



## Residual Fund Transfer Policy

**Project Funds:** All funds held in the MBRF accounts for “active” studies will be designated as “temporarily restricted”. Funds in these accounts can only be used for expenditures relating specifically to the study for which the funds were received, until such time as the study has been completed and a final report is filed through the VA MEDICAL CENTERS Research Administration Office.

**Residual:** Once a study is completed and the Principal Investigator verifies that there are no outstanding financial obligations for the study, the balance of the funds will be moved into a “Residual Account”. Each Principal Investigator will have one residual account that contains residual funds from all studies that have been completed by that Investigator. In accordance with the policies of MBRF, these funds can be used by the Principal Investigator for any VA medical research-related activity in his/her field of research as long as he/she remains an employee of KC VAMC, EKHCS, or the Robert Dole VAMC.

### General

Funds donated to the foundation for the general support of an investigator’s research or education activities and funds remaining from completed projects are generally referred to as “General Purpose – Research and Education.” Residual funds may be used only for scientific and professional expenditures consistent with VA policies for research projects or educational activities. No funds may be used for any purpose without first fulfilling all requirements specified by the Sponsor, or any other donor at the time funds are initially received by the Foundation.

### Establishment of Unrestricted Account

After completion of the research project for which funds are originally received, residual funds remaining in the project account are reclassified as “General Purpose – Research and Education” and may be used for the general support of research and education activities of the principal investigator. After the project account is closed, residual funds may be transferred whole or in part within the Foundation to the principal investigator’s “General Purpose – Research and Education”.

### Usage of Funds

A request for expenditures from the investigator’s General Purpose – Research and Education account requires participation in one or more active research or education projects. Absent such participation, there must be planning for future research and education projects. Regardless, all expenditures must be consistent with policies and procedures established by the Board of Directors and are subject to review by the Executive Director and/or the Research and Development Committee or the Education Committee.

### Dormant Account

The investigator must follow all reporting requirements for ongoing projects, or submit a research, education or business plan to the Board or its designee. If there is no activity

or documentation of planning for 18 months following completion of an active project, then the account shall be considered dormant. Funds remaining in the dormant account will be taxed at an annual rate of 10%. Any account dormant for five years shall be closed. Exceptions will be made only upon approval of the Board of Directors.

### **Planned Closure of Account**

The investigator may close the General Purpose – Research and Education account at any time. The account will also be closed if the investigator leaves the VA or in the absence of foundation employment. Closure follows the transfer of funds (see transfer policies).

### **Unplanned Closure of Account due to Incapacity of the Account Holder**

In case of incapacity of the investigator all funds will be used first to satisfy outstanding commitments and secure the orderly completion of all ongoing projects of the investigator. In order to improve any such transition, the investigator is asked to designate another investigator who will succeed and continue any specific project(s) and to designate residual funds (salary reserve, expenditures) required to assure completion. Designations shall be registered with the executive director of the foundation and are subject to review by the Board at its next business meeting.

The Board takes immediate control of all undesignated funds. If no successor has been identified then the Board will do so and designate funds to assure completion.

### **Usage of Residual Funds transferred to an Administrative Account**

All residual funds that are not identified in a business plan or not transferred elsewhere will subsequently be deposited in a Foundation administrative unrestricted account. Such funds shall be used solely for development of new research or education endeavors of the members and in support of their ongoing projects. The Board of Directors maintains full control of these funds.

### **Transfer of funds outside MBRF**

See specific policies relating to transfer of funds.

### **Other Related Issues**

Other related issues (e.g. investigator salary, appointment without compensation (WOC) or employment through a Memorandum of Understanding (MOU), untimely closure of account due to investigator disability or death) are regulated elsewhere in the Investigator Handbook.

## ***Transfer of Foundation Funds Policy***

Transfer of funds from active and residual accounts occurs when the investigator terminates his or her VA employment with the medical center affiliated with the Foundation and does not seek a timely WOC or MOU appointment.

The donor acknowledgement letter reflects the board's view that all funds donated to the Foundation are intended to support VA projects and research and/or educational activities. Transferred funds must support this policy unless otherwise provided for by

the donor. Transfer of any funds to another entity must conform to the nonprofit guidelines for the state of Missouri that is transfer of funds can only be to another nonprofit or similar institution.

**No funds may be transferred if prohibited by the Donor.**

**No funds may be transferred from an active account until all obligations are met.**

**All transfers require board approval.** This includes transfer of funds among MBRF members for the use in an approved project, unless the transfer is between co-investigators.

### **Leaving the VA for another VA**

Continued support for VA projects and research and/or educational activities is assumed to be present. The VA must have an affiliated nonprofit. A request for transfer must be made to the board within three months of departure. An exit tax is imposed, typically 40%.

### **Leaving the VA for the affiliated institution**

In general, there is no transfer of funds to the affiliated hospital NPC. Investigators are asked to obtain a position with the foundation. Continued use of MBRF funds and facilities requires a cooperative arrangement with at least one VA/MBRF co-investigator. All projects must be approved and funds will be disbursed by MBRF.

### **Leaving the VA for a non affiliated institution**

The Board affirms the view that all funds must be used in support of education and research that benefit Veterans. In general, there is no transfer of funds to a non-affiliated institution and investigators must seek cooperative arrangement with a VA/MBRF co-investigator to complete an approved project at this station. Where this is not possible, the departing member may petition the Board. The Board has complete discretion in approving transfer of funds to another NPC if needed to enable the investigator to complete approved and unfinished research that is of benefit to Veterans.