

# **Investigator Handbook**

## **FAVHR Policies & Procedures for Investigators**

**FOUNDATION FOR ADVANCING VETERANS' HEALTH RESEARCH, INC.**

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POLICIES AND PROCEDURES FOR INVESTIGATORS

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## THE FOUNDATION AND ITS MISSION

We believe that our Veterans have given a selfless gift through their service to our country and they deserve the best health opportunities available. We support this by administering and supporting research and educational programs at the VA so our Veterans can benefit from new treatments and unique education opportunities.

In 1988, Congress authorized the Department of Veterans' Affairs medical centers to establish nonprofit research and education foundations which allowed VA investigators to access non-VA funded research opportunities. There are numerous VA Non-Profit Corporations (NPCs) across the nation. Each VA NPC is an independent, state chartered organization exempt from federal taxation under section 501(c)(3) of the Internal Revenue Service Code. All research studies and educational programs supported by VA NPCs benefit VA personnel, or patients and their families.

The Foundation for Advancing Veterans' Health Research (FAVHR) is an independent Non-Profit Corporation (NPC) established in 1988 and affiliated with the South Texas Veterans Healthcare Systems (STVCHS) VA Medical Center (VAMC) in San Antonio, TX.

### *Supporting Investigators; Healing Veterans*

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## **POLICIES AND PROCEDURES FOR INVESTIGATORS**

### **GENERAL POLICY STATEMENT**

These policies are intended to serve as guidelines. No policy guidelines can anticipate every circumstance or question that may arise. As the FAVHR continues to grow, the need may arise to change policies described in these guidelines. Therefore, the FAVHR reserves the right to revise, supplement, or rescind any policy or portion of the guidelines from time to time as it deems appropriate. Account holders and FAVHR employees, as applicable, will be notified of such changes as they occur.

No policy of the FAVHR shall be knowingly carried out if it conflicts with Federal, State, or local authority or common ethical principles. In keeping with this, no activities of the FAVHR shall involve any personal benefit to those affiliated with the FAVHR.

The FAVHR Office should be contacted for any questions regarding these policies.

## POLICIES AND PROCEDURES FOR INVESTIGATORS

### ACRONYMS AND DEFINITIONS

PI	Principal Investigator – The individual(s) designated by the applicant organization to have the appropriate level of authority and responsibility to direct the project or program to be supported by the award. The applicant organization may designate multiple individuals as program directors/principal investigators (PD/Pis) who share the authority and responsibility for leading and directing the project, intellectually and logistically. When multiple PD/Pis are named, each is responsible and accountable to the applicant organization, or as appropriate, to a collaborating organization for the proper conduct of the project or program including the submission of all required reports. The presence of more than one PD/PI on an application or award diminishes neither the responsibility nor the accountability of any individual PD/PI. (Per NIH website)
VA	Veterans Affairs Medical Center
NPC	Non-Profit Corporation (ex. FAVHR)
FCOI	Financial Conflict of Interest
CDA	Confidentiality Non-Disclosure Agreement
CRADA	Cooperative Research And Development Agreement (VA research agreement)
Residual Funds	Unobligated and unrestricted funds remaining after the termination of a sponsored project. Funds must be used in support of VA approved Research or Educational activities.
IPAA	Interagency Personnel Agreement Authorization – Salary reimbursement mechanism for FAVHR employees working on VA funded projects.
Family	Family members are defined as immediately family to include: Spouse, parent, child, sibling, niece/nephew, aunt/uncle, or grandparent.
Consultant	aka: Independent Contractor - person hired to perform a specific task, with the institution having no right to supervise or control the manner or means by which the task is accomplished

SECTION 1

ELIGIBILITY

**ACCOUNT HOLDER**

Funds administered by the FAVHR are the property of the FAVHR and may be designated to support an approved research or education activity only if the individual holds an appointment at the VA Medical center. The research/educational activity is performed by these individuals in their capacity as Department of Veterans Affairs employees (with or without compensation). If a VA-salaried account holder terminates VA employment, the individual must obtain a Without Compensation (WOC) appointment to continue the activity and maintain funds within the FAVHR.

**PROJECT APPROVAL**

**Research.** Research projects must have STVHCS Research and Development (R&D) Committee approval. The Research and Development Service maintains current application procedures/forms on the STVHCS web site. Industry Sponsored Research projects must also have a fully executed CRADA prior to R&D approval. Similarly, Federally Funded Research Projects must have an executed agreement prior to R&D approval.

**Education.** Education activities supported by the FAVHR must have approval by the STVHCS Associate Chief of Staff for Education. Educational activities may include (1) employee work-related instruction to improve performance of current duties, specialized proficiencies, or expand advances in patient care, technology, and health care administration; (2) education for veteran patients and/or families relating to improving and maintaining the health of veterans; or (3) General Community health education.

**FINANCIAL CONFLICTS OF INTEREST**

The FAVHR abides by the VA's Policy on Financial Conflicts of Interest (FCOI) and all Investigators, engaged in a VA approval, FAVHR administered research project, must submit a FCOI document for each study. If any FCOI exists, the Investigator must either 1) remove themselves from any involvement (Directly or indirect) in the research project, or 2) work with the VA R&D Office to remediate the FCOI.

Changes to an Investigator's FCOI status should be reported to the VA R&D office immediately.

SECTION 2

RESEARCH STUDIES

**SPONSOR AGREEMENTS**

**Confidentiality Disclosure Agreements (CDAs)**

Confidentiality Disclosure Agreements are made between a collaborator and the VA directly and must be reviewed by VA legal counsel to confirm that the terms of the agreement are appropriate for a federal institution. The FAVHR will be responsible for coordinating negotiations of the CDA agreement between the VA legal office and the sponsor. Involved investigators may be required to agree to the terms of the agreement, but cannot sign on behalf of the VA.

**CRADAS / Contracts / Grants**

- *Agreement Format.* The Department of Veterans Affairs Office of General Counsel has determined that the appropriate agreement mechanism for industry-sponsored research is a Cooperative Research and Development Agreement (CRADA). Many sponsors already have established pre-negotiated CRADAs through the VA Central Office to be used at all VA sites without further negotiation. Project-specific information is included in a "Statement of Work" that is attached to the Master CRADA. Grants such as those typically originating from nonprofit organizations and federal agencies are not subject to CRADA requirements.
- *Initiating the Agreement.* It is important to contact the FAVHR office as soon as possible once a decision has been made to apply for a non-VA grant or clinical trial. This will help avoid unnecessary delays. The coordination of the CRADA will be initiated by the FAVHR when the PI provides the necessary information regarding the project and sponsor contacts. CRADAs are negotiated by the FAVHR and signed by the VA, the sponsor, and the FAVHR with an acknowledgment signature of the Principal Investigator.
- *Budget Negotiations.* Proper budget development is key for a successful trial. The FAVHR office will work with the Investigator to develop a justified budget and the FAVHR office will be the primary contact to negotiate the agreement with the study sponsor. A CRADA will not be executed without a FAVHR approved final budget.

**STUDY PROCEDURES**

The FAVHR's purpose is to facilitate research and education activities at the VA. To be most effective in this role, PIs must work closely with the FAVHR to develop budgets and ensure accounting requirements are met.

The following steps should be followed when establishing a research study.

- Notify the FAVHR when pursuing a potential research opportunity and provide a copy of the protocol
- Budgets will be negotiated by the FAVHR prior to executing an agreement
- For PI Initiated studies, the PI should provide a rough budget of expenses and a Statement of Work or project Abstract.
- The FAVHR is solely responsible for negotiating research agreements and obtaining all required signatures

SECTION 3

RECEIPT OF FUNDS

**SOURCES**

Funds may be accepted by the FAVHR from a variety of sources, such as Federal or private nonprofit agencies, commercial organizations involved in medical research, charitable FAVHRs, professional societies, or individuals.

- **Grant Sponsor Funds.** *All funds received for the conduct of sponsored research and/or educational activities are the sole and legal property of the Foundation for Advancing Veterans' Health Research. Administration of these funds, in compliance with all applicable regulations, is the responsibility of the FAVHR. Any authorized funds remaining at the end of the project (not required to be returned to the sponsor) will remain the property of the FAVHR; however, the PI may be authorized to spend the funds as residual funds in compliance with FAVHR policy.*
- **Transfer from the VA.** 38 USC Section 4162 allows Non-VA appropriations provided to the VA Medical Center to be transferred to the FAVHR. Funds donated to the General Post Funds for a specific research project may be transferred to the FAVHR with the consent of the donor and the R&D Committee. Non-VA appropriated research funds may be transferred to the FAVHR for administration of the research grant. The FAVHR shall document any such transfer of funds to appropriately account for all funds received.
- **Transfer from a Nonprofit.** Funds may be transferred from accounts at other VA-affiliated nonprofit institution. Indirect costs may have already been deducted. If they have, transferred funds may not be subject to administrative overhead charges; however final determination will be made by the FAVHR board. Such exemption does not extend to funds in support of an active project being transferred; rather, project funds will follow the stipulations or guidelines of the funding agency or institution.
- **Excluded Sources - Honoraria and other Earned Fees.** The FAVHR does not accept honoraria, speaking fees, writing fees, or consulting payments. These potentially pose ethical problems, may impose an unexpected tax liability on the donor, and may create an actual or perceived personal benefit for the donor if the funds were made available to the donor account holder. The FAVHR's exempt status requires that no assets may benefit an individual.
- **Excluded Sources - Donations from Related Persons.** Restricted Donations from "related" persons (e.g., board members, account holders, employees, families) will not be accepted. Unrestricted donations may be made with the use of said funds at the full discretion of the FAVHR.



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### INFORMATION FOR DONORS

#### ***Donated Funds.***

- Funds may be mailed directly to the FAVHR's post office box or submitted via ACH deposit or wire transfer directly to a FAVHR bank account.
- Checks must be payable to the Foundation for Advancing Veterans' Health Research
- A letter accompanying the payment should identify:
  - Purpose of the payment (funds cannot be designated for the use of a particular individual research or educational activity without an indication of the donor's intent).
  - Investigator's Name
- Under no circumstances will payment in any form (cash, travel, gifts, bonus) be made directly to the principal investigator, to any of the investigator's study employees, or to any other organization or party without prior written approval from the FAVHR.

***Donor Conditions.*** Any conditions to be imposed on the investigator and/or FAVHR in terms of how the funds can be used should be provided prior to sending funds. Funds will be accepted only if the FAVHR determines the conditions can be met legally, ethically and organizationally.

#### ***Administrative Overhead Fee.***

Administrative Overhead is charged to FAVHR administered projects and is calculated by adding the appropriate Overhead (OH) rate to the total direct project costs.

- The FAVHR's minimum overhead rate from for-profit companies is calculated annually and based upon current and anticipated administrative costs associated with the activities specific to administration of Industry funded programs.
- The FAVHR's Indirect Cost rate is negotiated annually with the Office of Naval Research based upon FAVHR costs associated with meeting all requirements for administration of Federally funded research. The FAVHR's Indirect Cost rate is not negotiable on a project basis and the approved rate at the time of project initiation will be utilized for the life of that project, including any approved no cost extensions. For additional information, please reference the FAVHR's "Research and Facilities Administration (Indirect Cost ) Rates" policy.
- If a private charitable agency's written policy prohibits the use of its funds for overhead on all funded research, such documentation must be submitted prior to award acceptance. The FAVHR will make a determination as to whether it will accept the funds under the stated conditions.

SECTION 4

FINANCIAL RESPONSIBILITY

Investigators/education account holders are responsible for their accounts.

- **Budgets.** In collaboration with the PI, the FAVHR will negotiate a budget for every project with the project sponsor. Each project must have a FAVHR approved budget prior to execution of the CRADA or other Contracting agreement. The established budget will be used to track spending during the life of the study. For Federal awards, if the PI intends to request a no-cost extension, the FAVHR should be notified immediately so a modified internal budget can be developed to provide accurate spending analysis throughout the project lifetime.
- **Appropriate Expenditures.** Account holders are responsible for insuring that the funds are used for purposes relevant to the approved research or education activity and within any restrictions imposed by the study agreement or funding authority. The FAVHR will review all expenditure requests to ensure they are allowable given the terms of the project prior to procurement. Expenditures requested from accounts with insufficient funds or for purposes not in line with study restrictions will be denied.
- **Financial Statements.** To facilitate awareness of available funds and expenditures, a financial statement is prepared and sent to the account holder at least quarterly. The report indicates the revenue and expenses for the previous period and the cumulative revenue and expenses for the year to date. Account holders are responsible for reviewing their financial status reports. It is the PIs responsibility to promptly communicate to the FAVHR staff any questions or possible changes to the financial statements. If the account holder does not communicate such questions or changes within 14 days of receipt of the statements, the financial statement will be considered to be accurate.

Distributed Statements will identify any study deemed to be in danger of overdraft. Investigators will have 14 days to respond with an action plan to ensure overdraft does not occur. If overdraft danger is due to an expected situation (ex: Study Startup) no action will be required.

Program losses will not be permitted. Should an investigator's account become negative, after accounting for study status, accrued revenues and salary expenses, the investigator will be required to present to the board the reason for this deficit and the actions implemented to correct the deficit and prevent future deficits. Investigators are solely accountable for the financial sustainability of their projects. If a project remains in a deficit, the FAVHR reserves the right to halt expenditures or terminate the project altogether.

- **Delegations.** An investigator/account holder may submit a request to the FAVHR to delegate signature authority to another person for specific functions, e.g., sign time sheets or purchase requests. This authority may include specific fund limitations. However, the account holder retains the responsibility to ensure that the account has sufficient funds to cover all expenditures and is being used for appropriate activities.
- **Conflict of Interest/Ethical Standards.** All individuals involved in FAVHR activities are subject to and must become familiar with the VA and FAVHR conflict of interest policies. Individuals involved in research activities are also subject to all ethical standards required of research participants at the STVHCS. Each research project requires that a new COI form be completed by all involved investigators and kept on file in the VA Research Office.

SECTION 5

ACTIVE PROJECTS

**SETUP**

The FAVHR will create an account in conjunction with a specific research/education project when a new study has been initiated to accurately record startup costs for the project. The Investigator will be authorized to begin study activities for that project only after it has received all required approvals. The purpose of the account is to receive sponsor funds for the project and pay expenses associated with that project from the provided funds to accomplish the projects goals. Accounts will remain open as long as the project remains active at the STVHCS.

In addition to the creation of a financial account, the FAVHR will also set up subject payment milestones in the ClinCard system and create the new study in the Clinical Trial Management System so study progress can be tracked against budgeted activities.

**EARNED REVENUES**

Invoicing for all FAVHR activities should take place through the FAVHR office. This ensures the FAVHR is aware of all outstanding funds and to enables the FAVHR office to follow-up on the investigator's behalf if funds are not received within an appropriate time.

The information provided for invoicing will be used to estimate the funds earned (accruals) and will be incorporated into the monthly investigator statements as accrued revenues. In addition to providing invoicing items, investigators/study coordinators are required to enter all subject visits (milestones) and other invoiceable items into the Clinical Trial Management System by the end of each month. These accrued funds will be considered as available funds when purchase orders are approved.

**CLINICAL TRIAL MANAGEMENT**

Information provided to FAVHR administration by the coordinator(s) assigned to a project and regarding subject visits and invoiceable activities will be used for two purposes. First, to ensure timely billing to the sponsor which in turn ensure funds are available to continue to support research study staff and other costs associated with each project. Second, the information regarding subject enrollment and retention will be used to evaluate the study activities against budgeted goals to promote successful study performance. Overall progress in subject enrollment will be reported back to the investigator on a regular basis. Should enrollment consistently remain below budgeted levels, the Executive Director will work with the study staff and the PI to determine if enrollment can be increased or if the study should be terminated.

If a study is deemed not profitable, the FAVHR reserves the right to terminate study activities. If Non-FAVHR personnel are working on a study that is deemed to not be profitable and/or is not meeting enrollment goals, FAVHR reserves the right to transfer coordination of the study to a FAVHR Coordinator Pool Research Coordinator.

**COORDINATOR POOL**

To facilitate research coordinator activities across within the VA, FAVHR has established a Research Coordinator Pool. The purpose of the coordinator pool is to provide experienced coordinator services to Investigators at an effort level equivalent to the needs of the study/funding source. Because study needs

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change over time, the Coordinator Pools allows an Investigator to purchase only the level of effort necessary at any point in time to effectively complete study related activities.

Coordinator Pool coordinators are assigned to studies based upon existing skill level and the needs of the individual protocol. A minimum of two coordinators (Primary & secondary) will be assigned to each study to ensure sufficient levels of support. Because study needs change, it is possible the coordinator(s) assigned to a study may change during the life of the study. In this situation, the PI will be notified and transition activities will be provided to ensure a smooth transition between coordinators.

Salary Expenses for the coordinator pool are charged to the study based upon actual time worked. Each coordinator allocates hours to various studies based upon activities for the given pay period. Investigators will be provided with monthly time statements for review and approval. The FAVHR should be notified of any errors within 14 days of distribution of the report.

## TRANSFER

**External Transfer:** Transfer of an active research or education project(s) and the associated restricted FAVHR funds and/or FAVHR-owned equipment may be made only after approval by the Board of Trustees. The transfer may be made to another 501(c)(3) non-profit organization with the same stated exempt purpose of conducting research, or to a state or federal entity. A Principal Investigator (PI) who wishes to relocate an approved active research or education project, must submit a written request for such a move to the FAVHR Board of Trustees through the Executive Director (See Related Document A). A separate request must be submitted for each active research or education project he/she wishes to relocate.

The FAVHR Executive Director and Grants Account Manager will determine whether all outstanding financial obligations related to the project have been fully met. FAVHR may hold back as much as 30% of the remaining project funds for up to 90 days to cover any costs that may incur after the transfer has been executed. Since restricted funds are bound by contractual obligations outlined in the agreements with the Sponsor, the PI must obtain, from the project Sponsor, written permission to transfer the project to either another 501(c)(3) non-profit organization or state or federal entity. FAVHR must receive a letter from the recipient organization accepting responsibility for the entire research or education project including the administration of funds and/or equipment. In addition, the new organization must provide documentation from the Internal Revenue Service (IRS) as proof of their non-profit status.

To ensure the smooth, orderly transfer of a research or education project, the non-profit organization to which the PI is transferring must be informed of such a move at least three (3) months in advance of the transfer date. The Board of Trustees has sole authority to approve such a transfer. Following approval by the Board, the PI is responsible for the cost and risk of shipping equipment to the new location.

**Internal Transfer:** The project Sponsor shall be notified of any change of the designated PI on an active research or education project. Such changes cannot be made without prior written approval of the project Sponsor together with the completion of an amendment changing the PI name (see Related Document B). If the designated PI or an active research or education project is terminated from the study, or in the event of death, a written request to assign a replacement PI must be submitted by the Executive Director to the project Sponsor. After review by the Finance Committee, the Research Committee must certify that the new PI has the expertise, knowledge, and technical support to perform the study consistent with the terms of the study protocol and the clinical trial agreement. The Medical Center's designated Institutional Review Board (IRB) or R&D Committee must approve the transfer of responsibilities to the new PI.

FAVHR funds associated with the active research project and/or FAVHR-owned equipment necessary for the conduct of the project will be transferred to the replacement PI upon written approval from the project Sponsor.

**Transfer to FAVHR:** When a PI requests funds from an active project be transferred into FAVHR from another organization, FAVHR must receive 1) written confirmation from the project sponsor and current administrative entity authorizing transfer of funds and clearly outlining the terms or restrictions associated with the project funds and 2) a copy of the project protocol or statement of work. Additionally, the funds received will be

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assessed a discounted overhead rate of 10% to cover the costs associated with fund management, reporting, and expense policies. All projects must obtain IRB and VA R&D approval prior to the transfer of funds.

### PROJECT TERMINATION PROCEDURES

- **Early Termination:** In the event an investigator is unable to continue an active project and no other investigator is able to assume the responsibility, the sponsor of each ongoing project will be informed. At the sponsor's direction, and in accordance with the applicable study agreement, any unearned funds received would be returned to the sponsor after all outstanding obligations have been paid.
- At the end of an active study, the Investigator must provide the FAVHR with 1) notice that the study has ended and 2) a copy of the sponsor statement of study termination. The FAVHR office will work with the Investigator, Coordinator, and sponsor to ensure all funds are received prior to completing the internal closeout process.
- Project closure in the VA R&D Office will be confirmed before FAVHR project closure
- After resolution of all obligations of the account, the residual funds (if allowed) may be transferred to an investigator's general/residual account. These residual funds may be used to support approved research/education activities carried out within the STVHCS.
- Any negative balance remaining in a terminated account shall also be transferred into the investigator's general account.

Funds will retain the classification for which they were received, i.e., research or education.

SECTION 6

RESIDUAL ACCOUNTS

Residual Funds are defined as funds not linked to a specific project or protocol, but donated to FAVHR for the general support of an investigator's research or education activities. Funds remaining from completed projects are generally referred to as "residual funds". Use of such funds for general research and education purposes is predicated on first fulfilling all requirements specified by the Sponsor, or any other donor at the time funds are initially received by FAVHR. Residual funds may be used only for scientific and professional expenditures, must further the conduct of VA approved research projects or educational activities, and shall only be used for research and educational activities in support of VA approved research or educational projects. Exceptions will be made only upon approval of the Board of Trustees.

**SETUP**

Funds donated to the FAVHR for the general support of an individual's research/education activities will be deposited into a "general" account for the individual. This account will also house any project account funds remaining after fulfilling all requirements identified by the Sponsor/donor. These general funds may be used only for expenditures that further the conduct of VA approved research/education activities within the STVHCS.

**EXPENDITURES**

Expenditures must be consistent with FAVHR policies and procedures and support research activities. Residual funds may be used only for scientific and professional purposes, must further the conduct of VA approved research activities or educational programs.

**TRANSFER**

The transfer of Residual Funds outside of the FAVHR will not be allowed.

In the event an investigator terminates his or her VA appointment with the South Texas Veterans Healthcare System and his or her affiliation with FAVHR, the investigator may submit an application for a Without Compensation (WOC) appointment to the South Texas Veterans Healthcare System. WOC employees may continue to maintain FAVHR administered accounts and FAVHR-owned equipment. Appropriate expenditures shall be made for the general support of the WOC investigator's research and/or education activities at the VA.

The investigator must seek and obtain approval for a WOC appointment within three (3) months following his or her official separation date from the VA. If the investigator does not obtain a WOC appointment within three (3) months of separation, the Board of Trustees may approve the transfer of all residual funds into a FAVHR administrative unrestricted account and funds will be used at the discretion of the Board of Trustees.

All FAVHR accounts maintained by WOC investigators will be reviewed annually by the Board of Trustees to determine their appropriateness.

**INACTIVITY**

Residual Accounts without any activity for a period of three (3) years will be identified for closing. PI will be notified and given 90 days from the sending of the notification to 1) present a written plan and timeframe for utilization of the funds for Board of Trustees approval or 2) request Board of Trustee approval to transfer the funds to another PI with an active VA approved research and/or education project in support of that PI's VA approved research and/or education activities or 3) donate the funds to FAVHR for use in support of research or education activities at the Board of Trustee's discretion. If the PI fails to respond within 90 days, it will be

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determined that the account has been abandoned and the remaining funds will be transferred to an administrative unrestricted account and used at the discretion of the Board of Trustees

### **SUDDEN DEATH, DISABILITY, OR RESIGNATION**

In the event an investigator should die or become unable to conduct research, the Executive Director shall immediately inform the Sponsor of each of the investigator's ongoing projects. With the Sponsor's approval, a project may be transferred to another investigator at the affiliated VAMC. If no other investigator is available and qualified to assume responsibility for a project, reports completed to date will be sent to the Sponsor along with any funds remaining, after all outstanding obligations have been paid. All residual funds remaining in the investigator's general residual account will be transferred to a FAVHR unrestricted administrative account and will be used at the discretion of the Board of Trustees.

### **ADMINISTRATION FEE**

While we encourage all investigators to obtain residual funds for use toward future research and/or education needs, we must also acknowledge the additional costs incurred to properly maintain and report these funds to the investigator on a regular basis. Overhead fees charged to the initial project are intended to cover management and administrative expenses involved in the conduct of the research project. Funds remaining after the project closes continue to incur costs for reporting and purchases. The FAVHR will administer an annual fee of \$50 for reporting costs plus an additional 3% of total expenditures incurred during the year to recoup our costs for the maintenance of the project. These fees will be charged to the investigator semi-annually.

SECTION 7

EXPENDITURES  
Payment Process

**PURCHASE ORDER SYSTEM**

It is the policy of the FAVHR to utilize a purchase order system. All purchase requests for supplies and other items must be submitted on the FAVHR purchase order forms. The FAVHR bookkeeper will review requests to insure completeness and the Executive Director will approve the purchase prior to ordering items. Purchases will be delivered to the FAVHR office. Upon delivery, the purchaser must inspect the purchases and provide signed packing slips to the Bookkeeper. When the order is complete and invoice received, the order will be paid by the FAVHR. Requestors should contact the FAVHR Office for vendors with which the FAVHR has established accounts.

***Purchase Order Request.***

- Purchase Order form must be complete with all requested information. Incomplete information causes delivery of wrong items and ordering delays.
- Date required is needed so the vendor can advise if there is a problem in meeting the requirement.
- Special instructions regarding the item or shipping should be clearly indicated.
- Quotes should be attached to the request. Provide name of person quoting a price.
- All requests should be submitted in sufficient time to allow several workdays for FAVHR processing and sufficient time for the vendor to deliver the order.
- Emergency orders (when an unanticipated event has caused the need for an immediate order) should be clearly identified.
- Purchases over \$500 must be authorized by the account holder in addition to a designee.
- Single Items over \$3,000 must have three bids/quotes unless sole source is justified.
- Lab animal orders require VMU supervisor approval in advance to insure project has been approved and that space is available.

***Delivery Inspection.*** At the time of arrival, all items should be checked for physical damage and the packing slip or bill of lading immediately compared to the delivery. If an item appears damaged or is not in working order, it must be immediately reported to the vendor for resolution. The FAVHR office will contact vendors concerning discrepancies/damage noted by the purchaser.

***Personal Use.*** Equipment purchased for home use is assumed to be for personal benefit and will not be authorized without clear justification of business purpose.



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### REQUEST FOR PAYMENT

Payment may be requested to pay a vendor (e.g., a subscription). The completed request form should be submitted with any document to be sent with the payment (e.g., invoice, subscription application, order form). Invoices should identify the FAVHR as the purchaser. The FAVHR will not guarantee payment to vendors for items that have not been approved by the FAVHR prior to purchase.

### REQUEST FOR REIMBURSEMENT

Since research activities occur in a dynamic environment and projecting future needs may not always be possible, individuals may need to purchase necessary research relevant items and request after-the-fact reimbursement. However, every effort should be made to use purchase orders and have purchases paid directly by the FAVHR. An example of appropriate use of reimbursement would be taking advantage of meeting discounts offered for on-site purchase of publications. Reimbursement should be limited to purchase of small supplies necessary for a project. The FAVHR will not guarantee reimbursements for acquisitions that have not been reviewed and authorized prior to purchase. The FAVHR is a non-profit institution and will not reimburse for sales tax.

- **Original** itemized receipt showing both the vendor and the item purchased must be attached.
- As the FAVHR is a tax-exempt organization both in the view of IRS (501(c)3) (Tax ID #74-2522436) and the State of Texas, sales tax will not be reimbursed. A copy of the FAVHR's tax exempt form can be obtained from the FAVHR office.
- Investigators must ensure the appropriateness of the reimbursement and provide clear justification as to how the purchase supports the approved research program
- The FAVHR will not reimburse any individual for off-site use purchases that have not been approved for off-site use.
- Insufficient or inadequate documentation and justification may result in delays or disapproval.
- Reimbursement must be made only to the individual making the payment as indicated on the original receipt submitted. An individual may not be reimbursed based on a check issued by another individual/entity.
- All requests for reimbursements must be submitted within 60 days.

## SECTION 8

## EXPENDITURES - GENERAL

**Funds Ownership.** All funds accepted by the FAVHR, and any purchases made, become the property of the FAVHR and are subject to all policies and procedures established by the FAVHR. Funds and purchases remain in the FAVHR. All funds represent corporate income and are not to be used for personal benefit of an individual. Although the FAVHR may track funds by individual, this bookkeeping practice does not alter the fact that the funds belong to the corporation and not to any individual. The use of FAVHR funds must be guided by the principle that no expenditure will be paid/reimbursed that could be construed as for personal benefit or give the appearance of conflict of interest.

**Relevance to approved research.** Since the only statutory purpose of non-profit research and education foundations, as established by Congress, is to facilitate VA research or education activities, all funds expended by the FAVHR, from both project accounts and general accounts must be in support of approved VA research and education activities. **Requests for use of FAVHR funds must clearly indicate the relationship to approved VA research or educational activities.** Funds in general/residual accounts must also be used to support research activities carried out within the STVHCS.

**Approvals.** The Executive Director is the only official authorized to commit expenditure of funds. The Executive Director or authorized staff will review and approve all expenditures and determine the appropriateness of the request. If an expenditure request is determined inappropriate within the defined policy, the account holder may request a review and final determination by the full Board of Directors at its next scheduled meeting.

**Bid Process & Sole Source Justification.** The purchase of any single item exceeding \$5,000 requires 3 competitive bids. If you are unable to obtain 3 bids for an item due to specifications or conditions proprietary to one vendor, you will be required to provide a Sole Source Justification with the purchase order request.

**General.**

- Sufficient funds must be available in the requester's account to cover costs.
- A research rationale must be provided for each research-related purchase. Said rationale must indicate how the requested expense supports the research project from which it is purchased. Purchases from residual accounts must support continuing research activities.
- All purchases for sponsored research projects must be reasonable and necessary for the performance of the project, as well as allowable and allocable under the terms and conditions set forth in the grant.
- Checks in payment of invoices, reimbursements, etc., are generally issued twice monthly.
- It is the responsibility of the person submitting the request to ensure all required back-up documents have been attached to assure timely payment/reimbursement. When the Office of Inspector General reviews an expense, they are required to conclude that the expenditure is either for business or is personal – there is no accommodation for expenditures that may appear to have aspects of each. Without sufficient documentation that clearly supports a legitimate business purpose (related to VA approved research or educational activity), the expense is concluded to be personal and not allowable.

## POLICIES AND PROCEDURES FOR INVESTIGATORS

### PATIENT REIMBURSEMENTS

Patients may receive reimbursements in accordance with study protocols. The FAVHR has adopted the ClinCard participant compensation system which provides pre-paid credit cards to patients in lieu of check payments. This system provides faster compensation to the participants and enables better reporting and oversight of the participant compensation procedures and is the standard mechanism for subject payments. If special circumstances require check payments, an authorization request for check payments must be approved by the Executive Director prior to enrollment of the participants. Payments will be made only to the enrolled subject. All subjects receiving more than \$600 in funds in a calendar year will be issued a 1099 and tax documents will be filed with the IRS.

#### ClinCards

Subject Payments for research milestone visits should be distributed via the ClinCard system

- Upon R&D approval of a study providing participant reimbursements, the FAVHR administrative staff will upload the participant compensation schedule into the ClinCard system and assign access authorizations to all appropriate personnel (PI, coordinators, etc.)
- ClinCards are stored in a locked cabinet within the FAVHR offices
- Coordinators can obtain ClinCard from the FAVHR administrative office upon submission of a "ClinCard Request form" documenting the study information, coordinator/employee receiving the cards, and the card numbers.
- Identification numbers for ClinCards received are also entered into the ClinCard Log
- ClinCards have no value until payment is authorized within the ClinCard System
- After completion of qualifying subject visit, authorized coordinator will request subject payment within ClinCard System for specific visit.
- Secondary approval must be obtained within the ClinCard system from the Study PI, Executive Director, or other approved personnel to trigger distribution of funds to study participant via ClinCard System
- Coordinator must submit a Subject Payment form to the Bookkeeper after the subject's first visit to document the subject's required information to facilitate annual 1099/1096 reporting to the IRS.
- Monthly, The Accountant downloads a report of ClinCard Activity by study to complete accounting entry recording administrative expenses (\$1/transaction) and subject funds distribution (program expense).
- Upon notification of low funds from ClinCard, a wire transfer is completed to provide additional funds supporting subject stipend payments.
- The ClinCard system holds these funds in escrow and allocates said funding to individual ClinCards as distributions are approved within the ClinCard system.
- Any unused cards at the end of the study are returned to FAVHR administrative office.

#### Checks

Occasionally study requirements or subject needs dictate the distribution of subject payments via standard check instead of the preferred ClinCard payments

- Prior to Subject visit, Coordinator will confirm approval of subject payment via check.
- Coordinator will submit a request for payment form to bookkeeper for processing (with secondary approval signature from PI)
- Bookkeeper will provide document to Executive Director or Grants & Contracts Specialist for approval
- Approved Payment will be entered payables system
- Check will be created with other payables
- If not already entered in Clinical Trail Management System, Grants Accountant will be provided with a copy of the approved payment request to facilitate documentation of subject visit for payment reconciliation.

## POLICIES AND PROCEDURES FOR INVESTIGATORS

### Pre-Paid Gift Cards

- Pre-Paid Gift cards are maintained in a locked cabinet in the FAVHR Administrative office.
- The Study Coordinator will obtain no more than a 30-day supply of the cards based upon a submitted distribution schedule.
- Documentation of the transfer of the cards is maintained in the FAVHR Administrative Office.
- The Study Coordinator will maintain and provide the Administrative office a log of the card numbers.
- Within 2 business days after the end of each calendar month, the Study Coordinator will provide FAVHR administration with a detailed, comprehensive list of all gift cards activated and distributed.
- The list will identify the end recipient using their study id number.
- Receipt of an updated list is required to trigger distribution of new/additional gift cards.

SECTION 9	EXPENDITURES Equipment
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### PURCHASE

Equipment, defined as durable, non-expendable asset(s) with an acquisition cost of \$5,000 or more and a useful life of more than one (1) year, must be purchased through FAVHR purchase orders.

- **Accessories for Non-FAVHR Equipment.** Funds may be used to purchase hardware accessories or software for VA purchased research equipment as long as they are external, identified, and VA tagged. The sole justification acceptable for purchasing accessories to VA equipment is that such attachments are required to complete the VA approved research project and VA funds are not available. FAVHR funds may not be used to purchase hardware accessories for, or to repair personally-owned equipment.
- **Non-VA location.** With the approval of the Executive Director, equipment purchased by the FAVHR may be used at an offsite location (e.g., UTHSCSA laboratory) if it is in support of the VA approved research project. If the individual wishes to use the equipment at a non-VA location, a request for off-site approval must be submitted, providing specific justification for the non-VA location. This off-site approval must be requested at the time of the purchase request or for existing equipment, prior to transfer to the new location.
- **Space Approval.** The acquisition of equipment requiring space, utilities, or other resources not available in the investigator's assigned research space must be reviewed by the STVHCS Research Service to determine feasibility prior to submission of purchase order request.
- **Payment.** FAVHR will not guarantee payment to vendors or reimbursement to any individual for purchase of equipment acquired outside the Purchase Order Process.
- **Receipt.** Upon receipt of the item, Investigator must inspect equipment and confirm the item(s) are not damaged and are in working order, and that the asset delivered matches the information on the packing slip. Problems should immediately be reported to the FAVHR administrative offices for resolution.

### RESPONSIBILITY

Equipment purchased with FAVHR funds becomes the property of the FAVHR. Investigators are responsible for all FAVHR equipment assigned for their use. No item may be given away or discarded. The investigator is responsible until the item has been returned to the FAVHR.

- **FAVHR Tag and Inventory.** All equipment must have an inventory tag and the location recorded by the FAVHR Office prior to pick up by the investigator. The investigator is responsible for notifying the FAVHR when the location of equipment changes and to perform an equipment location verification annually (See Inventory Reporting below).
- **Depreciation.** Generally accepted Accounting Principles (GAAP) requires that long-term investments be depreciated over a reasonable period, or the estimated useful life. FAVHR has set this term at three (3) to five (5) years for computers and seven (7) to ten (10) years for other equipment.
- **Equipment Maintenance.** All equipment purchased by the FAVHR must be maintained by the individual purchaser. FAVHR funds may be used to maintain the items. Funds may also be used to

## POLICIES AND PROCEDURES FOR INVESTIGATORS

repair the investigator's VA equipment if the investigator has no VA funds but continues to use the VA equipment in support of his approved research.

- **Equipment Disposal.** When equipment is no longer needed or functional, it must be returned to the FAVHR Office for disposal and removal from the investigator's inventory. The Executive Director may reassign or dispose as appropriate. **All returned computers must include the hard drive.** Computers are disposed through the VA which must certify that it has permanently erased the hard drive prior to disposal.
- **Investigator Departure.** Prior to an investigator's departure, an inventory must be conducted and all equipment on loan to the investigator accounted for. The equipment shall be turned in to the FAVHR office or reassigned to another FAVHR investigator as determined by the Executive Director.

## COMPUTERS, LAPTOPS, & TABLETS

FAVHR funds may be used to purchase desktop or laptop computers to be used in support of VA-Approved research.

- **Purchase of Laptop & Tablet Computers.** To purchase a laptop or tablet computer, the Investigator must provide a specific rationale that explains the need for a laptop or tablet instead of a desktop computer. The need for portability does not justify the purchase of a laptop or tablet computer.
- **Data Storage.** FAVHR Laptops and Tablets may not be used to store VA sensitive data and cannot be linked to the VA network
- **Encryption.** Laptops are required to have encryption software installed by the VA.
- **Tags.** All computers and laptops are required to have a FAVHR tag. FAVHR will prepare an Inventory form that lists the Item Description, Purchase Date, Tag Number, location, and Responsible Investigator. The PI must sign the form and return it to the FAVHR office prior to item pickup.

## PERSONAL USE DEVICES

- **Cell Phone Service/Personal Use Devices.** It is the policy of the FAVHR to support technology required in the performance of approved research activities while simultaneously ensuring there is no perception of "private benefit" which could jeopardize the FAVHR's non-profit status or the individual's tax liability. The FAVHR will not purchase or lease cellular devices / services, monthly costs for home phone lines, DSL/internet service or connection fees; however, with sufficient documentation of business need, FAVHR will reimburse for pre-paid phone service (no data) to support approved research projects.
- **Reimbursement of Specific Research-related Calls.** If an expense is adequately documented as research-related, the organization may legitimately reimburse the claimant without payment being viewed by IRS as taxable income. Investigators may submit documented, research-related cell phone expenses to the FAVHR for reimbursement when using personally-owned cellular devices in support of VA-approved research. The investigator must clearly identify each specific call on the original bill for which reimbursement is claimed and should substantiate each call (i.e., amount, time and place of use, research purpose of call, and user.) Research calls will be calculated and reimbursed as a percentage of the cost of total calls, not to exceed fifty dollars per month. **Reimbursement form must include the statement "I hereby certify that the reimbursement being claimed for cellular device expense is directly related to VA research."**
- **Home Use.** The FAVHR will not purchase or reimburse for any goods or services that are purchased for the personal benefit of an individual. Equipment such as personal computers and peripherals that are purchased for home use are assumed to be for the personal benefit of the purchaser and will not be authorized for purchase or reimbursement without written affirmation from the purchaser that the

## **POLICIES AND PROCEDURES FOR INVESTIGATORS**

equipment is to be used solely for VA approved research and is not for personal use. Digital cameras and accessories will be purchased only if there is a documented project-specific need.

### **Annual Inventory Reporting**

Investigators will be responsible for locating/producing the equipment listed under their control for internal and/or external auditors. FAVHR staff must be informed of any significant alterations to or changes in location of equipment. Damage to any item should be reported immediately. Normal wear and tear and missing items should be documented during the annual audit. A change of ownership form should be provided to the FAVHR offices if equipment is loaned to another laboratory. Investigators will be responsible for all equipment listed under their control, regardless of current location.

### **COMPUTER SECURITY POLICY**

FAVHR Employees and Investigators will follow the VHA Computer Security Policy available in VA Handbook 6500: Information Security Handbook.

SECTION 10	<h2 style="margin: 0;">EXPENDITURES</h2> <h3 style="margin: 0;">Consultants</h3>
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### CONSULTANTS / CONTRACTORS

A consultant/independent contractor is a person hired to perform a specific task, with the institution having no right to supervise or control the manner or means by which the task is accomplished. Independent contractors are generally paid a fixed sum per completed task, not paid hourly. An independent contractor is not entitled to the protections and benefits of employment. A contractor uses his own equipment and tools, can hire assistants, makes services available to the public, and his work may result in a profit or loss. In general, VA and UTHSCSA employees are not eligible for Consultant fees. An investigator may not hire a family member. A Form 1099 is submitted to the contractor/consultant and the IRS for payments of \$600 or more.

**Process.** Request for Approval to Hire Consultant must be submitted prior to hiring. This request and the proposed contract must indicate the specific service to be provided and the fee to be paid. After approval, the investigator may then make a formal offer to the consultant. The agreement indicates which project is involved, what work the contractor will do, how it affects the project, and the deadline. Upon completion of the contract, the consultant's invoice and progress report should be submitted with the investigator's Request for Payment for Contractual Services. If payment is to be made in two increments, a Request for Payment must be submitted for each payment.

**IRS Determination of Contractor Status.** The IRS has imposed severe penalties when individuals have been paid as independent contractors instead of employees. The IRS considers 20 factors in determining whether an individual should be determined an employee or a consultant - whether sufficient control is present to establish an employer-employee relationship. Meeting just one of the conditions may qualify the worker as an employee. Not every factor is applicable in every situation and the degree of importance of each factor varies depending on the type of work and individual circumstances. However, all relevant factors are considered in making a determination.

- Instructions. An employee must comply with instructions about when, where, and how to work. Even if no instructions are given, the control factor is present if the employer has the right to control how the work results are achieved.
- Training. An employee may be trained to perform services in a particular manner. Independent contractors ordinarily use their own methods and receive no training from the purchasers of their services.
- Integration. An employee's services are usually integrated into the business operations because the services are important to the success or continuation of the business. This shows that the employee is subject to direction and control.
- Services rendered personally. An employee renders services personally. This shows that the employer is interested in the methods as well as the results.
- Hiring assistants. An employee works for an employer who hires, supervises, and pays workers. An independent contractor can hire, supervise, and pay assistants under a contract that requires him or her to provide materials and labor and to be responsible only for the result.
- Continuing relationship. An employee generally has a continuing relationship with an employer. A continuing relationship may exist even if work is performed at recurring although irregular intervals.
- Set hours of work. An employee usually has set hours of work established by an employer. An independent contractor generally can set his or her own work hours.
- Full-time required. An employee may be required to work or be available full-time. This indicates control by the employer. An independent contractor can work when and for whom he or she chooses.
- Work done on premises. An employee usually works on the premises of an employer, or works on a route or at a location designated by an employer.



## POLICIES AND PROCEDURES FOR INVESTIGATORS

- Order or sequence set. An employee may be required to perform services in the order or sequence set by an employer. This shows that the employee is subject to direction and control.
- Reports. An employee may be required to submit reports to an employer. This shows that the employer maintains a degree of control.
- Payments. An employee is generally paid by the hour, week, or month. An independent contractor is usually paid by the job or on straight commission.
- Expenses. An employee's business and travel expenses are generally paid by an employer. This shows that the employee is subject to regulation and control.
- Tools and materials. An employee is normally furnished significant tools, materials, and other equipment by an employer.
- Investment. An independent contractor has a significant investment in the facilities he or she uses in performing services for someone else.
- Profit or loss. An independent contractor can make a profit or suffer a loss.
- Works for more than one person or firm. An independent contractor is generally free to provide his or her services to two or more unrelated persons or firms at the same time.
- Offers services to general public. An independent contractor makes his or her services available to the general public.
- Right to fire. An employee can be fired by an employer. An independent contractor cannot be fired so long as he or she produces a result that meets the specifications of the contract.
- Right to quit. An employee can quit his or her job at any time without incurring liability. An independent contractor usually agrees to complete a specific job and is responsible for its satisfactory completion, or is legally obligated to make good for failure to complete it.

SECTION 11

EXPENDITURES  
Travel

**RELEVANCE AND APPROVAL**

FAVHR funds may be used to support travel expenses to bona fide scientific meetings or for other research conferences, approved educational purposes, or FAVHR business. Approval of FAVHR travel requests will be the responsibility of the Executive Director. Any exceptions to FAVHR policy may be made only by the Board of Directors at a convened meeting.

- **Relevance.** It is the responsibility of the traveler to submit adequate material to justify a primary purpose of supporting their research/approved education activity/administration activity. A copy of the meeting brochure with the agenda must be provided. The brochure should clearly indicate the relevant research/education/administration element. The traveler should highlight that element in the brochure and attach additional justification to clarify. The documentation must be clear to reviewers that the travel was clearly in support of VA research or the approved educational or administrative activity.
- **Pre-approval.** Travel must be pre-approved. The request form must provide the projected costs and the relevance to the investigator's research/education program. The brochure should be attached and the research relevance highlighted. A copy of the abstract being presented or invitation letter when making a presentation should be attached. The request should be submitted prior to making travel arrangements to insure the expenses can be reimbursed by the FAVHR
- **Foreign Travel.** Travelers must provide solid research justification. The investigator must have active research and the research being presented must be relevant to his ongoing research – clear to any reviewer that it is in support of his VA research. Multiple travels to the same country will not be supported without detailed justification of unusual circumstance. Travel in conjunction with a vacation will require extensive justification and may be determined to be personal benefit.
- **VA Employee Approvals.** VA employees are reminded that VA travelers are responsible for following local VA travel policies and obtaining VA approvals for absence and the acceptance of travel support from the FAVHR.
- **Fly America Act.** Travel conducted in support of or by Federal funds must abide by the Federal Fly America Act (49 U.S.C. 40118) requiring use of U.S. air carrier service for all air travel and cargo transportation services funded by the U.S. government

**EXPENSE REIMBURSEMENTS**

- **Travel Reimbursements** – Travel expenses are reimbursed upon completion of travel, except for some registrations (see below). Travelers being supported by FAVHR funds may not put any of their FAVHR travel expenses on a government or VA credit card.
- **Travel Advances.** In cases of need, for FAVHR Employees only, funds may be authorized up front to support employee travel to required meetings via a FAVHR purchasing card. During travel, meals and incidentals can also be purchased via the FAVHR purchasing card eliminating the need for employees to be reimbursed for costs post travel. Purchasing cards will be locked in the FAVHR office and dispensed 1 business day prior to travel. They are to be returned to the FAVHR office no more than 1 business day after the employee's return. Actual receipts should be provided and reconciled against

## POLICIES AND PROCEDURES FOR INVESTIGATORS

the purchasing card statement and approved pre-travel request form. Any expenses in excess of the per diem or other approved amount may be withheld from the employee's next paycheck. Additional approved expenses paid by the employee's personal funds may be reimbursed with appropriate documentation.

Airfare, and if possible, hotel reservations should be purchased in advance on a FAVHR purchasing card (held in the FAVHR admin offices).

Travel advances or purchasing cards are not allowed for Non-FAVHR employee travelers.

- **Registration Fees.** Registration fees will be reimbursed based on receipt showing paid in full. Meeting registration fees over \$300 may be paid in advance if submitted at least four weeks prior to the registration deadline. Payment will be sent directly to the organization sponsoring the meeting, not to the individual traveler.
- **Reimbursement Approval.** A Request for Travel Reimbursement, itemizing travel expenses, should be submitted within 60 days after travel has been completed.
  - **Non-Meal Receipts** indicating the amount expended must be provided for **each** item to be reimbursed. This may include original receipts or credit card statements in the traveler's name
- **Hotel.** Travelers will be reimbursed at actual cost for reasonable single room rates as determined by the meeting site. Travelers should substantiate their room rate with program material detailing prevailing rates. Conferences frequently offer special room rates. The original itemized hotel bill must be submitted showing it has been paid. Hotel reimbursement will be for days of the meeting and the evening prior. The night of the last meeting day will be paid if the meeting ends too late for a return flight. Taxes and fees that are considered part of the room cost will be reimbursed. Charges for upgraded rooms will not be reimbursed (e.g., larger room, additional person, suites). Justification must be provided for any hotel stays within San Antonio.
- **Meals and Incidentals.** The FAVHR uses the current Federal "Meals and Incidentals Per Diem" rate at the destination city as the basis for reimbursement to the traveler for meals and incidentals (e.g., tips, sundry items). Reimbursement will be provided at the Federal Per Diem Rate. Days involving travel only (no meeting) will be compared to 75% of the Federal rate. Per Diem/Meals will not be reimbursed for meeting attendance within San Antonio without justification for and prior approval of the hotel stay. Alcohol will not be reimbursed.
- **Transportation.**
  - **Air** - Reimbursement is limited to direct coach fare (not side trips or first class upgrades). First class will not be paid unless medical documentation requires the accommodation and is accompanied by a physician's note. If an extra day is included in order to obtain a cheaper airfare, traveler must provide a total cost comparison (showing that the airfare plus the additional lodging cost, parking, etc., is less than the airfare for lesser days). Airfare fees charged for changes will be reimbursed if due to illness, personal emergency or business needs.
  - **Auto** - The use of a private automobile must be pre-approved by the Executive Director. Justification must explain unusual circumstances and the economic advantage (total travel costs) for use of private automobile (in lieu of air travel). When authorized, reimbursement will be made at the prevailing federal mileage reimbursement rate, not to exceed coach airfare to the location. Traveler must certify he has current minimum prescribed insurance coverage.
- **Ground Transportation.** Ground transportation is limited to transportation to and from the airport. Tips that are included on the receipt are reimbursable.
  - **Airport to/from hotel** - Reasonable ground transportation to and from the airport will be reimbursed, based on submission of receipts.

## POLICIES AND PROCEDURES FOR INVESTIGATORS

- Hotel/meeting - Because meeting hotels are generally within walking distance or provide free shuttle service to the conference, any taxi fares other than to/from airport will require a separate justification explaining why transportation was required.
- Personal - Personal transportation, e.g., to/from dinner, entertainment, shopping, will not be reimbursed.
- Car Rental - Rental car costs (fees, gas, parking, etc.) will not ordinarily be reimbursed unless approved in advance. Justification must be provided that the costs associated with a rental car are less than the cost of ground transportation that would ordinarily be paid (shuttle, taxi), e.g., if rooms are unavailable at the conference or nearby hotels, a shuttle service is not available, and cab fare is prohibitively expensive. Specialty vehicles, e.g., SUVs, are not allowable without sufficient justification.
- **Business Calls.** Business phone calls and services (copy, fax, and email internet service) are reimbursable, at cost, with receipt. Phone calls included on lodging receipts must be clearly marked as business; personal phone calls are not reimbursable.
- **Day Travel.** Travel that begins and ends the same day (trips that do not require an overnight stay) are not authorized per diem allowances. Conference registration, parking fee, and mileage to another city (portion that exceeds normal home to work commute) are reimbursable.
- **Account holder-directed Limitations.** If an account holder agrees to pay only a portion of his travelers' expenses, the reimbursement request must clearly reflect this limitation. The FAVHR will reimburse the traveler in accordance with the FAVHR guidelines, subject to any maximum set by account holder.
- **Travel expenses not paid by other Organizations.** If another organization is providing partial reimbursement for a trip, sufficient documentation must be provided to show the amount and type of expense paid by that organization. The FAVHR will reimburse travel expenses that were not paid by the VA or UTHSCSA if the expenses meet the criteria defined in this policy. Hotel costs meeting the above criteria that were not paid by the VA may be paid, e.g., daily cost exceeding VA allowable or days not paid by the VA. A copy of the itemized hotel bill or other expense receipt showing all costs and a copy of the VA/UT travel reimbursement form showing what portion the VA/UT paid should be submitted when requesting the difference. Per diem or meal expenses will not be reimbursed if the VA/UT has paid per diem. VA/UT documentation must itemize expenses paid (not just total amount paid) so the FAVHR can determine what it is authorized to reimburse.

## POLICIES AND PROCEDURES FOR INVESTIGATORS

### NON-REIMBURSABLE COSTS

- **Travel Documents.** Passports and legal documents required for travel are not reimbursable.
- **Personal Travel.** Non-business days before, after, or during a business trip are not reimbursable unless there is a demonstrated cost savings to the overall business trip that is documented.
- **Indirect Routes.** If, for other than business reasons, the traveler takes an indirect route, reimbursement for air fare or mileage will be at the cost incurred by traveling directly to the intended business destination. If the traveler chooses to take an indirect route, interrupt the business travel or utilize a mode of travel that requires additional accommodations en route, any resulting expense will be borne by the traveler.
- **Cancellation of Reservations.** It is the responsibility of the traveler to cancel any reservations that will not be used. Charges incurred for failure to cancel in a timely manner will not be reimbursed.
- **Failure to travel** – travel expenses incurred without travel will not be reimbursed. For Example, if passenger does not travel due to any reason other than meeting cancellation, airfare costs, hotel deposits, etc. will not be reimbursed to the traveler.
- **Other.** The traveler is responsible for additional expenses incurred for personal preference, convenience, or not required for the performance of official business.
  - Personal services
  - Flight insurance
  - Charges for canceling or rebooking (unless meeting date changed),
  - Expenses for individuals other than the traveler. The FAVHR will not reimburse for travel costs associated with a spouse/partner/family. The cost of a shared room need not be allocated between employee and the extra person. However, if the room rate is greater because of an additional person, the traveler must pay the difference.
  - The cash value for any frequent flyer miles used.
  - Travel and Per Diem for any meetings not exceeding one standard work day (8 hours) located in San Antonio

SECTION 12	EXPENDITURES Other
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**INTERGOVERNMENTAL PERSONNEL ASSIGNMENT AGREEMENT  
(IPA AGREEMENTS)**

**FAVHR Employees conducting VA Research**

The FAVHR meets the Federal IPA mobility assignment program requirements and is eligible to participate in the IPA program in which the FAVHR provides an employee to work on a VA-funded project. IPA agreements provide for the temporary assignment of personnel in positions that require specific skills. Use of the IPA to obtain clerical, administrative, or non-technical staff is inappropriate. To be eligible for an IPA assignment, an individual must have been employed by the FAVHR for at least 90 days prior to the start of the IPA. IPA assignments may be made for up to 2 years, extended for up to 2 more years. After four years, the employee must return to Non-VA funded salary support for at least 12 months before becoming eligible for an additional two years. IPAs must specify why the IPA mechanism is being used instead of other hiring mechanisms. Time cards will be maintained on FAVHR employees while on temporary assignments to document the time being loaned.

New employees must be on staff for a minimum of 90 days to qualify for an IPAA. If a PI intends to hire an employee to be paid from a VA IPAA, funds must be identified to support the employees' salary costs for the first 90 days of employment or until the IPAA can become effective. Any modifications to an IPAA require at least 30 days processing time and modification, such as salary increase or effort change requests, should be provided to the FAVHR offices 45 days in advance to ensure completion of VA processing and approval.

**Outside Employees conducting FAVHR research (or vice versa)**

An agreement similar to an IPAA has been established with the University of Texas Health San Antonio (UT) to provide reimbursement to a UT Employee working on FAVHR-administered projects. These salary agreements provide for the temporary assignment of personnel in positions that require specific skills. These salary agreements will provide for salary and fringe expenses only, and may be established for any reasonable length of time.

**HONORARIA**

The FAVHR may pay honoraria to support an approved research or education activity if the following criteria are met: (1) the employee is not a federal employee; or (2) the employee is a federal employee but can document that he/she was on annual leave and the topic was not related to the federal expertise. The speaker will be required to complete a W-9, providing social security number and address. An IRS Form 1099 will be issued if the total payment for the year is \$600 or more. An Honoraria Request Form must be approved in advance of any official offer for honoraria.

**Foreign Lecturers/Visitors**

On Oct. 21, 1998 Bill Clinton signed into law the American Competitiveness and Workforce Improvement Act (ACWIA) which, per section 431, permits educational and nonprofit research institutions to pay reimbursements for expenses and honoraria to international visitors engaged in academic activities.

*INA Section 212(q)*

*"Any alien admitted under section 101(a)(15)(b) may accept an honorarium payment and associated incidental expenses for a usual academic activity or activities (lasting no longer than 9 days at any single institution), as*

## POLICIES AND PROCEDURES FOR INVESTIGATORS

*defined by the Attorney General in consultation with the Secretary of Education. If such payment is offered by an institution or organization as described in subsection (p)(1) and is made for services conducted for the benefit of that institution or entity, and if the alien has not accepted such payment or expenses from more than 5 institutions or organizations in the previous 6-month period.”*

*“Subsection (p)(1)” reference describes the organizations as “(A) an institution of higher education (as defined in section 101(a) of the Higher Education Act of 1965) or related or affiliated nonprofit entity; or (B) a nonprofit research organization or a Governmental research organization...”*

To comply with the law, the following conditions must be met:

- 1) The visitor must arrive on one of the following visas (and visa status must be noted on the I-94 form)
  - a. B-1 Visitor for Business
  - b. B-2 Visitor for Pleasure
  - c. WB Visa Waiver for Business
  - d. WT Visa Waiver for Tourism.
- 2) The academic activity portion of the trip cannot last more than 9 days at any institution
- 3) Visitor is limited to no more than 5 such reimbursements in the previous 6 month period

### **Process for Approval of request for Reimbursement/Honorarium for a foreign Lecturer**

Any investigator who wishes to reimburse a foreign visitor for travel expenses and/or pay an honorarium must provide the following documentation to the FAVHR for approval prior to confirming any travel arrangements or making any official offerings of payment to the visitor.

- 1) Honoraria request form – indicating the purpose for the visit and its relation to the investigators research or educational activities
- 2) Invitation for Visitors Engaged in Academic Activities
- 3) The visitor must have a Social Security Number or Individual Tax ID Number (ITIN) to receive an honorarium. (This is not required for reimbursements). See the FAVHR office for timelines and instructions to obtain a SSN or ITIN.
  - a. Note: The individual investigator will be responsible for any burden in obtaining a SSN or ITIN for their visitor.

### **Documents necessary for Reimbursement/Payment of Honorarium to foreign lecturer**

- 1) Request for Payment form
  - 2) Copy of Passport Picture
  - 3) Copy of I-94 form
  - 4) Copy of Immigration Stamp when entering US
  - 5) Declaration by Visitors Engaged in Academic Activities
- All documents must be provided or the FAVHR will be unable to provide reimbursement/honoraria
  - *Please note, any honorarium equal to or greater than \$600 will be subject to state and federal taxes*

## REIMBURSING THE VA MEDICAL CENTER

Accounts may be set up within the FAVHR to reimburse VA medical center services. A Memorandum of Understanding between the South Texas Veterans Health Care System and the FAVHR provides reimbursement procedures. The VA medical center may issue a bill of collection to the investigator for research costs incurred by the medical center on behalf of a project. An investigator initiated and signed Request for Payment, with original invoice, should be submitted to the FAVHR for payment from the project funding.

## MEMBERSHIP FEES/DUES

The FAVHR is committed to fostering access to scientific information that allows VA and NPC personnel to remain current on cutting edge developments for the benefit of VA research and education. This involves subscribing to journals as well as facilitating VA investigator full participation in scientific conferences. Organizational memberships may be paid by the FAVHR if:

## POLICIES AND PROCEDURES FOR INVESTIGATORS

- **Membership is required to purchase a journal/publication** or at a reduced rate. Personnel may request subscriptions for research related publications that provide a clear benefit for VA research. The invoice must clearly indicate the name of the publication included in the fee. When the FAVHR is purchasing the journal, the requestor should list the VA affiliation as the address, not a home address. Subscriptions will be made for one year at a time. OR
- **Membership is required to attend research relevant conferences** or it is cost-effective to pay for a membership to attend meetings at a significantly reduced rate.
- The requestor must provide the above justification for dues. [Prior approval of the Education Committee is required for educational subscriptions and/or memberships that have no research relevance.]

## MEETINGS AND CONFERENCES

Non-profit foundations provide an excellent mechanism for sponsoring VA research/ education meetings, workshops, and conferences. This would include the presentation of research results as part of a formal presentation – oral presentations, interactive sessions where results are discussed, or instruction on research techniques. FAVHR operational activities as well as fundraising and public relations, are necessary for the conduct of FAVHR business. Incidental to the business purpose of such meetings, it may be appropriate to serve refreshments. Various regulations, the federal ethics standards and the statute that authorizes the FAVHR influence whether expenditures related to such events are appropriate for FAVHR support.

- **A meeting must have a documented research, education, or FAVHR business purpose.**
- **Research meeting:** The request for support must include an explicit justification of the research related purpose and how it will further VA research. Documentation should include the program and roster of attendees.
- **Educational program:** The education activity must be approved by the STVHCS Education Committee. Documentation must include the agenda and roster of attendees.
- **FAVHR business events:** Request must include how the meeting will further the FAVHR's ability to facilitate research and education. Documentation should include the agenda.
- **Other Criteria:** In addition to the relevancy justification, factors considered for support include: whether at least one speaker makes a research presentation (or educational); whether function is open; frequency of similar meetings.
- **Approval.** Pre-approval of FAVHR support for meetings/conferences is required. Requests for support will be reviewed and approved by the Executive Director. If approved, the FAVHR will reimburse reasonable meeting costs based on submission of original receipts.
- **Disallowed Expenses.** The following will not be paid: entertainment, holiday events, social activities, ceremonials (such as birthday, retirement/going-away parties), alcohol, and unapproved educational activities. No reimbursement will be made for off-site meals.

## DELIVERY SERVICES

FAVHR funds may be used to pay costs to make tracked timely deliveries. Pre-printed vendor shipping request forms and the form to request payment are available in the FAVHR Office. The file copy of the shipping form should be provided to the office in order to match to the shipment when the invoice is received. The request to pay the charges must indicate the relationship to the approved research.



## POLICIES AND PROCEDURES FOR INVESTIGATORS

### PUBLICATIONS

The VA provides access for all VA affiliated personnel to their online library. The FAVHR encourages all personnel to take advantage of this library for their research needs. Purchase requests for publications available through the VA library will be denied as access to this information is already provided free of charge. Investigator request for this information in any other format will be considered a personal preference (personal expense) which is not allowed per FAVHR policies.

### TEAMBUILDING

The FAVHR understands the importance of a cohesive team and collaborative environment for sustained growth and success. To the goal of improving corporate culture and team cohesion, expenses supporting teambuilding activities will be considered on a case by case basis with strong justification for the event and associated expenses. Teambuilding activities **must** include a clear educational component. Teambuilding expenses cannot be paid from active program funds.

SECTION 13

DISALLOWED EXPENSES

No expense will be reimbursed that could be considered to be of a personal benefit to the individual. The following expenses have been determined to be inappropriate FAVHR expenditures. The list does not include all items and appropriate determinations will be made as situations arise.

- Gifts, flowers, cards
- Licensing fees, certification costs
- CME costs, training or testing leading to certification or license
- Individual/Personal insurance
- Immigration costs
- Travel documents such as Passports
- Personal use items/devices, services, equipment or supplies
- Meals – breakfast, lunches, dinners (other than per diem paid during travel or approved teambuilding activities)
- Travel and meals/per diem expenses for meetings in San Antonio not exceeding the standard work day (8 hours) without prior approval
- Social events, parties, entertainment, ceremonial occasions
- College costs
- Accessories for personally owned equipment; repair of personal equipment
- Laptops for home use for convenience of user, who has a computer at normal place of work
- Drawings, raffles, cash awards
- Donations to charitable or philanthropic activities, benefit dinners
- Political activities (both assets and human resources)
- Loans
- Publications available via the VA electronic library
- Other expenses not directly supporting the approved VA research/education activities

SECTION 14

PERONNEL MANAGEMENT

**HIRING EMPLOYEES**

**Individuals desiring to hire employees should review the following information as well as the "Employee Handbook" which outlines procedures, benefits, and responsibilities.**

**Required Documentation:** Investigator must submit a "Request to Hire" form and Position Description to the FAVHR office at the time a position is determined to be open. The Executive Director will work with the Investigator to clarify the Position Description and assist with position posting, recruitment, and screening of potential applicants. If the Investigator has already identified an applicant, the identified applicant must be interviewed/screened by the Executive Director.

**Employment Terms.** FAVHR personnel are employed by the FAVHR, not the individual investigator. While the individual employee will report to the investigator either as their director supervisor or as the PI on an assigned study, the FAVHR assumes liability as the employer of record. If support is needed by another investigator, employees with available time may be allocated to other projects as determined by the FAVHR.

**At Will Employment.** Employees may be hired by the FAVHR to carry out approved research or education projects. All FAVHR employees are hired "at will." The employee may resign or be terminated at any time without advance notice or cause, or the need for either the employee or the FAVHR to follow any particular process. Employment is not for any specific guaranteed duration.

**Salary and Funds.** The hiring, termination, assignment of duties, and the determination of reasonable salary levels shall be determined by the FAVHR, with recommendation from the investigator.

- Salaries are expected to be comparable to similar positions in our local market.
- Salaries must comply with minimum wage laws.
- Account should have sufficient funds to cover a minimum of three (3) months' salary (including employer costs). If support is needed for a new investigator who does not have existing funds, that support should be provided by the Coordinator Pool.
- Employees can be paid only for hours worked after their official start date. Employees cannot be required to work prior to their official start date.
- Investigators are required to certify employee time.

**Request to hire.**

If an Investigator determines that additional staff are necessary to conduct their work, they should schedule a brief appointment with the Executive Director to discuss the position, skills needed to fill the position, and funding to support the position. The Executive Director will collaboratively develop a hiring plan and initiate the necessary process to identify appropriate personnel. ONLY THE FAVHR EXECUTIVE DIRECTOR HAS THE AUTHORITY TO OFFER AN EMPLOYEE A POSITION.

**Hiring Limitations.**

- All employees must be 18 years or older at the time of hire.
- Investigator should have funds currently available to pay employee for a minimum of three months
- If employment is to be for less than six months, a personnel agreement or consultant contract should be considered.
- Family members may not report directly or indirectly to another family member regardless of employing institution

## POLICIES AND PROCEDURES FOR INVESTIGATORS

**VA Employees.** VA-affiliated foundations are discouraged from hiring VA employees to perform FAVHR- paid work. Doing so requires special precautions against dual compensation by ensuring FAVHR-paid work is (1) distinct from the employee's VA responsibilities and (2) conducted outside VA duty hours. There are significant fines and penalties (up to five years imprisonment and/or \$50,000 for each violation) for violations of Federal statutes prohibiting supplementation of Federal pay. An agreement with the VA in which FAVHR purchases a portion of the employee's time is preferable.

***In the rare instance where the supervisor determines that hiring a VA employee is necessary, special procedures are required.***

VA employees who perform work that is outside the scope of their VA duties may receive income from FAVHR provided the work is (1) *entirely different from and not related to the employee's official VA responsibilities* AND (2) *the work is done outside of their VA tour of duty*. If work is within the scope of his/her VA/Federal work, regardless of when the work is done, that activity is part of his/her VAMC employment. Consequently, FAVHR is prohibited from providing any compensation for VA duties, even if work is done outside duty hours.

Any VA-paid employee requesting salary from FAVHR must complete a VA Employee Request for Compensation form and receive approval prior to receiving compensation from FAVHR. FAVHR form must receive approvals from the VA ACOS for Research, VA Chief of Human Resources, and FAVHR Executive Director. The employee should seek advice from VA regional counsel to ensure that there is no evidence of dual compensation for the same work.

To document that the duties are distinct, the VA position description will be provided. VA General Counsel has recommended that the VA position should not be research related.

If similar to FAVHR position description, it is unlikely that the work performed for VA and FAVHR are sufficiently different to allow FAVHR pay.

If the VA employee will have the same VA supervisor for both the VA and FAVHR paid work, it is unlikely that the work performed for VA and FAVHR is sufficiently different to allow FAVHR pay.

The employee's FAVHR timecard must reflect both the VA and FAVHR hours worked (i.e., 8 hours from 8:00 am to 4:30 pm for VA and 2 hours from 4:30pm to 6:30 pm for FAVHR).

**Supervision.** Employees are FAVHR employees, not employees of any particular Investigator nor the VA, and although employees will report directly to one or more investigator(s) during their employment, they are ultimately responsible to the FAVHR. Employees are encouraged to cross train and to be available to assist on other FAVHR administered studies when necessary.

### Employee Policies

Investigators utilizing FAVHR employee services should be familiar with the FAVHR Employee Handbook, especially in respect to Employee Conduct and the process for registering a complaint.

the FAVHR Executive Director is the only person with the legal authority to appoint, re-appoint, terminate, or change an employee's work status or pay. Oral or written statements or promises concerning employment status, work allowances, or salary made by other personnel are not binding upon the FAVHR.

The Investigators has an obligation to notify the FAVHR Executive Director immediately if they suspect or obtain knowledge of any VA or FAVHR policy violation. The Executive Director will investigate the situation and advise the Investigator on the appropriate action(s) to be taken.

### Timecard Approval

Supervisors/PIs will be prompted to review and approve employee timecards at the end of each pay period. If incorrect time allocations are identified by the PI, the Employee and/or FAVHR office should be notified immediately so the time card can be corrected prior to payroll processing. Supervisor approval of the timecard,

## POLICIES AND PROCEDURES FOR INVESTIGATORS

prior to payroll processing, will be recorded and used to document PI approval of employee effort on his/her project during the pay period. Any corrections identified AFTER payroll processing should be brought to the attention of the FAVHR offices immediately.

### Supervision of Coordinator Pool Personnel

Although Coordinator Pool personnel are directly supervised by the FAVHR's Clinical Trials Manager (or in their absence the Executive Director), they must report to the PI of their assigned studies to effectively complete their job requirements. Because the PI has a high dependence upon their coordinator and works closely with this person, it is expected that any performance issues which arise during the course of a project will be reported to the Clinical Trials Manager for documentation and appropriate action. Equally, excellence in performance should also be reported to the Clinical Trials Manager so the employee can be appropriately recognized for their performance.

**Annual Performance Evaluations** All FAVHR employees are subject to an Annual Performance Evaluation conducted in January to evaluate performance of the previous year. Given the PI's close working relationship with FAVHR personnel, it is expected that the PI will evaluate any employee assigned to them in a timely manner. This feedback is key for proper employee evaluation and will be used to support promotion or counseling and possibly termination decisions. Without such feedback from Investigators, the FAVHR is ill equipped to ensure we continue to have highly trained and effective staff available to conduct and recruit ongoing research activities.

**Hiring Eligibility.** All employees hired by the FAVHR must be eligible to work (US citizens or work authorization documents permitting work at the FAVHR). Current documents confirming work eligibility must be presented at the time of employment.

**Hiring Principal Investigators. VA** General Counsel and human resources consultations have concluded the likelihood of violating federal ethics statutes and regulations and exposing the nonprofits and investigator to criminal prosecution could be significant and problematic. Consistent with this, regardless of the source of funding for a project, the FAVHR shall not directly pay compensation to full-time VA investigators for work on VA research even if it is clearly stated that the work to be performed outside of VA duty hours.

**VA Without Compensation Appointment.** Each FAVHR employee directly or indirectly engaged in VA approved research activities must have a Without Compensation (WOC) appointment authorizing them to work within the VA facility to perform the research activities required by the research program for which hired. Direct patient care employees, e.g., nurses, must be credentialed at the institution. The FAVHR Office will arrange assistance in completing the current VA WOC application packet.

Administrative Personnel are not authorized to obtain a WOC appointment, but will instead receive an "Affiliate" appointment from the VA. This affiliation does not qualify the employee to conduct research activities nor are they covered by VA Tort law,

**Health and Safety.** Investigators are responsible for insuring that all employees participate in the hospital's health and safety program including annual TB testing, adhering to all guidelines, and completing all required training.

**Federal Tort Claims Act (FTCA) Personal Liability Coverage.** Congress approved legislation providing that the Nonprofit Corporation (NPC) Without Compensation employees shall be considered employees of the government for purposes of the FTCA. This provides FAVHR employees with coverage against personal liability to the same extent as federal employees. For NPC employees to be covered by the FTCA, they must meet all three of the following conditions:

- Have a VA employee appointment, with or without compensation
- Work performed must be within the scope of the employee's government work. NPC employees should perform only VA-approved research or education project activities within their approved Scope of Practice
- The NPC WOC employees must have one or more qualified, VA-salaried supervisors.

**Termination** Should the Investigator decide they no longer require FAVHR employees, they should notify the Executive Director. Based upon evaluation of the circumstances, the Executive Director will determine if the

## **POLICIES AND PROCEDURES FOR INVESTIGATORS**

employee can be re-assigned to another project or terminated. The Executive Director will work with the Investigator to develop an appropriate transition plan.

SECTION 15

FRINGE COSTS

**Employee Fringe Costs**

In addition to direct salary costs, there are additional costs associated with employment of personnel. These costs include taxes, payroll processing fees, health benefits, and employee leave accrual (Vacation) and are referred to as "Fringe Costs" or Fringe Benefits. Fringe Costs are non-negotiable and are allocated to all employees within the FAVHR.

**Calculation of Fringe Costs**

The FAVHR maintains a detailed schedule of Fringe Costs by employee including all applicable costs. This Fringe Cost estimate is used for budgeting purposes on upcoming studies.

**Allocation of Fringe Costs**

Actual fringe costs are allocated to each project based upon the percent (%) of time an individual employee spends on a specific project. (For example, if an employee allocates 10% of their time during a pay period to Project A, 10% of the actual fringe costs incurred during that pay period will also be allocated to Project A). Allocation of the fringe costs is included in the Salary expense allocation in the accounting system after each payroll. Any changes to an employee's salary allocation after payroll, will also include a change in the employee's Fringe Cost allocation.

**Actual Fringe Costs**

Fringe costs will vary by employee dependent upon the employee's choice of health insurance coverage and his/her vacation accrual rate which is determined by the employee's tenure with the FAVHR. Discrimination or adjustments to the employee's base salary based upon their fringe costs is not allowed.

## SECTION 16

## Administrative Overhead

**Indirect Costs**

Overhead or Indirect costs are real expenses incurred by FAVHR in support of sponsored projects, but which by federal regulation cannot be charged directly to a specific grant, contract, or other sponsored agreement. Indirect Costs stem from the institutional need to maintain a shared infrastructure that supports the research and scholarly activities of all investigators. Indirect Costs are divided into facilities costs (e.g. building depreciation, operation and maintenance, utilities) and administrative costs (e.g. sponsored projects administration, purchasing, accounting, legal services).

Federal regulations governing Indirect Cost are described in Office of Management and Budget (OMB) 2CRF 200 (uniform Guidance). The federal Indirect Cost rate is negotiated periodically with FAVHR's cognizant audit agency, the Department of Defense.

**Modified Total Direct Costs (MTDC)**

Total direct costs minus equipment, capital (Alterations & Renovations) expenditures, charges for patient care, graduate student fringe (if tuition remission is included), space rental costs of off-site facilities, participant support, scholarships and fellowships as well as the portion of each sub-grant or sub-contract in excess of the first \$25,000 per project period.

**Total Direct Costs (TDC)**

All of the direct costs of the project.

**CURRENT INDIRECT COST RATES**

Indirect Cost Rates are renewed annually and current rates will be posted on the FAVHR website. Changes to existing rates will be distributed to FAVHR principal investigators and must be incorporated into all new submission.

**Competitive Renewals**

To ensure that direct costs available to PIs are not adversely impacted by rate changes, awards received in response to previously submitted new or renewal proposals will, when necessary, be accepted using the Indirect Cost rate contained in the submitted proposal.

**Existing Awards and their Non-Competitive Proposals**

All existing awards and their associated non-competitive continuation proposals will continue to use the Indirect Cost rate in effect at the time of their initial award (or most recent renewal) throughout the remainder of their competitive segment. This is necessary because governmental regulations require fixed rates over the life of a sponsored agreement and define "life" as each new competitive segment.

**POLICY EXCEPTION**

An exception from the policy of charging full Indirect Cost will be granted to non-profit sponsors and governmental agencies that have explicit, published policies limiting their Indirect Cost rate. Principal investigators need not request a policy exception; these are granted *automatically*. Note that an *exception* is different from an Indirect Cost *waiver*, which is outlined below.

**Non-profit sponsors**

FAVHR will grant a policy exception on awards from non-profit sponsors that do not reimburse at the maximum allowable federally-negotiated Indirect Cost rate, *provided* the sponsor has an explicit, published policy limiting its Indirect Cost rate, and *provided* such policy is applicable to all recipients. This policy



## POLICIES AND PROCEDURES FOR INVESTIGATORS

exemption does not apply if a non-profit sponsor does not specify its maximum allowable Indirect Cost rate, or if the sponsor allows for negotiation of the Indirect Cost rate.

### **Governmental sponsors**

FAVHR will grant a policy exception on awards from governmental sponsors that do not reimburse at the maximum allowable federally-negotiated Indirect Cost rate, *provided* the agency has an explicit, published policy limiting the Indirect Cost rate for all applicant organizations.

### **For-profit sponsors**

For-profit sponsors are charged the full Indirect Cost rate appropriate to the sponsored activity. Without full cost recovery, FAVHR is subsidizing the cost of the project for the sponsor. An Indirect Cost policy exception will be granted to for-profit sponsors for projects involving only minimally funded projects (e.g. pilot projects), *provided* such policy is applicable to all recipients.

### **INDIRECT COST WAIVER**

In contrast to the policy exceptions outlined above, an Indirect Cost *waiver* is an institutional agreement between FAVHR and a sponsor that Indirect Cost will be charged at a rate lower than the sponsor's published rate or that Indirect Cost will not be charged to a particular sponsored agreement. A waiver shall be granted only under exceptional circumstances and only when the programmatic benefit to FAVHR and/or the VA is compelling and outweighs the institutional benefit of recovering the full cost of conducting the project.

An Indirect Cost waiver shall not be approved because the principal investigator thinks this will increase the competitiveness of the application or because the total award amount is capped.

Investigators are reminded that while they are free to discuss the scope of work with a potential sponsor, they are not authorized to negotiate Indirect Cost. Any "prior understanding" between an investigator and a sponsor regarding Indirect Cost rate is not binding on FAVHR.

### **Procedure for Petitioning for a Waiver of Indirect Cost:**

The waiver of any portion of eligible Indirect Cost recovery must be approved by the Board of Trustees, prior to the submission of the application. Under no circumstances shall Indirect Cost waivers be considered after an award is accepted by FAVHR.

To allow for timely review, a petition for Indirect Cost waiver must be received by the Executive Director at least ten (10) working days prior to the sponsor's deadline.

The waiver petition should include the following information:

1. The amount of the waiver expressed as a reduction of the applicable federally-negotiated Indirect Cost rate.
2. The reason for the waiver request that includes the programmatic imperatives of the proposed project to the VA.
3. The impact on FAVHR of granting or denying the Indirect Cost waiver petition.

Indirect Cost waiver petitions for subcontracts must have documentation that the primary institution has also agreed to an Indirect Cost waiver petition.

SECTION 17	OTHER
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### WHISTLEBLOWER PROTECTION POLICY

The FAVHR requires directors, officers, account holders, and employees to observe high standards of business and personal ethics in the conduct of their duties and responsibilities. The FAVHR does not condone any activity that is illegal or improper. The organization encourages complaints, reports or inquiries about illegal practices or serious violations of the organization's policies. Appropriate subjects under this policy would include financial improprieties, accounting or audit matters, ethical violations, or other similar illegal or improper practices or policies. Other subjects, such as alleged discrimination, should be addressed under separate mechanisms. This policy is not intended to provide a means of appeal from outcomes in other areas.

*Protection from Retaliation.* The organization prohibits retaliation against staff for making good faith complaints, reports or inquiries under this policy or for participating in a review or investigation under this policy. This protection extends to those whose allegations are made in good faith but prove to be mistaken. An employee who feels that adverse action has been taken toward him/her due to a report of improper activity should notify the Executive Director as soon as possible. Any allegations that prove not to be substantiated and which prove to have been made maliciously or knowingly to be false will be viewed as a disciplinary offense.

*Reporting.* Activities believed to be illegal or improper should be reported to the person who can address the issues properly. In most cases, an employee's supervisor is in the best position to address an area of concern. However, if the employee is not comfortable speaking with the supervisor or is not satisfied with the supervisor's response, they are encouraged to speak with the Executive Director. Violations may be submitted on a confidential basis or may be submitted anonymously. They should describe in detail the specific facts demonstrating the bases for the complaints, reports or inquiries. Reports of violations will be kept confidential to the extent possible, consistent with the need to conduct an adequate investigation. The organization will conduct a prompt, discreet, and objective review or investigation. Staff must recognize that the organization may be unable to fully evaluate a vague or general complaint that is made anonymously. Appropriate corrective action will be taken if warranted by the investigation.

### RECORDS RETENTION AND DOCUMENT DESTRUCTION

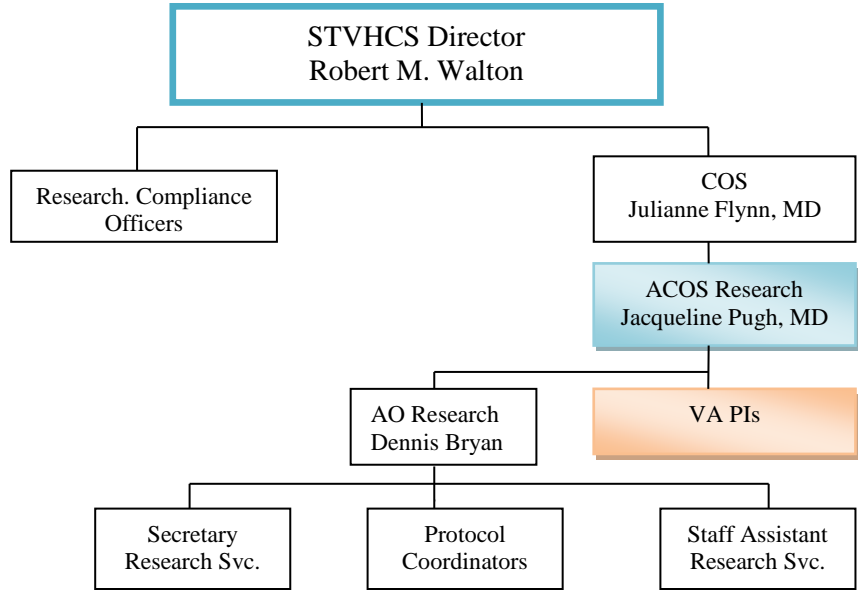
The FAVHR shall retain records for the period of their immediate or current use, unless longer retention is necessary for historical reference or to comply with contractual or legal requirements. In accordance with 18 USC Section 1519 and the Sarbanes Oxley Act, the FAVHR shall not knowingly destroy a document with the intent to obstruct or influence an "investigation or proper administration of any matter within the jurisdiction of any department agency of the United States...or in relation to or contemplation of such matter or case." If an official investigation is underway or even suspected, document purging must stop in order to avoid criminal obstruction. Per VA policy, document related to research studies should never be destroyed. In order to eliminate accidental or innocent destruction, the FAVHR has an established document retention schedule compliant with all Federal/VA regulations. Destruction schedule is available upon request from the FAVHR Bookkeeper.

### FAVHR FORMS

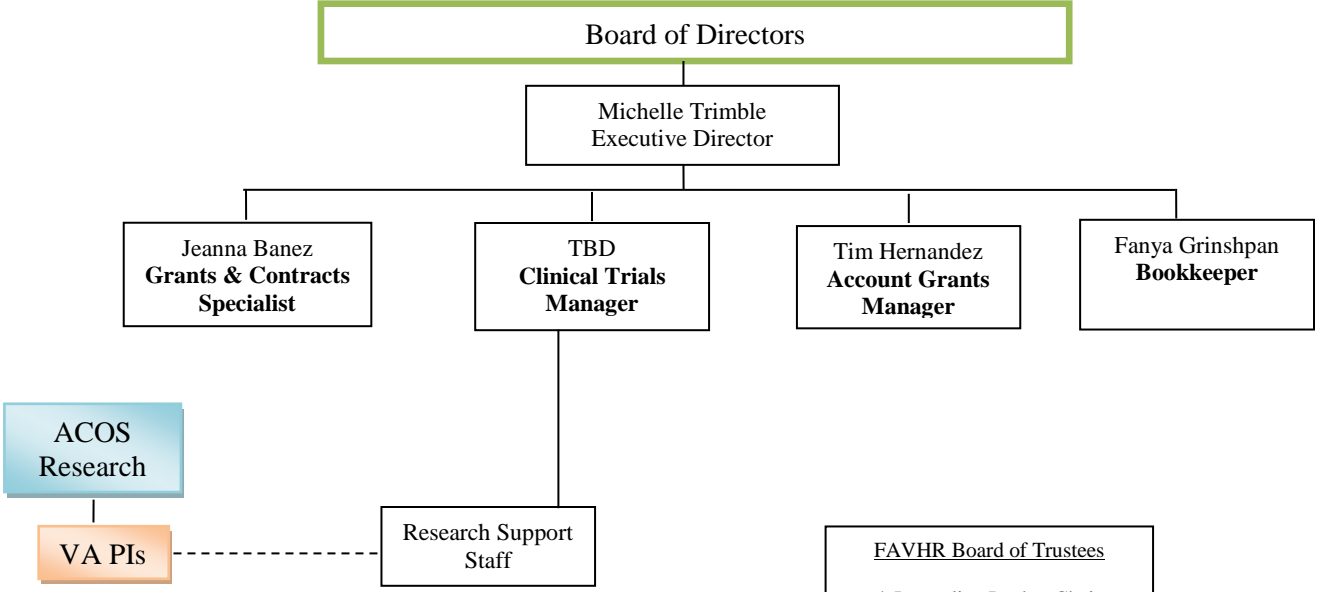
Current FAVHR forms are available on the FAVHR's website ([www.FAVHR.org](http://www.FAVHR.org)) or by contacting the FAVHR Office. All forms may be copied as needed, but should not be altered. Older forms should not be used as they may not contain all the required information which will delay processing.

POLICIES AND PROCEDURES FOR INVESTIGATORS

**STVHCS Organizational Chart - Research**



**FAVHR Organizational Chart**



*Although non-admin employees are supervised by the PI, they are employed by FAVHR. All employment issues such as time cards, paychecks, health insurance, etc., are administered by FAVHR*

- FAVHR Board of Trustees**
- \* Jacqueline Pugh – Chair
  - \* David Dooley – Treasurer
  - \* Robert M. Walton – Trustee
  - \* Julianne Flynn – Vice Chair
  - \* Robert Clark -Trustee
  - \* Sunil Ahuja – Trustee
  - Elcira Bares –Secretary
  - Terry Green - Trustee
  - \* Devjit Tripathy – Trustee
  - \* Marcos Restrepo – Trustee
  - \* Amrita Kamat – Trustee
  - Lou Ann Hughes - Trustee
- \* Denotes VA Employee

**POLICIES AND PROCEDURES FOR INVESTIGATORS**

**HANDBOOK ACKNOWLEDGMENT**

I acknowledge that I have received FAVHR's Investigator Handbook ("the Handbook"), dated January 2018, and understand that violations of the policies contained in the Handbook could result in disciplinary action, up to, and including, termination of FAVHR administered activities.

I understand my responsibilities as a supervisor (if applicable) of FAVHR employees active on any/all of my research projects and agree to abide but such terms.

I further understand that if I have any questions about the interpretation or application of any policies contained in the Handbook, I should direct these questions to the FAVHR Executive Director.

\_\_\_\_\_  
Investigator Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Name Printed

**Please sign and keep a copy this acknowledgment for your records.**