

**\$\$\$\$, IDCs, Eighths & VERA**  
**Frequently Asked Questions about**  
**Non-VA Funding of VA Research, Indirect Costs, and VERA Allocations**

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*1. Is a VA investigator required to obtain non-VA grants through NFFRE and to have those grants administered by NFFRE?*

No. There is no written VA policy on this but we have repeatedly established in communications with VA Office of Research and Development (ORD) that this matter is to be handled on a case by case basis according to whatever is best for the investigator.

*2. Is there any advantage to applying for grants through NFFRE?*

Yes. There is an immediate one for investigators whose UF department does not provide an adequate grant submission and administration infrastructure. In addition, NFFRE personnel are well trained in VA regulations and can provide investigators detailed information on completion of the just in time package. There is an indirect advantage in that increasing NFFRE's grant portfolio contributes to the financial viability of NFFRE. NFFRE is a key partner in the pursuit of the Research Service mission.

*3. Are there any advantages to applying for grants through a UF department?*

Yes. If a dually appointed investigator has a good grants acquisition and administration infrastructure in their own UF department, and has developed a good working relationship with the personnel, then it will be easier for that investigator to continue to obtain NIH/DOD/Foundation grants through their UF department.

For young investigators, there may be additional advantages. They can apply for UF KL2 awards. They can also apply for an extramural K award through UF at the same time that they apply for a CDA-2 award through the VA. Their relative VA/UF assignment at the time of application does not matter for either award. Depending on where they achieve success, their effort assignment can rapidly be shifted from one side of the street to the other so that they can place a maximal amount of salary on the K/CDA2.

*4. Is obtaining non-VA grants through NFFRE of financial advantage to our VA or to the Research Service?*

Yes, but the amount is small and insufficient to outweigh individual investigator considerations. If, for example, a non-VA grant is obtained through a UF department but is to be executed entirely at the VA, UF charges off-site indirects (currently 25-28%, depending on the source) for acquiring and administering the grant. Our VA gets 75% of the going VERA rate (52%), but does not have to incur the administrative costs, only the facility infrastructure costs. On the other hand, if the grant is obtained through NFFRE, UF gets nothing (including the privilege of counting the grant on its list of NIH/DoD grants funded). NFFRE charges its indirect cost rate (up to 30%) for acquiring and

administering the grant, and our VA must pay for facility infrastructure costs. In return, our VA receives 100% of the going VERA rate.

5. *Does the Research Service receive VERA money accruing to grants obtained by VA investigators?*

No. These funds go directly into the medical appropriation pool that is used to run the hospital. However, since an agreement was forged with the Deputy Director in 2015, starting 10/1/15, NF/SG VHS medical appropriations dollars are used to support infrastructure personnel on the Research Service.

6. *Does an investigator's effort assignment at UF and VA have any bearing on whether non-VA grants are obtained through the investigator's UF department or through NFFRE?*

No. See also #9.

7. *Are VA sub-awards necessary to support the VA component of non-VA funded research projects that are to take place at both institutions?*

Yes and no. If an investigator is starting from scratch and contemplates dual site research, then clinical coordinators/technicians working on such research at the VA would logically be recruited through NFFRE and the budget for the VA component would be incorporated as a sub-award to NFFRE in the total grant budget. NIH handles such sub-awards in a way that does not incorporate the indirect costs on these sub-awards into the direct costs of the overall grant. On the other hand, if an investigator has an ongoing NIH/DoD funded research program with clinical coordinators/technicians funded from these grants, then the most logical approach is simply to continue this funding mechanism and maintain WOC status for these coordinators/technicians.

If a non-VA investigator wanted to run their grant at the VA as well of UF, then this could only be accomplished via the sub-award mechanism and NFFRE. This investigator would have to recruit a VA investigator of record to handle the VA component of the study.

8. *Does having VA funded investigators within a UF department have any adverse effects on that department?*

No — although this continues to be a fairly widespread misconception. The UF department does not obtain any indirects from a VA grant, but then, these departmental indirects are quite modest, plus the UF department does not incur the costs of maintaining the administrative infrastructure to handle VA grants. In the final analysis, to the extent that such costs exceed indirects, the UF department actually profits when investigators get VA grants or non-VA grants run through NFFRE, and there is neither monetary gain nor loss from these grants. On the other hand, to the extent that the VA pays investigator salary, either from medical appropriations funds (as in the case of clinicians) or research dollars (as in the case of non-clinicians), a UF department may save a great deal of money expended for salary and fringe. Nevertheless, that department gets to count that investigator as a full-fledged member of its department and take credit for all of that investigator's accomplishments (with VA recognition on publications). Pretty sweet.

Participation of UF faculty in VA research does pose some drawbacks for UF. This occurs for two reasons. First, UF cannot count VA Merits when it sums up its total grant activity, and it cannot count non-VA funded grants (NIH/DoD) that are conducted entirely at the VA *and* run through NFFRE. Second, if a dually appointed investigator funds their research entirely through merit grants but necessarily has some component of their laboratory at UF, UF gets no VA funding to support the

facility infrastructure for that lab. UF takes a broad view on these matters, taking into account that VA support of faculty is important and the VA provides enormous support for UF education and training missions.

9. *You are a dually appointed at UF and VA. How do you budget salary on VA and non-VA grants?*

The fundamental underlying principle here is that you cannot be paid from two sources for the same hour of work. If you do so deliberately, it is fraud and this is a felony. Nearly all violations of this principle are inadvertent, in which case the institutions typically bear the costs of the penalties.

Clinicians at the VA, other than CDA recipients (see below), cannot be paid from grants and therefore, their effort is “contributed.” They are actually paid from VERA funds for work not devoted to clinical activity and their salary comes from their clinical service. Non-clinicians are paid from VA grants in proportion to their effort on the grant. For CSR&D/BLR&D merits, this is 100% of VA assignment. For RR&D and HSR&D merits, this is in proportion to effort allocated to the grant. For CDA-1s (RR&D only), clinicians and non-clinicians are paid by Office of Research and Development for 100% of VA assignment. For CDA-2s (all VA Research Services), clinicians are paid 75% of VA assignment (their clinical service picks up the rest) and non-clinicians are paid 100% of VA assignment.

If grant activity is to take place entirely at UF or other non-VA sites, the denominator in your budget calculations is your total salary and fringe at UF (NOT your hours of effort assigned at UF). Thus, for example, if your total UF salary is \$1000, you would budget \$500 (plus fringe) for 6-calendar months effort on the grant.

Let’s consider some other scenarios. If you are 8/8’s VA (i.e., expected to work for the VA 40 hours/week), you could potentially have an additional 4/8 assignment at UF. The College of Medicine (and NIH) has traditionally assumed a 60-hour workweek, although this past year, this became a matter of negotiation between a faculty member and their chair. Even if an 8/8 VA employee were working 20 hours a week at UF, their salary on non-VA grants conducted outside the VA would be calculated on the basis of what they were actually paid at UF, NOT on the basis of a 20 hour/week UF effort assignment. NOTE: it is crucial for all dually appointed employees to establish VA tours of duty, such that they are never performing remunerative work at UF on VA time. The exception would be investigators who have obtained a partial off-site research waiver, in which case their work in the off-site lab would be considered VA work.

Let’s consider a senior investigator, say a full professor with a 5/8 VA appointment. VA salary scales are re-adjusted at several year intervals in order to meet market conditions. Generally they are reasonably competitive. However, they tend to lag in highly remunerative clinical specialties and with greater academic seniority. Thus, a highly productive investigator (e.g., one with a Merit and 3 R01s) might be recruited by UF at a salary of \$300,000. Her VA salary will depend on whether she is an MD or PhD and on clinical specialty, but for purposes of the example, let us say it is \$180,000 (+fringe). A 5/8 VA appointment would yield \$112,500 (+fringe), leaving UF to “make her whole” by picking up the remainder. Even this balance of \$187,500 would exceed the limits of what NIH would pay (\$185,100 + fringe as of 1/10/16 for full time, \$115,688 for a 5/8 UF appointment).

The proportion of your effort expended on ALL grants *that are executed at the VA* (in whole or in part) provides the basis for both research-related VERA allocations to this medical center and ORD allocations to the Research Office to administer the Research Service. Clearly, maximizing accuracy in reporting of these data is essential, both to assure that we receive our due from ORD and to assure that we are not guilty of quantitatively misrepresenting our VA research effort. This is the purpose of

the VA-UF-Other Research Assignment form we send out to all investigators every year, due September 1 (see attached form, which is electronically signable on a VA computer).

*10. Can VA salary be paid from a non-VA grant?*

With rare exceptions, no. Certainly, salary support from NIH or DOD grants, whether for a PI or for technicians or clinical coordinators, cannot be “transferred” to the VA — that is, the urban legend of a “reverse IPA” has no basis in fact (IPA = Intergovernmental Personnel Act agreement). A full time VA-paid investigator, clinical coordinator, or technician could receive a portion of their salary from a non-VA grant, but only by making a commensurate reduction in their VA salary. There may be occasions involving research sponsored by pharmaceutical companies in which the company could be billed for a portion of a VA staff member’s salary. Such arrangements would have to be made through NFFRE.

*11. Is there a particular advantage to having a 5/8 or greater VA appointment?*

Yes. An investigator must have a  $\geq 5/8$  VA appointment in order to receive any Office of Research and Development funds, whether for personal salary or for grant expenses. CDAs, because they are entry grants, are the one exception.

Clinicians must establish this  $\geq 5/8$  via a clinical appointment, and at least in principle, are obliged to provide clinical care to earn this salary (5 half-day clinics a week). When the grant is actually funded, the clinician could then negotiate with their Service Chief for a reduction in clinical assignment proportional to the amount of time required to work on the grant, subject to approval by the Chief of Staff. Some clinicians opt to “get their foot in the door,” obtaining, for example, a 2/8 position, and then ramp it up to 5/8 when the grant is funded, just in time (JIT) paperwork has been submitted, and the actual transfer of the grant money to our VA becomes dependent on the investigator achieving a 5/8 assignment.

Non-clinicians do not have to be VA staff members (even WOCs) to apply for a VA grant. However, they must put at least 5/8 salary in the grant budget so that, when the money arrives on station, they will instantly become 5/8 investigators. Furthermore, if they are stationed locally (e.g., UF), obtaining a WOC appointment at the VA may be of value in the grant application process.