

**OLD DOMINION UNIVERSITY**  
**University Policies and Procedures**

**5411 - PROCEDURES FOR COMPLIANCE WITH THE VIRGINIA  
STATE AND LOCAL GOVERNMENT CONFLICT OF INTERESTS ACT**

(Section 2.2-3104)

**Purpose:**

The purpose of this procedure is to provide a framework against which the propriety and advisability of a proposed contract for research and development can be monitored. The Guidelines apply to all employees of the university.

**Current Law:**

A prohibited conflict of interest arises when a company in which an employee has a personal interest contracts directly or through a subcontract with a state institution of higher education. A personal interest is defined as: owning more than 3% of the equity in the company or having a personal commercial arrangement worth more than \$10,000 annually. A personal commercial arrangement is defined as any agreement or contract, either formal or informal, which provides goods or services with an identifiable monetary value for the personal use of the employee or an immediate family member.

The law exempts certain categories of contracts. In particular, for the purposes of this policy, research and development contracts are exempted provided that the disclosure and approval requirements of this policy are followed. Typical research and development contracts covered by this policy are: research agreements through the Old Dominion University Research Foundation and the Office of Research and Graduate Studies and licensing agreements from the university or Research Foundation.

Notwithstanding anything herein to the contrary, to the extent the law in Virginia changes with respect to conflict of interests, specifically §§ 2.1-639.2, et seq., this policy shall be deemed amended consistent therewith.

**Procedure:**

An employee may be exempt from the prohibition of the current law if: (i) approval from the dean of the college and the associate vice president for research and graduate studies in writing is obtained before engaging in a contract for research and development between the university and a business

in which the employee has a personal interest and (ii) a disclosure statement is filed with the dean, the associate vice president for research and graduate studies, and the secretary of the Commonwealth of Virginia in the form required by Section 2.1-639.12-15 of the Virginia Code. A new disclosure must be filed annually during the course of the research and development contract. If the employee's personal interest in the company (as defined above) changes anytime during the course of the grant, the employee must immediately notify his/her department chair, dean, and the associate vice president for research and graduate studies of this change in status, and file an amended disclosure statement with the dean, associate vice president for research and graduate studies and the secretary of the Commonwealth of Virginia.

**Approval Process:**

Prior to the university signing the proposed research and development contract, the employee shall disclose in writing his or his immediate family member's personal interest in the company. The disclosure shall be a letter or memorandum from the employee to his/her department chair, dean and the associate vice president for research and graduate studies outlining the employee's personal interest and the benefits to be gained by the University from the proposed research and development contract. Appropriate questions on the internal approval form (the Blue Sheet) will alert faculty to the disclosure requirement.

**Responsibility:** Provost and Vice President for Academic Affairs

**Authorization:** Roseann Runte, President

**Date:** August, 1994