ORPP&E Webinar
Date: March 25, 2021
Session: Reimbursables, Expense Transfers and Other Fun Stuff
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Antonio J. Laracuente: Talk about internal transfers to research, externals to research. And then talk a little bit about reimbursables. And some of the things we've been seeing and kinda give you some ideas on process. And again, we know that each station does things differently. However, this is kind of a general overview of what's expected.

So, you've heard about the redistribution. You keep hearing a redistribution of funds. We keep getting questions about it. Really what we're looking for is to evaluate your current year balances for all studies. You're going to be doing, next month you're going to be doing some expenditure reports for Mr. Dunlow. But we do want you to sit down and we're encouraging you to submit PMOs for redistributions of funds. You're going to submit them as soon as possible either March 31 for Rehab R&D, May 31st for BLR&D. Preferred CSR&D, March 31. However, they will accept them after that timeline. And for HSR&D, April 15. If you want to request a no cost extension as well, then you would check the boxes on a PMO that's for No Cost Extension and Redistribution of funds. Please provide the amount of funding to pull from this year and how you want to redistribute it. If you just want to move money from this year to next and you're not extending the study. Then just check the redistribution box. This only applies to redistribution of existing funds that's described in the Facts on the COVID SharePoint. Request for Cost to No Cost Extensions as related to COVID . But not redistributing funds should be done based on those guidelines. If you have a site with multisite study, then only the primary site should be submitting the PMO.

They want you to keep it simple, a short justification with a bottom-line distribution will suffice. It is helpful but not necessary to have the amounts to be withdrawn. And the little table that we're showing you is required for Rehab R&D. They do want to know how you want it broken out. The other services only want bottom-line numbers. So, with that said, Mr. Dunlow I want to turn it over to you for some musings.

Allen Dunlow: Okay. Thanks Tony. I asked Tony just for some time just to make a few updates and comments on things. As Tony mentioned we've updated the graph to basically allow you the opportunity to put in your obligations through 31 March. We've had one training session. I think it was well attended. Some great questions. From that session we'll have another session on 31 March, I believe is the next date. It wouldn't hurt if you listened once to listen again. But I encourage you if you didn't make the first one, please join the one next week. Again, it's our first attempt to put this module in place and to gather some more granularity on the execution. I know it will be challenging for some of you. But ask you to do the best you can and report and just as a kind of a reminder we're only wanting the current year obligations to marry up with the current year funding. Don't report prior year dollar obligations against those current year fundings. And that's more explained in the training. So, again it's new, we understand that. We understand there'll be a burden. But it's something that we have to do at this point in time. Prior year balances. There is still a lot of money out there in prior year. About 48 million dollars last time I checked. I'll run another report at the end of next week. And then basically ask you if you have a balance to report back to me in a format on exactly what you're going to do to get those prior year dollars spent. Again, we often do the expense transfers later in the year, which then results in current year variability, which results in carryover. So, we're really asking to get that done early. Our focus is to minimize our carry over going into next year. It's nothing new. We'd just maybe being a little more explicit and enforcing what we've said for many years. But along with your balances and carry over, it's important to remember that the X2 fund which basically captures your reimbursables from the non-profit for research, is not a slush fund. It should not be growing year after year. You're getting reimbursed for a non-profit for an expens in your direct side. You need to complete the paperwork and do the expense transfers from the direct, from your A1 to where the money is in the X2 when you get reimbursed. Those X2 balances count against the carryover. The same thing happens with your R1 reimbursable accounts. Those are reimbursables to reimburse you for some work that was done on the direct side. Do the expense transfers. And don't allow those balances to grow. All of those funds count in the carryover. The training today you saw with Jenna [phonetic 6:27] was based on reimbursable expense transfers and making that occur. I don't think we're going to get into the great detail of at a higher level of inter-agent agreements. And the 7600 As and Bs, and processing those. And following FSC guidelines in that aspect. Hopefully in the future that will come. We're still trying to work some details out on white paper with some change in law. But again, ask questions on this part, it's important that you process these expense transfers that Tony and Kari are going to talk about. Tony, back to you.

Antonio J. Laracuente: Thank you. So, Allen, one question for you is if stations are having trouble with their fiscal offices or getting expense transfers and so forth. Should they contact your office to see if we can find some way to mediate?

Allen Dunlow: Yeah, that's always been the challenge. There's a hundred different CFOs out there who do things a hundred different ways. And some don't like to do it piecemeal, some want to wait until the end of the year. But I'm trying to communicate with the VISN CFOs at least to get their buy-in on supporting doing these transfers. So, I will try to intervene. But it kinda goes back to the foundation of some of this is, establishing that good working relationship with your local fiscal office. And kind of present it to them as, let me help you help me. And not do this at the end of the year when there's lots of different things going on. But if you run into issues, I can try to intervene. But just be aware that I don't direct them, I can only encourage them to support you as best I can. Thanks.

Antonio J. Laracuente: Thank you. So, along those lines, let's see here. Why is this not going forward? Okay. So, let's talk about expenditure transfers.

And so, this presentation is meant not to be extremely technical, but to guide you through the process. So, some of the definitions that come out of this are things that we've learned over the years. If you go to a handbook or a directive, it's not going to be word for word. But it hopefully will get the message across. And if we're not clear, please ask questions. We will have time at the end of this, to go through questions. So, the basic premise is to move the cost from one control point to another. It could cross programs, it could cross fiscal years or even appropriations. A high number of them are really for salary costs that have incurred. But in some cases, you can do it for obligations or even for credit card purchases. So, it's dependent on your station. Your stations budget and accounting office. Salary transfers are usually handled by the budget office. Whereas purchases and other types of orders are usually handled by accounting. So, there's a distinction between budget and accounting these days. Budget will handle the salary and accounting will handle purchases, POs.

So, we wanted to give you an example of how this works. So, you have a salary and you have a balance in prior year funds for example. And so, you've incurred costs in the current year, and you wish to transfer them to the prior year. So, assuming you have zero or positive balances in all other, you request the EW from let's say here, 005 which is my control point in Rehab R&D, to 005 prior year. And so, the amount was for $98,000. And these were for salaries incurred in one pay period, pay period two. So, what you do is you provide a listing of all the employees in the cost to research. And what we're looking at here is kinda the status of allowance where my balances are, all right? So, this is coming from VSSC. Yesterday I sent out information on how to access VSSC, and specifically this is from the status of allowance.

So, we put together an email and it's basically to budget. And it says, hey guys, we need some help cleaning up prior year funds. So, this is phase two, we did phase one earlier this year. And please process the following EW from current year to prior year, to expend prior year funds. So, attach this details spreadsheet and so forth. And of course, I gave them all of our control points. But this is specifically to the prior year one. And I say thank you.

So, they get it. They get it. And the cost will move from current year to prior year. So, the balance in fiscal year to date on obligated, prior year will go to zero. Balance and fiscal year to date on obligated current year will increase. So, this is on obligated balances will increase by $98,000. And this again the source is the VSSC, finance, FMS expenditures, F20 daily activity report. And so, what this shows you is the transaction as it occurred. The EW number is highlighted. This was processed by budget. And what the amounts are on Ran's [phonetic 12:13] side and where the ending balances are.

So, for non-salary it's basically the same but you will provide accounting with the obligation number by code and the amount. In order for accounting to do this the obligation must have been expensed. Meaning that it had to be paid out, not just obligated. And so, in the case of a 1358 you may have paid out half of it already. So, you can expense transfer up to the amount that has been already paid out. And this would go from all other control points to the all the other control points.

So, expense transfers to medical center salaries. So, expenditures may occur between appropriations, for example career development awardees, where 75% is paid by research and 25% is paid by medical care. Or individuals working on both research and special purpose funds and so forth. So, Kari, are you taking on this slide?

Kari Points: Yep, I can take us on from here.

Antonio J. Laracuente: Okay, cool.

Kari Points: So, as Tony said, that you can do expenditure transfers between appropriations. When you do this for example, the clinicians on career development awards, that would be a perfect example of when you have to do a cost transfer. With the CDA awards, 6/8ths is research and then 1/8th or 2/8ths come from the medical center. You may also have individuals that are working on both research and special purpose projects. And so, in that case you need to transfer the costs that are incurred to the other appropriation. Just as a note, individuals should be initially hired under the appropriation, they're conducting most of their work. So, if you're hiring a CDA, they should be hired under research. If the individual that's on the special purpose fund is 75% medical center and 25% research, they should be hired under the medical center. As a note though if you're hiring individuals under the medical center it does impact their FTE. And so, you may need to discuss that with your fiscal or finance board on how they want to handle those FTEs and how they want to be notified. You can go to the next slide please.

You do need to ensure that you have a mechanism established for tracking these cost transfers. If you have a lot of employees that are working across appropriations on a special purpose fund. You do need to track that and what percentage are they working on each. And as we mentioned in the first presentation and Allen said again today, you want to make sure that you're doing these expenditure projections throughout the year. If you wait to the end it impacts ORDs ability to do expenditure projections for the appropriation. Since you are crossing appropriations you should have some kind of agreement with the medical center, an MOU in place, between medical center and research outlining the employees and what percentages they're working on those projects, when you do the cost transfers.

There are times when you may be using the medical center departments for a service. For example, if you're ordering your pharmaceutical from the pharmacy, and they're purchasing those for you, you need to reimburse them for the cost. Same with radiology and maybe laboratory. They might be doing some testing for you. When it comes to a service, it's different than when you do for salary. These types of transfers need to be done through an interagency agreement, which is VA form 2269. I have my sample of that coming up. So, they IAA allows for the reimbursement of funds for the expenses that were incurred by the medical center department. You may at the beginning of the year already know what the agreement is. For example, the laboratories are going to do this many tests for you, this is the amount. You can go ahead and put that in the IAA. Otherwise, such as pharmacy, you don't know what pharmaceuticals are going to be purchasing for you, you do an estimate. So, on the IAA you estimate the amount for the fiscal year. And is then signed by the department, research, and your fiscal office. Once the IAA is signed, you can then set up a 1358 for the year based on the estimated amount. Here in Iowa City we do this on a quarterly basis. And then as services are provided, the medical center is reimbursed through the 1358, for those expenses.

And I have an example of the IAA here. You can see this is our fiscal year 21. IAA with pharmacy, pharmacy has agreed to purchase pharmaceuticals for VA research projects from the time period of 10/1 through 9/30 2021.

On the next slide you can see that it's signed by the chief of pharmacy and myself as the administrator for research. And then it describes how pharmacy's gonna purchase the pharmaceuticals for VA research projects. And for us, on a quarterly basis, pharmacy notifies accounting of the costs that they have incurred for those purchases, detailing the orders they have made. I am on that email. So, I can concur to it. And then our fiscal office can transfer the money to pharmacy, to reimburse them for those costs.

And then on the next slide I work with fiscal. They enter the accounting codes. It says that we're gonna bill it on a quarterly basis. And for us, the signatory authority is the budget analyst and the supervisor accountant. And that may vary from facility on who exactly signs these agreements.

And then the last section of this IAA, we have that the funds will be obligated via 1358, on a quarterly basis. And those are the dollar amounts that we have estimated for each quarter. Once we get the actual expenses from, for this example pharmacy, we adjust the 1358 based on the actual expense that occurred. And on the next slide I have an example of that 1358 we set up for this agreement.

And so, this is the 1358. You can see the estimated cost that we set it up for $1,100. And that this was for quarter one of this IAA. And the next slide has that description.

Where it says that sort of allows for the reimbursement, the cost of pharmaceuticals obtained from the pharmacy department for quarter one of FY21.

And then I think I move it back to Tony for more discussion on billing.

Antonio J. Laracuente: Thank you. So, billings do fall, or bills fall under the reimbursable category. So, one thing that we want to make sure that you all understand, is that it's inappropriate to bill against and deposit to the general post fund. This is a practice that has been seen. And it's not encouraged. The general post fund is only for donations. And if there are donations, encouraged them to use the VA affiliated non-profit at your facility. So, bills should be collected against the year the cost was incurred. So, if you have_

Allen Dunlow: Tony, Tony?

Antonio J. Laracuente: Yes sir.

Allen Dunlow: I just want to reiterate that in case somebody missed it. Your reimbursables should not go to the general post fund. You should bill from the R account or the X2 from the non-profit. But it should not go to the general post fund. Thanks.

Antonio J. Laracuente: More coming out about the general post fund soon. So, bills should be collected against the year that they were incurred. So, for example if you're billing for salary and it occurred in July of 2020 through September of 2020, then that bill should be generated in the 2021 appropriation. And so, just be careful when you're billing. Your fiscal office should set up those control points appropriately. The R1 does follow the pattern of two-year appropriation. Whereas the X2 is a no year fund. So, you need to provide documented evidence for the bill. Because it's going to be required by voucher audit or accounting, whatever they call it at your facility. These are the people that look at the bill and say, yeah, it's cool. And press the button so the bill is generated.

So, there are three areas of reimbursables. One is to the foundation or from the foundation. One is from other non-federal entities such as your affiliates. And then of course the interagency agreements that we talked about earlier.

So, when working with the foundations, when reimbursing research use the 0161X2, there should be a control point set up in that. And it's actually seen under the status of allowance under 1994. So, that's the no year fund for VA. And so, when you look up your status of allowance, you can pull up the year and say, 94 0161X2. All other NPC reimbursements should go back directly to the other appropriations R1 account. And what I mean by that is if there's reimbursements from the NPC to medical care, pharmacy, lab, whatever, then that should go to the 0160R1 appropriation. So, there's a little distinction here. And again, this is something that budget has to help you out with. But when you put the billing in, or you work with pharmacy to bill the foundations. Then they really need to have an understanding that it's got to go back to the medical care appropriation. So, require backups again, usually an MOU outlining the need for reimbursement and the authority will be required when auditing the bill. And again, the fund control point should be established in the 0161X2.

So, here's a little bit of a dense slide for you all. But it's really talking about the simple processing for billing. So, you determine if this is a salary or product reimbursement. You create the MOU with the NPC. Also, put affiliate so you can pass this on, it's really the same process. And then again if the NPC had their contact, a staff complete once the MOUs put together. Then you create the bill in the VistA system. Make sure you have access to the 0161X2 or the medical care fund or whatever it may be so you can create the bill. Follow the example provided later on, on how to create the bill. And then what you want to make sure is in the description section, that you talk about the PI, the project, the MOU number if it's assigned an

MOU number by fiscal. Where to send the payments to. You approve the bill and then it goes to voucher audit. Now voucher audit will review it, send it back or approve it and create a letter of indebtedness. That's that really nasty looking letter that we sometimes get from the federal government. They will get that, unless you work with the local non-profit to get this paid quickly. Then you get, they take the check, or you get the check and take it to agent cashier, with a copy of the bill. And then they offset it. Then there's a credit that's provided. And it usually takes about 30 to 60 days for VACO to TDA you the money. A TDA will come and then it'll be put into the 0161X2. Sorry, one last thing. Once you get the money, you really should take care of the reimbursement through a cost transfer. So, you can deal with getting rid of that X2 balance.

So, this is an example of the MOU that we use. I've highlighted the citations that fiscal requires us to put in. This is usually used for an MOU for salary reimbursement. It talks about the bills of collection and so forth. But again, it's very simple. Here it's signed by the PI, the favor of the non-profit executive director. It's signed by the chief of fiscal. And sometimes they require HR, the chief of HR to sign. But now that we're going to a VISN model, we've taken them off. And then a chief of staff signs it as well.

So, setting up the bill. You do it in VistA. You select a control point official's menu. You do in billing. On the billing option you enter a new bill. You put in the site, a bill numbers going to be N for new. And then it automatically assigns it a bill number. So, 508 is the station for Atlanta. So, it might be 652 or 546, whatever it may be. And then this is key, the form type. For these it's going to be 1114, that's the vendor. You're going to go to the category. It's going to be a vendor. And then here's the control point, and here's where you put the X2 fund control point. So, whatever it might be at your site. In Atlanta it's 280.

You enter the date prepared, voucher number you leave blank, because there's no voucher. And then you put the billing agency, which is DVA. And then you put in the billing agency, which is who you're billing. And in this case, it's favor. So, favors got, they're vendorized [sic]. They're 8049 in our station.

You select the dates of the charges. Forget that 2009, it's an old example. And then you edit it, and you put in for work performed, et cetera, et cetera, et cetera. Again, fiscal here wants the MOU number, the fund number, the FCP, the budget fiscal year and then the bought code. And the bought code is important, because if it's for services or for supplies or whatever. They want to make sure that they track that accordingly.

You put in a quantity of units. We do it as a one lump. So, we put in the number of units is one, usually. And then the unit cost, which in some cases this was $19,000. Would put a job, so the units a job. So, one job for $19,000. If you do it hourly, then you would put in the number of hours, the unit cost is $20 an hour or whatever it may be for the number of hours. And then you go through hitting enter, enter, enter. Display the bill. And then whoever's your approving official sends it.

So, the bills approved by the fund control point approving official. It goes to accounting. And they may ask you some questions. They may send it back. They may say, what is this for? Where's the MOU? Send me the backup documentation. What are you really doing? Et cetera. And usually it's done on email. Sometimes they don't read well. And so, they'll ask you what the budget fiscal year is, what they want to collect it in. And that's important because for the R1s or for the non-foundation ones, you want to make sure the money goes in the right year. So, they may ask you what the revenue code is. They should know but you're going to use one of, excuse me. You're going to use one of three codes. Excuse me. Then accounting approves the bill and the clock starts ticking. So, the TDAs processed once it's collected.

And we'll move on to Kari.

Kari Points: Thank you Tony. So, I always specifically talk about the 0161R1 reimbursements when it comes to your university billing. So, bills of collection occur to university, when the research appropriation should be reimbursed for costs incurred. Some examples of this could be that you have a VA employee that's working on a university project and you need that salary cost reimbursed. Or you might house animals for a university project in your animal facility. Or maybe an investigator's using a piece of equipment and there's fees associated with that. To initiate the bill as Tony just went through, I won't reiterate the billing menu in VistA. You may need to make sure that they are vendorized in the VA system. And the most important thing to remember is that if you are billing a university, you need to be sure to bill to your 0161R1 fund control point. All reimbursements from your affiliate should come through this fund. And then as we've discussed, they come in through a TDA each month. And so, I will be the third person to tell you today that you should not be depositing checks into the general post fund. I've also seen where checks are deposited into a research fund control point directly. All these reimbursements need to be coming through a TDA to your facility. To either the R1 if it's a university or the X2 if it's nonprofit. And then next slide please.

Once the reimbursements are deposited into R1 fund, you then need to request a cost transfer to move these funds into the fund control point, where the expenses originally occurred. So, if it was a salary for an employee, you need to do a cost transfer from that employees fund control point to R1 fund to close that out. And then you also need to have an MOU agreement with your affiliate for the expenses that you're billing to document that bill.

And then here's an example of a bill that's complete that we did with the university of Iowa here. You can see the funds appropriation clearly shows the R1. And then that it's been collected and closed out. On the next slide.

You can see the description. So, this was for mouse maintenance days. We were housing some animals in our animal facility. It shows how many animals per day we had, what the cost is per animal, per day. And that's how we arrived at the total cost that we're billing. And then it gives them instructions to pay the agent in cashier.

And then I'll turn it back to Tony.

Antonio J. Laracuente: Okay. So, I'm losing my voice, so I apologize for that. So, interagency agreements are used for collaborative research with federal institutions. As Allen mentioned earlier, we're not going to get into the 7600A and B forms. However, those are forms that are required as part of the agreement. The signatories usually are for the 7600A the agency official, so that would be the MCD. And the 7600B would be both the MCD and the ORD director of finance. It requires loading into a repository. And when the billings are done by the facility. Accounting will create an intergovernment by PAC transfer of money from the agency, and then you'll get a TDA that will bring the money into the facility.

So, the billing part of this, so you will have to create a bill. This is a similar process to the bills above. However, what you're going to use is the form type 1081, instead of the 1114, which is the federal agency's reimbursable. Accounting will require a copy of the signed 7600. And again, the TDA will be sent by ORD. The key here is to make sure that the IPAC happens. And so, accounting does scrutinize these a little bit more than they do the other bills actually.

So, I put a resource slide in. And I hope that what you get is the three kind of pictures of, it should be embedded files. One talks about the interagency agreement training that was provided by FSC. One is the reimbursables finance note, finance alert. And one is another reimbursables for the R1 fund, the financing where the latest one. I haven't seen the one for 2021 yet. So, I'm assuming we follow the 2020 guidelines for that. And then there's a link for reimbursable policies from the finance management service. And actually, that's a very nice little website that has a lot of information that you can get from there. So, I think this is the end of our presentation. Again, do we have any questions? Kate I'm gonna let you handle this part and then I'll read out the questions.

Kate Yeksigian: Yeah, excellent. So, far we have about 14 questions. Thank you to everyone who submitted so far. And just as a reminder, you can still put questions into the Q&A box. And I'm just going to share my screen. Just give me one moment.

[Silence 34:02 - 34:10]

Antonio J. Laracuente: Do I need to stop sharing mine? No.

Kate Yeksigian: No, I got it.

Antonio J. Laracuente: Okay.

[Silence 34:14 - 34:28]

Antonio J. Laracuente: Okay. So, with regards to the PMO, what are the chances that money will be pulled back but not redistributed in the future? What guarantees are there this money won't be just pulled and lost to the PI? So, I think that Allen, please correct me if I'm wrong. But my understanding is that these are considered agreements between the services, the PMO is signed off by the ACOS and the Central Office ORD service chief. And so, unless there's an appropriations nightmare, or there are problems with the study, you should be getting the money back as the request of redistribution. And you should see that in [unintelligible 35:10].

Allen Dunlow: Yeah. I actually typed an answer into the comments section on this one. Again, I'll just reiterate, it is not the intent of ORD in this exercise to reduce the overall funding of a merit. The intent is to better align the dollars distributed as to when they are executed. I know there's always a resistance. And I even have it at my level, to return money. But I'd like to think the research family can work together to better align the distribution of the dollars. As Tony just said there, there are no 100% guarantees that in two years, the appropriators reduce the program and adjustments are made or have been made. But the intent is not to reduce the total funding to the investigator.

Antonio J. Laracuente: So, I can say that I've been doing this a very long time and I've never sent money back until this year. And this is the first year that I've sent money back on PMOs with the hopes that we're redistributing correctly and spending. So, Kate, next question?

[Silence 36:39 - 36:48]

Antonio J. Laracuente: Allen, can you take this one to save my voice?

Allen Dunlow: Sure. The X2 and the R1 are reimbursable funds. A couple years back, about in 2015, 2016, we set up the X2 account specifically for reimbursements and only from the nonprofit corporations. A couple years ago, about two years ago, the rest of VA established reimbursable accounts separate from your A1, your direct money. Prior to that reimbursables were co-mingled with your direct money. For various reasons they needed to separate that. So, the R1 is a reimbursable fund to capture reimbursements from everybody else other than the NPC. NPC uses the X2. All others, the affiliates, NIH, CDC, DoD, whoever you have reimbursable agreements with, use the R1. So, in the research community at any given time you have three reimbursable accounts. You have the X2 for your reimbursements from the nonprofit. You have two R1 accounts, one current year and one prior year. So, as of today you have a fiscal year 2021 R1. And you have a fiscal year '21, '22 R1. If that's not clear please ask again and I'll try again.

Antonio J. Laracuente: And your fiscal service should have established a fund control points for those already. So, next question. I received a large amount of money in prior dollars late November '20, for the purchase of a piece of equipment that requires infrastructure changes, $500,000 of that money was taken back. Can funds be moved from current to prior or vice versa to accommodate the $500,000 loss? Allen.

Allen Dunlow: Actually, I'm surprised Alex approved that if the infrastructure wasn't ready. But the answer is we fund the ShEEP and LAMb, we supply the ShEEP and LAMb with dollars available. So, you can't be returning money with the expectation that you're going to get current year money to replace it. So, can funds be moved from current to prior or vice versa to accommodate that loss? No. We're probably not gonna send you $500,000 to fix that. If there's an issue with that you need to get back in touch with Alex Chiu.

Antonio J. Laracuente: Next question please.

[Silence 40:09 - 40:19]

Antonio J. Laracuente: That is a comment, so. Thank you. So, there's a new form you're supposed to send FSC, IAA coversheet, FYI. Yes. Thank you. I didn't want to get in the details of what to do with FSC and so forth. But yes, there is a coversheet and I believe that it might be spelled out in that training session that I added on. If not, yes, FSC is going to require that. Next question please.

[Silence 40:45 - 40:53]

Antonio J. Laracuente: Do you need a separate IAA for each accounting code/FCP? So, when you get your IAA money it will be put into the R1 account, or R1 fund control point. And no, you do not need a sperate fund control point when that money comes in. If you are managing it by doing cost transfers to a research control point, 0161A1, you can set up as many control points as you want in the 0161A1 to handle this. But in the 01616R1, the money will come into the control points as set up. So, you don't need to do that. We've been told that we need to do IAAs for cross appropriation salary expense transfers not just services. Do you have guidance to say we only need an MOU? So, we worked that out locally with our fiscal service. We were told that the IAAs were only for services, not for people when there is a justification such as career development and so forth. I'll see if I can find that guidance in writing and we'll send it out. Kari have you seen anything?

Kari Points: I would have to look up the guidance myself. I talked to my [unintelligible 42:24] person before this presentation about how this all worked for services and what they see on their end. But I need to look at it in detail to see if I can find that exact wording too.

Antonio J. Laracuente: Okay, we'll look for it and get it out.

Kari Points: Yeah.

Antonio J. Laracuente: Yeah, this came from accounting at our place, so.

Kari Points: Yeah, same here. I was just following their guidance. But they said that there is a guidebook that they're following. And it may be in there. I just haven't looked at it in detail.

Antonio J. Laracuente: Okay. Next question. Why does the R1 have to follow the two-year appropriation. I'm not aware of any policy requires that these non-appropriated funds be designated as two-year funds, thus expiring as opposed to indefinite. Allen?

Allen Dunlow: Have to follow the two-year appropriation. I am not_

[Silence 43:09 - 43:16]

Allen Dunlow: I'm not sure about the reference to non-appropriated. But when we have interagency agreements with other federal agencies or we take money in, we have to take it into one of our appropriations. We have, as I mentioned before, two R1 accounts. One current year and prior year. Primarily to help prevent inadvertently extending the life, the appropriation of another agency. A lot of times you would be dealing with somebody who's got one-year money. You can't take their, you should not take their FY21 money and put it into your FY21-22 R1. Because your FY21-22 is good through '22. So, we have these two ones. So, you would put their one-year money into your FY2021, so the appropriations end at the same, so you don't inadvertently extend the life of their appropriation.

[Silence 44:23 - 44:31]

Allen Dunlow: And I'm not sure about the non-appropriate part. I hope that, that answers your question.

Antonio J. Laracuente: So, I think the example that I can provide is that when we did interagency agreements with the CDC, their money was '21 money. And so, when we got the TDAs back or the money was IPACed, the TDA would come back into 2021. And so, we'd only have this year to spend that money or to expense that money, so. Yeah, next question.

Allen Dunlow: Yeah, and let me take another shot, maybe at that question. Maybe they were referring to if I want to donate a $100 to the VA. Why does that $100, why is it not indefinite? Why does it expire in two years? And one of the reasons is that we have to accept it into one of our appropriations. And every year I'm given authority by OMB, about how much money I can take from somebody else. So, for this year, for example, that authority in total is 61 million dollars. So, I have to account for that and stay within that authority that OMB gives me to take other people's money. Hope that helps a little bit more, thanks.

Antonio J. Laracuente: Who do you contact if the funding doesn't come? Are you talking about the, if it's the interagency agreement funding, then what we dealt with, when we had troubles getting the money from the other federal agencies, we went to the budget, the accounting office. And they actually traced down the IPACs and so forth. And in once case we did have a problem with money not coming. And it was because there was some code issue or whatever in the IPAC. And it got straightened out. What if the reimbursable funding does not come, who do you request the funding come from? So, the reimbursable is coming from the university or from the nonprofit. Then you've got to make sure that the bill was done correctly. And you need to work with your accounting office to make sure that bill was processed correctly. Sometimes a check is deposited, but it's mistakenly tied to another bill collection or something along those lines by the agent cashier. And so, you've got to trace that down. So, usually give it, if you deposit it in January, it should come in February, March. If it doesn't come, then you would want to trace that back with accounting and see what happened to this bill. They have the means to do that. Next question.

[Silence 47:42 - 47:49]

Antonio J. Laracuente: Yeah. I'm not aware of any way to pay the bill electronically, yet. If somebody has had experience with that, a positive experience or has been able to do it, please let us know. But I have not seen that yet. Allen, have you heard of this, or Kari?

Kari Points: I have not.

Allen Dunlow: I have not heard of that. However, and it's not now but maybe in the future that will occur. I say that because a year ago we got a lot of royalty payments by check. A lot of the companies that were paying us royalties, wanted to do EFT payments. And FSC is moving to that. And they could accommodate some of the EFT payments. So, this year, we kind of branched out or put our toes in that water to see how that works. So, there's a possibility that some time in the future that could also work. But for right now, for the NPCs I think it's still checks.

Antonio J. Laracuente: That would be awesome if that could happen. I was told that I could only adjust IAAs yearly. Is there a reference that shows that we could adjust quarterly as shown or is my issue just a local interpretation? Kari, I assume they're referring to interagency agreements.

Kari Points: Yeah, so that might be a local interpretation. I know my facility, and that's what we were using as an example, they require all my 1358s to be adjusted quarterly, not just the IAAs but also all my IPAs, patient reimbursements, everything. So, that's just kind of our local. I'm guessing that might be a local interpretation of how they want those done. But I don't know if I have anything that says that you can adjust quarterly. You did see on our IAA that we put that we were going to bill it quarterly. And that on the last page, we did have how each quarter was going to be broken down. And then each quarter the pharmacy charges us based on what the actual expenses are. You may be able to talk to your fiscal office, show them that example and say, we would like to go to that quarterly billing. And then your 1358s would match that.

Antonio J. Laracuente: Yeah, we did the review of one site that actually had a substantial amount of interagency agreement. And they did it just on one 1358 for the year. So, it just depends on a local site.

Kari Points: Yeah, we have one for each department that we work with. And we have a different IAA for each department, so.

Antonio J. Laracuente: Next question. Email me and I can send it to you, antonio.laracuente03@va.gov. And don't ask why the zero three. Next. For the 0161R funds, how do they become TDAs? Who sends the TDA? Mr. Dunlow I'll let you answer that one.

Allen Dunlow: Okay. This kinda goes back to who do you contact if you don't get your money. All those actions are processed by your local fiscal accounting department. Once a month, VHA runs a reimbursable report of all the actions that you guys have done. That reimbursable report goes automatically to VHA budget, who processes the TDA and AACS. So, you guys do the actions through the month. VHA runs a reimbursable report. Usually the second week of the following month. And then they send out the TDA based on what you have reported, your accounting has reported in the system.

[Silence 52:13 - 52:34]

Kate Yeksigian: And Tony you might be on mute.

Antonio J. Laracuente: Thank you. Sorry. No, what I wanted to say was that, one thing that Allen does stress is, do not run reimbursables or billings towards the end of the year or collections towards the end of the year. Because if you collect you may never see that money. Because if you collect in August for example, they may not be able to process it in time to send it to you in September. And so, be very careful or be very judicious about when you bill and hold the bill or process it earlier in the year if you can. So, do you need a separate IAA for each accounting code? I think we went through this one already.

[Silence 53:18 - 53:24]

Antonio J. Laracuente: Oh, we went through this one already? This is the electronic billing. I feel like my fiscal office asked me to use the 0161R1, FCP when billing nonprofit. Is this okay? I don't see X2 on my SOA sheet. The answer is, no, the nonprofit should be billed too, if it's to research the billing is to research, then it must be X2. So, 0161X2. So, you need to ask them if that control point is set up at the facility. If not, they need to set that control point up at the facility. And by the way one way you can actually find out if it is set up is if you go into the SSC and run your SOA. And you can select 0161X2 for your facility. And it should show up in research. And if you have any more questions about that just shoot me an email or ping me on Teams and I can show you. Okay, next question, sorry. Yeah. It looks like we're going to have to go ahead and so do you have MOU template examples that can be shared for billing purposes between VA and the NPC or the university affiliates? I think what we'll do is we'll put a collection together and we'll send that out. So, thank you for that suggestion. How often do you submit cost transfers to fiscal? I can tell you that I do mine for the ones that cross appropriations to the medical care side, I do them once every six pay periods. And then the ones that are internal to research I do them as panic occurs on prior year money. No, I'm just kidding. As needed. And fiscal will do that. But they usually only want one or two per month at the most. Kari, how does your facility work?

Kari Points: Yeah, I do the same thing with the research ones. I don't currently, our HSR&D program has a medical center special purpose. And I'm actually not sure how often they do it. But with the research ones, yeah, I just kinda routinely do it at the beginning of the fiscal year, trying to get the prior year done. And I hand my last ones into fiscal for last month that should close it all out by the March 31st date. So, I don't have to respond to Ellen [phonetic 55:57] is my goal, so.

Antonio J. Laracuente: Okay, yeah. Yeah, we've been to facilities that do it monthly, we've been to facilities that do it adhoc, so. Next question, 0161R1 funds according to the slide is for salary, animal per diems and core services. What are core services? What if materials or patient compensation is needed for the study? Can those be done through the R1? Kari do you want to take that one?

Kari Points: Sure. So, the core services that I was talking about was that you might have equipment at the VA that the university investigators might want to use. And you can charge them a fee for that and bill the university for those fees. So, if you have some kind of unique equipment, you can charge for that. Again, this is all an agreement would be in place for that, and they could use your services. If materials are patient compensation, I guess for the materials piece, if it's supplies and there's a university project that utilizes some of your supplies that you need be reimbursed for and there's an agreement on that. And you could do that, I guess. I'm not as familiar with the patient compensation on when that would be used when we would be paying in billing someone for patient compensation.

Antonio J. Laracuente: Yeah, I would be_

Kari Points: Yeah.

Antonio J. Laracuente: _careful about that one, so.

Kari Points: Yeah, that one just, but yeah. Materials and stuff, I usually don't set aside agreements for those, because I just let everyone know those should be coming for whoever is the funding. Whoever has the money should be buying those supplies. Unless there's a unique situation. And then the patient compensation, I'm not sure. But yeah. What that would be.

Antonio J. Laracuente: Next question Kate. Can we also have a discussion in the future regarding participant research subject fees, EFTs versus gift cards versus voucher, agent cashier versus direct express cards on clinical studies. I've encountered problems at our site. Yes. We will take that into consideration. I know it's an issue for a lot of us on reimbursing subjects appropriately. Especially with cash going away and with checks being processed and so forth. So, it's a good suggestion if we can for future. Thank you. We've had IAAs for many years. The MCD has signed a 7600A, but the PI along with the CFO assigned 7600Bs. FSC repositories approved all IAAs. Should the MCD be signing these 7600Bs? If it's working, that's fine. The guidance we were given when we were doing the IAAs, we were told that the MCD sign. But again, things, one medical center, one medical center. FSCs have approved it because they had the 7600A, then that's fine. But ours will not, we were told not to do that.

Allen Dunlow: This is Allen. Just_

Antonio J. Laracuente: Yeah.

Allen Dunlow: _ it’s probably fine to have him or her sign the A.

Antonio J. Laracuente: Yeah.

Allen Dunlow: And the way you're doing it with the Bs, CFOs, is probably appropriate. 'Cuz usually the A is the overall scope of the agreement. And then the B is actually the money transfer. So, I don’t think you need to have MCDs sign the B. Probably the way you're doing it is fine.

Antonio J. Laracuente: Yeah, agreed. Next.

[Silence 59:40 - 59:45]

Antonio J. Laracuente: How long can you extend an IAA, 7600A? Can you do two years or one year at a time only? Allen, do you have the answer to that? Yeah.

Allen Dunlow: Again, I wasn’t going to go into this detail. I believe that actually the 7600A which is the overarching agreement_

Antonio J. Laracuente: To use.

Allen Dunlow: _ can probably be up to five years.

Antonio J. Laracuente: Yeah.

Allen Dunlow: The B, which is the document that actually moves the money to support the A, is annual. So, again I don’t want to really be actually quoted. But I think you can have a 7600A that says, we’re going to do this for so-and-so, in the next five years for five million dollars. And then you have a B that stipulates the first annual period. And you're gonna move one million dollars. But_

Antonio J. Laracuente: That’s a_

Allen Dunlow: _I think that’s the way those can work.

Antonio J. Laracuente: Yeah. That’s our experience with the CDC interagency agreements. And I think that, that is spelled out in that slide deck that I attached at the end of the presentation. And again, if that slide deck didn't come through, let me know and I’ll send it out. Okay. Next question. But what if the money is not from a federal source? What if it’s from an affiliate? Then you would do an R1 reimbursable.

Allen Dunlow: And just maybe the question is too, an interagency agreement is within the federal government. The 7600As and Bs are within the federal government. You probably have some other document with your unit with the affiliate. And then MOA, MOUs, something else. But it still uses the R1 account.

Antonio J. Laracuente: Yes. Next question.

[Silence 1:01:50 - 1:01:55]

Antonio J. Laracuente: Next question Kate, oh sorry. Did you say earlier we can transfer the remaining prior year funds to current year funds to cover salary? So, you're not transferring the remaining prior year funds. What you're doing is you're transferring the expense that occurred in current year funds the prior year to cover salaries. So, in the example that we gave. I transferred $98,000 in cost from current year, decreasing my current year obligations to prior year. Increasing my obligations in prior year, thus decreasing the balance down to zero.

[Silence 1:02:34 - 1:02:40]

Antonio J. Laracuente: When a TDA for reimbursables are received, who carries the detail for which reimbursables are included in that TDA?

Allen Dunlow: That I'll give a shoutout to. That is going to fall back on your local fiscal. When you get the TDA that I talked about before from VHA. It's going to be one figure that station X collected $500,000 in March. When your fiscal gets that number, somebody needs to be keeping track locally of the actions that happened in March and do a reconciliation to that money that was received on the TDA.

Kari Points: Yes, so you can_

Antonio J. Laracuente: Kari do you want to, yeah, go ahead.

Kari Points: So, you can ask accounting for the general ledger report. And that'll break down what bills were collected for each month's reimbursement. So, I actually have a share folder set up with accounting. And when I see a TDA come in for reimbursements. I go into the general, it's like FA27 general ledger report folder. And I can pull a detailed account of what makes that up. And I get that from fiscal.

Antonio J. Laracuente: Right. And I just go ahead and take a look at the number and try to balance it with the bills that we created during that month. And that we know that were deposited. So, different ways of doing it. But I think Allen and Kari's points are work with fiscal is very important. Okay. The third slide addresses guidance for redistribution of funds, so the PMO. Where would one find the guidance for what needs to be included, we were to follow what is in the PMO form and instructions and guidance for what's required for redistribution and no cost extension. So, the form actually is pretty explanatory, self-explanatory. For a redistribution they just want, how do you want the funds redistributed? And a very short justification in the text box at the end of the PMO. I would say that if you're going to do this, like a for-cost extension and so forth. I would not do it at this time. Because the PMOs they're only looking at right now are the redistributions. So, the guidance is, there was a guidance document on the ORD website that talks about the, how to do a PMO. We can send that link out. I believe it's in the facts as well, the COVID facts. And it's in the previous slides, where to find the PMO form itself, and the guidance. Next slide. Thank you so much for these training sessions, even after 20 years I'm still learning stuff. Really appreciate this. I'm learning something new everybody actually, so. Next one.

Kate Yeksigian: And that actually was the last submitted question. And just a reminder that we have 20 minutes left in case anyone would like to submit a question.

Antonio J. Laracuente: Or we can give everybody 20 minutes back to their life. And so, they can go and do their PMOs. I'm just kidding.

Allen Dunlow: I vote for that, I vote for that.

Antonio J. Laracuente: Yeah, okay. So, listen everybody thank you very much for paying attention. Thanks to Kari and thanks to Allen for being speakers. Thanks Kate and Soundia for managing all this. And we really appreciate you guys. And take care, stay safe. And keep sending comments and thoughts about future sessions, take care.

[Silence 1:06:36 – 1:07:05]

[END OF AUDIO]