Acceptance of Funds and Facilities and Administrative (F&A) Cost Rates

I. PURPOSE: To define the conditions for PAVIR to accept or administer funds and to define the F&A (commonly referred to as indirect cost or overhead) rate.

II. POLICY: It is the policy of PAVIR to administer funds in accordance with VA requirements and in a manner beneficial to VAPAHCS research and education enterprises.

Sponsored projects will be administered in accordance with the terms and conditions specified in the grant or contract award and applicable regulatory requirements.
PAVIR does not administer NIH supported T- or K-awards. In addition, PAVIR will not administer awards that are intended for training purposes of early career investigators, especially if those funding opportunities require or are intended for oversight or support by an academic institution.

PAVIR annually negotiates an F&A rate with the Department of Health and Human Services, our cognizant federal agency. PAVIR defines this as the Standard Rate and applies it to all sources of funding with special conditions as described below. The rate in effect as of October 1, 2021 is 42% of modified total direct costs (direct costs less equipment and all but the first $25,000 of subawards).

III. CONDITIONS FOR ACCEPTANCE OF FUNDS:

A. All funds accepted by PAVIR must be accompanied or preceded by correspondence in the form of an executed grant, contract, agreement or donor letter.
B. Checks must be made payable to the Palo Alto Veterans Institute for Research. The federal tax identification number is 77-0207331. Neither checks payable to other entities nor cash can be accepted by PAVIR.
C. Gifts or donations must include a letter from the donor indicating any restrictions on the use of the funding.
D. All support accepted by PAVIR represents corporate income and is not to be used for personal benefit of any Principal Investigator, Officer, Director or employee.
E. Unless otherwise restricted by the sponsor, interest earned accrues to PAVIR Administration and remains with the corporation. All funds accepted for administration by PAVIR must be used for direct or indirect support of research or education. Project, activity or program specific expenditures require Research & Development Committee or Education Committee approval of the associated project, activity or program.

IV. DERIVATION OF SUPPORT AND ASSOCIATED F&A COSTS: PAVIR's principal funding sources and the terms for application of F&A rates to each are described below.

A. Federal Support – Grants and contracts from federal entities typically include F&A support in addition to direct costs in accordance with the negotiated rate agreement.
B. Voluntary Health Agency / Private Foundation Awards – This support is usually derived from nonprofit entities in support of a specific research proposal. PAVIR's standard rate may apply to either the total direct costs or modified total direct costs in accordance with sponsor policies. If the sponsor limits overhead costs and is not listed in Section V below, the Principal Investigator will need to submit an indirect cost rate waiver request and receive approval prior to submission. PAVIR understands and supports investigators seeking any kind of funding, and appreciates the need for augmentation of available funding with foundation requests.
C. Collaborative/Therapeutic Research Studies – This support is typically provided by pharmaceutical or other commercial sponsors involved in the development of new drugs, therapies or devices, or for the support of investigator initiated medical research. The standard rate is applicable to total direct costs. It is important that the investigator be aware that such support will be accepted only if there is an agreement or contract executed by the sponsor and signed by the Chief Executive Officer. Acquisition of intellectual property rights will be defined in accordance with federal law and the VA's CTAA (Cooperative Technology Administration Agreement) with Stanford University. Additionally, if the medical center is providing services required solely by the research activity, there must be approved Clinical Impact Statements or other appropriate documentation for the acquisition of and payment for these services from the PAVIR-administered research support to the VA medical care appropriation. PAVIR investigators considering industry sponsored research are strongly encouraged to contact CRADAs@pavir.org as soon as practical. PAVIR provides significant budgeting, and other project development support at no cost to the PI.
D. Gifts, Donations, Education, and Miscellaneous Support – This support is provided from a variety of sources. The standard rate applies to total direct costs.

V. PAVIR SUPPORT OF PROPOSALS AND AWARDS WITH NON-STANDARD RATES

1. Pre-Approved sponsors with less than PAVIR's Standard Rate: PAVIR will administer awards in accordance with select sponsors' published rate policies. Sponsors who are pre-approved and do not require an indirect cost rate waiver

include:
    - Alzheimer's Association
    - American Diabetes Association
    - American Heart Association
    - Arthritis Foundation
    - California Institute for Regenerative Medicine
    - Michael J. Fox Foundation
2. Indirect Cost Rate Waivers: For sponsored research proposal submissions with no rate or less than the standard rate. Principal Investigators must submit an Indirect Cost Rate Waiver Request to PAVIR's Director of Sponsored Research no later than 4 weeks prior to the submission deadline for consideration by the PAVIR Board of Directors. The Board reserves the right to decide not to submit a proposal with a non-standard rate. The PAVIR CEO, in collaboration with the Director of Sponsored Research, will determine which requests for submission must be forwarded for Board determination. To access the request form, please click on the hyperlink below.
3. Via the Indirect Cost Rate Waiver Request form, Investigators are requested to briefly state:
    1. How the proposal supports their research
    2. How the proposal relates to the VA mission,
    3. If, how, and when the resulting data (if funded) will support future research proposals to Federal funding sources.

The Board of Directors will delegate such decisions to one of its officers to avoid undue delays in proposal planning. Decisions will include considerations including:

1. Financial impact to the organization for projects with a total budget request in excess of $500,000, or with any of the project year budget requests in excess of $200,000;
2. Other available research funding for the proposing Principal Investigator (PI);
3. Career stage of the PI;
4. Area of research, including whether the proposed research falls into an area of high strategic importance for VA, or if the investigator is exploring a new area of research with the intention of using the project’s data for future Federal applications through PAVIR;
5. Sponsor's published policies, if any.