

RESEARCH RESIDUAL FUNDS POLICY and PROCEDURES

1.0 Purpose

Funds remaining at the Center for Veterans Research and Education (CVRE) after the completion of a research project are referred to as “residual funds”. This designation is predicated on first fulfilling all requirements specified by the sponsor or any other donor at the time funds are initially received by CVRE.

2.0 Scope

This policy pertains to research residual fund accounts administered by CVRE.

3.0 Policy

CVRE is “not a bank designed for the accumulation of funds” (see reference). Residual funds held in CVRE accounts are the property of CVRE and are subject to policies and procedures established by its Board of Directors (The Board). All equipment purchased from CVRE residual funds accounts is the property of CVRE and is subject to policies and procedures established by the Board. Such policies and procedures will be consistent with applicable federal and state statutes and regulations, and expenditures must support the conduct of research, education and training at the Minneapolis VA Health Care System (MVAHCS). This policy does not apply to funds left over from a non-research educational initiative.

4.0 Responsibilities

CVRE management is responsible for monitoring and administering all accounts. The Board is responsible for final arbitration of disputed funds.

5.0 Procedures

- a. The investigator will fulfill all requirements specified by the sponsor or donor. Residual funds will be returned to the sponsor or donor if required by the approved research or donor agreement.

- b. If the approved agreement with the sponsor or donor does not specify return of the residual funds, they will be reclassified as “board designated research or education net assets”. Generally, the Board will allow these funds to remain under the control of the Investigator if he/she is a paid employee of the MVAHCS and is actively engaged in research at the MVAHCS (as defined below).

If the Investigator does not meet these criteria, the funds will be transferred to the Board discretionary account.

- c. Active engagement is defined as any of the following in the prior two years: conducting funded research; applying for research funding through either CVRE, the University of Minnesota, or the VA; or publishing one or more research-related manuscripts in peer-reviewed journals.
- d. All residual funds will be subject to a 1% annual maintenance fee, based on fiscal end-of-year balance.
- e. All residual funds will be evaluated annually to verify that the investigator/account holder is still a paid employee of the MVAHCS who is actively engaged in research, as defined above. If not, the funds will be transferred to the Board discretionary account
- f. Residual funds may not be transferred from CVRE to another entity and may not be transferred within CVRE to another account other than the Board discretionary account, without explicit permission of the Board.
- g. Expenditures of residual funds must be consistent with policies and procedures established by the Board and are subject to approval by the Executive Director in accordance with VHA Handbook 1200.17, Section 2, item (c) Funds Management
- h. All accounts are subject to audit at any time by CVRE, its agents, or by governmental officials.
- i. The Executive Director is charged with regularly identifying and managing residual funds in accordance with this policy

6.0 Reference: NAVREF Transfer of Funds Policy, <https://navref.wildapricot.org/transfer-of-fundspolicy/> accessed September 7, 2018.

7.0 Revision History

Initial approval by the Board of Directors in 2015

First revision approved by Board of Directors October 17, 2018

Current Revision approved by Board of Directors April 17, 2019