

Recognizing and Managing Conflict of Interest and Conflict of Commitment



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Federal, State, and Virginia Tech Conflict of Interest Guidance

- **Federal**

- NIH Regulations. 42 CFR Part 50 and 45 CFR Part 94.
- NSF Investigator Financial Disclosure Policy. Federal Register, Vol. 60, No. 132, July 11, 1995, pages 35821-35823.

- **Commonwealth of Virginia**

- State and Local Government Conflict of Interests Act (§ 2.2-3100 et seq. Code of Virginia)
- Ethics in Public Contracting (§ 2.2-4367 et seq. Code of Virginia)

- **Virginia Tech**

- Faculty Conflicts of Interests and Commitment Policy 13010

Federal Requirements

- Institution must have a written and enforced policy on conflict of interests.
- Investigators must disclose “significant financial interest” that they (or their spouse or dependent children) have that would reasonably be affected by the research.
- New, more complex disclosure rules for faculty receiving PHS money. Required training before submitting proposals.
- Sponsored programs certification for institutional conflicts.

State Requirements

- Employees prohibited from having a “personal interest in a contract”.
- Additional restrictions on employees who have official responsibility for procurement transactions.
 - No participation in procurement actions if COI
 - Restrictions on future employment with bidders
 - No acceptance of gifts; no kickbacks
- Requires certain state officers and employees to file written disclosure statements of their financial interests.

“Significant Financial Interest” or “Personal Interest in a Contract”

- Applies to interest of employee, spouse, or dependent children.
- Equity interest of \$10,000 or 3% ownership
- \$10,000 or more income per annum.
- Contrast to Federal, PHS Requirements
 - Any equity interest
 - \$5,000 or more income per annum

Virginia Tech Requirements

- Requires completion of Form 13010 if a conflict is identified by employee when employee engages in an external activity.
- Requires MOU for oversight of significant conflict of interest / conflict of commitment.
- Requires President approval and BOV reporting of R&D and commercialization contracts with “personal interest in a contract” (report prepared by OSP).

Policy 13010 Definitions

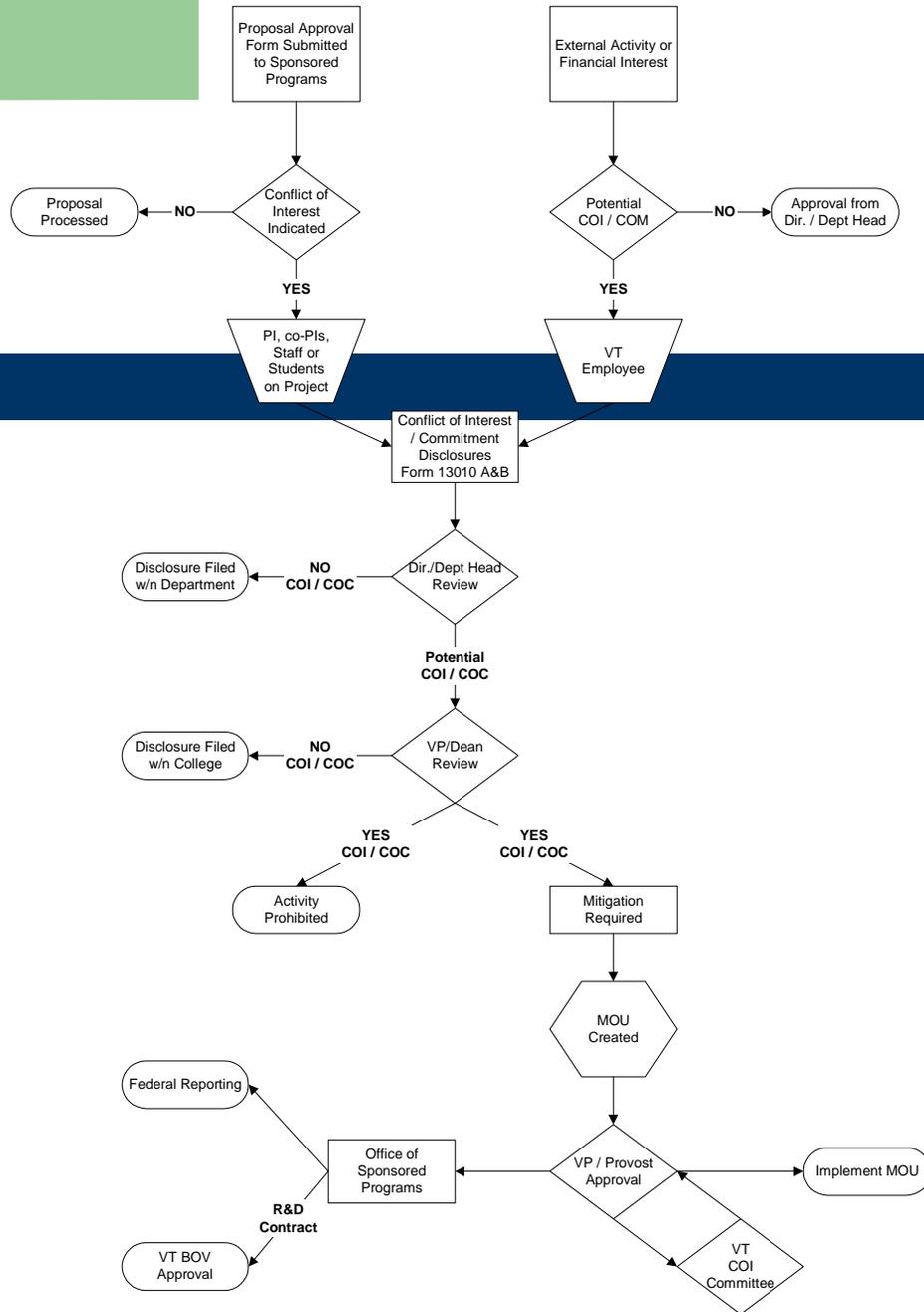
- A **conflict of interest** occurs when a faculty member is in a position to advance one's own financial interests or that of one's family or others, to the detriment of the University.
- A **conflict of commitment** arises when the external activities of a faculty member are so demanding of time, attention, or focus that they interfere with the individual's responsibilities to the University.

Potential Conflicts of Interest

- Significant Financial Conflict that could compromise objectivity
- Violation of Virginia Conflict of Interest Act
- Conflict of commitment that could impact university employment responsibilities
- Conflict involving use of university facilities
- Expert witness against the Commonwealth of Virginia

Responsibilities

- Investigator
- Department Head
- Dean
- University Administration
 - Provost
 - General Counsel
 - Sponsored Programs
- President



Forms

- **Proposal Approval Form**
- **13010** – Request to Engage in External Activity and Disclosure of Conflict of Interest/Commitment
- **Management Plan** – Conflicts of Interest/Commitment
- **MOU for Oversight** of Conflict of Interest / Conflict of Commitment

OSP Involvement

- Any potential conflict with a prospective or active sponsor
- Any potential conflict with a VT employee-owned company
- Any potential conflict originating from institutional involvement.

Conflict of Commitment Example

An investigator enters into a consulting arrangement that requires significant travel and time away from Virginia Tech. He fails to disclose the full extent of his outside activities and experiences problems meeting his instructional and/or research obligations.

Conflict of Commitment FAQs

- What is the maximum days allowed to consult during the academic year?
- What happens if I exceed 5 consulting days in a 5 week period?
- Does consulting time on a TAP contract count toward my eligible days to consult?
- If I plan in advance for someone to cover my duties, may I exceed the consulting limits?
- Use of annual leave for consulting activities.

Institutional Conflict of Interest

Institutions must also abide by the federal and state conflict of interest regulations. Institutional conflicts may arise whenever the institution has a significant financial interest in an event for which they have control. For example, equity interest in a start-up that is sponsoring research on campus.