employed students, whether full or part-time, are considered employees for purposes of this policy. Employees who 1) are planning to participate or are participating in sponsored research as an Investigator or 2) manage or administer research have additional responsibilities under this policy.

The foundation of this policy involves two major COI directives: state law (i.e., the Code of Virginia “State and Local Government Conflict of Interests Act” or “the Act”) and the federal FCOI regulations (i.e., Public Health Service (PHS) “Promoting Objectivity in Research” regulations and National Science Foundation (NSF) “Conflict of Interest Policies”). While the Act uses the term “personal interest” and the federal regulations uses “significant financial interest”, the term “financial interest” will be used for purposes of this policy.

Although federal regulations inform this policy, the policy applies to all sponsored research, regardless of sponsor. A researcher’s disclosures, as described in this policy and recorded in the Disclosure and Management System, do not alleviate their obligation to disclose to specific sponsors. Principal investigators, project directors, and other senior/key personnel should review the guidance on [OSP’s website](#), which outlines the current requirements for disclosing to federal sponsors.

The Director of the Research COI (RCOI) Program administers this policy. The program oversees the university-wide processes for conflicts of interest and financial interest/additional commitment disclosure, with a focus on research. Contact coi@vt.edu for more information. Decentralized stakeholders, as noted, are responsible for administration of their individual unit’s policies and procedures as they relate to this policy.

2.1 Overview

All Virginia Tech employees must be committed to conducting their work in an objective and impartial manner. Employees must familiarize themselves with the conduct prohibited by state law, which prohibits employees from using their position for personal gain, accepting gifts in certain professional circumstances, and giving the impression they can be influenced in the performance of their job duties (see [the Act § 2.2-3103](#)). The law aims to assure that the judgment of employees will be guided by standards that define and prohibit inappropriate conflicts of interest. Note that donations of any kind (including equipment) must go through the proper channels and never to the employee directly.

The University Facilities Usage and Events policy (No. 5000) allows employees to use university resources if they pay the rate determined by the Controller’s Office and the use is approved by their supervisor in the context of their additional commitment disclosure, which documents the use of university resources. This only applies in the context of approved consulting activities, and the proposed use cannot interfere with or have priority over anticipated university use of the equipment or facilities.

The Act requires all Virginia Tech employees to disclose financial interests in certain circumstances; therefore, certain circumstances require disclosure to Virginia Tech and/or the Commonwealth of Virginia, as described below.



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Note that disclosure requirements are streamlined across types of disclosure. Disclosure for each circumstance below is required initially, annually, and within 30 days of any changes (e.g., when financial interests change). Visit the [Conflicts of Interest and Commitment](#) website for an overview of Virginia Tech's disclosure requirements for financial interests and additional commitments.

1. Employees must disclose to Virginia Tech when they or a member of their immediate family have a financial interest related to Virginia Tech operations, which could happen in the context of an immediate family member's employment contract with Virginia Tech, a purchase, or a sponsored project. The employee must disclose when they and/or a member of their immediate family hold >3% of the total equity in or receive >\$5,000 in annual payments from the university or a company that seeks to do business with the university.
 - a. See sections 2.2.1 and 3.2.1 ("Disclosure to Virginia Tech – All Employees").
 - i. For a procurement contract, also see section 3.2.1.2 ("A Financial Interest in a Business that is a Party to a Procurement Contract or Transaction").
 - ii. For a sponsored research contract, also see section 3.2.2.4 ("A Financial Interest in a Business that is a Party to a Sponsored Research Contract").
2. Employees who are participating in research as Investigators must disclose financial interests to Virginia Tech at the time of proposal submission and throughout the lifetime of the award. Investigators also have other responsibilities as outlined in this policy.
 - a. See sections 2.2.3 and 3.2.3 ("Disclosure to Virginia Tech – Research Investigators").
3. Certain employees must also disclose to the Commonwealth of Virginia. Disclosing to the Commonwealth is called filing, and the form is known as the Statement of Economic Interests. Human Resources will contact employees directly if this disclosure requirement applies to them.
 - a. See sections 2.2.3 and 3.2.3 ("Disclosure to the Commonwealth of Virginia").
4. Certain employees must disclose when they wish to engage in a work commitment other than their primary Virginia Tech appointment.
 - a. Faculty and staff must disclose additional work commitments to Virginia Tech for their supervisor to make a conflict of commitment determination. Refer to the [Consulting and Outside Employment](#) policy of the Faculty Handbook and Policy 4070, [Additional/Outside Employment Policy for Salaried Classified and University Staff](#), respectively.
 - i. The disclosure system, as described in this and the above policies, is designed so that additional commitment disclosure cover financial interest disclosure requirements (i.e., the same relationship doesn't have to be disclosed multiple times). Financial interests are reviewed by the relevant university official while the additional commitment portion of the disclosure is reviewed by the supervisor.
 - b. Graduate students must disclose additional employment to Virginia Tech in the manner prescribed in the [Graduate Catalog](#). Contact the [Graduate School](#) with questions.

Employees do not have any disclosure requirements to Virginia Tech under this policy if they do not have a financial interest in a contract/transaction to which Virginia Tech is a party and they are not participating in research as an Investigator.

2.2 Disclosure to Virginia Tech



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2.2.1 All Employees

The Act considers a financial interest in a contract or transaction to which Virginia Tech is a party, other than one's employment contract, to be a prohibited COI. An employee has a financial interest in a contract or transaction when they or an immediate family member hold >3% of the total equity in or receive >\$5,000 in annual payments from a party to the contract or transaction (i.e., Virginia Tech or the business). There are certain exceptions to this prohibition under the Act as outlined below for contracts/transactions pertaining to employment of an immediate family member at Virginia Tech, procurement, and sponsored projects.

Employees must disclose to Virginia Tech when they or an immediate family member have a financial interest in a contract or transaction to which Virginia Tech is a party prior to the time at which the contract is entered into. This is an employee-initiated disclosure.

Disclosure to the Commonwealth is required by Virginia Tech employees when they have an approved exception for a financial interest in a business that is a party to a contract/transaction with Virginia Tech. See sections 2.2.3 and 3.2.3.

2.2.2 Research Investigators

Investigators on sponsored research projects must disclose financial interests (as outlined in this policy) for the university, through its designated institutional official, to identify and manage financial conflicts of interest to promote objectivity in research. The Director of the RCOI Program (or designee) is the designated institutional official responsible for making FCOI determinations.

Investigators must disclose when they or an immediate family member receive/hold >\$5,000 in payments and equity value (determined through public prices) in total for a publicly traded entity or receive >\$5,000 in payments or hold any equity interest in a non-publicly traded entity. This is in the context of the past 12 months from the disclosure date for financial interests that reasonably appear related to the Investigator's institutional responsibilities.

Investigators must disclose financial interests held by themselves and any member of their immediate family in the following circumstances:

- Before applying for research funding;
- Annually as prescribed by Virginia Tech; and
- Within 30 days of any changes *.

* Note that this is the only Investigator-initiated disclosure due to the automated disclosure prompts in place for the other two instances described above.

An Investigator might disclose all their financial interests (as described above) in the context of their additional work commitment disclosures. In those cases, the Investigator will be prompted to annually certify there are no changes.



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Investigators must complete research COI training before engaging in sponsored research, at least every 4 years, and in the following circumstances:

- An Investigator is new to the institution;
- This policy is revised in a manner that affects the requirements of Investigators; or
- The institution finds that an Investigator is out of compliance with this policy or a project's FCOI management plan.

Although the four-year training requirement is PHS-specific, Virginia Tech applies the same disclosure and management principles to all Investigators engaged in sponsored research, regardless of sponsor; therefore, the training requirement applies to all Investigators on sponsored research projects. Investigators will be notified when their training requirement is due.

Once an Investigator discloses a financial interest to the university, the designated institutional official determines whether the financial interest could directly and significantly affect the design, conduct, or reporting of research. If so, an FCOI exists and the designated institutional official must ensure that a plan to manage the financial interest is developed and implemented.

For disclosed financial interests that have state law implications, see section 3.2.2.4 ("A Financial Interest in a Business that is a Party to a Sponsored Research Contract").

2.3 Disclosure to the Commonwealth of Virginia

Per the Act, certain employees must take training and disclose financial interests to the Commonwealth of Virginia that they or an immediate family member hold. Disclosure to the Commonwealth is required by Virginia Tech employees when they 1) are designated by Human Resources as being in a position of trust or 2) have an approved exception for a financial interest in a business that is a party to a contract/transaction with Virginia Tech. Human Resources will contact employees directly if this disclosure requirement applies to them, including the deadlines for completion and potential penalties for non-compliance under the Act.

Disclosing to the Commonwealth is called filing, and the form is known as the Statement of Economic Interests (or SOEI). Employees who are required to complete an SOEI are known as SOEI filers (or filers). Filing is required initially (when hired or when an exception is approved) and annually thereafter (throughout one's employment or when the last contract closes, whichever comes later).

Training for SOEI filers is provided by the Virginia Conflict of Interest and Ethics Advisory Council, and is required initially and every two years. Note that this requirement is in addition to the Virginia Tech-specific COI training required for Investigators on sponsored research projects. SOEI filers must continue to disclose financial interests to Virginia Tech and take research COI training, as needed.

3.0 Procedures

3.1 Overview



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The university's disclosure system is designed so that the same relationship doesn't have to be disclosed multiple times (e.g., an additional commitment disclosure will also cover financial interest disclosure requirements, as outlined in this policy). In these cases, the commitment aspect is assessed by the supervisor and the interest aspect is assessed by the appointed university personnel in an automated, synchronous process. When the employee's supervisor is the owner of the company for which the employee is seeking permission to work, the disclosure should be routed to the supervisor's supervisor (or until an impartial supervisory level is reached).

Employment of faculty or staff in employee-owned businesses requires careful consideration, particularly when there is a risk of performance bias when a faculty or staff member works for a company owned by their supervisor. Any such employment must be approved as required by the [Consulting and Outside Employment](#) policy of the Faculty Handbook and Policy 4070, [Additional/Outside Employment Policy for Salaried Classified and University Staff](#), as needed.

Analogous procedures are in place for graduate students seeking employment in employee-owned businesses (although additional employment is disclosed in the manner prescribed in the [Graduate Catalog](#)). Additional procedures for graduate students engaged in research sponsored by their advisor's company are discussed in section 3.2.2, "FCOI Management to Promote Objectivity in Research".

The university seeks to assist employees in complying with the Act and has roles to play in the evaluation and approval of certain exemptions; however, it cannot provide employees advice on the applicability of the Act to an individual's specific circumstances. Employees may contact the Virginia Conflict of Interest and Ethics Advisory Council to request written informal advice or a formal advisory opinion. Contact coi@vt.edu for more information.

3.2 Disclosure to Virginia Tech

3.2.1 All Employees

The Act prohibits employees from having a financial interest in a contract or transaction to which Virginia Tech is a party, other than their own employment contract. This happens when the employee or an immediate family member holds >3% of the total equity in or receives >\$5,000 in annual payments from a party to the contract or transaction (i.e., Virginia Tech or the business).

There are exceptions, including for immediate family members who are employed by Virginia Tech, university purchases, and non-research sponsored projects. Refer to section 3.2.4 for exceptions for sponsored research.

3.2.1.1 A Financial Interest in Additional Virginia Tech Employment Contracts

Employees being considered for transfer or promotion or applicants for employment at the university will be required in the hiring process to disclose the identity of an immediate family member working at the university. This information will be analyzed by the hiring department, in coordination with the provost's office, to determine next steps. Proposed



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exceptions and alternate reporting relationships are reviewed and approved by the executive vice president and provost prior to submission to the Board of Visitors for approval. For non-academic appointments, the relevant vice president reviews and approves prior to submission to the Board of Visitors.

For questions about a financial interest in additional Virginia Tech employment contracts, contact [Human Resources](#).

3.2.1.2 A Financial Interest in a Business that is a Party to a Procurement Contract or Transaction

Employees with a financial interest in a procurement contract or transaction should contact [Procurement](#) for determination of next steps, to include disclosure in the university's [Disclosure and Management System](#). The Director of Procurement will determine whether an exception under the Act is available, assist the employee in applying for the approvals needed to qualify for an available exception, and oversee the implementation of a plan put into place to promote objectivity and uphold Virginia Tech's principles. Disclosures must be renewed annually for financial interests that continue into the next fiscal year and must be updated within 30 days of any changes.

3.2.1.3 A Financial Interest in a Business that is a Party to a Non-Research Sponsored Project Contract

An exception for a prohibited COI in a non-research sponsored project contract is possible if the employee with the COI has no authority or role in the contract negotiation between the business and Virginia Tech on behalf of either party (see [the Act § 2.2-3110](#)).

Employees with a financial interest in a non-research sponsored project contract should contact the [Director of the RCOI Program](#) for determination of next steps, to include disclosure in the university's [Disclosure and Management System](#). The Director of the RCOI Program will determine whether an exception under the Act is available, assist the employee in applying for the approvals needed to qualify for an available exception, and oversee the implementation of a plan put into place to promote objectivity and uphold Virginia Tech's principles. Disclosures must be renewed annually for financial interests that continue into the next fiscal year and must be updated within 30 days of any changes.

3.2.2 Research Investigators

Virginia Tech employees who are, or who will be, participating in sponsored research as an Investigator have disclosure responsibilities. Departmental/unit employees who manage or administer research, the Office of Sponsored Programs (OSP), and the Director of the RCOI Program administer this policy as described herein.

Investigators are required to disclose financial interests prior to applying for research funding, annually as prescribed by the university, and within 30 days of acquiring or discovering a new



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financial interest. Initial disclosures (prior to applying for research funding) are captured in the university's proposal submission system. Upon receipt of research funding, Investigators must disclose financial interests in the university's [Disclosure and Management System](#). Continued financial interest updates are required in the Disclosure and Management System for the duration of the sponsored research project award. If an employee involved in the research does not meet the definition of "Investigator" but has a financial interest related to the research, the employee should contact the [Director of the RCOI Program](#) for a reportability assessment.

3.2.2.1 Management Plan Advisory Committee

All disclosed interests are reviewed by the designated institutional official and, if necessary, the Management Plan Advisory Committee (MPAC). The MPAC is a standing committee of the university (composed of faculty, administrative personnel, and ex-officio members) convened by the Director of the RCOI Program who serves as chair. The MPAC considers an Investigator's disclosure within the context of the research and provides recommendations regarding how the FCOI should be managed, reduced, or eliminated to ensure, to the greatest extent possible, that the design, conduct, and reporting of the research will be objective and free from bias. Committee members, appointed by the Director of the RCOI Program for 3-year terms, are required to adhere to applicable rules of privacy and confidentiality pertaining to COI review.

3.2.2.2 FCOI Management to Promote Objectivity in Research

If the designated institutional official determines that an FCOI exists, they will develop a plan for managing the FCOI that must be adopted prior to the start of the research. If an FCOI is determined to exist when the research is ongoing, sponsored project funding might be frozen until a management plan is accepted by the Investigator.

The designated institutional official will develop the management plan based on state and federal requirements and input from the MPAC, the Investigator with an FCOI, and other relevant stakeholders, as needed. The management plan is designed to mitigate the conflict, promote research objectivity, and provide academic and professional protection of graduate students and postdoctoral scholars, respectively. Mitigations will be based on a risk assessment of the COI scenario. Possible management plan components include, but are not limited to:

- Disclosure of the financial interest in publications and presentations of the research;
- Disclosure of the financial interest to project colleagues, postdoctoral scholars, and graduate students;
- Recommendation of disclosure of the financial interest to prospective research participants (subject to Institutional Review Board (IRB) consideration);
- Appointment of an independent monitor to take appropriate measures, to the extent possible, to protect the design, conduct, and reporting of the research against potential bias resulting from the FCOI;



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- Appointment of an independent monitor to take steps, to the extent possible, to protect the academic and professional progress of graduate students and postdoctoral scholars, respectively;
- Modification of the research plan or personnel roles to ensure objectivity;
- Monitoring of research/research expenditures by personnel who do not have an FCOI with the external entity that is the basis of the management plan;
- Reduction or elimination of the financial interest.

While the Investigator with an FCOI bears primary responsibility for carrying out the plan, supervisors are expected to monitor compliance. The designated institutional official will report the FCOI determination and any agreed upon management plan to the following, as appropriate:

- OSP;
- The Human Research Protection Program (HRPP) or Animal Care and Use Program (ACUP) for review by the IRB or Institutional Animal Care and Use Committee (IACUC), respectively;
- The supervisor of the Investigator with an FCOI and others who might be asked to participate in the oversight of the management plan and/or reporting on management plan adherence, as needed;
- The Principal Investigator if that person is not the Investigator with an FCOI.

As described in the management plan, the Investigator and individuals engaged in oversight must periodically provide an update, by request, on the fulfillment of the management plan's terms. The designated institutional official is responsible for reporting an FCOI to PHS sponsors and, as deemed applicable by OSP, to other relevant federal agencies and sponsoring entities. The designated institutional official is responsible for reporting management plans to external IRBs serving as the IRB of record for the research.

The principles that govern Virginia Tech research remain the same regardless of the type of funding; therefore, although the federal FCOI regulations exempt Phase I SBIR/STTR projects from the requirements, Virginia Tech policy does not exempt these relationships from review and management.

3.2.2.3 Additional Requirements of the Federal Regulations

During an ongoing PHS-funded research project, whenever an Investigator who is new to participating in the research project or an existing Investigator discloses a new financial interest to the institution, the financial interest will be reviewed within 60 days by the designated institutional official to determine whether an FCOI exists and, if so, a management plan will be implemented on at least an interim basis.

For PHS-funded research, the designated institutional official must report an FCOI to the PHS funding agency: 1) prior to Virginia Tech's initial expenditure of funds, 2) within 60 days of



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identifying an FCOI for an added Investigator or a new FCOI for an existing Investigator, and 3) as an annual progress report or at the time of extension. If Virginia Tech is the prime awardee of PHS funds, the designated institutional official is required to report the FCOI of collaborating Investigators from subrecipient institutions to PHS. The designated institutional official is also required to submit FCOI reports of Virginia Tech Investigators to the awarded institution if Virginia Tech is a subrecipient.

OSP is required to verify, by way of a written agreement with subrecipient institutions on PHS or NSF-funded research, whether this policy in its entirety or the FCOI policy of the subrecipient institution will apply to its Investigators who are collaborating with Virginia Tech Investigators. As a rule, Virginia Tech will require subrecipient institutions to maintain and administer their own FCOI policies and will only in exceptional circumstances assume primary responsibility for directly soliciting and reviewing subrecipient disclosures to make an FCOI determination. If the subrecipient institution uses this policy, the subrecipient will enter into a written agreement requiring its Investigators to report financial interests to Virginia Tech and complete the university's COI training pursuant to this policy and associated procedures. Only the financial interests related to the subrecipient Investigators' responsibilities on the project must be disclosed to Virginia Tech.

As per PHS regulations, under certain criteria, the designated institutional official will make available required information about an FCOI held by an Investigator on PHS-funded research to a requestor within 5 business days of a request.

When the designated institutional official identifies a financial interest that was not disclosed, identified, reviewed, or managed in a timely manner, the official will review and make the determination of an FCOI and report the FCOI, if it exists, to the PHS within 60 days. If an FCOI exists, the official will implement, on at least an interim basis, a management plan specifying the actions that have been, and will be, taken to manage the FCOI going forward. Virginia Tech will complete and document a retrospective review within 120 days of the non-compliance determination to determine whether any PHS-funded research conducted during the time period of the non-compliance was biased in the design, conduct, or reporting of such research. The designated institutional official will enlist an independent individual to assist in making this assessment. If bias is found, the PHS awarding component will be notified promptly and a mitigation report will be submitted by the Director of the RCOI Program. If applicable, the official will update the previously submitted FCOI report to specify the actions that the university and the Investigator will take to manage the FCOI going forward. Phase I SBIR/STTR projects are exempt from retrospective review.

The designated institutional official must maintain records related to financial interest disclosure and FCOI management for a minimum of 3 years after final expenditures reporting.

3.2.2.4 A Financial Interest in a Business that is a Party to a Sponsored Research Contract



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The Act prohibits employees from having a financial interest in a contract or transaction to which Virginia Tech is a party, other than their own employment contract. There are exceptions, including for sponsored research contracts. An exception for a prohibited COI in a research contract is often possible if the following criteria are met:

1. The contract involves research and development and/or commercialization of intellectual property (which includes SBIR/STTR subawards);
2. The employee's financial interest is disclosed and the required approvals have been received prior to the time at which the contract is entered into; and
3. The employee with the COI either has no authority or role in the contract negotiation between the business and Virginia Tech on behalf of either party or promptly files a disclosure statement with the state initially and then annually as required (see sections 2.3 and 3.3, "Disclosure to the Commonwealth of Virginia").

Use of university resources on behalf of a small business is not permitted unless Virginia Tech is performing the scope of work authorized through the subaward from the small business to Virginia Tech and that subaward is fully executed before work begins. Only the documented subawarded work is authorized to be performed using Virginia Tech resources.

The Director of the RCOI Program will determine whether an exception under the Act is available and assist the Investigator in applying for the approvals needed to qualify for an available exception. In the case of research sponsored by a business in which the Investigator holds >3% of the total equity of the business, an Investigator may not serve as the Principal Investigator (PI) on both sides of the project (i.e., as the small business PI and the university subaward PI). Any exceptions must be approved by the MPAC.

3.3 Disclosure to the Commonwealth of Virginia

Certain employees deemed by Human Resources to be in a position of trust or those with an approved exception (for a financial interest in a business that is party to a contract/transaction with Virginia Tech) are required to file an SOEI annually with the Commonwealth of Virginia, disclosing their interests and those of their immediate family. SOEI filers should note that there is a particular emphasis in the Act on gifts that SOEI filers are prohibited from receiving (see [the Act § 2.2-3103.1](#)).

Procurement and the Director of the RCOI Program provide Human Resources the names of individuals with approved exceptions, as needed. Human Resources provides the Virginia Conflict of Interest and Ethics Advisory Council with the consolidated list of individuals who are required to submit the SOEI and complete the periodic training requirement. Human Resources will contact employees directly if this disclosure requirement applies to them, including the deadlines for completion and potential penalties for non-compliance under the Act. Disclosure is required annually on the form prescribed by the Virginia Conflict of Interest and Ethics Advisory Council (see [the Act § 2.2-3114](#)).

4.0 Compliance

The following are examples of non-compliance with this policy: a) failure to submit a timely disclosure; b) submission of an incomplete, erroneous, or misleading disclosure; c) failure to disclose information or



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fulfill requirements as required by this policy; or d) failure to comply with prescribed plans to promote objectivity.

The Office of the Vice President for Research and Innovation is responsible for overseeing the implementation of the policy and associated procedures. The Director of the RCOI Program will work cooperatively with employees and others to resolve any minor issues of non-compliance. Breaches of the process will be forwarded to the relevant unit for appropriate action. Corrective actions for non-compliance may include an annual certification of the employee's financial interests (as defined by this policy). Disciplinary action for non-compliance will be decided in accordance with applicable disciplinary policies and procedures as outlined in the Faculty Handbook, the Staff Handbook, and other relevant policies. Violations of the Act can result in imposition of both civil and criminal penalties and might constitute malfeasance in office or employment.

The Director of the RCOI Program will oversee all identified breaches of Investigator financial interest disclosure, management, and training processes. Corrective actions for non-compliance may include disclosing the FCOI in each public presentation of the results of the research and requesting an addendum to previously published presentations, suspension or termination of the research and/or funding, and/or removal from the project. The Director of the RCOI Program will refer non-compliance with the agreed-upon management plan to the department head, dean, IRB, IACUC, and sponsor, as applicable. PHS-specific requirements for instances of non-compliance are addressed in section 3.2.3.

5.0 Definitions

Business

A term from state law that describes 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.

Conflict of interest (COI)

Describes a situation in which an individual's professional judgment is at risk of being biased by a secondary interest, resulting in possible harm or the implication of personal gain.

Contract

A term from state law that describes any agreement to which Virginia Tech is a party, or any agreement on behalf of Virginia Tech that involves the payment of money appropriated by the General Assembly or a political subdivision, whether or not such agreement is executed in the name of the Commonwealth, or some political subdivision thereof. Includes a subcontract only when the contract of which it is a part is with the employee's own governmental agency.

Disclosure



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The full recording of the employee's financial interests to the university or the Commonwealth of Virginia.

Employee

All faculty, staff, or employed students, whether full or part-time.

Entity

A term from the federal regulations that describes any domestic or foreign, public or private, organization which an Investigator (or a member of their immediate family) receives remuneration or has an ownership or equity interest. Excludes U.S. federal, state, and local government agencies; U.S. institutions of higher education and their affiliated research institutes; and U.S. academic teaching hospitals and medical centers.

Financial conflict of interest (FCOI)

A financial interest that could directly and significantly affect the design, conduct, or reporting of research.

Financial interest

Anything of monetary value, whether or not the value is readily ascertainable. State law calls a financial interest a "personal interest", while federal FCOI regulations calls it a "significant financial interest"; those definitions are included below. It is possible to have a financial interest with state law implications, federal regulations implications, or both.

Immediate family member

A spouse and any other person who resides in the same household and is a dependent of the employee.

Institutional responsibilities

The professional responsibilities an Investigator has by virtue of being a Virginia Tech employee, which might include activities such as research, research consultation, teaching, professional practice, institutional committee memberships, and service on panels such as Institutional Review Boards or Data and Safety Monitoring Boards. Institutional responsibilities for subrecipient Investigators refers to the work being done for Virginia Tech under the terms of the subaward.

Investigator

The PI, project director, and any other person, regardless of title or position, who is responsible for the design, conduct, or reporting of research. Exceptions include personnel or students whose research activities are directly supervised.

Management Plan

The actions taken to address an FCOI to promote research objectivity.

Payments



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A broad term that includes salary, income, and other types of remuneration.

Personal interest (referred to as “financial interest” in this policy)

A term from state law that describes a financial benefit or liability accruing to an employee or to a member of their immediate family that generally involves 1) ownership in a business exceeding 3% of the total equity of the business or 2) salary or other payments from the business or Virginia Tech that exceeds \$5,000 annually.

Personal interest in a contract (referred to as a “financial interest in a contract” in this policy)

A term from state law that describes a personal interest that an employee has in a contract with Virginia Tech, whether due to the employee being a party to the contract or due to having a personal interest in a business that is a party to the contract.

Personal interest in a transaction (referred to as a “financial interest in a transaction” in this policy)

A term from state law that describes a personal interest of an employee in any matter considered by Virginia Tech.

Position of trust

A term from state law that describes an employee who has substantial responsibility for procurement, audit, investment, or other activities that could be subject to abuse or improper influence as a result of a financial interest.

Significant financial interest (SFI, referred to as “financial interest” in this policy)

A term from the federal regulations that describes one or more of the following financial interests of the Investigator or a member of their immediate family that reasonably appears to be related to the Investigator's institutional responsibilities and could directly and significantly affect the design, conduct, or reporting of research:

- For a single publicly traded entity, payments and equity value (determined through public prices) >\$5,000 in total or
- For a single non-publicly traded entity, payments >\$5,000 or any equity interest.

Payments includes the following remuneration (except as exempted below) from entities other than Virginia Tech:

- Salary;
- Payments for services not otherwise identified as salary (e.g., consulting fees, honoraria);
- Intellectual property payments;
- Travel reimbursements or payments on one's behalf (disclosures must include the sponsor/organizer, purpose of the trip, destination, and duration); and



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- Income from investment vehicles, such as mutual funds and retirement accounts, if the investment decisions made in these vehicles are directly controlled by the Investigator or immediate family member.

Equity interest includes the following:

- Stock;
- Stock option; or
- Other ownership interest.

SFIs do not include:

- Payments or equity unrelated to the Investigator's institutional responsibilities;
- For a publicly traded entity, payments and equity value totaling $\leq \$5,000$;
- For a non-publicly traded entity, payments $\leq \$5,000$;
- Income or payments from Virginia Tech or Virginia Tech Intellectual Properties, Inc. (VTIP);
- Travel paid with Virginia Tech funds, including sponsored projects;
- Income from investment vehicles, such as mutual funds and retirement accounts, if the investment decisions made in these vehicles are not directly controlled by the Investigator or immediate family member; or
- Income from seminars, lectures, or teaching engagements; income from service on advisory committees or review panels; or reimbursed travel or travel paid on one's behalf if it is from:
 - A U.S. federal, state, or local government agency;
 - A U.S. institution of higher education or research institute affiliated with a U.S. institution of higher education; or
 - A U.S. academic teaching hospital or medical center.

Statement of Economic Interests (SOEI)

The disclosure form certain employees must file with the Commonwealth of Virginia (due to their designation by Human Resources as being in a position of trust or their having an approved exception for a financial interest in a business that is party to a contract or transaction with Virginia Tech) that discloses the personal economic (i.e., financial) interests held by themselves and their immediate family members.

6.0 References

Policy 4070, Additional/Outside Employment Policy for Salaried Classified and University Staff
<https://policies.vt.edu/4070.pdf>

Policy 5000, University Facilities Usage and Events
<https://policies.vt.edu/5000.pdf>

Faculty Handbook, Consulting and Outside Employment
<https://faculty.vt.edu/faculty-handbook/chapter02.html#2.24>

Statement of Business Conduct Standards
<https://financialmanagement.vpfin.vt.edu/business-practices/business-conduct-standards.html>



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Virginia Tech Graduate Catalog

https://secure.graduateschool.vt.edu/graduate_catalog/

Code of Virginia, State and Local Government Conflict of Interests Act

<https://law.lis.virginia.gov/vacodepopularnames/state-and-local-government-conflict-of-interests-act/>

NSF, Conflict of Interest Policies

https://www.nsf.gov/pubs/policydocs/pappg19_1/pappg_9.jsp

PHS, Promoting Objectivity in Research

<https://www.ecfr.gov/cgi-bin/text-idx?c=ecfr&SID=992817854207767214895b1fa023755d&rgn=div5&view=text&node=42:1.0.1.4.23&idno=42#sp42.1.50.f>

PHS, Responsible Prospective Contractors

<https://www.ecfr.gov/cgi-bin/text-idx?SID=60a081f3168b8419aab915f4b8dda915&mc=true&node=pt45.1.94&rgn=div5>

7.0 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.



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- 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; prompt response to FOIA request concerning possible investigator conflict of interest related to an NIH research project; 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.
- Revised policy title from "Faculty Conflicts of Interest and Commitment" to "Individual Conflicts of Interest and Commitment."

Approved by the Commission on Research: February 8, 2012. Approved by University Council: March 19, 2012. Approved by the President: March 19, 2012. Approved by the Board of Visitors: June 4, 2012. Policy effective date: August 10, 2012.

- Revision 6

- Revisions include edits for clarity, updates related to changes in state law, new language regarding administrative routing of documents, and additional guidance for investigators of federal Public Health Service Grants.
- Section 3.2 addresses federal Public Health Services requirements for retrospective reviews and reporting in cases of non-compliance.

Approved August 31, 2015 by the Board of Visitors.

- Revision 7



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- Complete revision based on recommendations from the 2020 COI Taskforce charged by the president and vice president for research and innovation. The requirements remain the same but were streamlined and clarified, as needed.
- Removed provisions covered by other university policies, including conflict of commitment.
- Revised policy title from “Individual Conflicts of Interest and Commitment”.

Approved _____, 2022 by _____.

DRAFT