

# PIEDMONT VIRGINIA COMMUNITY COLLEGE

## II – ADMINISTRATIVE (GENERAL) POLICIES

### II – 10.1 FINANCIAL DISCLOSURE TO AVOID CONFLICT OF INTEREST IN FEDERALLY FUNDED PROGRAMS

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<b>Policy #:</b>	<b>II – 10.1</b>
<b>Effective:</b>	<b>October 2, 2017</b>
<b>Responsible Dept.:</b>	<b>Grants Office</b>

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#### **Purpose**

In accordance with applicable laws and regulations to ensure a reasonable expectation that the design, conduct or reporting of sponsored grants, contracts or cooperative agreements are unbiased by any conflicting financial interests, Piedmont Virginia Community College establishes this policy. Key personnel/Investigators involved in programs funded by the National Science Foundation (NSF) and the Public Health Service: U.S. Department of Health and Human Services (DHHS) must complete a Financial Disclosure Report Form that is on file in the Piedmont Virginia Community College Grants Office. The Manager of Grants Development and Administration is responsible for ensuring implementation of this policy and may suspend all relevant activities until the financial conflict of interest is resolved or other action deemed appropriate by the Grants Office is implemented. This policy is also generally used with other funders that require conflict of interest requirements above PVCC's normal code of ethics policies and conflict of interest policies.

Failure to follow this policy could lead to inadequate management of financial conflicts of interest, resulting in termination or misuse of funding, civil penalties, damage to PVCC's reputation, and /or noncompliance with governmental regulations.

This policy is in addition to and does not replace the Virginia State and Local Government Conflict of Interest Act (Code of Virginia, Section 2.2-3100) and the Virginia Community College System (VCCS) policies.

#### **Definitions**

##### **Investigator:**

Any project director, principle investigator, or individual who is responsible for the design, conduct, or reporting of NSF or DHHS sponsored research or proposals for such funding. This definition is not limited to those titled or budgeted as project director, principle investigator, or co-investigator on a particular proposal. Collaborators or consultants may also be included as appropriate.

**Disclosure:**

For this policy, disclosure is the investigator's disclosure of financial interest to the college related to his/her institutional responsibilities in research.

**Conflict of Interest:**

A situation in which persons affiliated with a project funded by federal sources may have the opportunity to influence the project's business decisions in ways that could lead to personal gain or give improper advantage to themselves, their spouses, or dependent children. Such conflicts could affect the design, conduct or reporting of project results.

**Completion of a Financial Disclosure Report Form:**

All Investigators must complete the Financial Disclosure Report Form, including the project directors, principal investigators, and any other key personnel who are responsible for the design, conduct, or reporting of a research project funded or proposed for funding by the NSF or the DHHS. Any subrecipients (subgrantees, contractors, or collaborators) must fill out a report form or provide certification from their organization that they are in compliance with federal policies regarding Investigator significant financial disclosure.

**Who Must Actually Disclose Significant Financial Information on the Financial Disclosure Report Form?**

All project Investigators, as indicated above must report their significant financial interest which would reasonably appear to be affected by the project. All Investigators must report the significant financial interest of their spouses and dependent children which would reasonably appear to be affected by the project.

**Significant Financial Interest:**

This is any financial interest that has the potential to compromise an individual's objectivity. Significant financial interests include, but are not limited to:

- Salary or other payments for services, including consulting fees and honoraria, from any entity other than the college
- Equity ownership or stock options. Excepted are equities held in retirement accounts or mutual funds
- Sole proprietorship, partnership. Ownership or membership as a partner or in a limited liability for-profit entity (includes remuneration from private consulting activities).
- Consulting for an entity that has a financial interest in or sponsors the employee's college scholarly activities
- Consulting substantially related to patented or patentable intellectual property in which the employee has an interest
- Ownership of, or rights held in, intellectual property or research materials (which may include rights to receive royalties, patents, copyrights), the values of which may be affected by the outcome of the employee's college activities.
- Any of the above applicable to the employee's spouse and/or dependent children

A financial conflict of interest exists under this policy when an investigator or member of his/her immediate family has a significant financial interest that could directly and significantly affect the design, conduct or reporting of research. Salary, royalties, or other payments are "significant" when the aggregated amount for the Investigator, the Investigators' spouse and dependent children over the next 12 months are expected to exceed \$10,000. The threshold for disclosing equity interest in a non-publically traded entity is "any equity." Remuneration for DHHS grants is accumulated for the past 12 months. Remuneration for NSF grants is for the future 12 months.

Significant Financial Interest for Investigators also includes any reimbursed or sponsored travel undertaken by the Investigator and related to their institutional responsibilities. This includes travel that is paid on behalf of the Investigator as well as travel that is reimbursed, even if the exact monetary value is readily available. It excludes travel reimbursed or sponsored by U.S. Federal, state or local government agencies, U.S. institutions of higher education, research institutes affiliated with institutions of higher education, academic teaching hospitals, and medical centers.

Significant Financial Interest does NOT include:

- Salary, royalties, or other remuneration from Piedmont Virginia Community College or the Virginia Community College System;
- Income from the authorship of academic or scholarly works;
- Income for the authorship of academic or scholarly work;
- Income from seminars, lectures, or teaching engagements sponsored by or from advisory committees or review panels for U.S. Federal, state or local governmental agencies; U.S. institutions of higher education; research institutes affiliated with institutions of higher education, academic teaching hospitals, and medical centers; or
- Equity interests or income from investment vehicles, such as mutual funds and retirement accounts, so long as the Investigator does not directly control the investment decisions made in these vehicles.

### **Subrecipient:**

Another party who is assigned part of the obligations and tasks under a contract or an award.

### **Procedure**

#### **Disclosure of Significant Financial Interests**

All Investigators are required to disclose their outside financial interests as defined above on an annual and on an ad hoc basis as described below. The Grants Office is responsible for the distribution, receipt, processing review, and retention of disclosure forms.

#### **Annual Disclosures**

All Investigators must disclose their Significant Financial Interests that are related to college responsibilities to the Grants Office on an annual basis. All forms should be submitted to the Grants Office by January 15 for the previous calendar year or as determined by the sub-recipient.

## **Ad Hoc Disclosures**

In addition to annual disclosure, certain situations require ad hoc disclosure. All Investigators must disclose their Significant Financial Interests to the Grants Office within 30 days of their initial appointment or employment. Prior to entering into DHHS or NSF sponsored projects or applications where the Investigator has a Significant Financial Interest, the Investigator must affirm the currency of the annual disclosure or submit to the Grants Office an ad hoc updated disclosure of their Significant Financial Interests with the outside entity. The Grants Office will not submit a research proposal unless the Investigator(s) have submitted such ad hoc disclosures.

In addition, all Investigators must submit to the Grants Office an ad hoc disclosure of any Significant Financial Interest they acquire or discover during the course of the year within thirty (30) days of discovering or acquiring the Significant Financial Interest.

## **Travel**

Investigators must also disclose reimbursed or sponsored travel related to their college responsibilities, as defined above in the definition of Significant Financial Interest. Such disclosures must include, at minimum, the purpose of the trip, the identity of the sponsor/organizer, the destination, the duration, and, if known, the monetary value. The Grants Office will determine if additional information is needed (e.g., the monetary value if not already disclosed) to determine whether the travel constitutes a Financial Conflict of Interest with the Investigator's research.

## **Review and Decision of the Institutional Official**

If the disclosure form reveals a Significant Financial Interest, it will be reviewed promptly by the Grants Office for a determination of whether it constitutes a Financial Conflict of Interest. If a Financial Conflict of Interest exists, the Vice President of Financial and Administrative Services shall take action to manage the financial conflict of interest including the reduction or elimination of the conflict, as appropriate.

A Financial Conflict of Interest will exist when the Grants Office and Vice President of Finance and Administrative Services determines that a Significant Financial Interest could directly and significantly affect the design, conduct, or report of DHHS or NSF sponsored research. If the Grants Office and Vice President of Finance and Administrative Services determine that there is a Financial Conflict of Interest that can be managed, they must develop and implement a written management plan. The affected Investigator must formally agree to the proposed management strategies and sign the written management plan before any related DHHS or NSF sponsored research goes forward.

The Grants Office will periodically review the ongoing activity and monitor the conduct of the activity to ensure open and timely dissemination of the research results and to otherwise oversee compliance with the management plan.

## **Reporting to DHHS or NSF**

The Grants Office will report financial conflicts of interest or non-compliance to DHHS or NSF in accordance with DHHS or NSF regulations. If the funding for the research is made available

from a prime DHHS or NSF awardee, such reports shall be made to the prime awardee prior to the expenditure of any funds and within 60 days of any subsequently identified financial conflict of interest such that the prime awardee may fulfill its reporting obligations to DHHS or NSF.

## **Investigator Non-Compliance**

### **A. Disciplinary Action**

In the event of an Investigator's failure to comply with this policy, the Grants Office may suspend all relevant activities or take other disciplinary action until the matter is resolved or other action deemed appropriate by the Grants Office is implemented.

The Grants Office's decision to impose sanctions on an Investigator because of failure to comply with this policy, or failure to comply with the decision of the institutional official, will be described in a written explanation of the decision to the Investigator and notification to the Investigator of the right to appeal the action taken or to be taken. The institution will promptly notify the DHHS or NSF Awarding Component of the action taken or to be taken. If the funding for the research is made available from a prime DHHS or NSF awardee, such notification shall be made promptly to the prime awardee for reporting to DHHS or NSF.

### **B. Retrospective Review**

Documentation of any retrospective review shall include the project number, project title, Principal Investigator, name of Investigator with the Financial Conflict of Interest, name of the entity with which the Investigator has the Financial Conflict of Interest, reason(s) for the retrospective review, detailed methodology used for the retrospective review, and findings and conclusions of the review.

The Grants Office shall update any previously submitted report to DHHS or NSF, or the DHHS or NSF awardee relating to the research, specifying the actions that will be taken to manage the Financial Conflict of Interest going forward. This retrospective review will be completed in the manner and within the time frame established in DHHS or NSF regulations. If bias is found, the Grants Office will promptly notify the DHHS or NSF Awarding Component and submit a mitigation report in accordance with DHHS or NSF regulations. The mitigation report will identify elements documented in the retrospective review, a description of the impact of the bias on the research project, and the plan of action to eliminate or mitigate the effect of the bias.

## **Record Retention**

The Grants Office will retain all disclosure forms, conflict management plans, and related documents for a period of three years from the date the final expenditure report is submitted to DHHS or NSF or to the prime DHHS or NSF awardee, unless any litigation, claim, financial management review, or audit is started before the expiration of the three year period; in that event, the records shall be retained until all litigation, claims, or audit findings involving the records have been resolved and final action taken.

For pending, ongoing, or unresolved litigation, audits, or claims, documentation must be retained until completion, resolution, or negotiation of settlements in accordance with standard schedules. Destruction of records must be in accordance with policies and procedures of the *Record Analysis Section of the Library of Virginia*.

## **Confidentiality**

To the extent permitted by law, all disclosure forms, conflict management plans, and related information will be confidential. However, the Grants Office may be required to make such information available to the DHHS or NSF Awarding Component, to a requestor of information concerning financial conflict of interest related to DHHS or NSF funding, or to the primary entity that made the funding available to PVCC, if requested or required. If PVCC is requested to provide disclosure forms, conflict management plans, and related information to an outside entity, the Investigator will be informed of this disclosure.

## **Public Accessibility**

Prior to the expenditure of funds, PVCC will publish on a publicly-accessible website or respond to any requestor within five business days of the request, information concerning any Significant Financial Interest that meets the following criteria:

1. The Significant Financial Interest was disclosed and is still held by the senior and key personnel;
2. A determination has been made that the Significant Financial Interest is related to the DHHS or NSF-funded research; and
3. A determination has been made that the Significant Financial Interest is a Financial Conflict of Interest.

The information to be made available shall be consistent with the requirements of the DHHS or NSF regulations.

## **Training**

Prior to initiating any research project, employees must complete appropriate training. This training must be repeated at least every four years. Training must also occur under designated circumstances: When PVCC's financial conflict of interest policies change in a manner that affects investigator requirements, when an investigator is new to the college, and when the college finds an investigator noncompliant with its financial conflict of interest policy or management plan.

## **Subrecipients**

If PVCC utilizes a subrecipient to assist execution of a DHHS or NSF award, the College must take necessary efforts to manage the financial conflicts of interest of the subrecipient. Subrecipients must certify in writing that they have read, comprehended, and agree to the requirements outlined in the policy. This subjects the subrecipient to the same training requirements as PVCC employees and requires (i) disclosure of significant financial interests to PVCC for review, (ii) adherence to PVCC's remediation plans if applicable, and (iii) agreement that all financial conflicts will be reported to the funding agency by PVCC. All required actions must be completed under the conditions and timeframes specified in this policy.

## **Regulatory Authority**

This policy implements the requirements of 42 CFR 50 Subpart F and 45 CFR 94; where there are substantive differences between this policy and the requirements, the requirements shall take precedence.

**Report Form for Financial Disclosure  
Piedmont Virginia Community College**

Personnel associated with projects funded by the National Science Foundation or the US Department of Health and Human Services are referred to Piedmont Virginia Community College's policy for "Financial Disclosure to Avoid Conflict of Interest in Federally Funded Programs." Investigators (including Investigator's spouse and dependent children) must provide the information requested below. Please complete, sign the second page, and return this form to the Manager of Grants Development and Administration.

Name:

Title:

Department:

Project title:

Funding agency:

Role in the project:

Project start and end dates:

I have read the "Policy for Financial Disclosure to Avoid Conflict of Interest in Federally Funded Programs" and (check one):

\_\_\_ A. **Do not have any significant financial interests** to report for myself, my spouse, or my dependent children which would reasonably appear to be affected by the project.

\_\_\_ B. **Do have significant financial interest** to report for myself, my spouse, or my dependent children which would reasonably appear to be affected by the project.

***If you checked A, simply sign the form and return.***

***If you checked B, check all that apply, and attach requested documentation, sign the form, and return.***

\_\_\_\_\_ 1) Salary or other payments for services (e.g., consulting fees or honoraria) anticipated over the next 12 months when aggregated for the Investigator and the Investigator's spouse and dependent children exceed \$10,000.

Attach information including:

- a. A description of the services to be performed
- b. Name of the organization for which the services will be performed
- c. Date of the service
- d. Amount of payment expected.

