

SIBCR Residual Funds Policy

Background

The Seattle Institute for Biomedical and Clinical Research (SIBCR) is committed to ensuring that residual funds are managed in accordance with applicable laws, regulations, and policies. This policy provides criteria for establishing and using SIBCR Residual Funds Accounts and for managing 'Inactive Accounts'. Residual funds are funds remaining in project accounts that have no further sponsor obligations to return them or other issues that would prevent access to them after project closure. Industry-sponsored trials are most often the types of projects that will have residual funds remaining and that get transferred to SIBCR Residual Funds Accounts, but other funding agreement types may also qualify.

This policy impacts SIBCR Member Investigators (referred to as "Members") who have or who may have access to SIBCR Residual Funds Accounts (defined below).

For Members who are leaving the VA, or transferring to another VA, who have residual funds balances, please refer to **SIBCR's Transfer of Funds and Equipment Policy** <https://sibcr.org/transfer-of-funds-equipment/>

Residual funds are under the control of the SIBCR Board of Directors and managed by SIBCR Administration. SIBCR Residual Funds Accounts must be used for the general support of VA Puget Sound Health Care System (VA Puget Sound) or Mann-Grandstaff VA Medical Center (MGVAMC) approved research or education in accordance with VHA Handbook 1200.17 and applicable policies. Members must have approved research or education projects performed at either VA Puget Sound or MGVAMC in order to charge expenditures to residual funds accounts. Examples of **allowable and unallowable costs** that can and cannot be paid from residual funds accounts are provided below.

SIBCR Residual Funds Accounts are accounts set up and managed by SIBCR Administration after all of the following criteria are met:

1. Investigators must have an active Member status with SIBCR to be authorized to oversee SIBCR Residual Funds Accounts. See **SIBCR's Member Investigator Status Policy** for eligibility. <https://sibcr.org/member-investigator-status/>
2. The project must be fully closed with SIBCR before transferring funds to a new or existing residual funds account. A fully closed SIBCR project account means that there are no outstanding obligations or issues (e.g., invoicing, reporting, results sharing, returning of materials), the funding agreement terms allow retention of unspent funds, all sponsor payments are received, and SIBCR has paid all outstanding invoices.
3. Any issues related to the Member's status and/or project accounts that may prohibit SIBCR from transferring funds to a new or existing residual funds account must be resolved.
4. The requesting Member's SIBCR portfolio must be reviewed by SIBCR Accounting prior to authorizing the creation of a new account or transferring funds to an existing residual funds account. If the requesting Member has negative account balances in other SIBCR project accounts for which there are no other funds to cover the deficit, then negative

account balances must be resolved prior to creating a new account or transferring funds to an existing residual funds account.

Responsible Persons

- **SIBCR Board of Directors:** The SIBCR Board of Directors must approve the election of SIBCR Members. The Board also approves official SIBCR policies and has authority over SIBCR's institutional assets. See also **SIBCR's Transfer of Funds and Equipment Policy** <https://sibcr.org/transfer-of-funds-equipment/>
- **SIBCR Executive Director (ED):** Develops and administers policies that promote responsible stewardship of asset management and compliance with internal controls.
- **SIBCR Members:** Ensure accuracy of proposal budgets and applicability of budgeted expenditures on sponsored awards. Maintain a positive residual account balance and incur expenditures only for allowable and affordable costs.
- **SIBCR Sponsored Programs:** Responsible for compliance with sponsored award terms and conditions. Works with Members to close project accounts and resolve project-related issues.
- **SIBCR Accounting:** Creates new residual funds accounts and transfers funds to existing accounts upon satisfaction of meeting all criteria noted above, reviews expenditures for allowability, reports expenditures, monitors use, ensures accurate reporting of balances, and, if necessary, dissolves accounts.

Allowable Costs

Examples of allowable costs that may be charged to residual funds accounts include, but are not limited to, the following:

- Administrative support personnel involved in managing or administering sponsored awards **not** specifically identified with or allocable to a particular sponsored project (e.g., general budget and account management, supply acquisition, and personnel coordination).
- Office supplies, postage, computers, software, and other items used for proposal preparation, record-keeping, training, etc.
- Small equipment (<\$5,000 purchasing price) or general supplies used to comply with safety regulations or maintain the lab (e.g., gloves, storage bins, cleaning supplies).
- Travel not directly related to a specific sponsored project, such as attending scientific meetings.
- Books and subscriptions for general work-related knowledge.
- Educational activity not specifically identified with or allocable to a particular sponsored project.
- Pilot research studies that are approved by the R&D Committees of VA Puget Sound or MGVAMC.

Unallowable Costs

Examples of unallowable costs that may not be charged to residual accounts include, but are not limited to, the following:

- Direct costs that can be specifically identified with or allocable to a particular sponsored project.
- Professional licenses for VA employees.
- Educational activity that is specifically identified with or allocable to a particular sponsored project.
- Continuing Medical Education (CME) for the purposes of maintaining professional licensure for VA employees. Reimbursement for CME credits is generally not allowed. Incidental accrual of CME credits in an otherwise qualifying meeting may be allowed. More information can be found in **SIBCR's Education Policy**. <https://sibcr.org/education-2/>
- Memberships and dues are generally not allowable expenses. Examples of exceptions are provided in **SIBCR's Memberships & Journals Policy**. <https://sibcr.org/professional-memberships-and-journals/>
- Meals and refreshments without a documented research, education, or SIBCR business purpose and/or that do not comply with **SIBCR's Meeting and Conference Support Policy** are not allowed. <https://sibcr.org/meeting-and-conference-support/>
- Travel that does not meet **SIBCR's Travel Policy** requirements or **Reimbursement Guidelines**. <https://sibcr.org/travel-policy/> & <https://sibcr.org/guidelines-for-reimbursement/>

Inactive Accounts

If there is no activity on residual funds accounts for the period of a year, the Member will be contacted to determine an appropriate plan for expenditure. SIBCR's Bylaws state that accounts inactive for three years are subject to closure.

If there is no plan to spend funds in an inactive account in a timely way, then funds may be repurposed for general research support to the R&D program as determined by SIBCR's Board of Directors.

If there is sufficient rationale for some or all of the funds to be repurposed to another SIBCR Member, a formal request is made by contacting SIBCR's Executive Director who will prepare and submit the request to the Board of Directors for consideration. See also **SIBCR's Transfer of Funds and Equipment Policy** <https://sibcr.org/transfer-of-funds-equipment/>

Communications

- Questions about this policy may be directed to SIBCR's Executive Director at Danielle.Fleumer@sibcr.org.

- Specific questions related to allowable vs. unallowable costs may be directed to SIBCR's Director of Finance Elena.Alexander@sibcr.org.
- If you do not have access to SIBCR's Intranet, you may establish an account by clicking 'Register' found here: <https://sibcr.org/log-in/>. If there are issues with the registration process, then please contact SIBCR's Operations Manager Joel.Lake@sibcr.org.