Date: August 26, 2019

To: NAVREF Members

Subject: NAVREF Guidance on Paying Federal Employees with NIH Grant Funds

As you may recall, NAVREF has been in contact with NIH over the past several months discussing the NIH rules and regulations related to using NIH funds to pay salaries for VA-paid employees. In April 2019 the VA Office of Research and Development hosted a stakeholder meeting in Washington, DC to address the administration of extramural awards at VA Medical Centers. Key stakeholders included Associate Chiefs of Staff for Research at VA Medical Centers, Executive Directors at VA-affiliated Non-Profit Corporations (NPCs), representatives from academic affiliates, the Association of American Medical Colleges, NAVREF, and the National Institutes of Health Office of Policy for Extramural Research Administration (OPERA).

We are pleased to tell you that we have made a small but significant step forward. NIH OPERA has recently agreed that NPCs can reimburse the VA for certain categories of VA employees. There are other issues that still need to be addressed in the future, but for now we wanted to disseminate this good news to NAVREF members and provide understandable guidance and templates for necessary documentation. You should be advised that this is not a *carte blanche* for paying VA employees with NIH grant funds, but a set of exceptions that must be well documented to justify reimbursement of salaries under specific conditions.

Attached you will find the following documents related to Exception #1:

* Guidance on Paying Federal Employees with NIH Grant Funds (approved by OPERA)
* A step by step process for proper documentation of actions
* OPM Human Resources SF 50 form referenced in the guidance document
* A sample letter from the ACOS/R to the ED documenting separate duties, no conflict of interest and no dual compensation (to be retained on-site unless requested by NIH)
* A sample MOU documenting transfer of funds from NPC to VA
* A sample Affirmation of Effort email

We are very pleased to share this favorable outcome of NAVREF’s advocacy efforts! We will have the opportunity to discuss this guidance as a group at the NAVREF Annual Meeting (don’t forget to register!).

NAVREF plans to continue our discussions with NIH and will address issues related to IPAs and the 40-hour work-week going forward. We will keep you posted as events unfold.

NAVREF welcomes input from members on this topic. If you have questions or need further information, please contact the NAVREF national office.