

**Standard Operating Procedure
TVAREF SOP – 10 - Conflict of Interest
Original Date – December 29, 2014**

TVAREF CONFLICT OF INTEREST POLICY AND PROCEDURES

I. Purpose.

This policy is designed to protect the interests of TVAREF by providing guidance on participation in TVAREF matters that might permit a director, officer, or employee to choose personal interests over the interests of TVAREF, or that might call into question the individual's independence, impartiality, or integrity of service to TVAREF.

II. Application of Policy

- A. Pursuant to 38 U.S.C. § 7366(c), as amended by Public Law 111-163, §§ 801-806, all directors, officers, and employees of TVAREF are subject to this conflict of interest policy. This policy is intended to supplement, but not replace, applicable Federal and state laws and Department of Veterans Affairs (VA) regulations and policies governing conflicts of interest, including those VA policies pertaining to research conflicts of interest.
- B. VA employees statutorily mandated to serve as TVAREF Directors as part of official VA duty ("Statutory VA Directors") and TVAREF employees who hold a VA Without Compensation (WOC) appointment, or who are detailed or assigned to VA under the Intergovernmental Personnel Act (IPA), are subject to the Federal conflict of interest laws and regulations, which control if in conflict with this policy.

III. General Policy

- A. Unless authorized by the TVAREF Board of Directors, a TVAREF Director, officer, or employee is prohibited from participating as part of his TVAREF duties in any matter in which he has a Conflict of Interest or the appearance of a Conflict of Interest. To participate in a matter means to engage in an aspect of the decision-making process through recommendation, approval, disapproval, investigation, advice-giving, or the like, or through the active supervision of a subordinate who is so engaged.
- B. The final determination of the existence of a Conflict of Interest or the appearance of a Conflict of Interest rests with the Board of Directors of TVAREF.
- C. Each Director, officer or employee has an obligation to inform the Executive Director as soon as he believes that he has a real or potential Conflict of Interest or appearance of a Conflict of Interest that could affect his participation in an TVAREF matter.

V. Definitions

- A. **Business Associate:** A "Business Associate" is any person or entity, other than the TVAREF, with whom an TVAREF officer, director, or employee: 1) engages in the exchange of goods or services for remuneration (other than routine consumer transactions); 2) served within the past year as officer, director, trustee, general partner, agent, attorney,

consultant, contractor or employee; or 3) or any of their Relatives serves, seeks to serve, or has an arrangement to serve as officer, director, trustee, general partner, agent, attorney, consultant, contractor, or employee.

- B. **Close Relationship:** A Director, officer, or employee of TVAREF has a Close Relationship with Relatives, members of his household, and Business Associates such as general partners.
- C. **Conflict of Interest:** A Conflict of Interest exists when the interests of a director, officer, or employee is or appears to be competing with the interests of TVAREF. A director, officer, or employee may be considered to have a conflict of interest whenever he or someone with whom he has a Close Relationship has an existing financial or other material interest that affects or appears to affect the independence, impartiality, or integrity of the director, officer, or employee in the discharge of his TVAREF responsibilities. Additionally, personal and business relationships may cause divided loyalties that are unrelated to personal financial gain, but nonetheless may raise conflict of interest concerns.
- D. **Financial or Other Material Interest:** An TVAREF director, officer, or employee has a “Financial Interest” if through business, investment, or Relatives he has an ownership or investment interest in, or a compensation arrangement with, any entity or individual with whom TVAREF has or is contemplating a transaction or arrangement.
- E. **Key Employee:** An TVAREF employee with decision-making authority.
- F. **Relatives:** For purposes of this policy, “Relatives” are the spouse, parent, child, and any other relative by blood or marriage with whom an TVAREF officer, director, or employee has similarly close personal ties, as well as any other member of his household.

V. Disclosure

- A. **Duty to Disclose.** All TVAREF directors, officers, and employees have a duty to disclose, in accordance with this Policy, actual or potential Conflicts of Interest or appearance of a Conflict of Interest within five (5) business days of becoming aware of facts that would lead a reasonable person to believe that a conflict of interest might now exist.
- B. **Disclosure Documents.** The Board of Directors shall approve the content of the template Disclosure Questionnaire (Attachment A) and the Affirmation of Compliance statement (Attachment B) and any future substantive changes to them.
- C. **Disclosure Procedures**
 - 1. All TVAREF directors, officers, and employees will complete a Disclosure Questionnaire and an Affirmation of Compliance upon initiating their association with TVAREF. The completed documents are to be submitted to the TVAREF Executive Director.
 - 2. All TVAREF directors, officers, and Key Employees will submit to the Executive Director a new Disclosure Questionnaire and Affirmation of Compliance statement any time a change in circumstances may result in a potential conflict of interest, but at least annually.

3. Employees other than Key Employees will submit to the Executive Director a new Disclosure Questionnaire and Affirmation of Compliance statement any time a change in circumstances may result in a potential conflict of interest.

D. Review

1. The Executive Director shall conduct a preliminary review of all Disclosure Questionnaires.

2. The Executive Director will provide to the Board of Directors any Disclosure Questionnaire of a director, officer or Key Employee that contains a disclosure (i.e. a “yes” response). The Board will determine whether a conflict exists and if so, how to manage the conflict, if possible. Disclosure Questionnaires containing no disclosures and the Affirmation of Compliance statements need not be submitted to the Board of Directors.

3. The Executive Director will provide to the Chair of the Board (or equivalent position) and the employee’s supervisor, the Disclosure Questionnaire of a non-Key Employee that contains a disclosure. The Chair, Executive Director, and supervisor will determine if the disclosure represents a real or potential Conflict of Interest that requires consideration by the Board.

E. Sanctions. Failure to disclose as required by this Policy may result in sanctions, up to and including dismissal from TVAREF.

F. Tracking. The Executive Director shall ensure that all TVAREF personnel fulfill their disclosure requirements and shall ensure that written documentation showing fulfillment of such requirement is maintained for three years.

G. Confidentiality. Disclosure Questionnaires may contain confidential information and will be treated as confidential documents.

H. Storage and Retention. The Executive Director will maintain Disclosure Questionnaires and Affirmations of Compliance statements with the official records of TVAREF in a secured container. The Disclosure Questionnaires and Affirmation of Compliance statements will be retained for at least three years with the most recent version of each retained until the end of the individual’s TVAREF relationship.

VI. Requirement for Board Review of Potential Conflicts

A. Whenever there is reason to believe that a potential conflict exists between any interest of a TVAREF board member, officer, or employee, and their duty to the TVAREF, the Board will promptly convene a meeting to determine whether a Conflict of Interest exists and the appropriate response.

B. Any response by the Board will include, but may not necessarily be limited to, invoking the procedures described below with respect to a specific proposed matter.

- C. If there is reason to believe that a potential conflict affects VA interests, the Board will bring the potential conflict to the attention of the appropriate VA authorities which may include the facility Research Conflict of Interest Committee or a VA OGC Deputy Ethics official.

VII. Procedures for Determining and Managing Conflicts of Interest

- A. When a potential conflict exists between the interests of TVAREF and a director, officer, or employee, the Board will consider the matter during a meeting of the Board.
- B. Until such time as the Conflict of Interest is resolved, the affected individual shall recuse himself from participating in the matter that invoked the potential Conflict of Interest concern. The following procedures will apply:
 - 1. **Board Review.** A director, officer, or employee who has a potential conflict of interest with respect to a proposed TVAREF decision, policy or transaction or arrangement (an “interested party”) will not participate in any way in, or be present during, the deliberations and decision-making vote of TVAREF with respect to such matter. However, that person will have an opportunity to provide factual information about the proposed conflict and/or matter regarding the potential conflict. Also, the Board may request that an interested party be available to answer questions. Board options include, but are not limited to:
 - a. Allowing the proposed matter to go forward upon finding it in the best interests of TVAREF;
 - b. Prohibiting the proposed matter from going forward if it is found to have been irreparably tainted by the Conflict of Interest.
 - c. Approving mitigating actions (including but not limited to recusal, limitation of duties, transfer or reassignment, additional supervisory review or other action considered appropriate by the Board); or
 - d. Recommending an alternative arrangement.
 - 2. **Vote.** A decision by the disinterested members of the Board will be made by vote of a majority of members in attendance at a meeting for which a quorum is present. An interested director will not be counted for purposes of determining whether a quorum is present, or for purposes of determining what constitutes a majority vote of directors in attendance
 - 3. **Minutes.** The minutes of the Board meeting will reflect that the conflict disclosure was made to the Board, the vote taken and, when applicable, the abstention from voting and participation by any interested party. Whenever possible, the minutes should frame the decision in such a way that it provides guidance for consideration of future conflict of interest situations.

VIII. Violations of Conflict of Interest Policy

- A. If a director, officer, employee, or the supervisor of an TVAREF employee, has reason to believe that any other director, officer, or employee has failed to disclose an actual or potential conflict of interest, such person has a responsibility to inform the chair of the Board or the executive director of their belief and its basis. In such event or should the chair of the Board, executive director, or any member of the Board become aware of a possible violation of this Policy, the chair of the Board, executive director, or other Director will refer the matter to the Board. The Board will inform the person of the allegation and will allow the person an opportunity to explain the alleged failure to disclose.
- B. If, after affording an TVAREF director, officer, or employee with a potential or actual conflict an opportunity to disclose all material facts, the Board decides that such an individual has in fact failed to disclose a possible conflict of interest, the Board will determine the corrective steps to be taken and/or disciplinary action.

IX. Training

- A. Requirements
 - 1. All Directors, officers, and employees (including those with VA WOC appointments to conduct VA research or education activities) shall receive training on this Policy within ninety (90) days of hire or affiliation with TVAREF.
 - 2. Directors, officers, and Key Employees shall receive training on this Policy annually thereafter.
- B. Tracking. The Executive Director shall ensure that all TVAREF personnel fulfill their training requirements and shall ensure that written documentation of such training is maintained for three years.
- C. Sanctions. Failure to fulfill the Training requirement may result in sanctions up to and including dismissal.

William R. Gower, Jr., Ph.D.
President and Chairman of the Board
TVAREF

Attachment A

TVAREF Conflict of Interest

Confidential Disclosure Questionnaire

Please complete the questionnaire below, indicating any potential conflicts of interest. If you answer "yes" to any of the questions, provide a written description of the details in the space allowed. Attach additional sheets as needed. Submit your completed form to the TVAREF executive director.

A. Financial Interests. A conflict may exist when an TVAREF director, officer or employee or any of their relatives may directly or indirectly benefit or profit as a result of a decision, policy, transaction or arrangement made by TVAREF.

During the past 12 months (for each "yes" response, please describe below or on a separate page):

- | | |
|--|-----------|
| 1. Has TVAREF proposed to contract or contracted to purchase or lease goods, services, or property from you, a relative or a business associate? | Yes
No |
| 2. Are you related to any current or prospective TVAREF director, officer or employee, or to the supervisor of any TVAREF employee? | Yes
No |
| 3. Have you, a relative or a business associate been provided with a gift, gratuity or favor of a substantial nature from a person or entity that does business or seeks to do business with TVAREF? | Yes
No |
| 4. Have you, a relative or business associate been gratuitously provided use of the facilities, property, or services of TVAREF? | Yes
No |
| 5. Are you, a relative or a business associate in a position to benefit financially from decision, policy, transaction or arrangement made or to be made by TVAREF? | Yes
No |
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B. Other Interests. A conflict may also exist when an TVAREF officer, director, employee or any of their relatives may obtain a non-financial benefit or advantage that they would not have obtained absent their relationship with TVAREF, or when their duty or responsibility owed to TVAREF conflicts with a duty or responsibility owed to some other organization.

During the past twelve months, please circle yes or no (for each “yes” response, please describe below or on a separate page.):

- | | | |
|----|--|-----------|
| 1. | Did you obtain for yourself or any other person or organization preferential treatment, promotion, recognition or a non-salaried appointment as a consequence of your association with TVAREF? | Yes
No |
| 2. | Did you make use of confidential information obtained from TVAREF for your own benefit or for the benefit of any person or organization other than VA or your TVAREF? | Yes
No |
| 3. | Did you take advantage of an opportunity or enable any person or organization to take advantage of an opportunity that you had reason to believe would be of interest to TVAREF? | Yes
No |
| 4. | Were you in a position to benefit in a nonfinancial way from a decision, policy, transaction or arrangement made by TVAREF? | Yes
No |

Other - Describe any other circumstances or relationships you or a relative may have that you believe may assist TVAREF in protecting its interests and preventing conflicts of interest:

Name

Signature

Date

TVAREF

Conflict of Interest

Affirmation of Compliance

I have received and carefully read the Conflict of Interest Policy for directors, officers and employees of TVAREF and have considered the literal expression of the policy as well as its intent. By signing this affirmation of compliance, I hereby affirm that I have read, understand and agree to comply with the TVAREF Conflict of Interest Policy. I further understand that TVAREF is a nonprofit organization and that in order to maintain its federal tax exemption it must engage primarily in activities that accomplish one or more of its tax-exempt purposes without personal inurement, other than by salary.

Except as otherwise indicated in the Disclosure Questionnaire and attachments below, I hereby state that neither I nor any relative or business associate has any conflict of interest, financial or otherwise that may be seen as competing with the interests of TVAREF. Also, neither I nor any of my relatives or business associates benefit from any action, policy or transaction made by TVAREF in a manner that has not been previously disclosed.

If any situation should arise in the future that I believe may involve me in a conflict of interest, I will promptly and fully disclose the circumstances as appropriate:

- For members of the Board, officers and the executive director: the chair of the Board
- For key administrative employees: the executive director
- For employees directly or indirectly engaged in VA research or education: supervisor and the executive director

I further certify that the information set forth in the Disclosure Questionnaire and attachments, if any, is true and correct to the best of my knowledge, information and belief.

Name (Please print)

Signature

Date

For directors, officers and key employees: Annual reaffirmation

Signature

Date

Signature

Date

Signature

Date