**OFFICE OF VICE PRESIDENT FOR RESEARCH**

**Procedures Date: January 1, 2012**

**OVPR-01-03: Establishment and Operation of Industrial Affiliates**

 **Programs in Support of Research at Virginia Tech**

**1. Purpose**

To outline the principles, guidelines, and procedures for both the establishment of new as well as operation of existing industrial affiliate and related membership fee supported programs designed to enhance the productive research relationship between Virginia Tech and industry.

**2. Background**

Membership fee supported programs provide one way for industrial organizations to participate in university research activities. Industrial affiliate programs (IAPs) enhance dialogue between industry and the university and can educate academia on important technological issues in the private sector. Research supported by membership fees can lead to the discovery of new knowledge and technology and facilitates the transfer of these technologies and knowledge into the private sector. These programs also provide an effective means for industry to contribute to and sustain the research and teaching of departments and programs in which they have long-term interests.

Virginia Tech’s industrial affiliate programs are designed to enhance the flow of information

between the university and the industrial members, provide the members with access to students

as potential future employees, keep members informed of promising technology developments,

and provide other potential benefits as a result of ongoing contact between creative individuals. The industrial affiliate programs involve various industries in different areas of research and may have different terms and conditions of membership.

**3. Principles**

1. Support research in general areas that are of interest to multiple industrial organizations.

 2. Provide opportunity for interaction among industry members, faculty members, and

 students.

 3. Enable timely access to research results.

 4. Enrich students’ and postdocs’ educational experience.

 5. Maintain the university’s role as a credible and impartial resource.

 6. Contribute to the university’s primary mission of teaching and research.

**4. Guidelines**

The program objectives and descriptions are detailed in membership agreements that govern the establishment and operation of an IAP. In addition, Virginia state law and university policy dictate that intellectual property rights to inventions, discoveries, and intellectual works remain with the university.

Because the nature of these programs offers the potential for diversion of academic objectives, it

is important that membership-supported research programs be organized and maintained in ways

that preserves both the independence and integrity of the university.

1. Unless otherwise required by law or regulations, access to membership in an IAP should be available equally to all companies prepared to meet the obligations of membership as set forth by each program. Membership requirements and benefits shall be reasonable and consistent with the goals of each program and these guidelines.

2. IAPs can offer facilitated access to Virginia Tech’s research programs and to relevant faculty members and students. Non-member companies must not be excluded from access to such resources, but their access may sometimes be in a less convenient form.

3. Affiliate members may gain early access to the results of research activities funded by

membership fees through their interactions with faculty members and students and their

advisory role in the research and program activities. Research results should be published on a timely basis so as to preserve openness in research and dissemination of research results.

4. University intellectual property generated by an IAP may be offered to members only under terms consistent with university policy. If there is a signed agreement for industry members, this agreement must contain intellectual property language approved by the Director of the Contracts Team and Scientific Advisor of the Office of Sponsored Programs. Unless required otherwise, no automatic license or other intellectual property rights will be granted as a result of membership in the program. Specific intellectual property rights will be stated in the IAP’s membership agreements as applicable.

5. An IAP should not be used to perform sponsored research to provide unique or preferential benefits to individual members. Sponsored research agreements shall be used to perform research with specific costs, schedules, and/or deliverables that benefit individual member(s) rather than all affiliate members.

6. While IAP member companies may offer suggestions for research activities, the involved

faculty members must be free to select research topics, adopt research methodology, select

participants, and direct research funded by the programs.

7. All proposed IAPs (member organizations and/or personnel) shall be reviewed by Virginia Tech’s Office of Secure Research. This review will encompass export control compliance (e.g., ITAR, EAR, OFAC, etc.). Virginia Tech shall not enter into IAP agreements with entities or persons designated by the U.S. Government as embargoed. Likewise, IAPs shall be periodically monitored for export control compliance.

8. On a space available basis, and at the discretion of Virginia Tech, opportunities may exist for IAP members to have access to a collaborative working environment within the facilities specifically associated with an IAP. Access to such facilities (e.g., laboratory space, equipment, computing resources, etc.) must be approved by the lead administrator for the home of the IAP. IAP members utilizing facilities that are administered through a “service center” financial administration structure would be required to pay for such utilization. Membership fees would not entitle an IAP member to free use of such “service center” facilities. Access to facilities housing classified or controlled research activities would require careful consideration of federal compliance requirements before approval could be granted. IAP members who receive the opportunity to access IAP facilities will need to have adequate insurance coverage to cover any damage caused by the IAP member to Virginia Tech equipment or facilities. Also, IAP members using Virginia Tech facilities will need to have their own health insurance and workmen’s compensation coverage as they would not be covered by Virginia Tech while working in these facilities.

**5. Procedures for Establishing and Operating IAPs**

 1. All proposals for a new IAP must be approved by the Vice President for Research, the lead administrator for the home of the proposed program (e.g., department head, college dean, institute director, etc.) and the Virginia Tech Foundation. No program will be approved which violates the principles and guidelines stated above in Section 3.

 2. The following form is required for all new IAPs at Virginia Tech **[[[[Provide link for form]]]**. Upon submission of the form, the proposer of the IAP will be contacted with updates on progress. Note that the form requires an indication of approval from the lead administrator for the home of the proposed program (e.g., department head, Institute director, etc.). Those proposing to create a new program need to meet with this lead administrator early in the planning process and obtain their support to proceed with the proposal.

3. The Office of the Vice President for Research will retain a listing of all approved IAPs and maintain copies of the approved agreement form for each IAP. The Office of the Vice President for Research will likewise maintain an up-to-date spreadsheet of the membership of each IAP and share that information with University Development/Gift Accounting and Virginia Tech Foundation Accounting. The coordinator of the IAP shall be responsible for invoicing and collecting the membership fees.

4. The default condition for any IAP fees obtained will be for 80% of the amount to be deposited in a University fund associated with the program, with the remaining 20% deposited into the IAP’s fund at the Virginia Tech Foundation. All funds deposited into the IAP’s fund at the Virginia Tech Foundation will be considered “other income” deposits. The director of the IAP may petition the Vice President for Research for approval to adjust the 80:20 split in depositing the funds from member fees. The Associate Vice President for Research will maintain a record of all approved variations to the 80:20 split and share that information with University Development/Gift Accounting and Virginia Tech Foundation Accounting.

Fee deposits will initially be received by Virginia Tech Foundation Accounting to record the “other income” (20%) component and should therefore be sent to Virginia Tech Foundation Accounting. To assure appropriate treatment of IAP member fees all of the following documents must be sent to Virginia Tech Foundation Accounting with each IAP member fee deposit:

* Check
* Virginia Tech Foundation Other Income Deposit Form (100% fee)
* University Deposit Ticket indicating appropriate University fund and 80% (or approved %) transfer amount
* Virginia Tech Foundation Request for Payment Form authorizing transfer of 80% (or approved %) to the University fund, signed by an authorized user on the fund.

For IAP fees paid by wire transfer, departments must notify Virginia Tech Foundation Accounting prior to providing wire instructions to affiliates. The above-listed University Deposit Ticket and Virginia Tech Foundation Request for Payment Form are also required to be submitted for each wire transfer deposit. Wire transfers not identified within two weeks of receipt into the Foundation’s bank account will be returned.

5. Each IAP must have at least one separate and unique fund within the University as well as within the Virginia Tech Foundation. It is important from an accounting/audit purpose that these membership fees be deposited in funds specific to the IAP and that they not be deposited into funds associated with other entities within the University or the Foundation. IAPs will be expected to file an annual financial accounting of the expenditures and disbursements of their funds with the Office of the Vice President for Research.

6. Each IAP shall be reviewed at least once every five years to determine its continued viability, appropriateness, activity and effectiveness in relation to these stated guidelines. The review will be conducted by the Office of the Vice President for Research, with coordinated involvement in the review from the Director of the Contracts Team and Scientific Advisor within the Office of Sponsored Programs.

**6. Definitions**

**Industrial Affiliate Program** – a membership program in which affiliates support a program

of research in a general field of study. Membership does not provide any claim to intellectual

properties resulting from the research unless required by law or as specified in the membership agreement.

**Sponsored Research** – a research effort with well-defined goals and protocols as well as cost estimates, schedules, and deliverables. Normally, a research effort is sponsored by a single sponsor and covers a specific problem of direct interest to the sponsor. Sponsorship of a research effort normally results in the sponsor receiving rights to negotiate licenses for any university intellectual property generated under the project.

**7. References**

a. VT Policy 3630 “Definition and Deposit of Private Funds”

b. VT Policy 12110 “University Funds Handling Policy

c. VT Policy 13010 “Faculty Conflict of Interest and Commitment”

d. VT Policy 13000 “Intellectual Properties”

**8. Approvals and Revisions**

This revised procedural document has been approved by the Vice President for Research on August 31st, 2011, and will become effective January 1, 2012. All newly created as well as existing IAPs shall be in compliance with these guidelines and procedures on this effective date.