

NAVREF Annual Report May 2010 – April 2011

Mission: NAVREF's mission is to advance the success of the VA-affiliated research and education corporations.

Board Members and Officers 2010-2011

Donna McCartney, Chair until 1/31/2011
Executive Director, PAIRE, Palo Alto, CA

Eileen Lennon, PhD, Chair as of 2/1/2011
Executive Director, SIBCR, Seattle, WA

Cindy Reutzel, Vice Chair as of 2/1/2011
Executive Director, CARES, Hines, IL

Norberto Fas, MD, MBA
Secretary/Treasurer as of 2/15/2011
ACOS/E, Atlanta, GA

Wendy Weinstock Brown, MD, MPH
COS, Chicago, IL

Jonathan H. Gardner, FACHE
Medical Center Director, Tucson, AZ

Terrence Hannigan, Fishers, IN

Elizabeth Hill, RN, PhD

Executive Director, SVREF, Reno, NV

David Johnson, PhD

Executive Director, BREF, Baltimore, MD

Lea Lowe

Executive Director, SCIRE, Long Beach, CA

Fred Wright, MD

ACOS/R, West Haven, CT

Nancy Watterson-Diorio

Chief Executive Officer, BVARI, Boston, MA

VA Central Office Liaisons

Joel Kupersmith, MD
Chief Research and Development Officer
Designee: Holly Birdsall, MD, PhD
Deputy CRADO

Malcolm Cox, MD
Chief Academic Affiliations Officer

NAVREF Staff

Barbara West, Executive Director

Angela Murakami, Program Director

In Appreciation

NAVREF's success remains highly dependent on generous contributions of time and expertise from its members and VA personnel. NAVREF activities and accomplishments are made possible by the dedication of its board of directors and many others who are committed to the VA-affiliated nonprofit research and education foundations as well as the VA research and education programs. Individuals who contributed to the activities described below are too numerous to list. However, NAVREF wishes to express its sincere gratitude to all.

Top Three Activities May 2010 – April 2011

1. **Implementing the revised NPC authorizing statute enacted on May 5, 2010, as title VIII of Public Law 111-163.** NAVREF staff and board members spent many hours working with Nonprofit Program Office (NPPO) and Office of General Counsel (OGC) personnel to translate the statute provisions into practical guidance. This took the form of detailed responses to numerous drafts of an updated version of Handbook 1200.17 prepared by the NPPO and OGC. Additionally, NAVREF took the lead on developing a sample NPC conflict of interest policy compliant with the new statutory requirement that each NPC must have its

own policy, proposed to OGC a CRADA review and approval fee schedule, and provided NPCs with matrices clarifying the requirements regarding conflict of interest training, disclosure and certification as well as internal controls training.

2. **Forging a working relationship with the NPPO and advocating meaningful oversight.** NAVREF has devoted considerable effort to clarifying NAVREF's and NPPO's respective roles while remaining mutually supportive of our common objective of well-run NPCs that provide maximum benefit to VA's research and education programs. NAVREF fully appreciates the need for oversight of NPCs and recognizes this important NPPO function. To date, NAVREF has engaged in efforts to ensure that oversight 1) is conducted in a manner that is compliant with applicable federal laws and regulations; 2) is not unduly burdensome and does not duplicate the considerable oversight provided by independent auditors, and by state and other federal overseers; and 3) involves user-friendly assessment tools. "Partnership with VA" was identified as a key goal during strategic planning conducted during 2010 and early 2011 and continues to be a priority for NAVREF.
3. **Educating new executive directors about the unique attributes and requirements applicable to NPCs.** To help the unusually large number of recently appointed executive directors meet the challenges of their new appointments and to broaden senior staff knowledge of NPC fundamentals, NAVREF conducted a one and a half day workshop. The content for this workshop was developed and presented by board members Eileen Lennon, PhD and Nancy Watterson-Diorio; Kerstin Lynam, CEO of the Veterans Medical Research Foundation of San Diego; and NAVREF staff. This well-received workshop covered a broad array of NPC management topics as well as VA functions relevant to NPCs. Subsequently NAVREF has provided one-on-one assistance to the impressive group of workshop attendees on an as needed basis.

Accomplishment Highlights and Other Ongoing Initiatives in NAVREF's Major Programs

Education

- With Co-Chairs Nancy Watterson-Diorio and Erica Brown, executive director of the Research Corporation of Long Island, NAVREF managed a very successful 2010 Annual Conference in Washington, DC, that provided two and a half days of educational sessions specifically targeted to the needs of the NPCs. In addition to offering a successful workshop on QuickBooks, the conference focused on human resource management and provided an opportunity for NPC HR managers to network and gain an understanding of broader NPC issues.
- To help the unusually large number of recently appointed executive directors meet the challenges of their new appointments and to broaden senior staff knowledge of NPC fundamentals, NAVREF conducted a one and a half day workshop. As described above, the content for this workshop was developed and presented by Eileen Lennon, PhD, Nancy Watterson-Diorio, Kerstin Lynam and NAVREF staff. The program covered NPC management topics as well as VA functions relevant to NPCs.
- To facilitate access to training without incurring the expense of travel, we initiated a series of training sessions on insurance policies. Conducted by the broker designated to manage the NAVREF insurance program, the calls on directors and officers coverage and crime policies were highly informative. A call on workers compensation is being planned for July.
- 2011 Annual Conference Program Co-Chairs Liz Hill, RN, PhD, executive director of the Sierra Veterans' Research and Education Foundation, and Gail Burns, executive director of the Cleveland VA Medical Research and Education Foundation, and Planning Committee members Kathy DeLaura, executive director of the Cincinnati Foundation for Biomedical

Research and Education, and Priscilla West, executive director of the Veterans Research and Education Association of Northern New England, have developed a program that provides compelling general and breakout sessions with a particular emphasis on financial matters. The conference will be complemented by a workshop on “Essential Elements of Federal Funds Management” by a nationally recognized expert. The co-chairs and Planning Committee are grateful for Dr. Lennon’s generous and invaluable assistance in identifying outstanding conference speakers from the Seattle area.

Member Communications and Services

- Responded to nearly 400 email and phone questions from members, usually with a one-day turnaround time; used questions to prompt newsletter articles on timely topics and additional postings on the NAVREF web site. For example, this year federal and state scrutiny of hiring independent contractors versus employees prompted many inquiries and led to posting of helpful resources.
- Wrote and disseminated by email eight newsletters and a large number of timely updates; posted on the NAVREF web site for future reference. Recent additions include a one page discussion of a “government use license” that NPCs may share with CRADA collaborators and a description of NPCs that they may wish to use to educate their independent auditors.
- Conducted a survey of NAVREF members to assess satisfaction with CRADA-related services provided by TTP and Regional Counsel attorneys. The results of this survey, which reflected that NPCs are largely satisfied, were shared with TTP and OGC to help them address problem areas. Another survey is under development to assist NPCs with benchmarking employee benefits and fees paid for IRB and pharmacy services.
- Worked with RCM&D/JZA, the designated broker for the NAVREF insurance program, to continue adding enhancements to the insurance products offered to members. As a result of better understanding of insurance policies gained through educational teleconference calls conducted by RCM&D, NPCs have the tools they need to identify and manage their risks.
- Established mentorships for new executive directors, relying on the generosity of experienced NPC personnel to assist NAVREF staff in orienting new executive directors to the finer points of NPC management.
- Completed one Best Practices Consultation for a NAVREF member. Although this program remains available to NPCs, and has been highly rated by those NPCs that have undergone BPCs, it is being underused. As a result, NAVREF plans to evaluate and revise it as needed to ensure that it provides value to members.

Partnership with VA

- During the sixth year since OGC mandated the transition to CRADAs, concentrated on helping Technology Transfer Office (TTP) staff implement the online CRADA registry – “eCRADA registry” - and finding solutions to CRADA negotiation sticking points. NAVREF continued to link “expert” NPC personnel with NPCs in need of assistance with CRADAs.
- In regard to CRADA collaborators, NAVREF regularly responded to inquiries from pharmaceutical companies and device manufacturers to help them better understand the NPC role in CRADAs. NAVREF also helped sponsors identify VA study sites by making its membership list available on request and by directing sponsors to the member profiles on the NAVREF web site.
- Sent a letter to Chief Research and Development Officer Joel Kupersmith, MD, about the ethical risks to VA personnel and NPCs posed by NPCs paying full time VA investigators to conduct VA research administered by NPCs. NAVREF sent copies of the letter to all NPCs

and medical center directors urging caution and full board awareness when contemplating NPC pay to full time VA investigators.

- Interacted regularly with senior VHA policymakers by attending meetings of the Nonprofit Oversight Board as a “guest.”

Advocacy and Public Policy

- Actively participated in activities of the Executive Committee of the Friends of VA Medical Care and Health Research (FOVA) and contributed to efforts that secured House and Senate approval of a \$9 million increase in funding for the FY 2011 R&D appropriation. Regrettably, final appropriations legislation that was enacted mid-way through FY 2011 provided funding at the FY 2010 level of \$581 million.
- Worked with other members of the FOVA Executive Committee to plan FOVA's FY 2012 funding effort including developing justification for proposing \$620 million for VA research and \$150 million for research facility improvements. Each year, NAVREF also supports ORD plans for National VA Research Week events and a Capitol Hill reception organized and hosted by FOVA.
- Terminated NAVREF's lobbying registration in order to comply with current federal policy prohibiting registered organizations from serving on agency advisory committees. NAVREF continues to maintain lobbying activities at a level below the expenditure threshold that triggers registration, but has de-registered to facilitate serving in an advisory capacity to VA on matters important to NPCs.

Governance

- Completed NAVREF's strategic planning initiative by finalizing a new vision, mission and major program categories. NAVREF also conducted a membership contest to identify a tagline that continues to generate positive feedback.
- Coordinated the designation of Acting Deputy CRADO Holly Birdsall, MD, PhD, to be the ORD liaison with the NAVREF board. Dr. Birdsall supervises the NPPO and TTP so this is a logical appointment that fosters communication and coordination.
- Arranged for Jonathan Gardner, the medical center director on the NAVREF board, to send letters to newly appointed VA medical center directors (with ccs to the applicable NPC executive director). In these letters, Mr. Gardner offers his assistance in familiarizing them with their board responsibilities and informs them of the resources NAVREF has available, including a web page specifically for medical center directors.
- Held four board of directors meetings, three of which were hosted by NAVREF member foundations to allow interaction between the host board and the NAVREF board.

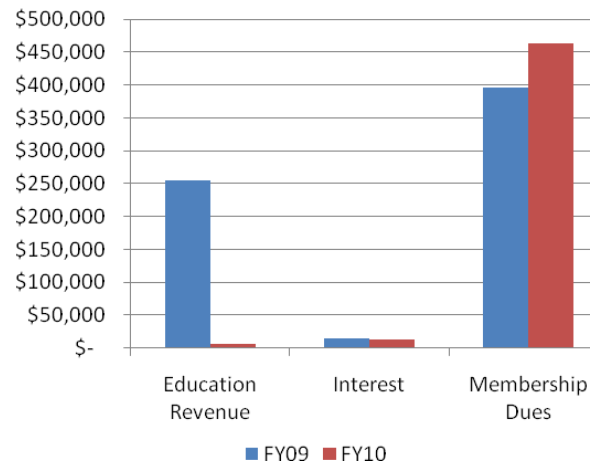
Administration

- Ensured that staff members stay current on nonprofit financial, legal and operational matters by attending national nonprofit conferences such as the Nonprofit Legal and Tax Conference and the Representing and Managing Tax Exempt Organizations Conference as well as the NIH Regional Seminar. Staff also attended a series of monthly programs on various elements of HR management and individual sessions on such topics as TIAA-CREF administration, the implications of health care reform for nonprofit employers and cyber-security.
- Reconfigured the NAVREF administrative staff position to include bookkeeping and high level meeting planning skills in order to more evenly allocate workload and save the cost of an outside bookkeeper; initiated recruitment of a new employee to fill this position.

Revenue By Source

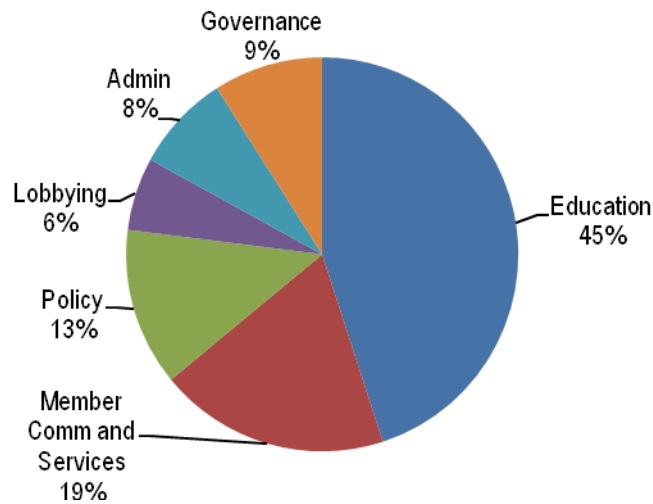
	FY 2009	FY 2010
Education Revenue*	\$ 254,084	\$ 5,600
Interest	\$ 13,851	\$ 12,809
Membership Dues	\$ 396,750	\$ 464,000

* Education revenue for FY 2010 was low because no NAVREF Annual Conferences occurred during FY 2010

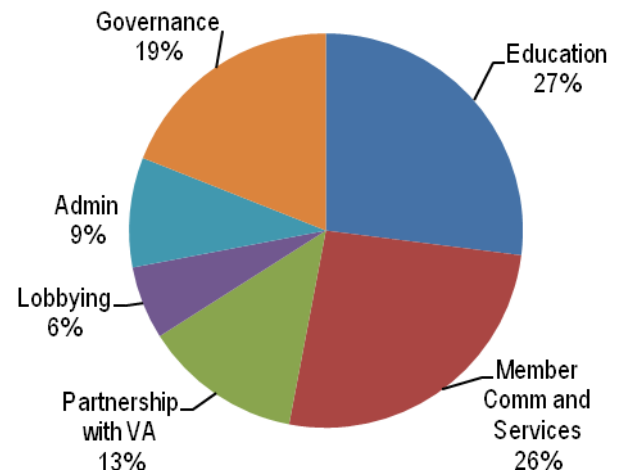


Expenses By Program

Program Allocations FY 2009



Program Allocations FY 2010



NAVREF Dues and Interest Income, Expenses, Reserve and Net Revenues/Expenses

