Guidance for faculty considering STTR/SBIR funding

for start-up companies

* Enter the AIRS – [airs.research.vcu.edu](http://airs.research.vcu.edu/) -  to complete your Financial Interest Report; update within 30 days of receiving monies from new entity, same entity now > $5,000, or relatedness to research changes. Keep financial interests related to a start-up company up to date in the AIRS.
* Be aware of your department’s/School’s policies about Outside Professional Activities reporting of your activities relative to a company.
* Ensure your Chair/Dean is aware of, and in agreement with, your start-up company, your VCU time/effort commitment and use of VCU resources.
* Be acquainted with SBIR/STTR rules for company interface with VCU (eg., STTR requires university collaboration, SBIR does not; unless a waiver is granted, SBIR requires PI to be primarily employed by the company, STTR does not); company eligibility requirements must be in place at time of award. See Resources below.
* Schedule appointment with VCU Innovative Gateway; schedule appointment with COIC Chair
* This comprises a state prohibited contract; an exception is possible (must be approved by VCU President). **NO** Funds can be charged, **NO** research may begin until the COI exception is fully approved by President and department is notified of approval.

COI considerations for management: (Responses to #1-4 may affect the COI considerations)

1. Is the SBIR/STTR subaward to VCU in the *best interest* of VCU?
2. Will the STTR PI also be the VCU PI? Given SBIR requirements, it will be problematic for VCU faculty to serve as the VCU PI for subaward. What are the research roles of other VCU employed company principals?
3. How will the company be configured? VCU PI and other faculty principals with the company should not be involved in financial negotiation.
4. Will students be involved in the research? Student effort for a company may not compromise academic progression, see below.
5. According to the Virginia Conflict of Interest Act – a faculty member’s personal interest in a company contracting with VCU is a prohibited contract if the personal interest exceeds 3% ownership equity or $10,000 annual income. An exception is usually possible if the following criteria are met:
6. Ensure that conflicted individual(s) are removed from contract negotiation and management of project finances.
7. Pursuant to the provision on exception for prohibited contract at 2.2-3106, C.8, you are required to complete a Statement of Economic Interests with the state at the time of approval and on an annual basis. You will be contacted by the VCU Office of Integrity and Compliance about completing the state required Statement of Economic Interests.
8. COIC recommendation for exception to the Vice President for Research, and approval by President Rao; strengthened by a management plan which may include:

1)      Disclose your financial relationship with [company] in publications and presentations of the study results.  Disclosure language should indicate that you have an ownership interest in, and a governing position with, [company], which is sponsoring this project.  The relationship of any licensed or unlicensed IP used in the research with the company, and any payment, should also be disclosed, eg. Dr. X’s IP was utilized in this research for which he (and VCU) receive(s) royalties; Dr. X has an ownership interest in/a governing role with Company A which sponsored this research. Check disclosure terms in the research agreement with the sponsor.

2) The fact that you have this financial and fiduciary relationship with the sponsor should be fully disclosed to any students, trainees and other personnel working with you on this project.  Students, trainees, and other personnel are to sign a notification of your conflicts of interest and management plan.

3)     Any of your students working on the research should have a designated 'safe' person who is asked to provide periodic assessment to ensure the students' academic studies are not compromised through involvement on the project.  Generally, the student's thesis research should not overlap with the work done for the STTR or SBIR. If the student is an employee of the start-up company, the student should not perform company work at VCU.

4) COI oversight may be required

5) If research involves human subjects, considered management elements include and are not limited to:

- Restriction of the conflicted faculty member’s research role;

- Disclosure language in the informed consent form;

- COI oversight – internal and/or external to VCU

- Review by external IRB

- Inability to conduct the research at VCU

1. Submit a *COI management update report* to the COI Committee (as directed) within at least twelve (12) months from the date of signature and every twelve months thereafter until the conclusion of the project.  This update should include your disclosure to students, trainees, and personnel working on this project, disclosures associated with manuscripts and presentations, and other evidence of COI management as directed by plan.

Resources:

SBIR/STTR - <http://www.sbir.gov/about/about-sttr>

Virginia State and Local Government Conflict of Interest Act

Definitions <http://leg1.state.va.us/cgi-bin/legp504.exe?000+cod+2.2-3101>

Prohibited contracts: <http://leg1.state.va.us/cgi-bin/legp504.exe?000+cod+2.2-3106>

Further exceptions: <http://leg1.state.va.us/cgi-bin/legp504.exe?000+cod+2.2-3110>

Procedures for Compliance with the Virginia State and Local Government Conflict of Interest Act Prohibited Contracts Exception - <http://www.assurance.vcu.edu/Policy%20Library/Procedures%20for%20Compliance%20with%20VA%20State%20&%20Local%20Government%20Conflict%20of%20Interest%20Act.pdf>

VCU Conflict of Interest Policy - <http://www.assurance.vcu.edu/Policy%20Library/Conflict%20of%20Interests%20in%20Research.pdf>