

 **Veterans  
Administration**

**APR 4 1990**

# Memorandum

**From:** Assistant General Counsel (023)

**Subject:** Sharing Agreements Between VA Medical Centers and Research Corporations

**To:** Sharing Staff (10B/EMS)

1. We recently reviewed two proposed sharing agreements between VA medical centers and nonprofit research corporations established under 38 U.S.C. § 4151. One agreement was between the Albuquerque Medical Center and the Biomedical Research Institute, and the other was between the San Antonio Medical Center and the Biomedical Research Foundation of South Texas. As we have advised previously, and for the reasons discussed below, we are unable to concur in either agreement. However, the medical centers in question can use another mechanism to accomplish the objectives they sought to achieve through the sharing agreements.

2. In each of the proposed sharing agreements, the medical center was seeking to account for certain expenditures associated with research funded through a VA established research corporation. However, the research corporations are not hospitals or other medical installations of the type with which VA can enter into a sharing arrangement, and such agreements are not appropriate vehicles for documenting the relationship between a research corporation and a medical center when the center is receiving funding support through the latter. 38 U.S.C. § 5053(a). Sharing agreements were apparently used because each medical center wished to retain amounts collected at the medical center, and such agreements were the only mechanism they were aware of to accomplish that purpose.

3. We have discussed the question of how best to achieve that purpose with officials of the research service in VHS&RA, the Director of Budget Administration for VHS&RA, and the Associate Director for Accounting Management (047G). As discussed at that time, we see no objection to the development and use of a memorandum of understanding (MOU) between the research corporation and the medical center to provide the requisite documentation for fiscal purposes. However, all funds collected under the MOU would, for accounting purposes, have to be returned to the general appropriation from which the resources furnished by VA were paid from. The individual medical centers could then be reimbursed through the appropriation reimbursement process outlined in VA Manual MP-4, Part V, Chapter 2, paragraph 2D.02.

2.

**Sharing Staff (10B/EMS)**

4. Research officials in Central Office are now preparing a VHSERA Circular with procedures regarding how to enter into MOUs and how to seek appropriations reimbursements. A model MOU will also be attached. For further information, officials at the Albuquerque and San Antonio Medical Centers may contact Dennis Roth in the Central Office Research Service at FTS 373-2618.

**Audley Hendricks**

cc: Dennis E. Roth (15B)

RRROBINSON:rrs:3/27/90 023B 023 (0475A) (0291005034)  
(0700110006)

FROM: Assistant General Counsel

SUBJECT: Sharing Agreements Between VA Medical Centers and Research Corporations

TO: Sharing Staff (10B/EMS)

1. We recently reviewed two proposed sharing agreements between VA medical centers and nonprofit research corporations established under 38 U.S.C. § 4161. One agreement was between the Albuquerque Medical Center and the Biomedical Research Institute, and the other was between the San Antonio Medical Center and the Biomedical Research Foundation of South Texas. As we have advised previously, and for the reasons discussed below, we are unable to concur in either agreement. However, the medical centers in question can use another mechanism to accomplish the objectives they sought to achieve through the sharing agreements.
2. In each of the proposed sharing agreements, the medical center was seeking to account for certain expenditures associated with research funded through a VA established research corporation. However, the research corporations are not hospitals or other medical institutions of the type with which VA can enter into a sharing arrangement, and such agreements are not appropriate vehicles for documenting the relationship between a research corporation and a medical center when the center is receiving funding support through the latter. 38 U.S.C. § 5053(a). Sharing agreements were apparently used because each medical center, and such agreements were the only mechanisms they were aware of to accomplish that purpose.
3. We have discussed the question of how best to achieve that purpose with officials of the research service in VHS & RA, the Director of Budget Administration for VES & RA, and the Associate Director for Accounting Management (047G). As discussed, at that time, we see no objection to the development and use of a memorandum of understanding (MOU) between the research corporation and the medical center to provide the requisite documentation for fiscal purposes. However, all funds collected under the MOU would, for accounting purposes, have to be returned to the general appropriation from which the resources furnished by VA were paid from. The individual medical centers could then be reimbursed through the appropriation reimbursement process outlined in VA Manual MP-4, Part V, Chapter 2, paragraph 2D.02.
4. Research officials in Central Office are now preparing a VHS & RA Circular with procedures regarding how to enter into MOUs and how to seek appropriations reimbursements. A model MOU will also be attached. For further information, officials at the Albuquerque and San Antonio Medical Centers may contact Dennis Roth in the Central Office Research Service at FTS 373-2618.

Audley Hendricks

MEMORANDUM OF UNDERSTANDING

BETWEEN

THE DEPARTMENT OF VETERANS AFFAIRS MEDICAL CENTER (City, State)

AND

(name of research corporation)

1. The (name of research corporation) is a nonprofit corporation established under the authority of section 4161 of title 38, United States Code, to further the conduct of research at the VA Medical Center, (City, State).

2. The purpose of this memorandum of understanding is to facilitate the transfer of funds from the (name of research corporation) to the VA Medical Center, (City, State).

3. VA resources described in paragraph four may be used in the conduct of a research project entitled (name of research project), to be funded by the (name of research corporation). For accounting purposes, the VA Medical Center, (City, State) shall bill the (name of research corporation) (monthly/quarterly) for the value of the resources as if VA actually furnished the resources to (name of research corporation).

4. (list VA resources to be used in the conduct of the research project and the value of the resources)

5. This memorandum of understanding is effective until terminated by either party on 30 days written notice.

6. Authority for this memorandum of understanding is 38 U.S.C. Chapter 73, Subchapter VI.

7. Signatures.

VA Medical Center Director

Date

(Executive Director of research corporation)

Date

(0464A)

MEMORANDUM OF UNDERSTANDING

BETWEEN

THE DEPARTMENT OF VETERANS AFFAIRS MEDICAL CENTER (City, State)

AND

(name of research corporation)

1. The (name of research corporation) is a nonprofit corporation established under the authority of section 4161 of Title 38, United States Code, to further the conduct of research at the VA Medical Center, (City, State).
2. The purpose of this memorandum of understanding is to facilitate the transfer of funds from the (name of research corporation) to the VA Medical Center, (City, State).
3. VA resources described in paragraph four may be used in the conduct of a research project entitled (name of research project), to be funded by the (name of research corporation). For accounting purposes, the VA Medical Center, (City, State) shall bill the (name of research corporation).
4. (List VA resources to be used in the conduct of the research project and the value of the resources).
5. This memorandum of understanding is effective until terminated by either party on 30 days written notice.
6. Authority for this memorandum of understanding is 38 U.S.C. Chapter 73, Subchapter VI.
7. Signatures.

\_\_\_\_\_  
VA Medical Center Director

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Date

\_\_\_\_\_  
(Executive Director of research corporation)

\_\_\_\_\_  
Date