The following standards are offered to VA-affiliated nonprofit research and education foundations established under 38 USC 7361-7366 as a means to assess four main areas of typical NPC operations: programs, governance, finances and selected management topics. Along with items required in IRS guidance, under the NPC authorizing statute, VA policy reflected in VHA Handbook 1200.17 and occasional VHA policy memos, or required by other oversight or regulatory organizations, this tool offers additional standards that reflect a higher, but not required, level of competence. NAVREF encourages NPCs to use this tool to ensure compliance with minimum requirements, but also to set goals and timelines to achieve standards identified as “reach goals.”

**Notes:**

Only selected elements of Handbook 1200.17 have been incorporated in this self-assessment tool. NPCs are responsible for becoming familiar with the handbook.

Research supported by NPCs is subject to VA regulation and oversight and the requirements of private and non-VA federal funding agencies. **This self-assessment tool is not intended to assess compliance with rules applicable to the conduct of research or state-specific requirements.**

**Key:**

S = Required by the NPC authorizing statute 38 USC 7361-7366 Minimum standards; “yes” responses indicate

M = Mandatory requirements of regulatory or oversight organizations other than VA H = Required in Handbook 1200.17 or other VHA policy

the NPC “meets” the standard

EP = Expected practice; not specifically mandated, but generally expected of nonprofits Reach goals; one or more “yes” responses

BP = Best practice; reach goals recommended, but not specifically mandated under state or federal statutes or regulations

\* = Management areas subject to particular scrutiny

indicate the NPC “exceeds” the standards

**I. Mission and Programs**

Each VA-affiliated nonprofit research and education corporation (NPC) should have a well-defined mission consistent with the authorities and purposes established under the NPC

authorizing statute, Title 38, Subchapter IV, Sections 7361-7366. All programs supported by the NPC must be consistent with that mission.

**A. Mission**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  |  | **Standard** | **Checklist** | **Documentation** |
| 1 | S | Research and education programs supported by the NPC are consistent with the NPC’s purpose and its authority to support **VA research and education** under 38 USC 7361-7366. | Yes or No | Minutes and expenditure documentation |
| 2 | EP | NPC has a board-approved mission statement consistent with its statutory authorities and its tax exempt purposes. | Yes or No | Mission statement |
| 3 | BP | The board reviews the mission statement regularly. The suggested review period is every three years. | Date of last review: | Minutes or dated bylaws |
| 4 | BP | The board establishes and periodically reviews short term and long term goals for the NPC. | Date of last review: | Minutes |

**B. Program Evaluation**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  |  | **Standard** | **Checklist** | **Documentation** |
| 1 | S | \* Except for reasonable and usual preliminary costs for project planning before its approval, NPC does not spend funds for a research project unless the project has been approved by the VAMC R&D Committee. | Yes or No | Project file |
| 2 | S | \* Except for reasonable and usual preliminary costs for activity planning before its approval, NPC does not spend funds on an education or training activity unless the activity has been approved by the VAMC  Education Committee. | Yes or No | Activity file |
| 3 | M | NPC programs reported/described on IRS Form 990 and the annual report to VA are consistent with the  NPC’s mission and tax exempt purposes. | Yes or No | IRS Form 990 and schedules; Annual report to VA |
| 4 | BP | Research-related NPC programs such as seed grants, development funding, recruitment, etc., are evaluated by the board for consistency with the NPC’s mission and value in supporting VA research. | NA or Yes or No | Minutes |
| 5 | BP | The board periodically evaluates its support for non-research related education activities for consistency with the NPC’s mission and to ensure that they benefit VA employees and/or patients and their families. | Yes or No | Minutes |
| 6 | BP | The board engages in ongoing planning activities to define specific goals related to its mission, and to evaluate the success of its programs toward achieving that mission. | Yes or No | Minutes |
| 7 | BP | NPC assesses the satisfaction of principal investigators and other personnel whose research and education programs are served by the NPC. | Date of last assessment: | PI survey, annual membership meeting or other means for  feedback |

**II. Governance**

An NPC must have a board of directors that meets the requirements of 38 USC 7363. The board should provide effective governance of the NPC including overseeing compliance with its mission and finances, approving management policies and procedures, and ensuring adequate human and financial resources.

1. **Board Responsibilities**

|  |  | **Standard** | **Checklist** | **Documentation** |
| --- | --- | --- | --- | --- |
| 1 | S | The board has appointed the executive director. | Yes or No | Minutes or separate memorandum |
| 2 | S | The medical center director has concurred in the appointment of the executive director. | Date of concurrence: | Minutes or separate memorandum |
| 3 | M | The reasonableness of the executive director’s pay and benefits is documented in accordance with IRS requirements regarding executive compensation. Note: NPC Executive Director Compensation Benchmarking report is available from NAVREF on request. | Date: | IRS checklist and/or minutes |
| 4 | M | Board meeting minutes:   Indicate date and time the meeting begins and ends   List attendees   State agenda items   Provide a brief summary of deliberations sufficient to demonstrate due diligence   State decisions of the board   Are approved by the board and signed by the secretary   Are maintained in a readily accessible minutes book | Yes or No Yes or No Yes or No Yes or No Yes or No Yes or No Yes or No | Minutes |
| 5 | EP | The board reviews the bylaws every three to five years and updates them as needed. | Date of last review/update | Minutes |
| 6 | EP | Annually, the board approves an operational budget for the NPC. | Yes or No | Minutes |
| 7 | EP | The board has reviewed and approved financial policies for the organization. | Date of most recent approval: | Minutes |
| 8 | EP | The board has reviewed and approved personnel policies for employees. | Date of approval: | Minutes |
| 9 | EP | The board reviews NPC insurance coverages annually. See section B, items 4 and 5 for a list of possible coverages.  Such review ensures that:   The limits are adequate; and   The NPC has insurance coverage appropriate for its activities. | Date of last review:  Yes or No  Yes or No | Minutes |
| 10 | EP | The board (or the Audit Committee) has identified the independent auditor, reviewed the audited financial statements and received communications from the auditor regarding internal controls, fraud, etc. | NA or Yes or No | Board minutes; audit committee minutes |
| 11 | EP | The board has approved management’s corrective plan to address material weaknesses and significant deficiencies identified in the independent auditor’s report or letter to management. | NA or Yes or No | Minutes |
| 12 | EP | The board provides financial oversight including:   The board approves the selection of the audit/accounting firm   The board (or designated Audit Committee) meets with the auditor independently from staff   Reviewing:  ▫ the audit report and management letter (if any)  ▫ IRS Form 990 and schedules  ▫ internal financial statements  ▫ internal controls | Yes or No  Yes or No  Yes or No Yes or No Yes or No Yes or No | Minutes |
| 13 | BP | Board supervision of the executive director includes:   A board-approved position description for the executive director   An approved employment agreement (contract or letter) with the executive director   Approving an annual performance evaluation and compensation review for the executive director. | Yes or No  Yes or No Date of last review: | Position description  Agreement  Minutes |

**B. Board Composition**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  |  | **Standard** | **Checklist** | **Documentation** |
| 1 | S | \*The composition of the board meets the requirements established in 38 USC 7363. | Yes or No | Board roster |
| 2 | M | The composition of the board is consistent with the NPC’s bylaws and state regulations regarding board make up and appointment of officers. | Yes or No | Bylaws and roster |

**C. Board Conduct**

|  |  | **Standard** | **Checklist** | **Documentation** |
| --- | --- | --- | --- | --- |
| 1 | M | If the board has VA employees among its members in addition to those required to serve on the board by the  NPC statute (MCD, COS, ACOS/R and ACOS/E):   Board meetings are held outside of normal VA duty hours; or   Such non-statutory VA members have an irregular tour of duty to accommodate meetings held during their normal VA tour of duty. | NA or Yes or No  NA or Yes or No | Minutes or leave certification |
| 2 | H | No compensation is paid to a statutory VA member of the board for services as a board member (i.e., MCD, COS, ACOS/R and/or ACOS/E). | Yes or No | Bylaws |
| 3 | M | The board meets in accordance with the bylaws and as frequently as needed to conduct the business of the organization. | Yes or No | Minutes |
| 4 | EP | Board members prepare for meetings in advance by reviewing the agenda and supporting documentation. | Yes or No | Board self-evaluation |
| 5 | BP | Board members regularly undergo governance training. | Yes or No | Minutes, training roster or certificate of attendance |
| 6 | BP | The board has written expectations of board members and other board policies. | Yes or No | Board policies or minutes |
| 7 | BP | The board has an orientation process for new members. | Yes or No | Board policies |
| 8 | BP | The board conducts an annual evaluation of its own performance. | Date of self-evaluation: | Minutes or copy of last evaluation |
| 9 | BP | The board has a code of conduct. | Yes or No | Code |

**D. Conflicts of Interest**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  |  | | | **Standard** | **Checklist** | **Documentation** |
| 1 | S | | | NPC has adopted a written, board-approved NPC conflict of interest policy | Yes or No  Date of board approval: | Policy  Minutes |
| 2 | | H | The NPC conflict of interest policy:   Describes when a conflict may occur.   Requires training for directors, officers and employees within 90 days of hire or affiliation.   Requires annual refresher training for directors and officers and for employees with decision making authority (key employees).   Requires directors, officers and key employees (at a minimum) to disclose potential conflicts of interest.   * Requires directors, officers and employees to sign a statement acknowledging understanding of the policy and agreement to comply with it. * Includes a process for identifying and managing conflicts of interest. | | Yes or No  Yes or No  Yes or No  Yes or No  Yes or No  Yes or No | Policy |
| 3 | | H | All officers, directors and employees have certified understanding of and compliance with the NPC conflict of interest policy. | | Yes or No | Signed certifications |
| 4 | | H | Annually in the June 1 NPC annual report to VA, the executive director certifies that each NPC director, officer and employee has:  (1) Been trained about the conflict of interest policy;  (2) Acknowledged understanding of the policy and agreed to comply it; and  (3) Submitted a conflict of interest disclosure form as appropriate for the NPC’s policy. | | Yes or No | Executive director verification |

**III. Human Resources**

Managing employees imposes a heavy burden on NPCs. Managing employees well requires high level skills and can contribute significantly to high morale and productivity. Managing employees poorly exposes the organization to legal suits and penalties. Any NPC that has employees should have policies that establish clear expectations for their work and workplace behavior. NPC HR staff must be qualified to ensure compliance with federal, state and local requirements. Although NAVREF discourages NPCs from hiring VA employees, those that choose to do so must exercise particular diligence to avoid violations of federal ethics regulations.

**A. Human Resource Management**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  |  | **Standard** | **Checklist** | **Documentation** |
| 1 | S | \*To be afforded FTCA protection in the same manner as VA-salaried employees, NPC employees engaged in VA research or education:   Have a VA appointment; this may be a without compensation (WOC) appointment or an approved  assignment under the Intergovernmental Personal Act (IPA).   Work within the scope of government work (VA-approved research or education); and   Work under the supervision of a VA employee. | Yes or No Yes or No Yes or No | WOC or IPA documentation  PD or duty assignment records  Time sheets |
| 2 | M | \*NPC exercises particular diligence in managing joint VA/NPC employees including establishing NPC policy describing the terms and conditions for hiring VA employees. Such policy requires:   Certification that the NPC-paid work is different from their official VA duties by comparing VA and NPC job  descriptions (obtaining a VA attorney opinion as needed);   Use of timesheets to verify that NPC-paid work is performed outside of official VA duty hours. | Yes or No  Yes or No  Yes or No | Policy  Position descriptions or opinion  Time sheets |
| 3 | M | Human resource management policies and practices meet the minimum federal and state requirements appropriate for the number of NPC employees and the NPC’s activities. | Date of last review: | Review by labor attorney or qualified HR manager |
| 4 | M | NPC withholds taxes for individuals who qualify as “employees” under IRS guidelines for determining employment v. independent contractor/consultant status. | Yes or No | Contract or statement of work |
| 5 | M | NPC administrative employees have VA affiliate appointments. (Mandatory when affiliate badges are phased in by VAMC.) | Yes or No | Appointment documentation |
| 6 | H | NPC employees directly engaged in research are credentialed by VA. | Yes or No | Employee record, training roster, or other NPC or VA  documentation |
| 7 | EP | NPC has on file a letter of employment, a contract or other engagement documentation for each employee. The letter establishes:   Duties and responsibilities   At-will employment or in the case of a contract, termination terms   Exempt or non-exempt status for FLSA/overtime purposes   Eligibility for benefits | Yes or No  Yes or No Yes or No Yes or No Yes or No | Employment letters, contracts or other employment  documentation |
| 8 | EP | NPC management employees undergo continuing education in nonprofit management and skills appropriate for management of NPC activities (such as accounting, HR management, federal funds management, etc.). | Yes or No | Attendance documentation |
| 9 | BP | If NPC administers federal funds, at least one staff member has significant experience in federal funds management and/or has undergone extensive training. | Yes or No | Resume or attendance documentation |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  |  | **Standard** | **Checklist** | **Documentation** |
| 10 | BP | Each NPC position has a written job description. | Yes or No | Samples |
| 11 | BP | NPC has established a salary schedule with ranges for each job description. | Yes or No | Schedule |
| 12 | BP | NPC has SOPs for hiring and terminating employees that minimize exposure to lawsuits. | Yes or No | SOPs |
| 13 | BP | NPC has established a relationship with a labor attorney. | Yes or No | Engagement letter |

**B. Personnel Policies**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  |  | **Standard** | **Checklist** | **Documentation** |
| 1 | M | NPC has employee policies that at a minimum encompass (NPCs accepting federal funds or meeting certain threshold numbers of employees may have additional mandatory requirements – see below):   Working conditions (dress, smoking, security, etc.)   Employee benefits   Leave (vacation; sick leave; holidays; jury duty; bereavement, etc.)   Employee evaluation   Grievance procedures   Confidentiality of personnel and other NPC records   Disciplinary action   At will or contract employment status   Harassment   Sexual harassment   Whistleblower protection   Employee classification (exempt/nonexempt; regular/temporary/intermittent; full time/part time; at will)   Use of computers   Hiring of employees vs. independent contractors | Yes or No Yes or No Yes or No Yes or No Yes or No Yes or No Yes or No Yes or No Yes or No Yes or No Yes or No Yes or No Yes or No | Policies |
| 2 | M | NPC management is in compliance with federal and state workplace statutes and regulations as applicable to  NPC revenues, expenditures or number of employees. Note: The following list is suggestive, not exhaustive.   Hiring of employees vs. independent contractors   [Age Discrimination in Employment Act (ADEA)](http://navref.org/bestpractices/hr_workplacepractice_adea.htm)   [Americans with Disabilities Act (ADA)](http://navref.org/bestpractices/hr_workplacepractice_ada.htm)   [Consolidated Omnibus Budget Reconciliation Act (COBRA)](http://navref.org/bestpractices/hr_workplacepractice_cobra.htm)   [Employee Polygraph Protection Act](http://navref.org/bestpractices/hr_workplacepractice_ep.htm)   [Employment Retirement Income Security Act (ERISA)](http://navref.org/bestpractices/hr_workplacepractice_erisa.htm)   [Equal Employment Opportunity (EEO)](http://navref.org/bestpractices/hr_workplacepractice_eeo.htm)   [Family Medical Leave Act (FMLA)](http://navref.org/bestpractices/hr_workplacepractice_fmla.htm)   [Fair Credit Report Act (FCRA)](http://navref.org/bestpractices/hr_workplacepractice_fcra.htm)   [Fair Labor Standards Act (FLSA)](http://navref.org/bestpractices/hr_workplacepractice_flsa.htm)   [Immigration Reform and Control Act of 1986](http://navref.org/bestpractices/hr_workplacepractice_irca.htm)   [National Labor Relations Act (NLRA)](http://navref.org/bestpractices/hr_workplacepractice_nlra.htm) | NA or Yes or No NA or Yes or No NA or Yes or No NA or Yes or No NA or Yes or No NA or Yes or No NA or Yes or No NA or Yes or No NA or Yes or No NA or Yes or No NA or Yes or No NA or Yes or No | Policies |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  |  | **Standard** | **Checklist** | **Documentation** |
|  |  |  [Occupational Safety and Health Act (OSHA)](http://navref.org/bestpractices/hr_workplacepractice_osha.htm)   [Poster requirements](http://navref.org/bestpractices/hr_workplacepractice_poster.htm)   [Title VII of the Civil Rights Act](http://navref.org/bestpractices/hr_workplacepractice_titleVII.htm)   [Uniformed Services Employment & Re-employment Act](http://navref.org/bestpractices/hr_workplacepractice_userra.htm)   [Worker Adjustment Retraining Notification Act (WARN)](http://navref.org/bestpractices/hr_workplacepractice_warn.htm)   [Workers Compensation Law](http://navref.org/bestpractices/hr_workplacepractice_workerscompensation.htm) | NA or Yes or No  NA or Yes or No  NA or Yes or No NA or Yes or No NA or Yes or No NA or Yes or No |  |
| 3 | BP | NPC has an employee handbook. | Yes or No | Handbook |
| 4 | BP | NPC has written procedures for orientation of new employees. | Yes or No | Procedures |
| 5 | BP | Personnel policies apply consistently to all employees regardless of supervisor. | Yes or No | Pay and benefits records |

**IV. Financial and Legal**

NPCs should practice sound financial management and must ensure compliance with applicable legal and regulatory requirements. An NPC’s financial systems should be sufficient to maintain accurate financial accountability and to verify that expenditures are consistent with its statutory purpose of supporting VA research and education. They should also reflect an appropriate level of internal controls. NPCs should pay particular attention to expenditures regarding travel, business meetings that may involve meals, and compensation to VA employees.

**A. Financial Accountability**

|  |  | **Standard** | **Checklist** | **Documentation** |
| --- | --- | --- | --- | --- |
| 1 | S | NPC accepts VA-appropriated funds only when pursuant to reimbursement for an approved  Intergovernmental Personnel Act (IPA) assignment. | Yes or No | Financial records |
| 2 | S | NPC undergoes an annual audit in accordance with 38 USC 7366(b). | Yes or No | Last audit |
| 3 | M | The level of audit performed is appropriate for NPC activities - GAAS, GAGAS or A-133. | Yes or No | Last audit |
| 4 | M | NPC completes IRS Form 990 and schedules in accordance with IRS guidance. | Yes or No | IRS Form 990 & Schedules |
| 5 | M | NPC maintains an inventory of capitalized business property. | Yes or No | Inventory |
| 6 | M | NPC has a method for ensuring compliance with grant/award/contribution/donation requirements (reporting deadlines, budget constraints, etc.) and restrictions, if any. | Yes or No | Method |
| 7 | M | On IRS Form 990 Part VI, Section C, Line 20, NPC names a person qualified to respond to IRS inquiries. | Yes or No | IRS Form 990 |
| 8 | H | \*All expenditures are supported by an explicit research, education or NPC business justification and appropriate documentation. | Yes or No | Expenditure documentation |
| 9 | M | The board has established who may sign checks on behalf of NPC. | Yes or No |  |
| 10 | H | The executive director or other individual designated by the executive director approves all expenditures: research, education and administrative. | Yes or No | Samples |
| 11 | H | NPC cash assets are held in financial instruments that are backed by the full faith and credit of the US Government; i.e., government Treasury bonds, bank accounts protected by FDIC or NCUA coverage, or  brokerage accounts offering government backing. | Yes or No | Bank statements |
| 12 | H | NPC monitors account balances to ensure reasonable compliance with federally insured limits. | Yes or No | Bank statements |
| 13 | H | NPC documents payments to VA. | Yes or No | Payment documentation |
| 14 | H | NPC pays for professional licenses only for employees who work exclusively for NPC. | Yes or No | Policy |
| 15 | H | NPC has policies governing:   \*Travel and other reimbursements (IRS accountable plan).   \*Business meetings (including meals or refreshments).   Professional subscriptions and memberships.   Reimbursement to the medical care appropriation for clinical services provided purely for research purposes. | Yes or No Yes or No Yes or No  Yes or No | Policies |
| 16 | H | Officers, directors and key employees undergo training on internal controls within 90 days of appointment. | Yes or No | Training records |
| 17 | H | Annually in the June 1 NPC annual report to VA, the executive director certifies that appointees have complied with the internal controls training requirement. | Yes or No | Certification |
| 18 | H | NPC retains proof of internal control training as long as the individual is associated with the NPC. | Yes or No | Training records |
| 19 | EP | NPC’s internal accounting system tracks research project and education activity income and expenses by project or activity. | Yes or No | Chart of accounts |
| 20 | H | NPC has written internal controls and segregation of duties sufficient to safeguard the organization’s financial assets. | Yes or No | Policies |
| 21 | EP | The board has approved the NPC’s internal control policies. | Yes or No | Minutes |
| 22 | EP | NPC retains the signed original or a copy of each contract, grant or agreement. | Yes or No | Samples |
| 23 | EP | NPC administrative expenditures are consistent with the NPC’s board-approved annual operating budget;  exceptions are noted and approved. | Yes or No | NPC operational budget and internal financial statements,  minutes |
| 24 | BP | NPC chart of accounts provides sufficient detail to ensure accurate reporting to funders and on IRS Form  990, financial statements and the annual report to VA. | Yes or No | Chart of accounts |
| 25 | EP | NPC has financial policies or procedures addressing:   Review and approval of expenditures for appropriateness and relevance to research projects, education activities, general research and education, and NPC operations   Authorized check signers   Designated contract signers   Bank account reconciliation timing and participants   Expensed v. capitalized expenditures   Interest earned   Acceptance of contributions other than grants and contracts (honoraria, speaker fees, etc.)   Transfers of funds or equipment to other 501(c)(3) organizations or government entities   Whistleblower procedures   Investments   Internal control procedures   Purchasing practices   Reserve funds   Accounts receivable   Computer accounting file protection and back-up procedure   Competitive bidding   Credit cards and petty cash   Document retention and destruction   Independent contractors (W-9; 1099)   Insurance   Payroll   Accrual for vacation pay   Indirect cost rate under OMB A-122 (for those administering federal funds)   Funds remaining after a research project or education activity is complete (residuals) | Yes or No Yes or No Yes or No Yes or No Yes or No Yes or No Yes or No Yes or No Yes or No Yes or No Yes or No Yes or No Yes or No Yes or No Yes or No Yes or No Yes or No Yes or No Yes or No Yes or No Yes or No Yes or No Yes or No Yes or No | Policies |
| 26 | BP | NPC has written financial standard operating procedures for administration of receipts and expenditures as well as payroll. | Yes or No | SOPs |
| 27 | BP | NPC provides PIs with monthly statements of financial activity in each active project account. | Yes or No | Sample statement |

**B. Legal Compliance and Risk Management**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  |  | **Standard** | **Checklist** | **Documentation** |
| 1 | S | NPC has obtained an IRS determination of tax exempt status and has a copy of the determination letter on file. | Yes or No | IRS letter |
| 2 | M | NPC’s state registered agent documentation is current. | Yes or No | State verification |
| 3 | M | NPC has obtained a state tax exempt certificate. | NA or Yes or No | Certificate |
| 4 | H | NPC provides officers, directors and employees with “directors and officers” (D&O) liability insurance coverage. | Yes or No | Declarations page |
| 5 | H | NPC has other insurance coverages as appropriate including:   Professional liability (contract errors and omissions)   Fidelity bond   General liability   Business property   Workers’ compensation   Umbrella   Event cancellation | Yes or No Yes or No Yes or No  NA or Yes or No  NA or Yes or No  Yes or No  NA or Yes or No | Declarations pages |
| 6 | H | NPC employee services for which the NPC receives VA reimbursement are governed by IPA agreements. | Yes or No | IPA documentation |
| 7 | H | Excluding CRADAs (to which VA is a party), NPC contracts and agreements do not bind VA. | Yes or No | Samples |
| 8 | H | If NPC obtains written advice from private legal counsel that is contrary to VA policy, NPC provides a copy to  Regional Counsel. | NA or Yes or No | Submission documentation |
| 9 | BP | NPC is in compliance with federal, state and local tax reporting, registration and licensure requirements as applicable. | Yes or No | Description |
| 10 | BP | NPC’s employee handbook has undergone legal review. | Date of last review: | Review by attorney or qualified  HR manager |
| 12 | BP | Transactions between NPC and the VAMC’s university affiliate are documented as being for VA-approved research projects or education activities or for the general support of VA research and/or education. | Yes or No | Sample |
| 13 | BP | NPC has a plan for business continuity in the event of a natural or man-made disaster. | Yes or No | Plan |

**V. Transparency**

NPCs are statutorily authorized private corporations with particular responsibility to be transparent in their activities, programs and finances.

**A. Reporting**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  |  | **Standard** | **Checklist** | **Documentation** |
| 1 | S | \*NPC’s annual report to VA as required under 38 USC 7366(d) is timely, complete and accurate. | Yes or No | Annual report to VA |
| 2 | M | NPC is in compliance with state reporting requirements. | Yes or No | State forms |
| 3 | M | NPC is in compliance with retirement plan reporting requirements. | NA or Yes or No | Federal form |
| 4 | H | NPC provides the ACOS/R or AO/R with data regarding expenditures from October 1 through September 30 for RDIS reporting. | Yes or No | Data |
| 5 | BP | NPC periodically reviews ePROMISe Project Report to verify accurate reporting of NPC-administered projects | Yes or No | Annotated report |
| 6 | BP | NPC has a readily available statement about its mission, programs and finances, such as recent quarterly financial statements. | Yes or No | Statement |
| 7 | BP | NPC prepares an annual report for its internal stakeholders (board, PIs, staff, donors, etc.). | Yes or No | Internal annual report |

**B. Public Access**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  |  | **Standard** | **Checklist** | **Documentation** |
| 1 | S | NPC board and staff are aware that NPC records must be made available to the DVA Secretary and to the  VA IG in accordance with 38 USC 7366(a). | Yes or No | Minutes, memorandum, or other documentation |
| 2 | S | NPC board and staff are aware that NPC activities are subject to investigation by the VA IG and GAO in accordance with 38 USC 7366 (B)(2). | Yes or No | Minutes, memorandum or other documentation |
| 3 | M | NPC is prepared to comply with federal nonprofit disclosure laws (copies of public versions of its last three  IRS 990s; 1023 application for tax exempt status; and IRS exemption determination letter). | Name of person responsible for  compliance: | Minutes or policy |
| 4 | M | NPC is in compliance with state “sunshine laws” requiring that certain records, meetings and decisions be made available to the public. | NA or Yes or No | Minutes |

**VI. Fundraising and Donations**

An NPC board of directors should ensure that the organization has financial resources sufficient to pursue its planned activities and to achieve its goals. Some NPCs rely exclusively on government and private sector grants and contracts. Others conduct solicitations (i.e., fundraising) that must be conducted in an ethically responsible manner and in compliance with federal and state requirements. Additionally, NPCs must be prepared to appropriately administer unsolicited contributions.

**A. Fundraising**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  |  | **Standard** | **Checklist** | **Documentation** |
| 1 | M | VA personnel involved in NPC fundraising activities in their official capacities are in compliance with federal ethics regulations found at 5 CFR 2635.808. | NA or Yes or No | Review of solicitations |
| 2 | M | Fundraising solicitations:   Are written on NPC (not VA) letterhead   Are conducted by NPC officials and staff   Are signed by an NPC official   Clearly state that such efforts are on behalf of the NPC, not VA   Do not use the VA logo or photographs of senior VA personnel | Yes or No Yes or No Yes or No Yes or No Yes or No | Review of solicitations |
| 3 | M | Expenditures of donations are consistent with the donor’s intent, complying with any known restrictions. | Yes or No | Minutes |
| 4 | M | NPC is in compliance with federal and state requirements regarding fundraising. | Yes or No | Review by auditor or external accountant |

**B. Acceptance and Use of Donations, Gifts and Contributions (Not Grants or Contracts)**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  |  | **Standard** | **Checklist** | **Documentation** | |
| 1 | EP | NPC has a policy addressing NPC acceptance and use of donations. | Yes or No | Policy | |
| 2 | M | NPC is in compliance with IRS rules regarding donor advised funds. | NA or Yes or No | IRS form 990 | |
| 3 | H | NPC acknowledges contributions over $250 in a letter to the donor reflecting limitations or conditions on the gift, if any. | Yes or No | Sample acknowledgement | |
| 4 | EP | NPC has a policy on acceptance and use of donations resulting from fundraising activities and unsolicited gifts. | Yes or No | Policy | |
| 5 | EP | Expenditures of donations/gifts are subject to the same review policies and procedures as other expenditures. | Yes or No | Expense documentation |
| 6 | BP | NPC has a policy prohibiting acceptance of donations of honoraria, speaker fees, etc., earned by VA  employees. | Yes or No | Policy |