

NAVREF Suggestions for Fulfilling “NPC Evaluation Checklist” Items and Accommodating NPPO Site Visits

Baseline documents

Provide reviewers with a copy of your NPC’s:

- Articles of incorporation
- Bylaws
- Board meeting minutes for the last two years – for NAVREF guidance on minutes and samples see http://www.navref.org/bestpractices/gov_bod_meetings_minutes.htm

Additionally, it may be useful to have available a copy of your NPC’s most recent annual report to VA including:

- Excel worksheets
- Audit report [unless an audit was not required because 1) revenues were less than \$10,000; or 2) NPCs with revenues greater than \$10,000, but less than \$300,000, are required to undergo an audit only once every three years];
- Auditor’s Management letter if any; and
- IRS Form 990

Checklist Evaluation Items – Discussion and Documentation

A. Organization

A. 1. The medical center director has approved the members of the board of directors.

Discussion: Section 7363(a) of the NPC authorizing statute states, “The Secretary shall provide for the appointment of a board of directors by any corporation established under this subchapter.” This has been interpreted by the VA Office of General Counsel (OGC) to mean that the secretary of the Department of Veterans Affairs (delegated to the medical center director [MCD] serving on an NPC board) approves the membership of an NPC board of directors. Therefore, Handbook 1200.17, section 4. a. (2) *Appointments and Changes to the Board of Directors* states, “The Medical Center Director is authorized to approve all appointments to the Corporation’s Board of Directors serving that VA medical center and all changes to the membership of that board.”

Documentation: MCD approval may be documented in board meeting minutes by the MCD’s presence at board meetings during which the board votes on board member appointments. Alternatively, MCD approval may be documented by a separate memo from the MCD listing the current board members and stating that he/she has approved the membership of the board.

A. 2. The medical center director has concurred in the appointment of the executive director.

Discussion: Section 7363(b) of the NPC authorizing statute states, “Each such corporation shall have an executive director who shall be appointed by the board of directors with concurrence of the Under Secretary for Health of the Department.” Handbook 1200.17 section 4.c. *Executive Director* states, “Individual medical center Directors are authorized by the Under

Secretary for Health, pursuant to 38 U.S.C section 7363(b), to concur in the appointment of an Executive Director.”

Documentation: MCD concurrence may be documented in board meeting minutes by the MCD’s presence during the board meeting when the board voted on the appointment of the executive director. Alternatively, it may be documented by a separate memo from the MCD stating that he/she has concurred with the appointment of the executive director.

A. 3. Medical center director, chief of staff, associate chief of staff for R&D and/or associate chief of staff for education (or those with equivalent titles) are participating members of the board.

Discussion: The medical center director, chief of staff, associate chief of staff for R&D and/or associate chief of staff for education serve on NPC boards in their official VA capacities. Their presence during board meetings is an effective means to demonstrate that they are fulfilling their responsibilities as NPC board members.

Documentation: To summarize statutory VA directors’ board meeting attendance (in person or via speakerphone if allowable under the state’s corporation laws), an NPC may wish to create a table reflecting attendance during the last year or two. Alternatively, an NPC may highlight statutory VA directors’ presence at board meetings in the two years of minutes provided to reviewers among the “baseline” documents listed above.

Year 2008 Statutory VA Director Board Meeting Attendance	MCD	COS	ACOS/R	ACOS/E
October 28, 2008	√	√	√	√
January 30, 2009	√	√	√	
April 4, 2009	√		√	√
July 23, 2009		√	√	

A. 4. The composition of the board of directors is in compliance with 38 U.S.C. § 7363.

Discussion: Section 7363(a) of the NPC authorizing statute specifies that an NPC board shall include:

(a) VA employees at the medical center who hold the following positions, either by title or by exercise of equivalent responsibilities:

1. Director;
2. Chief of Staff (COS);
3. Associate Chief of Staff for Research and Development (ACOS/R), when an NPC administers research activities, and/or
4. Associate Chief of Staff for Education (ACOS/E), when an NPC administers education activities.

(b) At least two directors who are not officers or employees of the federal government and who are familiar with issues involving research or education, as appropriate for the activities of the NPC. These directors may not be NPC employees and may not have federal appointments (with or without compensation).

Documentation: An NPC may document compliance with the statutory composition of the board by creating a board roster as follows:

Board Position	Board Member Name
Medical Center Director	
Chief of Staff	
Associate Chief of Staff/Research	
Associate Chief of Staff/Education	
Statutory Non-Federal Director	
Statutory Non-Federal Director	

Alternatively, an NPC could refer reviewers to the page that lists board members in the NPC's most recent annual report to VA if there have been no changes since submission of the annual report.

A. 5. Board elections are conducted in accordance with the bylaws.

Discussion: Each NPC's bylaws should specify a process for appointing board members other than those holding *ex officio* or statutory VA positions (i.e., MCD, COS, ACOS/R and ACOS/E). To document compliance with the bylaws, board meeting minutes should document director nominations and appointments.

Documentation: For purposes of fulfilling the checklist requirement, an NPC may wish to provide a copy of board meeting minutes that detail a recent director appointment.

A. 6. NPC pays no compensation to statutory VA directors for their services as board members (i.e., Medical Center Director, Chief of Staff, ACOS/R and/or ACOS/E).

Discussion: Because statutory VA directors serve on NPC boards in their VA capacities, they may not accept NPC compensation for their services as board members. However, they may accept reimbursement for expenses incurred as a result of their board service, such as mileage for a board retreat or for a lunch meeting held to recruit a new director.

Nonprofits are required to report compensation paid to all current and former directors on IRS Form 990. Compliance with the prohibition on paying compensation to statutory VA directors may be verified by reviewing the applicable pages of these forms.

Documentation: To document compliance with this requirement, reviewers are likely to consult Part V-A (page 5) of the NPC's 2007 IRS Form 990 or Part VII (page 7) of the 2008 IRS Form 990. There should be no amounts reported in Part V-A, column C or D of the 2007 IRS Form 990 or in Part VII, column D of the 2008 IRS Form 990. For NPCs that complete the 2007 or 2008 IRS Form 990 EZ, Part IV would provide this information. Reviewers have ready access to the NPC's 990 so no additional documentation is required for this evaluation item though an NPC may wish to provide a copy of the applicable 990 page if assembling a binder.

B. Management

B. 1. NPC accepts VA-appropriated funds only when pursuant to reimbursement for an approved Intergovernmental Personnel Act (IPA) assignment.

Discussion: Section 7362(a) states, “any funds received by the Secretary for the conduct of research or education at the medical center, other than funds appropriated to the Department, may be transferred to and administered by the corporation for these purposes.” Handbook 1200.17 section 6. I. *Transfer of Funds*. states, “VA cannot transfer funds appropriated to VA to the Corporation. VA may transfer to the Corporation any other funds received by VA for the conduct of research or education and training.” Payments from VA to an NPC derived from VA-appropriated funds and pursuant to an approved IPA are allowable reimbursements under the IPA statute and applicable regulations. Therefore, IPAs are the only permissible instance when VA-appropriated funds may be paid to an NPC.

Documentation: Any payments from VA to an NPC derived from VA-appropriated funds should be supported by approved IPA documentation. An NPC may wish to provide a copy of its bank deposit records for the last month so that reviewers may verify that any receipts from VA derived from VA-appropriated funds are supported by IPA forms. If the NPC has no employees on IPA assignments, an NPC may wish to provide a statement to that effect.

B. 2. NPC undergoes an annual audit in accordance with 38 U.S.C. § 7366(b).

Discussion: Section 7366 (b) of the NPC authorizing statute requires that an NPC with revenues greater than \$300,000 during its last completed fiscal year must undergo an audit by an independent auditor. NPCs with revenues between \$10,000 and \$300,000 must undergo an audit at least once every three years. NPCs with revenues less than \$10,000 have no audit requirement.

The audit standards applied (Generally Accepted Audit Standards (GAAS); Generally Accepted Government Audit Standards (GAGAS); or OMB Circular A-133) depend on grant requirements or the NPC’s federal expenditures.

Type of Audit	Determinant
OMB Circular A-133	Required when federal expenditures are equal to or greater than \$500,000
GAGAS	When required by a federal grant or contract
GAAS	When neither of the above applies

Documentation: The first page of the independent auditor’s report provided in the NPC’s annual report to VA should provide the date of the audit and the type so for those NPCs that underwent an audit, no additional documentation is necessary for this checklist item. NPCs with revenues between \$10,000 and \$300,000 may wish to create a table stating fiscal year revenues and whether an audit was performed.

Form 990 Year	Revenues (990 Line 12 or EZ Line 9)	Audit Required?	Audit Performed?
2005	\$42,000	No	No
2006	\$167,00	No	No
2007	\$58,000	Yes	Yes
2008	\$24,000	No	No

B. 3. NPC provides a copy of the independent auditor’s report to the Fiscal Officer(s) at the VA medical center(s) served by the NPC.

Discussion: The VHA Fiscal Office requires each NPC to provide a copy of their audit report to the facility’s fiscal officer.

Documentation: To document compliance, send the audit report to the fiscal officer using a verifiable delivery mechanism (certified mail with a return receipt or Fed Ex) or if delivered in person, ask the fiscal officer to sign a receipt. Provide to the reviewers a copy of the delivery receipt as documentation.

B. 4. All officers, directors and employees have certified understanding of and compliance with federal statutes and regulations regarding conflicts of interest as described at 38 U.S.C. § 7366(c)(1).

Discussion: Section 7366(c)(2) of the NPC authorizing statute states, “Each corporation established under this subchapter shall each year submit to the Secretary a statement signed by the executive director of the corporation verifying that each director and employee has certified awareness of the laws and regulations in the same manner as Federal employees are required to so certify.” A sample certification statement is provided in Appendix D of Handbook 1200.17.

Documentation: An NPC may document compliance with this requirement by providing reviewers with a list of NPC officers, directors and employees and a copy of each individual’s signed certification. An NPC with more than ten employees may prefer to provide reviewers with a list of officers, directors and employees and should expect that reviewers may ask to see the signed certifications for a random sampling.

B. 5. NPC has obtained exemption from state taxes, if applicable.

Discussion: Some states exempt nonprofit organizations from various state taxes.

Documentation: To document compliance with this requirement, provide a copy of the NPC’s state tax exemption. If not applicable, an NPC may wish to provide a statement saying that the state does not exempt nonprofits from state taxes.

B. 6. If applicable, the board has approved management’s corrective plan to address material weaknesses identified in their auditor’s letter to management.

Discussion: If an auditor identifies material weaknesses during an audit, they will be detailed in the auditor’s letter to management. It is incumbent on NPC staff members to discuss each weakness with the auditor to be sure they understand the basis for the finding and the corrective action(s) necessary to cure it or to provide a reasonable accommodation. Then staff members should draft a statement of the steps they will take to implement the corrective action or reasonable accommodation. This plan should be reviewed and approved by the board at the earliest possible opportunity.

Documentation: To document compliance with this requirement, an NPC should provide a copy of its plan for corrective action and a copy of board meeting minutes indicating approval.

B. 7. NPC provides investigators with financial reports of their active projects at least quarterly, including income and expenditures. Annually for dormant accounts.

Discussion: NPCs should provide investigators with regular reports on the revenues received and expenditures made by the NPC on behalf of each of their research projects. This informs investigators of the account activity and balances, allows them to better plan their work and provides a useful internal control.

Documentation: To document compliance with this requirement, an NPC may wish to provide a copy of a recent financial report provided to an investigator. NPCs should anticipate that reviewers may wish to see additional reports. This item is not applicable to NPCs that support only education activities.

B. 8. NPC sends donor acknowledgement letters reflecting the purpose and conditions of gifts.

Discussion: Handbook 1200.17 section 7. A. *Documenting Donations*. states “The Corporation must document acceptance of donations.” NPCs should document acceptance of donations not otherwise accounted for; e.g., revenues supported by a grant, contract or other agreement do not require a separate donor acknowledgement. Donation documentation should include a copy of the written acknowledgement sent to the donor in accordance with IRS rules that currently require acknowledgement of donations equal to or greater than \$250. The acknowledgement should also contain a statement setting out the nature and conditions of the donation, if any.

Documentation: To document compliance, an NPC may wish to provide a copy of one donation acknowledgement letter sent during the previous year, but should expect that reviewers may ask for additional examples. If the NPC has not received any donations during the last year, it may provide a statement to that effect.

B. 9. Each purchase is justified by its relation to VA research or education or NPC business operations. The justification is documented except when the expenditure is obviously related to research or education, or NPC business operations.

Discussion: Section 7362 of the NPC authorizing statute states, “Any corporation established under this subchapter shall be established solely to facilitate research as described in section 7303(a) of this title and education and training as described in sections 7302, 7471, 8154 and 1701(6)(B) of this title . . .” Therefore, NPC expenditures must be related to VA research or education, or sustain the NPC’s own business operations. Purchases obviously related to research (such as laboratory supplies), education or NPC business do not require additional justification. However, documentation for other expenditures, such as travel, should include an explicit statement justifying how the expenditure is related to VA research or education.

Documentation: To comply with this requirement, an NPC may provide copies of the supporting documentation, including the research or education justification, for three recent purchases that are not obviously related to VA research or education. An NPC should expect that reviewers may wish to conduct a random review of documentation for other recent purchases.

B. 10. NPC retains a copy of each completed contract and agreement signed by the NPC.

Discussion: When an NPC is a signatory on a contract or other form of agreement, it is legally responsible for compliance with the terms. Therefore, the NPC should retain copies in a readily accessible location for the duration of the agreement.

Documentation: To comply with this requirement, an NPC may wish to provide a printout from VA's Promise database that lists active NPC-administered projects and should expect that reviewers may ask the NPC to pull from its files a random selection of contracts and agreements identified on the Promise printout.

B. 11. NPC pays for professional licenses only for NPC employees (no VA employees).

Discussion: Handbook 1200.17 section 7. h. *Licensing*. states, "NPCs may not pay for professional licenses for VA employees." However, an NPC may pay for licenses for individuals who work exclusively for the NPC if the license is related to supporting VA's research or education missions.

Documentation: To comply with this requirement, an NPC may wish to compile a list of individuals for whom it paid licensing fees during the last three to six months, indicating whether the individual is employed by VA, the NPC or both. NPCs should expect that reviewers may wish to verify that no VA-salaried employees' names appear on the list. If the NPC has not paid for any licenses during the last year, it may wish to provide a statement to that effect.

B. 12. NPC pays for publications and subscriptions only if they facilitate VA's research and/or education missions or are related to NPC business purposes.

Discussion: Handbook 1200.17 section 7. f. *Publications*. States, "Corporation funds may be used to pay for publications that facilitate the interests of VA's research and education missions." This includes scientific journals, medical texts, etc.

Documentation: To demonstrate compliance with this requirement, an NPC may wish to provide supporting documentation for three publication purchases made during the last year. If an NPC has not purchased any publications during the last year, it may wish to provide a statement to that effect.

B. 13. NPC pays for professional memberships when justified by access to a research-related subscription or reduced registration fee for a scientific conference as supported by a cost/benefit analysis, or for NPC business purposes.

Discussion: Handbook 1200.17 section 7. e. *Professional Memberships* states, "NPC funds may be used to pay for corporate membership in professional organizations." In addition to corporate memberships, an NPC may pay for individual memberships when the non-member cost of subscribing to the society's scientific journal and business prudence justify such a membership. For additional guidance, see:

http://www.navref.org/library/Subscriptions_and_Dues.htm

Documentation: To comply with this requirement, an NPC may wish to provide copies of supporting documentation for three professional memberships it has paid for during the previous year. If an NPC has not paid for any professional memberships during the last year, it may wish to provide a statement to that effect.

B. 14. Corporation has an MOU with the VAMC regarding reimbursing the medical services appropriation for clinical services provided purely for research purposes.

Discussion: Organizations are required to reimburse VA for clinical services provided purely for research purposes; that is, services such as blood tests and x-rays that would not normally be provided by VA when caring for a veteran with a particular condition. For example, standard care for a veteran's condition may require the patient to have one blood test every six months. If that veteran is enrolled in a clinical study that requires the blood test every three months, the NPC should reimburse VA for the extra blood test. Additionally, VA must be reimbursed for all clinical services for non-veteran research subjects. For additional guidance and a sample policy, go to http://www.navref.org/development/Annual_Conf_2006/M-Reimbursing_VA_Handouts.pdf

Documentation: To demonstrate compliance with this requirement, an NPC should provide a copy of the MOU it has executed with the VAMC to establish policies and procedures for reimbursement.

C. Operations

C. 1. NPC ensures that sensitive data and programs are removed before disposal of NPC equipment.

Discussion: NPCs must ensure that NPC-owned equipment - laptops and other computer equipment - is wiped clean of any sensitive data and programs before disposal. Generally, such NPC equipment may be turned over to the VAMC office or individual responsible for scrubbing and/or disposing of equipment in accordance with VA requirements. An NPC should have a policy or procedure stating how it ensures that sensitive data and programs are removed before disposal of NPC-owned equipment.

Documentation: An NPC may document compliance with this requirement by providing a copy of its policy or procedure. If an NPC donates equipment to VA immediately upon purchase/receipt, it may provide a copy of its donation policy.

C. 2. NPC employees who directly engage in VA-approved research projects or education activities have VA WOC appointments.

Discussion: Handbook 1200.17 section 4. d. *Employees.* (2) states, "All Corporation employees, including VA employees who work for the corporation during their non-VA duty hours, who are assigned to VA to work on research projects or education activities must have a WOC appointment regardless of whether they receive a corporate salary."

Documentation: To demonstrate compliance with this requirement, an NPC may wish to compile a list of NPC employees who work on VA research and education and who have VA WOC appointments. An NPC should expect that reviewers may want to verify that WOC paperwork is on file for a random sampling of these employees. An NPC with no employees working on VA research or education may wish to provide a statement to that effect.

C. 3. VA employees performing work on NPC projects during their non-VA duty hours have WOC appointments.

Discussion: VA employees who also work part time for an NPC and who are directly engaged in VA research or education must have VA WOC appointments for the time outside of their VA duty hours that they spend working on NPC-administered studies. For additional discussion of WOC appointments, see http://www.navref.org/bestpractices/hr_compliance_bwoc.htm. Joint VA/NPC employment is allowed, but NPCs are encouraged to reimburse VA for time spent on NPC-administered studies rather than hiring VA employees directly. For additional discussion of hiring VA employees, see http://www.navref.org/bestpractices/hr_compliance_joint.htm.

Documentation: To demonstrate compliance with this requirement, an NPC may wish to compile a list of NPC employees who are also VA employees and who work on VA research and education during their non-VA duty hours. An NPC should expect that reviewers may wish to verify that WOC paperwork is on file for these joint VA/NPC employees. If an NPC has no jointly appointed VA/NPC employees, it may wish to provide a statement to that effect.

C. 4. Time cards for joint VA/NPC employees reflect that VA employees perform NPC-paid work only during non-VA duty hours.

Discussion: 5 U.S.C. § 209 prohibits federal employees from accepting compensation for performing their official duties from any source other than the federal government. As a result, any NPC-compensated work performed by a VA employee must be conducted outside of their VA duty hours. For additional discussion, see http://www.navref.org/bestpractices/hr_compliance_joint.htm

Documentation: To document compliance with this requirement, an NPC may wish to provide a copy of a time sheet for a jointly appointed VA/NPC employee. NPCs should expect that reviewers may request copies of timesheets for additional joint VA/NPC employees and may compare their NPC-compensated hours with VA time-keeping records. If the NPC has no jointly appointed NPC/VA employees, it may wish to provide a statement to that effect.

C. 5. NPC employees placed on IPA appointments are hired by the NPC a minimum of 90 days prior to the IPA appointment.

Discussion: The Intergovernmental Personnel Act (5 U.S.C. §§ 3371-3375 and 5 C.F.R. part 334) requires that individuals placed on IPA assignments must be employees of the sponsoring organization for at least 90 days before initiating the IPA appointment.

Documentation: To demonstrate compliance with this requirement, an NPC may wish to compile a table listing employees on active IPAs, their NPC employment start date and the start date of their IPA appointment.

NPC Employee	NPC Employment Start Date	IPA Start Date
Mary Jones	April 1, 2007	September 15, 2009

An NPC should expect that reviewers may wish to compare NPC employment start date records with IPA paperwork. If an NPC has no employees on IPA assignments to VA, it may wish to provide a statement to that effect.

C. 6. NPC has an IRS accountable plan for travel reimbursements.

Discussion: To ensure that travel reimbursements are reasonable and that they do not result in taxable income to the traveler or provide a personal benefit, an NPC should have in place an IRS accountable plan for travel reimbursements. For additional guidance, go to: http://www.navref.org/library/fund_automatic_travel_reimbursement.htm and http://www.navref.org/library/Travel_Policy.htm An NPC should have a travel policy that complies with the IRS requirements and justifies that the travel is related to VA research or education, or to NPC business purposes.

Documentation: To demonstrate compliance with this requirement, an NPC may wish to provide a copy of its travel reimbursement policy and copies of a three recent travel reimbursements with the supporting documentation for each. An NPC should expect that reviewers may wish to conduct a random review of other travel reimbursement documentation.

C. 7. NPC-administered research projects and education activities undergo formal VA R&D Committee or VA Education Committee review and approval.

Discussion: Section 7364(b) of the NPC authorizing statute states, “A corporation established under this subchapter may not spend funds for a research project unless the project is approved in accordance with procedures prescribed by the Under Secretary for Health for research carried out with Department funds.” VA procedures require approval of all VA research projects – including NPC-administered projects - by the subcommittees of the facility’s R&D Committee. The facility ACOS/R - or for smaller programs, the research coordinator - signs the final approval.

Section 7364(c)(1) states, “A corporation established under this subchapter may not spend funds for an education activity unless the activity is approved in accordance with procedures prescribed by the Under Secretary for Health.” See *VHA Handbook 1200.1 Research and Development Committee* (http://www1.va.gov/vhapublications/ViewPublication.asp?pub_ID=2038) for the applicable VA procedures. In order for an NPC to spend funds for education activities, the affiliated VAMC must have an Education Committee. 38 U.S.C. § 7362(b) establishes the criteria the Education Committee must apply when considering NPC education activities. Types of education and training activities that may be approved are:

- (a) Patient related activities. Education activities for veterans, their families and guardians, that provide instruction or other learning experiences related to improving or maintaining the health of veterans.
- (b) Work-related experiences for employees designed to:
 - 1. Improve performance of current duties;
 - 2. Assist employees in maintaining or gaining specialized competencies and proficiencies; or
 - 3. Expand understanding of advances or changes in patient care, technology, or health care administration.

Documentation: To document compliance with this requirement in regard to research projects, an NPC could provide a list of its active research projects and a printout from VA’s Promise database that lists approved, NPC-administered research projects. Reviewers may then wish to verify that all active projects are listed on the Promise printout. Alternatively, an NPC could provide copies of approvals signed by the ACOS/R for all active NPC projects.

For education activities, an NPC may wish to provide copies of approvals by the Education Committee for its active education activities or if there are a large number of these, for those approved during the last three months. An NPC should expect that reviewers may wish to conduct a random review of additional approval documentation.

C. 8. Executive director secures evidence of R&D or Education Committee approval of the research project or education activity before expending funds.

Discussion: See above. In addition to securing the approvals discussed above, an NPC may not expend funds for a research project or and education activity until it has been VA-approved.

Documentation: There is no one-fits-all way to document compliance with this requirement. It is possible that reviewers may wish to compare research project and education activity approval dates with NPC accounting records.

C. 9. Designated NPC representative(s) – not principal investigators – sign research or education agreements on behalf of the NPC.

Discussion: Only persons designated by the board of directors or in delegations approved by the board may sign legal agreements on behalf of the NPC. Signatories are likely to be NPC officers (chair, president, treasurer, executive director) and senior NPC administrative staff. However, an approved NPC signatory who is also a PI should not sign agreements for their own projects.

Documentation: To demonstrate compliance with this requirement, an NPC may wish to provide a statement, a policy or related governance documents (i.e., bylaws or a board resolution), identifying those individuals who have been given authority to execute legal documents on behalf of the NPC. An NPC should expect that reviewers may wish to conduct a random check of signatories on NPC research and education agreements.

C. 10. NPC has a policy governing transfers of residual funds.

Discussion: NPC funds are accepted to support VA research or education. IRS rules allow a 501(c)(3) organization to transfer funds only to another 501(c)(3) or to a governmental organization with a similar purpose. Therefore, NPCs may transfer funds only to another VA entity or to another NPC. Further, all NPC assets belong to the NPC and are subject to the control of the board of directors. Therefore, an NPC board has full discretion to determine whether to allow any transfers of funds or equipment. For additional discussion of residuals and transfers, see http://www.navref.org/library/Transfer_Policy.htm

Documentation: To comply with this requirement, an NPC should provide a copy of its board-approved policy describing how residual funds will be handled if an investigator stops conducting research, moves to another VAMC or leaves VA entirely.

C. 11. Transfers of active projects and the associated funds and equipment are subject to funder approval.

Discussion: An institution that receives a grant or contract is legally responsible for compliance with the terms and conditions of the grant or contract. Additionally, the sponsoring organization (“funder”) specifically approves 1) the principal investigator; and 2) the recipient

institution. Therefore, if circumstances change, the funder must approve the transfer of scientific responsibility from one investigator to another qualified investigator; and/or the funder must approve the transfer of legal responsibility from one organization to another when an investigator stops conducting research or relocates.

Documentation: To comply with this requirement, an NPC may wish to provide reviewers with a copy of one funder's approval to transfer an active project during the last year. If no active projects have been transferred during the previous year, an NPC may wish to provide a statement to that effect.