

**National Association of Veterans' Research and Education Foundations
Board of Directors Meeting**

Monday, October 31, 2011; 8:30 a.m. to 4:00 p.m. East Coast Time
Philadelphia VA Medical Center; Executive Director's Board Room, Main Floor (enter the main entrance and turn right through glass doors)

Dial in Number for Anyone Who Will Call In to the Meeting: 719-457-3306; Passcode 259-568

Prior to the start of the meeting or at any time during the meeting, please disclose any potential conflicts of interest pertinent to service on the NAVREF board that were not reported on your most recent conflict of interest disclosure form.

Approx. Time	Agenda Item	Presenter	Documentation	Page	Requested Action
8:30 a.m.	1. Welcome and Appreciation <ul style="list-style-type: none"> ▪ New Board Member Ms. Lynam ▪ Re-Elected Board Members Dr. Wright and Ms. Reutzel 	Dr. Lennon			
8:35 a.m.	2. Oversight of NPCs	Dr. Lennon	Memo VA Response NAVREF Comments #2	1 2 19	Discussion
9:15 a.m.	3. NAVREF Investment in CDs vs. Corporate Bonds	Dr. Fas Mr. Sarmir	Memo CD and bond offer sheets	37 38	Discussion
9:30 a.m.	4. Minutes of the August 1, 2011, Meeting in Salt Lake City, Utah	Dr. Lennon	Draft minutes	40	Approve/Disapprove
10:00 a.m.	5. ORD Update <ul style="list-style-type: none"> ▪ Exploring Solutions to the ICH-GCP Dilemma ▪ Update on the ORD Compliance Review ▪ FOIA Requests for Unpublished Research Data ▪ Other Topic(s) 	Dr. Birdsall	Response to HHS	46	Discussion
10:45 a.m.	6. NPPO Update <ul style="list-style-type: none"> ▪ October 24 Meeting Agenda Items ▪ Annual Report to Congress ▪ Results of On-Site NPPO Reviews ▪ Requests for Approval for New NPCs or to Become Multi-NPCs ▪ Other Topic(s) 	Ms. Collins	6/7 Minutes 10/24 Agenda	49 51	Discussion
11:15 a.m.	7. NAVREF NPC Self-Assessment Tool	Dr. Lennon	Memo and S.A.T.	52	Approve/Disapprove
11:30 a.m.	8. NAVREF Governance Training for NPC Boards	Mr. Gardner	Memo	68	Discussion

Approx. Time	Agenda Item	Presenter	Documentation	Page	Requested Action
11:45 a.m.	9. Public Policy <ul style="list-style-type: none"> ▪ FY 2012 Funding for VA Research ▪ FOVA Collaboration on Congressional Briefing October 27 	Ms. West	Flyer	69	Discussion
12:00 noon	Lunch with the Board of the Philadelphia Research and Education Foundation				
1:30 p.m.	10. Treasurer's Report <ul style="list-style-type: none"> ▪ End of FY Year 2011 Financial Statements ▪ FY 2012 Proposed Budget ▪ New NAVREF Web Site ▪ Other Treasurer Items 	Dr. Fas	Statements Budget RFP (Optional) Memo	71 73 74 80	Approve/Disapprove Approve/Disapprove Approve/Disapprove
2:30 p.m.	11. Education <ul style="list-style-type: none"> ▪ 2011 Annual Conference Wrap Up ▪ 2012 and 2013 Annual Conferences 	Ms. Burns Dr. Hill Dr. Lennon	Evaluations Budget No-show list No-show survey Memo	81 97 98 99 102	Discussion
3:00 p.m.	12. Governance Items <ul style="list-style-type: none"> ▪ Annual Conflict of Interest Disclosures ▪ 2012 Board of Directors Elections 	Dr. Lennon Ms. Reutzel	Memo Board Rotation Schedule	103 104	Discussion
3:15 p.m.	13. Governance Discussion on Succession Planning	Ms. Reutzel	Daring to Lead	106	Discussion
4:00 p.m.	Adjourn				
	14. Information Items (Optional Reading) <ul style="list-style-type: none"> ▪ IPA White Paper ▪ Proposed Ethics Rule Amendment ▪ Louisville Dues Correspondence ▪ Member Roster ▪ Board Roster 			126 130 132 135 137	

At any time, please bring to the attention of the chair or the executive director any ethical matters that may require follow up.

The next board meeting will be held on Monday, January 30, in Los Angeles, California.

October 21, 2011

TO: Board of Directors

FROM: Barbara West

SUBJECT: Oversight of NPCs

Action Item: During the meeting, Dr. Lennon will lead a discussion of VA's four NPC oversight documents. These questionnaires are currently undergoing review in accordance with the requirements of the Paperwork Reduction Act (PRA). The focus of the discussion will be on VA's response to NAVREF's July 18 first comments and NAVREF's next steps.

Background: As you may recall, the PRA requires federal agencies to obtain OMB approval of questionnaires that an agency expects to use to collect information from ten or more private individuals or organizations within the same calendar year.

NAVREF has responded to two Federal Register notices inviting public comments on VA's NPC oversight documents. After submitting the second set of comments, NAVREF received the required VA response to the first set of comments. As a result of the normal PRA sequence becoming somewhat confused, at this writing the VA office responsible for PRA compliance is uncertain of the next steps. It appears that it is likely, but not confirmed, that there will be a third opportunity for NAVREF comments.

Timeline to date:

- June 8 - Federal Register publishes Notice #1 – 60-day comment period (4 oversight documents)
- July 18 - NAVREF submits Comments #1
- August 30 - Federal Register publishes Notice #2 – 30-day comment period (4 oversight documents unchanged)
- September 6 - NAVREF submits Comments #2
- October 6 - NAVREF receives VA response to NAVREF Comments #1 and 3 oversight documents, two of which contain revisions

Following this memo, you will find:

1. **VA's response to NAVREF's Comments #1** including:
 - Revised Annual Report Template
 - Revised Internal Controls Questionnaire (ICQ)
 - Operations Oversight Questionnaire (Only formatting changes were made to this document.)

Note: To reduce the volume of reading, NAVREF's redlined version of the ICQ submitted with Comments #1 has been omitted.

2. **NAVREF's Comments #2.** Due to mandatory PRA time limits on comment periods, it was necessary for NAVREF to submit Comments #2 before VA submitted to NAVREF and OMB VA's response to Comments #1. As a result, except for the cover letter, Comments #2 are very similar to Comments #1. The sections that are different are highlighted in yellow.

VA's Responses to NAVREF's Comments #1

(VA's responses have been changed from black to blue to make them easier to identify.)

Docket: VA-2010-VACO-0001
Notices Requesting Comments

Comment On: VA 2900-New (VA Form 10-0510, including forms 10-05a-c
Agency Information Collection Activities; Nonprofit Research and Education Corporations
(NPCs) Data Collection

Document: VA 2900-New (VA Form 10-0510, including forms 10-05a-c
Comment on Agency Information Collection Activities; Nonprofit Research and Education
Corporations (NPCs) Data Collection

Responses Regarding Document 1: Nonprofit Research and Education Corporations (NPCs) Annual Report Template, VA Form 10-0510

1. Whether the proposed collection of information is necessary for the proper performance of VHA's functions, including whether the information will have practical utility.

Comment: The federal statute that authorizes VA medical centers to establish VA-affiliated nonprofits [38 U.S.C. §§ 7361-7366] states that each year NPCs must submit to the Secretary of the Department of Veterans Affairs (VA) a report providing a "detailed statement of the operations, activities and accomplishments of the corporation during the year" [38 U.S.C. § 7366 (b)(1)]. Additionally, § 7366(d) requires the Secretary to submit to the House and Senate Committees on Veterans Affairs an annual report on the corporations. The same section states that the report "shall set forth" the specific information described in § 7366 (d)(1)-(4). In order to compile its own report, VA must collect 15 items of information from NPCs. As a result, collection of some of the information requested in the NPC Annual Report Template is both necessary and statutorily required.

In recent years, VA has expanded its report to Congress beyond the items specified in the NPC statute. Additionally, VHA now uses the annual report submission process to collect data that it uses for oversight purposes. Tab 3, Board of Directors, is an example of a non-statutory information item that has practical utility for oversight purposes because it allows VHA to verify that the NPC board of directors is in compliance with the requirements stated in 38 USC § 7363(a).

However, the information requested on Tab 12, Budget and Other Information, appears to have little practical utility in achieving the purposes of the Annual Report Template stated on the cover page. Those purposes are "*to monitor the progress of the NPC program as a whole*" and "*for oversight.*" Additionally, because the questions on this tab are unclear, there is a great deal of variability in how NPCs are interpreting them and responding. Inconsistency in the responses renders the information collected unreliable. As a result, we must conclude that Tab 12 of the Annual Report Template has very little practical utility in its current form. Revisions recommended to improve the utility of this tab are provided below.

VA Response: First, the VA is grateful for Ms. West for taking the time to provide these comments. The data gathered in Tab 12 is sought by the Office of Management and Budget and this saves both the Nonprofit Program Office (NPPO) and the NPCs as the NPPO would need to generate an e-mail response from each NPC and collect this data at varying intervals in the year.

2. The accuracy of VHA’s estimate of the burden of the proposed collection of the information.

Comment: Nearly half of NPCs report requiring more than 3.5 hours (210 minutes) to complete the report, not counting the time devoted to completing IRS Form 990, Return of Organization Exempt from Income Tax, and facilitating the audit by an independent auditor. Of those needing more than 3.5 hours, many NPCs require significantly more time, in part because multiple staff members and even board members are involved in compiling, reviewing and approving the necessary data. Lack of clarity in the questions on Tab 12, Budget and Other Information, and difficulties entering data on Tabs 10, Major Accomplishments, and Tab 11, Educational Activities List, added to the time burden. Increasing the estimated time burden to 7 hours (420 minutes) seems appropriate while still being reasonable for such an important report.

VA Response: This report is 95% copied from the IRS Form 990, which the NPC is preparing for their tax-exempt status already. Therefore, it should take an experienced individual less than 7 hours, but this report is mandatory and the time is dependent on the experience and structure of the record keeping. It could be increased to 5 hours (300 minutes) but not to 7 hours (420 minutes).

3. Ways to enhance the quality, utility, and clarity of the information to be collected.

VHA and NPCs have a mutual interest in ensuring that the Annual Report Template is clear and provides useful information. As a result, stakeholders have appreciated VHA’s longstanding interest in suggestions for improvements and the many modifications VHA has made over the years. The following recommendations are intended to continue this tradition of collaboration to enhance the quality, utility and clarity of this template.

Tab 1:

General Instructions:

Comment on Paragraph 1: In regard to oversight, the NPC authorizing statute clearly provides that NPC records shall be available to the Secretary; NPC programs and operations may be investigated by the VA Inspector General in the same way as VA programs; and each NPC is considered to be an agency for purposes of making information available for inspection by the Comptroller General [38 U.S.C. § 7366(a)]. Since these do not appear to include “*legislatively mandated oversight duties and responsibilities*” for the VA Secretary, it would be helpful if the citation for the statute referenced in these instructions could be provided so that stakeholders may be made aware of its provisions.

VA Response: The word “*legislatively*” will be deleted and the last sentence will include “*responsibilities...*” according to VHA Handbook 1200.17.

Recommended edit to Paragraph 6: ~~VA and NPPO do not and cannot assure confidentiality or privacy of the information submitted in this Report.~~

Comment on Paragraph 6. Certain components of the information required in the Annual Report Template should be kept confidential by VA and NPPO.

- Schedule B of IRS Form 990 contains information that even the IRS does not make public and that for 501(c)(3) organizations is exempt from the public disclosure requirements that pertain to IRS Form 990. Note: All NPCs are exempt from federal taxation under section 501(c)(3) of the IRS code.
- The personal salary information collected on Tab 9, Payees >\$35,000, is private.
- Except when California state law requires public disclosure, independent auditors and their clients generally characterize nonprofit audit reports as confidential because they may contain sensitive information that should not be made available to the general public.

Although the NPC statute requires NPCs to submit a copy of their audit and IRS Form 990 to VA [38 U.S.C 7366(b)(3)(A) and (B)], this should not relieve VA of the obligation to treat at least some of the components of these documents as confidential and private. Further, they should not be subject to public information requests such as those provided under the Freedom of Information Act (FOIA). Consequently, we recommend deletion of paragraph 6.

VA Response: While the VA attempts to maintain confidentiality and privacy of this information, VA and NPPO cannot guarantee complete confidentiality as the information is shared with many VA offices as well as Congressional offices. Paragraph 6 will remain as is.

Specific Instructions:

Paragraph 15: Paragraph 15 states, *“The other information at Tab 12 is necessary for senior VA executives and NPPO to evaluate your NPC’s progress, financial condition and operations.”*

Given the significant amount of financial information provided by NPCs in compliance with the statutory reporting requirements [38 U.S.C. § 7366(b) and § 7366(d)], the need for the “other information” [Questions 2-8] on Tab 12, Budget and Other Information, and how these questions provide data needed “for senior VA executives and the NPPO” to evaluate an NPC, are unclear. It would be useful to revise the instructions to provide the basis for these senior VA executive and NPPO responsibilities, how the data collected on Tab 12 is necessary to fulfill these responsibilities, the standards used for evaluation and the consequences of shortcomings. Please see below for additional discussion of Tab 12.

VA Response: Please note individual responses below.

Tab 2, NPC Certification:

Comment 1: The following item should be updated to reflect changes made in the NPC authorizing statute as a result of Public Law 111-163, section 806(a):

N/A - Revenue <\$100,000 or 3 Yr Grace Period

VA Response: Concur.

Comment 2: The certifications at the bottom of the page should be provided as two separate certifications in the event that an executive director is unable to certify compliance with both.

VA Response: Concur.

Tab 5, Expenses:

Recommended edit: ~~Items shaded in pink are highly unusual for NPCs and will require explanation.~~

Comment: Tab 5, Expenses, is purposefully based on Part IX, Statement of Functional Expenses, of IRS Form 990, which is well supported with detailed instructions, to ensure consistency in reporting. Therefore the totals reported on Tab 5 should match the NPC's Form 990. Whether an expense is "unusual" is not germane; IRS Form 990 reporting is a matter for NPC personnel and accountants to resolve in accordance with the IRS instructions.

Further, the Annual Report Template should not be judgmental, creating the impression that reported amount is somehow problematic or requires explanation, thereby discouraging allowable expenditures and accurate reporting in compliance with the IRS Form 990 instructions. For example, Tab 5, Line 11.e. Professional Fundraising, is shaded in pink. However, NPCs may conduct fundraising activities, including engaging a professional fundraiser, in the same manner as any other nonprofit organization.

For these reasons the statement recommended for deletion and the pink shading are misleading and should be removed from Tab 2.

VA Response: In Tab 5, not Tab 2 as indicated by the NAVREF response, the NPPO will remove the pink shaded portion for only the professional fundraising. The definition and the other pink shading will remain.

Tab 9, Payees >\$35,000:

Comment: The following item on Tab 9, Payees Greater than \$35,000, should be updated to reflect the change made in the NPC authorizing statute as a result of Public Law 111-163, section 806(c):

Payees >\$~~3550~~,000

VA Response: Concur.

Tab 11, Educational Activities List:

Recommended edit: Report on this page ~~all~~up to ten Educational Activities administered by the NPC during the reporting year.

Comment: This change is recommended to make this reporting requirement parallel to the one for major (primarily research-related) accomplishments on Tab 10, Major Accomplishments. Some NPCs will have no educational activities to report. However, for NPCs that support a large number of educational activities, reporting all of them could be a lengthy and largely meaningless list that the current worksheet formatting does not allow to be pasted into the form.

VA Response: Concur.

Tab 12, Budget and Other Information:

Question 1 recommended edit:

1. ~~Budget data~~Actual NPC revenues and expenses for the NPC's last completed fiscal year, projected revenues and expenses for the NPC's current fiscal year and estimated revenues and expenses for the NPC's next fiscal coming three years.

~~2010~~NPC's last completed fiscal year (This could be autofilled from another part of the Annual Report Template)

~~2011~~NPC's current fiscal year - Projected

~~2012~~NPC's next fiscal year - Estimated

Comment: We understand that the "budget" data is being requested for submission by VA to the Office of Management Budget (OMB) for annual federal budgetary purposes. If our understanding is correct, the information VA needs would be more accurately described as actual and projected revenue and expense information. We recommend clarifying this item to that effect to improve consistency in NPC responses and the accuracy of the information VA provides to OMB.

VA Response: Concur.

Questions 2 and 3:

- ~~2.—As of the year-end, the amount of unrestricted net assets available for meeting administrative expenses, also known as the administrative reserve fund amount.~~
- ~~3.—As of the year-end, the estimated number of months of administrative expense that the reserve fund represents. Please round to the nearest whole month.~~

Comment: What these questions mean, their oversight value and objectives are not discernable. Also, due to lack of clarity, NPCs report varying interpretations of these questions, resulting in lack of consistency in the responses. If these questions have oversight value and utility, they should be revised so that NPCs understand what is being asked in order that they may respond accordingly and consistently.

VA Response: It is imperative that funds be set aside (reserve) in the event that the NPC no longer exists. Nonprofits are always encouraged to have a reserve administrative fund to allow administrative funding for closing out the grants and business if necessary. This will remain but we will work to provide more clear instructions.

Questions 4-8:

4. Number of full time employees ~~at year-end~~ on the last day of the NPC's most recently completed fiscal year.
5. Number of part-time employees ~~at year-end~~ on the last day of the NPC's most recently completed fiscal year.
6. Total number of employees ~~at year-end~~ on the last day of the NPC's most recently completed fiscal year.
7. Number of ~~active~~ principal investigators with active NPC research projects-at year end on the last day of the NPC's most recently completed fiscal year.
8. Number of active research projects being administered by the NPC at year-end on the last day of the NPC's most recently completed fiscal year.

Comments: It would be helpful if an explanation for this data collection could be provided because it appears to have no oversight relevance or practical utility. Also, due to lack of clarity, NPCs have interpreted these questions differently so the information submitted to date is not reliable.

For example, the term “year-end” has several possible meanings for NPCs – end of the calendar year, end of the NPC’s fiscal year or end of the federal fiscal year – each of which could be a different date. For consistency, it would be advisable to be more specific.

The Tab 12 cell for Question 6 could be modified to automatically add up the responses to Questions 4 and 5. This would make Question 6 unnecessary.

It should be noted that each year VHA is provided with each NPC’s total number of employees in the IRS Form 990 submitted as a component of their annual reports to VA. See Part V, Line 2a, of IRS Form 990. If VHA nonetheless has a need to know the number of full-time vs. part-time NPC employees, it could ask NPCs to break down the number reported to the IRS. Using the IRS reporting requirement would ensure consistency in the responses.

VA Response: The item will remain and instructions will be revised to make it clear that this refers to the close out of the fiscal year.

4. Ways to minimize the burden of the collection of information on respondents, including through the use of automated collection techniques or the use of other forms of information technology.

NPCs report that entering data on Tab 10, Major Accomplishments, and Tab 11, Educational Activities, is cumbersome because the cells provided will not accept Excel file downloads or cut-and-paste lists from other programs. Perhaps the form could be modified so as to avoid the need for manual entry.

Otherwise, the changes recommended above will reduce the burden on respondents by eliminating some reporting items, and clarifying others. The current electronic method of submitting the Annual Report Template seems to be working well

VA Response: Tab 10 and Tab 11 will be reformatted to allow for cut and paste.

**Responses Regarding Document 2:
Nonprofit Research and Education Corporations (NPCs)
Audit Action Items Remediation Plans, VA Form 10-0510a**

1. Whether the proposed collection of information is necessary for the proper performance of VHA's functions, including whether the information will have practical utility.

Collecting information that verifies that NPCs are taking action to correct material weaknesses and significant deficiencies identified by independent outside auditors has oversight value. As a result, this data collection (with the modifications discussed below) assists VHA in performing oversight of NPCs and has practical utility.

VA Response: This form was discarded in 2010 when determined that a simple e-mail could achieve the same response and require less time of the respondent.

2. The accuracy of VHA's estimate of the burden of the proposed collection of the information.

The time burden of this proposed collection of information depends entirely on the number of auditor findings that must be addressed on the form. In audit reports submitted by NPCs in June 2010, the number of findings for individual NPCs ranged from 0 to 13. As a result, any estimate of time burden per respondent is meaningless.

However, NPCs report taking on average 45 minutes to respond to each auditor finding. Therefore we recommend using a "per item" estimate.

Further, if NPCs were required to respond only to the material weaknesses and significant deficiencies identified by their auditors (see discussion below), the time burden would be reduced significantly with no loss of oversight value for this information collection.

VA Response: This form was discarded in 2010.

3. Ways to enhance the quality, utility, and clarity of the information to be collected.

- **Introduction and Instructions:**

- **Paragraphs 1-5 of the Introduction and Instructions:**

Recommended edits:

This NPC Audit Action Items Remediation Plans form is for use by the VA affiliated Nonprofit Research and Education Corporations (NPCs). The form's primary purpose is to report back to the Nonprofit Program Office (NPPO) the NPC's action plans for remedying material weaknesses, and significant deficiencies ("audit action items"), deficiencies, and for implementing auditor recommendations for improvements. This will allow NPPO to verify that the NPC is responding to the auditor's findings. The NPPO has oversight responsibility, both operational and financial, for the NPCs and needs to be sure that any problems and opportunities for improvements found by independent outside auditors are followed-up upon by the NPCs. Also, completion of

~~this form and its return to NPPO will allow NPPO to have constructive input into the remediation plans.~~

~~NPPO uses this form as an important oversight tool. If required by the NPPO then the purpose will be to assess the NPC's remediation plans for audit action items. NPPO will make formal written recommendations to the NPC's management, the related VA Medical Center Director, and the NPC's board of directors where appropriate if the remediation plans are not satisfactory.~~

This information collection is mandatory for NPCs that have audit action items reported by their independent outside auditors. Not all of the NPCs will have audit action items reported and no response will be needed from those that have no audit action items.

Normally, this information request will be answered/completed by the NPC's Executive Director, Chief Executive Officer, Chief Financial Officer, Controller or other person with equivalent authority, ability and knowledge of the NPC's operations, internal controls, financial reporting, and accounting system and procedures, subject to approval by the board of directors and the NPC's independent auditor prior to submission to NPPO.

~~If you are uncertain about how to respond to any of the audit action items listed below then please ask the independent outside auditor who noted them for suggested remedies. You may also call the NPPO to request assistance in developing satisfactory remediation plans for the action items. Please note that it is essential to get the independent outside auditors' agreement to your remediation plans prior to submitting them to NPPO.~~

VA Response: This form was discarded in 2010.

Comments on the above paragraphs 1-5 of the Introduction and Instructions:

- NPC Audit Action Items Remediation Plans should mirror Statement on Auditing Standards (SAS) 115, which is among the standards issued by the Auditing Standards Board (ASB), the nationally recognized senior technical body of the Association of Independent Certified Public Accountants (AICPA). SAS 115 requires auditors to communicate in writing to management (the board of directors and senior staff) any **material weaknesses** and **significant deficiencies** identified in an audit. An auditor **may** communicate in writing or verbally – or not at all – deficiencies that do not rise to the level of material weaknesses or significant deficiencies (minor findings are often referred to as “non-reportable deficiencies”), and recommendations regarding any matters the auditor believes to be of potential benefit to the entity. Even auditors consider non-reportable deficiencies to be insignificant matters, and implementation of auditor recommendations is optional, with no response to the auditor required for either. In our experience, non-reportable deficiencies and recommendations cited by auditors frequently are suggestions for efficiency, boiler plate items, some of which may not even be appropriate for the client, or are impractical for a given nonprofit. Often there is nothing to correct or remediate.

VHA verification that an NPC has a plan to correct **material weaknesses** and **significant deficiencies** has oversight value. However, although NPC boards and staff members should review and carefully consider non-reportable deficiencies and their auditors' recommendations, NPCs should not be required to respond on them to VHA. Doing so is not required under SAS 115. Nor is it a good use of NPC time or resources given the estimate of 45 minutes per item.

Further, since accounting rules do not require other nonprofit organizations to respond to non-reportable deficiencies and auditor recommendations, requiring NPCs to do so would be inconsistent with the provision in the NPC authorizing statute that provides that "Except as otherwise provided in this subchapter or under regulations prescribed by the Secretary," NPCs "shall be required to comply only with those Federal laws, regulations, and executive orders and directives that apply generally to private nonprofit corporations" [38 U.S.C. § 7361(d)(1)].

- For VHA oversight purposes, it is reasonable for VHA to confirm that an NPC has a board- and auditor-approved remediation plan for audit action items. However, after an NPC's independent certified auditor and board of directors approve an NPC's remediation plan, the following statements are not relevant: VHA will "*assess the NPC's remediation plans for audit action items*" and "*make formal written recommendations to the NPC's management, the VA medical center director or the NPC's board of directors if the remediation plans are not satisfactory.*"

The objective of the NPC Audit Action Items Remediation Plans collection is stated on the cover page: "*The major object [sic] of the information collection is to help ensure that the proper corrective action is actually taken.*" Verifying that corrective actions for material weaknesses and significant deficiencies have been approved by the board and the certified auditor has oversight utility. However, VHA judgments about remediation plans approved by the board and the NPC's independent auditor, who must comply with rigorous professional certification standards, are inappropriate intrusions on board and auditor responsibilities. Consequently, all statements in the introduction and instructions pertaining to a VHA role in the substance of an NPC's plan to remediate material weaknesses and significant deficiencies identified by independent auditors should be deleted. The NPC Audit Action Items Remediation Plans form should simply ask NPCs to respond "yes" or "no" to a question asking whether the NPC has a board- and auditor-approved remediation plan for each material weakness or significant deficiency, and the date when it was or will be implemented.

VA Response: This form was discarded in 2010.

- **Paragraphs 7 and 8 of the Introduction and Instructions:**

Text: ~~VA and NPPO cannot assure that the information collected will be kept confidential or private. However, NPPO will make a reasonable effort to confine the information collected to those within VA who have a need to know about it.~~

~~This information request does not contain any information that can reasonably be regarded as sensitive.~~

Comments: NPC plans for remediation of material weaknesses and significant deficiencies should be considered confidential and sensitive. Release of identifiable statistics on material weaknesses or significant deficiencies, or the remediation plan, could negatively influence a donor or funding organization's decision on supporting a research or education proposal even if corrective action had already been implemented by the NPC. Consequently, both of the applicable statements should be deleted or revised to reflect that VA will take steps to keep Audit Action Items Remediation Plans confidential. If VA is unable to do so, then this is another reason why the NPC Audit Action Items Remediation Plans form should simply ask NPCs to respond "yes" or "no" to a question asking whether the NPC has a board- and auditor-approved remediation plan for each material weakness or significant deficiency, and the date when it was or will be implemented.

VA Response: This form was discarded in 2010.

- **Audit Action Items Remediation Plans Form**

- **Recommended edits to the form:**

Responsible person:

Date implemented:

Date approved by the board of directors

Date approved by the independent outside auditor:

Scheduled implementation date:

Person responsible for implementation:

VA Response: This form was discarded in 2010.

- **Comments on the form:** Under state law and commonly accepted good governance standards, the board of directors is ultimately responsible for all aspects of a nonprofit organization's activities. As a result, the board of directors must be involved in an NPC's response to material weaknesses and significant deficiencies identified by the outside independent auditor. Adding the board to the approval chain for this form would ensure that the board is aware of the auditor findings and that the board has considered and approved the corrective actions. Subsequent approval by the independent auditor ensures that the remediation plan addresses the practice that prompted the finding in a way that satisfies the applicable audit standard(s).

It may not be possible to implement all corrective actions by the time this report is due to VHA. As a result, providing the "scheduled implementation date" would be more practical.

VA Response: This form was discarded in 2010.

4. Ways to minimize the burden of the collection of information on respondents, including through the use of automated collection techniques or the use of other forms of information technology.

As noted above, this collection of information should be limited to remediation plans for material weaknesses and significant deficiencies. Whether to implement non-reportable deficiencies communicated by auditors or auditor recommendations should be a decision left to the board and management with no requirement for reporting to VHA. This would reduce the amount of time required to respond to this data collection without diminishing its effectiveness as an oversight mechanism.

VA Response: This form was discarded in 2010.

**Responses Regarding Document 3:
Nonprofit Program Office (NPPO) Internal Control Questionnaire,
VA Form 10-0510b:**

1. Whether the proposed collection of information is necessary for the proper performance of VHA's functions, including whether the information will have practical utility.

For those NPCs that undergo audits conducted in accordance with Generally Accepted Government Auditing Standards (GAGAS) or OMB Circular A-133, this collection of information is not necessary and has no practical utility because the NPPO Internal Control Questionnaire (also called the "Self-Assessment of Internal Controls for VA Affiliated Nonprofit Research and Education Corporations") duplicates a significant component of these audits. Such audits require independent auditors to assess internal controls, generally entailing requiring organizations to complete detailed proprietary questionnaires; and to perform onsite in-depth testing of transactions and internal control policies and procedures.

Furthermore, the purposes of the Single Audit Act Amendments of 1996 include ensuring "that Federal departments and agencies, to the maximum extent practical, rely upon and use audit work" performed in accordance with OMB Circular A-133 and reducing "burdens on State and local governments, Indian tribes and nonprofit organizations" [P.L. 104-105. Section 1(b)(4) and (5)]. It is the clear intent of Congress that unnecessary duplication of effort should be avoided when it comes to government oversight. By mandating that most NPCs must undergo annual independent financial audits and must submit the audit reports to VA [38 U.S.C. § 7366(b)], it is equally clear that Congress expects VA to rely on audits by independent auditors for purposes of oversight.

As a result, VHA should substantively review the results of NPCs' GAGAS and A-133 audits, but NPCs undergoing such audits should be exempt from completing the NPPO Internal Control Questionnaire.

For those NPCs that undergo an audit conducted under Generally Accepted Auditing Standards (GAAS), or that are exempt from the audit requirement because their revenues fall below the statutory audit threshold of \$100,000 in prior year revenues [38 U.S.C. § 7366(b)(2)(B)], a form such as the NPPO Internal Control Questionnaire (with the revisions recommended below and in Attachment A) is a useful means for assessing internal controls and would assist VHA in fulfilling its oversight responsibilities.

VA Response: The interpretation by VHA leadership of the VA OIG Report Number 07-00564-121 is that VA should not rely solely upon the work done by outside non-governmental auditors but should itself conduct some oversight of the finances. - Although VA takes into account the work done by non-governmental auditors, VA validates that work by doing audits and reviews of our own. An essential part of doing a financial audit is the assessment of internal controls. All auditors, governmental and non-governmental, use internal control questionnaires as a means of accomplishing the necessary assessment of internal controls.

The accuracy of VHA's estimate of the burden of the proposed collection of the information.

Prior to making the NPPO Internal Control Questionnaire available for public comment for purposes of Paperwork Reduction Act compliance, during the last year or so VA has asked some 20 NPCs to complete various versions prior to on-site NPPO reviews. Stakeholders appreciate that VHA has responded to informal comments on the initial versions by reducing redundancy and eliminating sections that do not apply to NPCs. However, to date few NPCs have been asked to complete the exact form submitted for PRA compliance purposes so estimating the time burden is difficult. That said, NPCs report taking a wide range of time, with as much as 37 hours on the upper end, to complete the most recently circulated shortened version. This is in part due to some NPCs feeling obligated to verify that it has supporting documentation for each “yes” response and to compile it for on-site reviewers. However much thought or verification NPCs put into their responses, the VHA estimate of 240 minutes appears low. Five to ten hours (300-600 minutes) seems to be a more realistic estimate for thoughtful completion of the currently proposed questionnaire. However, for those NPCs conscientious enough to verify their “yes” responses, an estimate of 35 (2100 minutes) hours is warranted. Perhaps more detail could be provided in the instructions to clarify how the completed questionnaire will be used for oversight purposes, the consequences of “no” responses, and whether supporting documentation should be compiled for purposes of on-site review by VHA.

VA Response: VHA recognizes that there may be a large range of times required depending upon the size and complexity of the organization, the experience and education of the person answering the questionnaires, and the detailed knowledge possessed by the answerer. We believe that a knowledgeable answerer with some education in accounting can answer the questionnaire in 240 minutes for the average organization. However, we will clarify the consequences of “no” responses and the extent to which we expect supporting documentation to be assembled for “yes” responses.

2. Ways to enhance the quality, utility, and clarity of the information to be collected.

Although a significant number of changes have been made to the original much longer version of the NPPO Internal Control Questionnaire, the shorter version proposed for OMB approval remains cumbersome to complete. The quality, utility and clarity of this document could be improved by:

- Eliminating repetitious questions and revising those that are unclear.
- Using plain and precise language in the questions. Even CPA accountants and certified auditors that NPCs have consulted for assistance are confused by some of the questions.
- Extracting all questions that pertain to compliance with NPC statutory requirements and VA-specific matters and providing them to NPCs in a separate questionnaire. Separating these questions from those pertaining to internal controls would significantly improve the flow of the document.
- Asking all NPCs to complete a separate VA/NPC-specific questionnaire while exempting those that undergo GAGAS or A-133 audits from completing the NPPO Internal Control Questionnaire.
- Distinguishing commonly accepted internal control measures from “suggested good business practices.” The former would be policies or processes that NPCs clearly should implement while the latter should be optional “reach” goals with implementation dependent on the availability of funding, staffing and board/management preferences. Suggestions for good business practices are always welcome. However, the NPC

authorizing statute provides that an NPC may be held accountable for promulgated standards only [38 U.S.C. § 7361(d)(1) and § 7364(e)].

- Formatting the questionnaire in table form to facilitate inserting responses other than “NA, Yes or No,” or explanations.

To facilitate VHA consideration of these recommendations, the questionnaire has been redlined and highlighted accordingly and provided as Attachment A. This includes a number of edits that would improve the quality, clarity and utility of the questionnaire.

VA Response: VHA has edited and clarified the questionnaire. -Please see attached.

3. Ways to minimize the burden of the collection of information on respondents, including through the use of automated collection techniques or the use of other forms of information technology.

As noted above, the burden of this collection of information could be reduced by implementing the recommended edits and by relying on the results of audits performed in accordance with GAGAS and OMB Circular A-133 for assessment of internal controls for those NPCs that undergo such audits. Last year, 27 NPCs underwent A-133 audits and 6 had GAGAS audits so this would relieve some 33 NPCs of the burden of completing the form without impacting effective VHA oversight.

VA Response: The Non Profit Oversight Board of VHA has determined that VA needs to continue some level of review over the finances of the NPCs in addition to verifying how NPCs comply with VA regulations and policies. This position is consistent with that of other federal agencies who do not rely exclusively on independent non-governmental auditors but also perform their own audits where there are oversight responsibilities. Examples are the Small Business Administration, the Federal Deposit Insurance Corporation, and the National Credit Union Association, the Department of Defense, and the Internal Revenue Service.

**Responses Regarding Document 4:
Nonprofit Program Office (NPPO)
Operations Oversight Questionnaire, VA Form 10-0510c:**

1. Whether the proposed collection of information is necessary for the proper performance of VHA's functions, including whether the information will have practical utility.

The cover page of the Operations Oversight Questionnaire states that the information collected "*is needed to meet specific legal oversight requirements, as well as, general oversight and management requirements.*" Yet the introduction to the Operations Oversight Questionnaire states that it "*is designed to be thought provoking and helpful*" to NPCs and this is the actual thrust of the content. Consequently, this collection of information is not necessary for the proper performance of VHA functions and has no apparent practical utility in fulfilling VHA's oversight responsibility.

Certainly, VHA may provide NPC boards with suggestions for thoughtful consideration and some NPCs may welcome sample tools to prompt board meeting or retreat discussions. However, there is no discernable basis in the NPC statute, the charters for NPPO and the Nonprofit Oversight Board (NPOB), or VHA Handbook 1200.17, Department of Veterans Affairs Nonprofit Research and Education Corporations Authorized by Title 38 United States Code (U.S.C.) Sections 7361 through 7366, for requiring NPCs to engage in thought provoking discussion or long term planning for the express purpose of reporting the results of those deliberations to VHA. If an NPC is fulfilling its 501(c)(3) exempt purpose, complying with rules applicable to nonprofits generally and operating in accordance with published VA guidance, whether it wishes to engage in self-examination or long term planning is within the purview of the board of directors and management to decide.

Requiring NPCs to provide to VHA its long term plans may even discourage boards and management from devoting time to planning because their responses will be used to "*identify areas that need improvement*" [Paragraph 2 of the Introduction and Instructions] and VHA declines to ensure that the responses will be kept confidential or private. Plans for the future may affect current NPC or VA personnel, and even relations with the VA medical center's affiliated university(ies), so we disagree with the contention that the questionnaire responses will not contain sensitive information.

It would be useful to provide the citation for the "*legal oversight requirements*" mentioned on the cover page and to explain what is meant by "*management requirements.*" Whose management requirements are being cited?

Again, this questionnaire is not necessary for the proper performance of VHA's functions, has no practical utility for VHA oversight purposes and may even be counterproductive.

VA Response: Just as is the case for internal controls, VHA is charged with oversight over the operations of the NPCs. Therefore, in order to assess the operations, we have developed a brief questionnaire that accomplishes that assessment very effectively. Gaining an understanding of operations is essential to performing an audit or review and in exercising our oversight responsibilities. The operations questionnaire is efficient and has proved worthwhile in actual use in approximately thirty recent reviews.

2. The accuracy of VHA's estimate of the burden of the proposed collection of the information.

VHA's estimate that it will take an NPC executive director 90 minutes to respond to the questionnaire is too low. Answers to some of the questions more appropriately fall within the purview of the board of directors and many executive directors are uncomfortable responding without board input. Examples of questions the board should answer include: "Do you have an adequate staff to support your current operations and your future growth and development?" [Question 1] Also, "What are your growth and development plans for the next three to five years?" [Question 3] These questions should be discussed during at least one board meeting, which is likely to require a quorum of at least three people plus staff, and would entail planning time, board meeting time and writing up the board's conclusions. The majority of NPCs that have been asked to complete this questionnaire report that completion required more than 90 minutes. A more realistic estimate is likely to be in the range of 5-10 hours (300-600 minutes).

VA Response: We believe that our estimate of 90 minutes is excessive and that the actual time spent to answer this questionnaire in approximately thirty actual instances is about 60 minutes. In a few cases, we have answered the questionnaire jointly with the NPC management in 30 minutes or less. However, we understand that the time required depends upon the experience, education and knowledge of the answerer, as well as, upon the size and complexity of the organization.

3. Ways to enhance the quality, utility, and clarity of the information to be collected.

This document would require significant editing to improve the quality, utility and clarity of the questions. Also, it seems inconsistent with the NPPO oversight function and intrusive on the authority of NPC boards that NPPO will help NPCs "arrive at a suitable answer" [Paragraph 5 of the Introduction and Instructions]. Further, as discussed above, even an improved questionnaire should be offered to NPCs only as a truly voluntary self-assessment or planning tool.

Of particular note, a number of the questions make assumptions that may be erroneous when applied to a specific NPC. For example, "What, if anything, can be done to reduce your administrative expenses?" [Question 5; Question 6 is similar in asking the same question in regard to "administrative expenses."] These questions assume that all NPCs' administrative/operating expenses are excessive when in fact they may be entirely appropriate. It is possible that some NPCs should actually consider increasing these expenses to assure adequate staffing or management infrastructure. Whether an NPC's administrative/operating expenses are out of line is a matter for the local board and management to decide together, not VHA.

Finally, the objectives of the questionnaire are to "meet specific legal oversight requirements as well as general oversight and management requirements" as stated on the cover page, or to "help NPCs improve their operations" as stated in the introduction. Consequently, Questions 10-12 and statements on the cover page regarding the Office of Research and Development, NPPO, NPOB and NPCs nationwide are not germane. If VHA is interested in NPC views on these matters, these questions should be asked outside of the oversight context.

VA Response: From our actual field use of the questionnaire, we find that all of the questions are valuable in gaining an understanding of the NPCs' operations and in performing our oversight responsibilities.

4. Ways to minimize the burden of the collection of information on respondents, including through the use of automated collection techniques or the use of other forms of information technology.

NPCs should be relieved entirely of the burden of being required to respond to this questionnaire. Again, there may be value in VHA offering NPCs one or more well-designed long term planning and self-assessment tools, and NPCs may appreciate these being made available to them. However, completion of such documents should be voluntary and NPCs should not be required to provide the results to VHA.

VA Response: VHA oversight of the NPCs is not voluntary. VHA will continue to meet its oversight responsibilities by performing on-site audits and reviews, which will include appropriate questioning of the NPCs' managers. Appropriate areas for questioning are internal controls and the nature of operations. Although we value the NPCs' trade association's input, the determination of the exact audit and review procedures to be undertaken by VHA will be reserved to VHA alone.

September 6, 2011

NAVREF Comments #2

VA OMB Desk Officer
OMB Human Resources and Housing Branch
Office of Management and Budget
New Executive Office Building, Room 10235
Washington, DC 20503

Reference: OMB Control No. 2900-New
VA Form 10-0510 and VA Forms 10-0510a, b and c
Nonprofit Research and Education Corporations (NPCs) Data Collection

Dear Sir or Madam:

Thank you for the opportunity to comment on the data collection documents being managed under "OMB Control No. 2900-New" which includes proposed VA Form 10-0510, as well as VA Forms 10-0510a-c. These documents were originally published for the 60-day public comment period in the Federal Register on June 8, 2011, pages 33416-7. Subsequently, the same documents, with only one minor change to their content, were re-published in the Federal Register on August 30, 2011, pages 54002-3, for the 30-day public comment period.

The enclosed comments are being submitted on behalf of the National Association of Veterans' Research and Education Foundations (NAVREF). NAVREF is the membership association of the 82 private sector corporations that are impacted by the above mentioned data collection instruments. These nonprofits are affiliated with VA medical centers across the nation, each of which is established and operated in accordance with 38 U.S.C. §§ 7361-7366, Research and Education Corporations. This statute authorizes VA medical centers to establish nonprofit research and education corporations (NPCs) under section 501(c)(3) of the Internal Revenue Service code and describes their nature and purposes.

Please note:

1. On July 18, 2011, NAVREF submitted extensive comments in response to the June 8 Federal Register 60-day public comment period notice regarding the above-referenced documents. Please be aware that we received from VA no substantive response to those comments prior to publication of the August 30 Federal Register notice regarding the 30-day public comment period. Additionally, we have observed that there is only one minor difference between the documents associated with the June 8 and the August 30 Federal notices regarding the respective 60- and 30-day comment periods. Because we have been told informally that there are "good ideas" in our previous comments, we believe that the lack of a VA response and the absence of modifications to the documents are an oversight.
2. As a result of what we believe is an oversight rather than rejection of all of our suggestions, we have no choice but to respond to the August 30 notice with comments that are very similar to those NAVREF submitted in response to the June 8 notice regarding the 60-day public comment period. Although these comments remain germane, we are concerned that

the benefits of the sequential, 60- and 30-day agency/public/OMB comment, response and review procedures are being defeated.

3. NAVREF firmly supports the objectives of the Paperwork Reduction Act of 1995 (PRA) and the processes that compliance entails. Ever since NAVREF learned that VA was using questionnaires to assist the agency in fulfilling its NPC oversight responsibilities, NAVREF has looked forward to the agency and OMB review and approval procedures required under the PRA as an opportunity to work with VA on these important data collection instruments.
4. NAVREF is interested in revisions being made to these data collection documents in a timely fashion because the VA Nonprofit Program Office (whose primary responsibility is oversight of NPCs) is currently using these unapproved forms in the conduct of their oversight activities. As of this writing, approximately thirty NPCs have been asked to complete at least two of the documents during 2011.
5. We understand that the Paperwork Reduction Act of 1995 allows an agency to use unapproved data collection instruments provided that potential responders are notified that they are not required to complete the questionnaires. However, when applied to data collections that involve oversight of identifiable responders by the very office performing such oversight, such notification is a largely hollow gesture. It is understandable that to-date no NPC has declined to complete the questionnaires despite privately conveying to NAVREF concerns about the documents. They do not feel that refusal to comply with the "qualified" request of the NPPO is a real option or that such a denial would set a collegial tone for an oversight visit.
6. NAVREF believes that our recommended revisions would improve the quality, utility and clarity of these data collection documents. Informal verbal discussions with VA personnel lead us to understand that VA concurs with at least some of our suggestions. In particular, we are interested in the two oversight questionnaires being modified as expeditiously as possible in order to improve their quality and clarity. Our suggested modifications would significantly ease the burden on our members that completion of the current documents requires and would improve their utility to VA in performing oversight.
7. NAVREF would appreciate it if we could be informed of VA's plans for next steps toward achieving final OMB approval of modified data collection documents, particularly because even updates that would reflect changes in the NPC authorizing statute enacted in May 2010 were not made prior to publication of the 30-day public comment period notice. While we remain interested in a detailed response to our comments, our main interest is in improved documents being put into use as soon as possible.

This letter and the six enclosures comprise NAVREF's response to the August 30 Federal Register 30-day public comment notice. We encourage all reviewers of the following detailed comments regarding each of the four data collection instruments to first read the NPC authorizing statute for context. A copy is enclosed for the convenience of reviewers.

VA OMB Desk Officer
August 6, 2011
Page Three

Please be aware that in order to ensure that NAVREF's comments represent NPC views on the proposed documents, NAVREF conducted a membership survey. The results are reflected in the enclosed comments.

For ease of your review, we are responding to each of the data collection instruments in four separate enclosures, one of which has an attachment. For clarity, text quoted from the documents under review is provided in italics. Recommended revisions are indicated using the Word "tracked changes" feature.

If you have questions or need additional information, or if any of the enclosures are not clear, please do not hesitate to contact me at 301-656-5005 or bwest@navref.org.

Thank you.

Sincerely,



Barbara F. West
Executive Director

Enclosures:

1. 38 U.S.C. §§ 7361-7366
2. Responses Regarding Document 1: Nonprofit Research and Education Corporations (NPCs) Annual Report Template, VA Form 10-0510
3. Responses Regarding Document 2: Nonprofit Research and Education Corporations (NPCs) Audit Action Items Remediation Plans, VA Form 10-0510a
4. Responses Regarding Document 3: Nonprofit Program Office (NPPO) Internal Control Questionnaire, VA Form 10-0510b:
5. Document 3, Attachment A
6. Responses Regarding Document 4: Nonprofit Program Office (NPPO) Operations Oversight Questionnaire, VA Form 10-0510c:

Other than minor wordsmithing edits and the items marked in yellow, the following pages are the same as NAVREF's Comments #1.

**Responses Regarding Document 1:
Nonprofit Research and Education Corporations (NPCs)
Annual Report Template, VA Form 10-0510**

- 1. Whether the proposed collection of information is necessary for the proper performance of VHA's functions, including whether the information will have practical utility.**

Comment: The federal statute that authorizes VA medical centers to establish VA-affiliated nonprofits [38 U.S.C. §§ 7361-7366] states that each year NPCs must submit to the Secretary of the Department of Veterans Affairs (VA) a report providing a "detailed statement of the operations, activities and accomplishments of the corporation during the year" [38 U.S.C. § 7366 (b)(1)]. Additionally, § 7366(d) requires the Secretary to submit to the House and Senate Committees on Veterans Affairs an annual report on the corporations. The same section states that the report "shall set forth" the specific information described in § 7366 (d)(1)-(4). In order to compile its own report, VA must collect 15 items of information from NPCs. As a result, collection of some of the information requested in the NPC Annual Report Template is both necessary and statutorily required.

In recent years, VA has expanded its report to Congress beyond the items specified in the NPC statute. Additionally, VHA now uses the annual report submission process to collect data that it uses for oversight purposes. Tab 3, Board of Directors, is an example of a non-statutory information item that has practical utility for oversight purposes because it allows VHA to verify that the NPC board of directors is in compliance with the requirements stated in 38 USC § 7363(a).

However, the information requested on Tab 12, Budget and Other Information, appears to have little practical utility in achieving the purposes of the Annual Report Template stated on the cover page. Those purposes are "*to monitor the progress of the NPC program as a whole*" and "*for oversight.*" Additionally, because the questions on this tab are unclear, there is a great deal of variability in how NPCs are interpreting them and responding. Inconsistency in the responses renders the information collected unreliable. As a result, we must conclude that Tab 12 of the Annual Report Template has very little practical utility in its current form. Revisions recommended to improve the utility of this tab are provided below.

- 2. The accuracy of VHA's estimate of the burden of the proposed collection of the information.**

Comment: Nearly half of NPCs report requiring more than 3.5 hours (210 minutes) to complete the report, not counting the time devoted to completing IRS Form 990, Return of Organization Exempt from Income Tax, and facilitating the audit by an independent auditor. Of those needing more than 3.5 hours, many NPCs require significantly more time, in part because multiple staff members and even board members are involved in compiling, reviewing and approving the necessary data. Lack of clarity in the questions on Tab 12, Budget and Other Information, and difficulties entering data on Tabs 10, Major Accomplishments, and Tab 11, Educational Activities List, added to the time burden. Increasing the estimated time burden to 7 hours (420 minutes) seems appropriate while still being reasonable for such an important report.

3. Ways to enhance the quality, utility, and clarity of the information to be collected.

VHA and NPCs have a mutual interest in ensuring that the Annual Report Template is clear and provides useful information. As a result, stakeholders have appreciated VHA's longstanding interest in suggestions for improvements and the many modifications VHA has made over the years. The following recommendations are intended to continue this tradition of collaboration to enhance the quality, utility and clarity of this template.

Tab 1:

General Instructions:

Excerpt from Paragraph 1: *Also, very importantly, the information submitted is used by the VA executives and the NPPO to carry out some of the VA Secretary's legislatively mandated oversight duties and responsibilities.*

Comment on this excerpt from Paragraph 1: In regard to oversight, the NPC authorizing statute clearly provides that NPC records shall be available to the Secretary; NPC programs and operations may be investigated by the VA Inspector General in the same way as VA programs; and each NPC is considered to be an agency for purposes of making information available for inspection by the Comptroller General [38 U.S.C. § 7366(a)]. Since these do not appear to include "legislatively mandated oversight duties and responsibilities" for the VA Secretary, **it would be helpful if the citation for the "legislatively mandated duties and responsibilities" referenced in these instructions, as well as its provisions and its applicability, could be provided so that stakeholders may be made aware of its content.**

Recommended edit to Paragraph 6: ~~VA and NPPO do not and cannot assure confidentiality or privacy of the information submitted in this Report.~~

Comment on Paragraph 6. Certain components of the information required in the Annual Report Template should be kept confidential by VA and NPPO.

- Schedule B of IRS Form 990 contains information that even the IRS does not make public and that for 501(c)(3) organizations is exempt from the public disclosure requirements that pertain to IRS Form 990. Note: All NPCs are exempt from federal taxation under section 501(c)(3) of the IRS code.
- The personal salary information collected on Tab 9, Payees >\$35,000, is private.
- Except when California state law requires public disclosure, independent auditors and their clients generally characterize nonprofit audit reports as confidential because they may contain sensitive information that should not be made available to the general public.

Although the NPC statute requires NPCs to submit a copy of their audit and IRS Form 990 to VA [38 U.S.C 7366(b)(3)(A) and (B)], this should not relieve VA of the obligation to treat at least some of the components of these documents as confidential and private. Further, they should not be subject to public information requests such as those provided under the Freedom of Information Act (FOIA). Consequently, we recommend deletion of paragraph 6.

Specific Instructions:

Excerpt from Paragraph 15: *The other information at Tab 12 is necessary for senior VA executives and NPPO to evaluate your NPC’s progress, financial condition and operations.*

Comment on this excerpt from Paragraph 15: Given the significant amount of financial information provided by NPCs in compliance with the statutory reporting requirements [38 U.S.C. § 7366(b) and § 7366(d)], the need for the “other information” [Questions 2-8] on Tab 12, Budget and Other Information, and how these questions provide data needed “for senior VA executives and the NPPO” to evaluate an NPC, are unclear. It would be useful to revise the instructions to provide the basis for these senior VA executive and NPPO responsibilities, how the data collected on Tab 12 is necessary to fulfill these responsibilities, the standards used for evaluation and the consequences of shortcomings. Please see below for additional discussion of Tab 12.

Tab 2, NPC Certification

Comment 1: The following item should be updated to reflect changes made in the NPC authorizing statute as a result of Public Law 111-163, section 806(a):

N/A - Revenue <\$100,000 or 3 Yr Grace Period

Comment 2: The certifications **at the bottom of Tab 2** should be provided as two separate certifications in the event that an executive director is unable to certify compliance with both.

1. *I certify that each NPC Director, officer and employee has been trained about the conflict of interest policy in accordance with VHA Handbook 1200.17, and has acknowledged understanding of and agrees to comply with the policy and has submitted a conflict of interest disclosure form in accordance with NPC policy.*

Executive Director signature *Date*

2. *I also certify that all new NPC Board members, including Statutory VA Directors, and all new Executive Directors, officers and key employees have taken internal controls training within 90 days of assuming their roles.*

Executive Director signature *Date*

Tab 5, Expenses:

Recommended edit: *Items shaded in pink are highly unusual for NPCs and will require explanation.*

Comment: Tab 5, Expenses, is purposefully based on Part IX, Statement of Functional Expenses, of IRS Form 990, which is well supported with detailed instructions, to ensure consistency in reporting. Therefore the totals reported on Tab 5 should match the NPC’s Form 990. Whether an expense is “unusual” is not germane; IRS Form 990 reporting is

a matter for NPC personnel and accountants to resolve in accordance with the IRS instructions.

Further, the Annual Report Template should not be judgmental, creating the impression that a reported amount is somehow problematic or requires explanation, thereby discouraging allowable expenditures and accurate reporting in compliance with the IRS Form 990 instructions. For example, Tab 5, Line 11.e. Professional Fundraising, is shaded in pink. However, NPCs may conduct fundraising activities, including engaging a professional fundraiser, in the same manner as any other nonprofit organization.

For these reasons the statement recommended for deletion and the pink shading are misleading and should be removed from Tab 2.

Tab 9, Payees >\$35,000:

Comment: The following item on Tab 9, Payees Greater than \$35,000, should be updated to reflect the change made in the NPC authorizing statute as a result of Public Law 111-163, section 806(c):

Payees >~~\$350~~,000

Tab 11, Educational Activities List:

Recommended edit: Report on this page ~~all~~up to ten Educational Activities administered by the NPC during the reporting year.

Comment: This change is recommended to make this reporting requirement parallel to the one for major (primarily research-related) accomplishments on Tab 10, Major Accomplishments. Some NPCs will have no educational activities to report. However, for NPCs that support a large number of educational activities, reporting all of them could be a lengthy and largely meaningless list that the current worksheet formatting does not allow to be pasted into the form.

Tab 12, Budget and Other Information:

Question 1 recommended edit:

1. ~~Budget data~~Actual NPC revenues and expenses for the NPC's last completed fiscal year, projected revenues and expenses for the NPC's current fiscal year and estimated revenues and expenses for the NPC's next fiscal coming three years.

~~2010~~NPC's last completed fiscal year (This could be auto-filled from another part of the Annual Report Template)

~~2011~~NPC's current fiscal year - Projected

~~2012~~NPC's next fiscal year - Estimated

Comment: We understand that the "budget" data is being requested for submission by VA to the Office of Management Budget (OMB) for annual federal budgetary purposes. If our understanding is correct, the information VA needs would be more accurately described as actual and projected revenue and expense information. We

recommend clarifying this item to that effect to improve consistency in NPC responses and the accuracy of the information VA provides to OMB.

Questions 2 and 3:

- ~~2. As of the year-end, the amount of unrestricted net assets available for meeting administrative expenses, also known as the administrative reserve fund amount.~~
- ~~3. As of the year-end, the estimated number of months of administrative expense that the reserve fund represents. Please round to the nearest whole month.~~

Comment: What these questions mean, their oversight value and objectives are not discernible. Also, due to lack of clarity, NPCs report varying interpretations of these questions, resulting in lack of consistency in the responses. If these questions have oversight value and utility, they should be revised so that NPCs understand what is being asked in order that they may respond accordingly and consistently.

Questions 4-8:

- ~~4. Number of full time employees at year-end on the last day of the NPC's most recently completed fiscal year.~~
- ~~5. Number of part-time employees at year-end on the last day of the NPC's most recently completed fiscal year.~~
- ~~6. Total number of employees at year-end on the last day of the NPC's most recently completed fiscal year.~~
- ~~7. Number of active-principal investigators with active NPC research projects-at-year end on the last day of the NPC's most recently completed fiscal year.~~
- ~~8. Number of active research projects being administered by the NPC at-year-end on the last day of the NPC's most recently completed fiscal year.~~

Comments: It would be helpful if an explanation for this data collection could be provided because it appears to have no oversight relevance or practical utility. Also, due to lack of clarity, NPCs have interpreted these questions differently so the information submitted to date is not reliable.

For example, the term “year-end” has several possible meanings for NPCs – end of the calendar year, end of the NPC’s fiscal year or end of the federal fiscal year – each of which could be a different date. For consistency, it would be advisable to be more specific as recommended above.

The Tab 12 cell for Question 6 could be modified to automatically add up the responses to Questions 4 and 5. This would make Question 6 unnecessary.

It should be noted that each year VHA is provided with each NPC’s total number of employees in the IRS Form 990 submitted as a component of their annual reports to VA. See Part V, Line 2a, of IRS Form 990. If VHA nonetheless has a need to know the number of full-time vs. part-time NPC employees, it could ask NPCs to break down the number reported to the IRS. Using the IRS reporting requirement would ensure consistency in the responses.

4. Ways to minimize the burden of the collection of information on respondents, including through the use of automated collection techniques or the use of other forms of information technology.

NPCs report that entering data on Tab 10, Major Accomplishments, and Tab 11, Educational Activities, is cumbersome because the cells provided will not accept Excel file downloads or cut-and-paste lists from other programs. Perhaps the form could be modified so as to avoid the need for manual entry.

Otherwise, the changes recommended above will reduce the burden on respondents by eliminating some reporting items, and clarifying others. The current electronic method of submitting the Annual Report Template seems to be working well.

**Responses Regarding Document 2:
Nonprofit Research and Education Corporations (NPCs)
Audit Action Items Remediation Plans, VA Form 10-0510a**

1. Whether the proposed collection of information is necessary for the proper performance of VHA's functions, including whether the information will have practical utility.

Collecting information that verifies that NPCs are taking action to correct material weaknesses and significant deficiencies identified by independent outside auditors has oversight value. As a result, this data collection (with the modifications discussed below) assists VHA in performing oversight of NPCs and has practical utility.

2. The accuracy of VHA's estimate of the burden of the proposed collection of the information.

The time burden of this proposed collection of information depends entirely on the number of auditor findings that must be addressed on the form. In audit reports submitted by NPCs in June 2010, the number of findings for individual NPCs ranged from 0 to 13. As a result, any estimate of time burden per respondent is meaningless.

However, NPCs report taking on average 45 minutes to respond to each auditor finding. Therefore we recommend using a "per item" estimate.

Further, if NPCs were required to respond only to the material weaknesses and significant deficiencies identified by their auditors (see discussion below), the time burden would be reduced significantly with no loss of oversight value for this information collection.

3. Ways to enhance the quality, utility, and clarity of the information to be collected.

- **Introduction and Instructions:**

- **Paragraphs 1-5 of the Introduction and Instructions:**

- **Recommended edits:**

~~This NPC Audit Action Items Remediation Plans form is for use by the VA affiliated Nonprofit Research and Education Corporations (NPCs). The form's primary purpose is to report back to the Nonprofit Program Office (NPPO) the NPC's action plans for remedying material weaknesses, and significant deficiencies ("audit action items"), deficiencies, and for implementing auditor recommendations for improvements. This will allow NPPO to verify that the NPC is responding to the auditor's findings. The NPPO has oversight responsibility, both operational and financial, for the NPCs and needs to be sure that any problems and opportunities for improvements found by independent outside auditors are followed-up upon by the NPCs. Also, completion of this form and its return to NPPO will allow NPPO to have constructive input into the remediation plans.~~

~~NPPO uses this form as an important oversight tool. If required by the NPPO then the purpose will be to assess the NPC's remediation plans for audit action items.~~

~~NPPO will make formal written recommendations to the NPC's management, the related VA Medical Center Director, and the NPC's board of directors where appropriate if the remediation plans are not satisfactory.~~

This information collection is mandatory for NPCs that have audit action items reported by their independent outside auditors. Not all of the NPCs will have audit action items reported and no response will be needed from those that have no audit action items.

Normally, this information request will be ~~answered~~ completed by the NPC's Executive Director, Chief Executive Officer, Chief Financial Officer, Controller or other person with equivalent authority, ability and knowledge of the NPC's operations, internal controls, financial reporting, and accounting system and procedures, subject to approval by the board of directors prior to submission to NPPO. If the NPC's independent auditor is willing to review the NPC's action plan and to sign the form where indicated, the auditor may do so although the auditor's signature is not required.

~~If you are uncertain about how to respond to any of the audit action items listed below then please ask the independent outside auditor who noted them for suggested remedies. You may also call the NPPO to request assistance in developing satisfactory remediation plans for the action items. Please note that it is essential to get the independent outside auditors' agreement to your remediation plans prior to submitting them to NPPO.~~

Comments on the above paragraphs 1-5 of the Introduction and Instructions:

- NPC Audit Action Items Remediation Plans should mirror Statement on Auditing Standards (SAS) 115, which is among the standards issued by the Auditing Standards Board (ASB), the nationally recognized senior technical body of the Association of Independent Certified Public Accountants (AICPA). SAS 115 requires auditors to communicate in writing to management (the board of directors and senior staff) any **material weaknesses** and **significant deficiencies** identified in an audit. An auditor **may** communicate in writing or verbally – or not at all – deficiencies that do not rise to the level of material weaknesses or significant deficiencies (minor findings are often referred to as “non-reportable deficiencies”), and recommendations regarding any matters the auditor believes to be of potential benefit to the entity. Even auditors consider non-reportable deficiencies to be insignificant matters, and implementation of auditor recommendations is optional, with no response to the auditor required for either. In our experience, non-reportable deficiencies and recommendations cited by auditors frequently are suggestions for efficiency, boiler plate items, some of which may not even be appropriate for the client, or are impractical for a given nonprofit. Often there is nothing to correct or remediate.

VHA verification that an NPC has a plan to correct **material weaknesses** and **significant deficiencies** has oversight value. However, although NPC boards and staff members should review and carefully consider non-reportable deficiencies and their auditors' recommendations, NPCs should not be required to respond on them to VHA. Doing so is not required under SAS 115. Nor is it a good use of NPC time or resources given the estimate of 45 minutes per item.

Further, since accounting rules do not require other nonprofit organizations to respond to non-reportable deficiencies and auditor recommendations, requiring NPCs to do so would be inconsistent with the provision in the NPC authorizing statute that provides that “Except as otherwise provided in this subchapter or under regulations prescribed by the Secretary,” NPCs “shall be required to comply only with those Federal laws, regulations, and executive orders and directives that apply generally to private nonprofit corporations” [38 U.S.C. § 7361(d)(1)].

- For VHA oversight purposes, it is reasonable for VHA to confirm that an NPC has a board-approved remediation plan for audit action items. However, after an NPC’s board of directors approves an NPC’s remediation plan, **and perhaps the NPC’s independent auditor has also reviewed it**, the following statements overstate VHA’s appropriate role: VHA will “*assess the NPC’s remediation plans for audit action items*” and “*make formal written recommendations to the NPC’s management, the VA medical center director or the NPC’s board of directors if the remediation plans are not satisfactory.*”

The objective of the NPC Audit Action Items Remediation Plans collection is stated on the cover page: “*The major object [sic] of the information collection is to help ensure that the proper corrective action is actually taken.*” Verifying that corrective actions for material weaknesses and significant deficiencies have been approved by the board has oversight utility. However, VHA judgments about remediation plans approved by any individual board **and perhaps also by the NPC’s independent auditor**, who must comply with rigorous professional certification standards, are inappropriate intrusions on board and auditor responsibilities. Consequently, all statements in the introduction and instructions pertaining to a VHA role in the substance of an NPC’s plan to remediate material weaknesses and significant deficiencies identified by independent auditors should be deleted.

The NPC Audit Action Items Remediation Plans form should simply ask NPCs to respond “yes” or “no” to a question asking whether the NPC has a board-approved remediation plan for each material weakness or significant deficiency, and the date when it was or will be implemented. **If a certified auditor judges an NPC’s correction action to be inadequate, the same material weakness or significant deficiency will appear on the auditor’s letter to management for the following year.**

- **Paragraphs 7 and 8 of the Introduction and Instructions:**

Text: ~~VA and NPPO cannot assure that the information collected will be kept confidential or private. However, NPPO will make a reasonable effort to confine the information collected to those within VA who have a need to know about it.~~

~~This information request does not contain any information that can reasonably be regarded as sensitive.~~

Comments: NPC plans for remediation of material weaknesses and significant deficiencies should be considered confidential and sensitive. Release of identifiable statistics on material weaknesses or significant deficiencies, or the remediation plan,

could negatively influence a donor or funding organization's decision on supporting a research or education proposal even if corrective action had already been implemented by the NPC. Consequently, both of the applicable statements should be deleted or revised to reflect that VA will take steps to keep Audit Action Items Remediation Plans confidential. If VA is unable to do so, then this is another reason why the NPC Audit Action Items Remediation Plans form should simply ask NPCs to respond "yes" or "no" to a question asking whether the NPC has a board-approved remediation plan for each material weakness or significant deficiency, and the date when it was or will be implemented.

- **Audit Action Items Remediation Plans Form**

- **Recommended edits to the form:**

Responsible person:

Date implemented:

Date approved by the board of directors

Date approved by the independent outside auditor (optional):

Scheduled implementation date:

Person responsible for implementation:

- **Comments on the form:** Under state law and commonly accepted good governance standards, the board of directors is ultimately responsible for all aspects of a nonprofit organization's activities. As a result, the board of directors must be involved in an NPC's response to material weaknesses and significant deficiencies identified by the outside independent auditor. Adding the board to the approval chain for this form would ensure that the board is aware of the auditor findings and that the board has considered and approved the corrective actions.

Subsequent approval by the independent auditor is desirable to ensure that the remediation plan addresses the practice that prompted the finding in a way that satisfies the applicable audit standard(s). However, it is likely that auditors will decline to express a written opinion on an organization's corrective action plan as being outside the scope of the audit. As a result, an auditor's signature should be optional. The implementation plan will be reviewed by an auditor as part of the next audit and if not satisfactory the item/issue will remain a material weakness or significant deficiency.

It may not be possible to implement all corrective actions by the time this report is due to VHA. As a result, providing the "scheduled implementation date" would be more practical.

4. Ways to minimize the burden of the collection of information on respondents, including through the use of automated collection techniques or the use of other forms of information technology.

As noted above, this collection of information should be limited to remediation plans for material weaknesses and significant deficiencies. Whether to implement non-reportable deficiencies communicated by auditors or auditor recommendations should be a decision left to the board and management with no requirement for reporting to VHA. This would reduce the amount of time required to respond to this data collection without diminishing its effectiveness as an oversight mechanism.

**Responses Regarding Document 3:
Nonprofit Program Office (NPPO) Internal Control Questionnaire,
VA Form 10-0510b:**

1. Whether the proposed collection of information is necessary for the proper performance of VHA's functions, including whether the information will have practical utility.

For those NPCs that undergo audits conducted in accordance with Generally Accepted Government Auditing Standards (GAGAS) or OMB Circular A-133, this collection of information is not necessary and has no practical utility because the NPPO Internal Control Questionnaire (also called the "Self-Assessment of Internal Controls for VA Affiliated Nonprofit Research and Education Corporations") duplicates a significant component of these audits. Such audits require independent auditors to assess internal controls, generally entailing requiring organizations to complete detailed proprietary questionnaires; and to perform onsite in-depth testing of transactions and internal control policies and procedures.

Furthermore, the purposes of the Single Audit Act Amendments of 1996 include ensuring "that Federal departments and agencies, to the maximum extent practical, rely upon and use audit work" performed in accordance with OMB Circular A-133 and reducing "burdens on State and local governments, Indian tribes and nonprofit organizations" [P.L. 104-105. Section 1(b)(4) and (5)]. It is the clear intent of Congress that unnecessary duplication of effort should be avoided when it comes to government oversight. By mandating that most NPCs must undergo annual independent financial audits and must submit the audit reports to VA [38 U.S.C. § 7366(b)], it is equally clear that Congress expects VA to rely on audits by independent auditors for purposes of oversight.

As a result, VHA should substantively review the results of NPCs' GAGAS and A-133 audits, but NPCs undergoing such audits should be exempt from completing the NPPO Internal Control Questionnaire.

For those NPCs that undergo an audit conducted under Generally Accepted Auditing Standards (GAAS), or that are exempt from the audit requirement because their revenues fall below the statutory audit threshold of \$100,000 in prior year revenues [38 U.S.C. § 7366(b)(2)(B)], a form such as the NPPO Internal Control Questionnaire (with the revisions recommended below and in Attachment A) is a useful means for assessing internal controls and would assist VHA in fulfilling its oversight responsibilities.

2. The accuracy of VHA's estimate of the burden of the proposed collection of the information.

Prior to making the NPPO Internal Control Questionnaire available for public comment for purposes of Paperwork Reduction Act compliance, during the last year or so VA has asked some 30 NPCs to complete various versions prior to on-site NPPO reviews. Stakeholders appreciate that VHA has responded to informal comments on the initial versions by reducing redundancy and eliminating sections that do not apply to NPCs. However, at the time NAVREF conducted its survey few NPCs had been asked to complete the exact form submitted for PRA compliance purposes so estimating the time burden is difficult. That said, NPCs report taking a wide range of time, with as much as 37 hours on the upper end, to complete the most recently circulated shortened version. This is in part due to some NPCs

feeling obligated to verify that it has supporting documentation for each “yes” response and to compile it for on-site reviewers.

However much thought or verification NPCs put into their responses, the VHA estimate of 240 minutes appears low. Five to ten hours (300-600 minutes) seems to be a more realistic estimate for thoughtful completion of the currently proposed questionnaire. However, for those NPCs conscientious enough to verify their “yes” responses, an estimate of 35 (2100 minutes) hours is warranted. Perhaps more detail could be provided in the instructions to clarify how the completed questionnaire will be used for oversight purposes, the consequences of “no” responses, and whether supporting documentation should be compiled for purposes of on-site review by VHA.

3. Ways to enhance the quality, utility, and clarity of the information to be collected.

Although a significant number of changes have been made to the original much longer version of the NPPO Internal Control Questionnaire, the shorter version proposed for OMB approval remains cumbersome to complete. The quality, utility and clarity of this document could be improved by:

- Eliminating repetitious questions and revising those that are unclear.
- Using plain and precise language in the questions. Even CPA accountants and certified auditors that NPCs have consulted for assistance are confused by some of the questions.
- Extracting all questions that pertain to compliance with NPC statutory requirements and VA-specific matters and providing them to NPCs in a separate questionnaire. Separating these questions from those pertaining to internal controls would significantly improve the flow of the document.
- Asking all NPCs to complete a separate VA/NPC-specific questionnaire while exempting those that undergo GAGAS or A-133 audits from completing the NPPO Internal Control Questionnaire.
- Distinguishing commonly accepted internal control measures from “suggested good business practices.” The former would be policies or processes that NPCs clearly should implement while the latter should be optional “reach” goals with implementation dependent on the availability of funding, staffing and board/management preferences. Suggestions for good business practices are always welcome. However, the NPC authorizing statute provides that an NPC may be held accountable for promulgated standards only [38 U.S.C. § 7361(d)(1) and § 7364(e)].
- Formatting the questionnaire in table form to facilitate inserting responses other than “NA, Yes or No,” or explanations.

To facilitate VHA consideration of these recommendations, the questionnaire has been redlined and highlighted accordingly and provided as Attachment A. This includes a number of edits that would improve the quality, clarity and utility of the questionnaire.

4. Ways to minimize the burden of the collection of information on respondents, including through the use of automated collection techniques or the use of other forms of information technology.

As noted above, the burden of this collection of information could be reduced by implementing the recommended edits and by relying on the results of audits performed in

accordance with GAGAS and OMB Circular A-133 for assessment of internal controls for those NPCs that undergo such audits. Last year, 27 NPCs underwent A-133 audits and 6 had GAGAS audits so this would relieve some 33 NPCs of the burden of completing the form without impacting effective VHA oversight.

**Responses Regarding Document 4:
Nonprofit Program Office (NPPO)
Operations Oversight Questionnaire, VA Form 10-0510c:**

1. Whether the proposed collection of information is necessary for the proper performance of VHA's functions, including whether the information will have practical utility.

The cover page of the Operations Oversight Questionnaire states that the information collected "*is needed to meet specific legal oversight requirements, as well as, general oversight and management requirements.*" Yet the introduction to the Operations Oversight Questionnaire states that it "*is designed to be thought provoking and helpful*" to NPCs and this is the actual thrust of the content. Consequently, this collection of information is not necessary for the proper performance of VHA functions and has no apparent practical utility in fulfilling VHA's **oversight** responsibility.

Certainly, VHA may provide NPC boards with suggestions for thoughtful consideration and some NPCs may welcome sample tools to prompt board meeting or retreat discussions. However, there is no discernible basis in the NPC statute, the charters for NPPO and the Nonprofit Oversight Board (NPOB), or VHA Handbook 1200.17, Department of Veterans Affairs Nonprofit Research and Education Corporations Authorized by Title 38 United States Code (U.S.C.) Sections 7361 through 7366, for requiring NPCs to engage in thought provoking discussion or long term planning for the express purpose of reporting the results of those deliberations to VHA. If an NPC is fulfilling its 501(c)(3) exempt purpose, complying with rules applicable to nonprofits generally and operating in accordance with published VA guidance, whether it wishes to engage in self-examination or long term planning is within the purview of the board of directors and management to decide.

Requiring NPCs to provide to VHA its long term plans may even discourage boards and management from devoting time to planning because their responses will be used to "*identify areas that need improvement*" [Paragraph 2 of the Introduction and Instructions] and VHA declines to ensure that the responses will be kept confidential or private. Plans for the future may affect current NPC or VA personnel, and even relations with the VA medical center's affiliated university(ies), so we disagree with the contention that the questionnaire responses will not contain sensitive information.

It would be useful to provide the citation for the "*legal oversight requirements*" mentioned on the cover page and to explain what is meant by "*management requirements.*" Whose management requirements are being cited?

Again, this questionnaire is not necessary for the proper performance of VHA's functions, has no practical utility for VHA oversight purposes and may even be counterproductive.

2. The accuracy of VHA's estimate of the burden of the proposed collection of the information.

VHA's estimate that it will take an NPC executive director 90 minutes to respond to the questionnaire is too low. Answers to some of the questions more appropriately fall within the purview of the board of directors and many executive directors are uncomfortable responding without board input. Examples of questions the board should answer include:

“Do you have an adequate staff to support your current operations and your future growth and development?” [Question 1] Also, *“What are your growth and development plans for the next three to five years?”* [Question 3] These questions should be discussed during at least one board meeting, which is likely to require a quorum of at least three people plus staff, and would entail planning time, board meeting time and writing up the board’s conclusions. The majority of NPCs that have been asked to complete this questionnaire report that completion required more than 90 minutes. A more realistic estimate is likely to be in the range of 5-10 hours (300-600 minutes).

3. Ways to enhance the quality, utility, and clarity of the information to be collected.

This document would require significant editing to improve the quality, utility and clarity of the questions. Also, it seems inconsistent with the NPPO oversight function and intrusive on the authority of NPC boards that NPPO will help NPCs *“arrive at a suitable answer”* [Paragraph 5 of the Introduction and Instructions]. Further, as discussed above, even an improved questionnaire should be offered to NPCs only as a truly voluntary self-assessment or planning tool.

Of particular note, a number of the questions make assumptions that may be erroneous when applied to a specific NPC. For example, *“What, if anything, can be done to reduce your administrative expenses?”* [Question 5; Question 6 is similar in asking the same question in regard to *“administrative expenses.”*] These questions assume that all NPCs’ administrative/operating expenses are excessive when in fact they may be entirely appropriate. It is possible that some NPCs should actually consider **increasing** these expenses to assure adequate staffing or management infrastructure. Whether an NPC’s administrative/operating expenses are out of line is a matter for the local board and management to decide together, not VHA.

Finally, the stated objectives of the questionnaire are to *“meet specific legal oversight requirements as well as general oversight and management requirements”* as provided on the cover page, or to *“help NPCs improve their operations”* as noted in the introduction. Consequently, Questions 10-12 and statements on the cover page regarding the Office of Research and Development, NPPO, NPOB and NPCs nationwide are not germane. If VHA is interested in NPC views on these matters, these questions should be asked outside of the oversight context.

4. Ways to minimize the burden of the collection of information on respondents, including through the use of automated collection techniques or the use of other forms of information technology.

NPCs should be relieved entirely of the burden of being required to respond to this questionnaire. Again, there may be value in VHA offering NPCs one or more well-designed long term planning and self-assessment tools, and NPCs may appreciate these being made available to them. However, completion of such documents should be voluntary and NPCs should not be required to provide the results to VHA.

MEMORANDUM

October 21, 2011

TO: NAVREF Board of Directors

FROM: Barbara West

SUBJECT: NAVREF Investment in CDs vs. Corporate Bonds

Action Item: During the meeting, the board will discuss corporate bonds as an alternative to CDs for investments.

Background: Although NAVREF's investment policy allows the treasurer and executive director to invest NAVREF funds in instruments other than CDs and Treasury bonds, they have not done so to date. NAVREF is fully invested in FDIC insured CDs. However, because CD rates remain so low, we would like to explore with the board the possibility of purchasing corporate bonds as an alternative to CDs.

To provide background information and the pros and cons of corporate bonds, Jay Sarmir, NAVREF's Raymond James broker, will join the board meeting by speakerphone.

For comparison, sample "offer sheets" for CDs and bonds follow this memo. After the call, the board will discuss whether it would be comfortable with NAVREF investing its idle funds in instruments other than those backed by the full faith and credit of the US government.

YIELDS REPRESENT YIELD TO MATURITY OR YIELD TO WORST CALL AS INDICATED. PLEASE REVIEW THIS INFORMATION CAREFULLY WITH YOUR FINANCIAL ADVISOR TO ASSURE IT MEETS YOUR INVESTMENT OBJECTIVES.

Qty	Cusip	Moody/S&P FDIC #	Issue	Coupon	Maturity	Modified Duration	Convexity	Price	Yield to Worst	Yield to Maturity	Accrued Interest	Principal	Net Amount
755	02005QWF6	57803	ALLY BANK MIDVALE UT Conditional Puts - Death of holder	0.750%	04/19/2013	1.49	0.03	\$100.000	0.750%	0.750%	\$0.00	\$755,000.00	\$755,000.00
3,000	06425HKG0	33653	BANK OF CHINA NEW YORK CITY NY Conditional Puts - Death of holder - Restricted States: OH, TX	0.700%	04/19/2013	1.49	0.03	\$100.000	0.700%	0.700%	\$0.00	\$3,000,000.00	\$3,000,000.00
255	3814267U3	33124	GOLDMAN SACHS BK USA NEW YORK Conditional Puts - Death of holder	0.750%	04/19/2013	1.49	0.03	\$100.000	0.750%	0.750%	\$0.00	\$255,000.00	\$255,000.00
755	02587DER5	27471	AMERICAN EXPRESS CENTURION BANK - SALT LAKE CITY, UT Conditional Puts - Death of holder - Restricted States: OH, TX	0.750%	04/22/2013	1.50	0.03	\$100.000	0.750%	0.750%	\$0.00	\$755,000.00	\$755,000.00
2,000	20449E3X2	19048	COMPASS BANK (BIRMINGHAM, AL) Conditional Puts - Death of holder - Restricted States: AL, AZ, CO, FL, NM, TX	0.750%	04/22/2013	1.49	0.03	\$100.000	0.750%	0.750%	\$0.00	\$2,000,000.00	\$2,000,000.00
500	89387W4W2	34781	TRANSPORTATION ALLIANCE BK OGDEN UTAH Conditional Puts - Death of holder - Restricted States: OH, TX	0.650%	04/29/2013	1.50	0.02	\$100.000	0.650%	0.650%	\$0.00	\$500,000.00	\$500,000.00
750	02005QWC3	57803	ALLY BANK MIDVALE UT Conditional Puts - Death of holder	1.050%	10/21/2013	1.98	0.05	\$100.000	1.050%	1.050%	\$0.00	\$750,000.00	\$750,000.00
243	02587DES3	27471	AMERICAN EXPRESS CENTURION BANK - SALT LAKE CITY, UT Conditional Puts - Death of holder - Restricted States: OH, TX	1.100%	10/21/2013	1.98	0.05	\$100.000	1.100%	1.100%	\$0.00	\$243,000.00	\$243,000.00
2,000	20449E3Z7	19048	COMPASS BANK (BIRMINGHAM, AL) Conditional Puts - Death of holder - Restricted States: AL, AZ, CO, FL, NM, TX	1.050%	10/21/2013	1.98	0.05	\$100.000	1.050%	1.050%	\$0.00	\$2,000,000.00	\$2,000,000.00

YIELDS REPRESENT YIELD TO MATURITY OR YIELD TO WORST CALL AS INDICATED. PLEASE REVIEW THIS INFORMATION CAREFULLY WITH YOUR FINANCIAL ADVISOR TO ASSURE IT MEETS YOUR INVESTMENT OBJECTIVES.

Qty	Cusip	Moody/S&P	Issue	Coupon	Maturity	Modified Duration	Convexity	Price	Yield to Worst	Yield to Maturity	Accrued Interest	Principal	Net Amount
40	742718DR7	Aa3 AA-	PROCTER & GAMBLE CO <i>Make Whole Call Only</i>	1.375%	08/01/2012	0.79	0.01	\$100.984	0.127%	0.127%	\$116.11	\$40,393.60	\$40,509.71
100	097023BB0	A2 A	BOEING CO <i>Make Whole Call Only</i>	1.875%	11/20/2012	1.08	0.02	\$101.876	0.154%	0.154%	\$765.63	\$101,876.00	\$102,641.63
100	071813BB4	A3 A+	BAXTER INTL INC <i>Make Whole Call Only - Conditional Puts - Change of control</i>	1.800%	03/15/2013	1.40	0.03	\$102.010	0.370%	0.370%	\$160.00	\$102,010.00	\$102,170.00
75	66989HAB4	Aa2 AA-	NOVARTIS CAPITAL CORP <i>Make Whole Call Only - Conditional Calls - Tax Law Change</i>	1.900%	04/24/2013	1.49	0.03	\$102.658	0.148%	0.148%	\$684.79	\$76,993.50	\$77,678.29
100	478160BD5	Aaa AAA	JOHNSON & JOHNSON	0.700%	05/15/2013	1.57	0.03	\$101.038	0.042%	0.042%	\$285.83	\$101,038.00	\$101,323.83
100	22303QAJ9	Baa1 A	COVIDIEN INTL FIN S A <i>Make Whole Call Only - Conditional Puts - Change of control</i>	1.875%	06/15/2013	1.63	0.04	\$102.024	0.648%	0.648%	\$635.42	\$102,024.00	\$102,659.42
200	459200GT2	Aa3 A+	INTERNATIONAL BUSINESS MA <i>Make Whole Call Only</i>	1.000%	08/05/2013	1.78	0.04	\$101.317	0.266%	0.266%	\$400.00	\$202,634.00	\$203,034.00
10	790849AG8	Baa1 A	ST JUDE MEDICAL INC <i>Make Whole Call Only - Conditional Puts - Change of control</i>	2.200%	09/15/2013	1.87	0.05	\$101.923	1.179%	1.179%	\$19.56	\$10,192.30	\$10,211.86
50	594918AF1	Aaa AAA	MICROSOFT CORP	0.875%	09/27/2013	1.93	0.05	\$101.614	0.044%	0.044%	\$24.31	\$50,807.00	\$50,831.31
200	931142CW1	Aa2 AA	WAL MART STORES INC	0.750%	10/25/2013	2.00	0.05	\$101.171	0.170%	0.170%	\$716.67	\$202,342.00	\$203,058.67
100	191216AN0	Aa3 A+	COCA COLA CO <i>Make Whole Call Only</i>	0.750%	11/15/2013	2.06	0.05	\$100.702	0.410%	0.410%	\$316.67	\$100,702.00	\$101,018.67
28	17275RAJ1	A1 A+	CISCO SYSTEMS INC <i>Make Whole Call Only</i>	1.625%	03/14/2014	2.36	0.07	\$102.164	0.717%	0.717%	\$41.71	\$28,605.92	\$28,647.63
100	931142DA8	Aa2 AA	WALMART STORES INC	1.625%	04/15/2014	2.45	0.07	\$102.863	0.469%	0.469%	\$9.03	\$102,863.00	\$102,872.03
100	459200GW5	Aa3 A+	INTERNATIONAL BUSINESS MA <i>Make Whole Call Only</i>	1.250%	05/12/2014	2.52	0.08	\$101.660	0.598%	0.598%	\$538.19	\$101,660.00	\$102,198.19

DRAFT

Minutes

Board of Directors Meeting

The NAVREF board of directors met at the Salt Lake City VA Medical Center in Salt Lake City, Utah, on August 1, 2011.

Board Members Present:

Eileen Lennon, PhD, Chair
Cindy Reutzel, Vice-Chair
Norberto Fas, MD, MBA,
Secretary/Treasurer
Donna McCartney, Immediate Past Chair
(until 3:00 p.m.)
Elizabeth Hill, RN, PhD
David Johnson, PhD (until 3:00 p.m.)
Lea Lowe (until 3:00 p.m.)
Fred Wright, MD
Wendy Weinstock Brown, MD, MPH
(until 3:00 p.m.)
Terrence Hannigan

Others Present:

Holly Birdsall, MD, PhD (until noon)
Jeffrey Moore, PhD (9:30 a.m. to 10:00
a.m.)
Gail Burns (2:30 p.m. to 3:00 p.m.)
Kim Collins (10:15 a.m. to 10:45 a.m.)
Priscilla West (3:00 p.m. to 3:10 p.m.)
Kristen Bourgerie (3:00 p.m. to 3:10 p.m.)
Barbara West
Angela Murakami

Absent:

Jonathan Gardner, FACHE
Nancy Watterson-Diorio

Chair Eileen Lennon, PhD, presided and called the meeting to order at 8:30 a.m.

1. **Conflict of Interest Reminder.** No board members reported new potential conflicts.
2. **Minutes of the May 2, 2011, Board Meeting in Cincinnati.** Board members and Ms. West provided brief updates on items not otherwise on the agenda for the May meeting. These included the detrimental impact that clarification of the rules regarding successive IPA terms could have on VA merit reviews. Mr. Hannigan noted that if necessary, it may be possible for the Secretary to request an OPM waiver on the term limit provisions. Ms. West added that the IPA statute provides the head of the Indian Health Service with authority to extend IPA assignments; it may be possible to obtain a similar exception for VA.

The board also discussed the status of OGC guidance on Section 208 ethics waivers for dually appointed VA/university personnel and the OAA draft directive on fees, gifts and donations associated with VA trainee programs. After discussion, the board approved without change the draft minutes provided in the agenda packet.

3. Treasurer's Report.

- **Financial Statements.** Dr. Fas presented the financial statements for the end of the third quarter of NAVREF's 2011 fiscal year. He noted that the new server, computers and software have been installed in the NAVREF office, and that the Capital Equipment Reserve has been used to cover this cost. The cost of the labor associated with this project will not be reflected in the financial statements until the end of the 4th quarter. NAVREF is in the process of moving its idle funds to a newly opened Raymond James

account to take advantage of more active management of CDs. According to the balances in NAVREF's bank and brokerage accounts, and various financial ratios, NAVREF is in good financial shape. The board approved the financial statements provided in the agenda packet.

- **Policy on Budgeting and Change in Part-Time Employee Benefits.** After discussion, the board approved the following policy on budgeting:

Budget

The board considers and adopts an annual budget during the board meeting closest to the start of each new fiscal year. Approval provides the executive director with consent to expend funds in accordance with the budgeted amounts; no further authorizations are required for expenditures that are consistent with the approved budget.

When it appears that an individual functional expense will exceed the budgeted amount by more than 20% (5% for payroll), or the sum of all the functional expenses will exceed the budgeted total by more than 5%, the executive director will consult with the treasurer in a timely manner. At his or her discretion, the treasurer may approve 1) re-budgeting between two or more functional expenses; 2) an increase in a functional expense sufficient to cover the expense through the end of the fiscal year; or 3) other steps necessary to ensure that an expense is covered. Alternatively, the treasurer may bring the matter to the attention of the full board for a decision during a regular or special meeting of the board. Any change to the board-approved budget authorized by the treasurer will be brought to the attention of the board during the next regular meeting.

- **Modifying the benefits NAVREF offers part time employees.** After discussion, the board decided to add prorated health, retirement and long term disability to the benefits that may be offered to regular part-time employees who work at least 20 hours per week.
- **2011-2012 Dues.** Ms. West noted that 2011-2012 membership year dues revenues are on track to be slightly higher than they were for the previous year. The board discussed how to respond to requests for reduced dues or for a payment plan and decided to offer the following one-year accommodations:
 - Albany – Reduced from \$5000 to \$2000
 - Louisville – Reduced from \$2500 to \$100; NAVREF will send the executive director (with a cc to the board chair) a letter recommending that the NPC increase its administrative overhead rate and providing benchmarking data about other NPCs' rates; Mr. Gardner may be asked to contact the medical center director as well.
 - Orlando – Reduced from \$750 to \$100
 - Temple – Extended payment plan
 - San Juan – Extended payment plan
 - Birmingham – Extended payment plan

Action Items:

- Ms. West will add the budget policy to NAVREF's financial policies.
- Ms. West will modify NAVREF's employee handbook to reflect that part-time employees working at least 20 hours per week are eligible for NAVREF's health, retirement and long term disability benefits on a prorated basis. She will also modify NAVREF's 403(b) retirement plan to reflect this change.
- Ms. West will convey to the executive directors of the NPCs listed above the board's decisions in regard to dues.

4. ORD Update. Dr. Birdsall discussed the following with the board:

- CRADA Trends. Dr. Moore joined the board meeting to discuss various issues related to CRADAs including the “Corporate integrity agreements” (CIAs) that a number of pharmaceutical companies are now required to obtain from investigators.
- NAVREF participation in NPOB Meetings. Ms. Collins will provide Ms. West with a memo containing the NPOB’s decisions about a week after each meeting.
- The status of the VACO initiative on the impact of research compliance requirements. Dr. Birdsall noted that ORD is “re-thinking” a number of the research handbooks to determine whether they remain useful and necessary. The objective is to reduce the regulatory burden.
- Solutions to the ICH-GCP Dilemma. Ms. McCartney noted that as a result of this impasse) veterans are being denied participation in COPD studies that provide effective, but expensive drugs at no cost to VA.
- OGC CRADA services reimbursement fee schedule

Action Items:

- Ms. West will follow up with Dr. Moore to arrange a membership conference call to educate NPC personnel about CIAs and how to respond to them.
- Dr. Hill will consult with her contacts at BI to obtain the names and contact information for high level corporate personnel who may be able to resolve the impasse on ICH-GCP by agreeing to language in CRADAs specifying that BI may monitor studies in accordance with ICH-GCP. Dr. Hill will provide this information to Dr. Birdsall to facilitate high level discussions between VA and BI.
- Ms. West will develop short NAVREF comments in response to Questions 73 and 74 in the July 26, 2011 (pages 445512-44531) Federal Register Advance Notice of Proposed Rulemaking regarding human subjects research protections. NAVREF’s comments will urge uniformity of standards among federal agencies and ICH-GCP to facilitate domestic and international research collaborations.

5. NPPO Update. Ms. Collins joined the board meeting by speakerphone to discuss the following topics:

- June 7 NPOB meeting agenda items.
- Preliminary results of the June 2011 annual reports to VA which indicate that total revenues are up slightly, but private sector revenues declined by 14%. Dr. Birdsall has asked Dr. Moore to look into pharmaceutical industry factors that may have contributed to this decline.
- Results of on-site NPPO reviews which Ms. Collins noted are going well for the most part. Compliance with IPA rules (in part on the VA side) and the need for better internal controls are the most common problems being identified.
- Requests for approval to become Multi-NPCs. The White River Junction (with Togus, Maine, and Manchester, New Hampshire) and Honolulu (joined with Fresno) NPCs are developing proposals to become multi-NPCs. The Boise VAMC is seeking approval to establish a new NPC.

6. Response to the June 8 Federal Register Notice on NPPO Oversight Documents. The board discussed with Dr. Birdsall the objectives of the NAVREF comments on NPPO documents proposed for OMB approval in accordance with the Paperwork Reduction Act requirements. The internal VA process for reviewing the comments and who will be involved are not known. It was noted that whatever questionnaires NPPO plans to use for its 2014-

17 cycle of reviews should be under development now so they will be approved in accordance with Paperwork Reduction Act requirements before NPPO starts using them.

7. **NAVREF Governance Training for NPC Boards.** Dr. Lennon discussed offering NAVREF training on NPC board responsibilities during a “lunch and learn” session for medical center directors and chiefs of staff who serve on NPC boards at the March 2012 meeting of the American College of Health Executives (ACHE) in Chicago. Mr. Gardner has already put Ms. West and Dr. Lennon in touch with the VA personnel in charge of organizing the ACHE VA Day. These individuals have offered to request meeting space for NAVREF’s use. The board approved including the cost of providing a modest buffet lunch for approximately 50 attendees, speaker travel expenses and AV in its FY 2011-2012 budget. NAVREF will be responsible for promoting the session.

Action Items: Ms. West will finalize the meeting arrangements with Guy Richardson (MCD Dayton; the ACHE VA regent) and Joyce Brown (chief of Voluntary Services, Temple; VA’s ACHE meeting coordinator). She will work with Mr. Gardner, Dr. Lennon and Ms. Reutzel to develop and deliver the content.

8. **Exercising the Multi-NPC Opportunity.** Dr. Lennon led a discussion that explored whether NAVREF should take any action to encourage low-revenue NPCs to take advantage of the multi-NPC opportunity provided in the May 2010 NPC statute. Similarly, the board considered whether to encourage higher revenue NPCs to be receptive to becoming multi-NPCs if approached by one or more low-revenue NPCs.

Action Item:

Ms. West will add discussion of the multi-NPC option to the agenda for the Annual Membership Meeting, to the list of suggested topics for Open Forums and to the content for the ACHE training.

Ms. West will put on the January 2012 board meeting agenda consideration of sending a letter to all NPCs regarding the multi-NPC option.

Ms. West will discuss with Ms. Collins whether the multi-NPC option is a topic of discussion when NPPO conducts on-site reviews of very low-revenue or financially precarious NPCs.

9. **Public Policy.**

- **FY 2012 Funding for VA Research.** Ms. West noted that there is a \$51 million difference between the House (\$530 million) and Senate (\$581 million) FY 2012 funding levels for VA research so the final outcome is now a matter for conferees. She distributed a letter that FOVA recently sent to conferees. VSOs and FOVA members are being encouraged to send similar letters.
- **FOVA.**
 - The FOVA Executive Committee will collaborate with the International Foundation for Gastrointestinal Disorders (IFFGD) to conduct a congressional briefing in October on the high incidence of these disorders among OEF/OIF veterans and the need for more research on these and at least one other condition.
 - In lieu of sponsoring a congressional reception as it has in recent years, FOVA will organize a congressional briefing as its contribution to 2012 VA Research Week events; topics and speakers will be coordinated with Ms. Clemmons of the VA Office of Research Communications. The board decided that NAVREF may contribute up to \$1000 to defray expenses associated with this event.

- **Proposed Amendment to 18 USC 208(b)(2) Regarding Federal Employees Serving on Outside Boards in Their Official Capacity.** The board explored the implications for VA employees if the prohibition against federal employees serving on outside boards in their official capacity is relaxed. This may affect VA employees such as PIs serving on NPC boards, and VA personnel serving on the NAVREF board. The position VA will take on the amended rule and in VA’s implementing guidance (which may take years to develop) are not known.

Action Item: Ms. West will include in NAVREF’s 2011-2012 budget \$1000 to support FOVA’s VA Research Week congressional briefing.

10. 2011 Annual Conference in Seattle. Program Co-Chairs Dr. Hill and Ms. Burns, who joined the meeting by speakerphone, reviewed several items in the program provided in the agenda packet. The board also developed a list of suggested topics for Dr. Birdsall’s 45-minute “ORD and NPPO Update.” Ms. West noted that the number of conference registrations is below expectations. Ms. Burns offered to contact NPCs to encourage them to send at least one representative to the meeting. The board decided that Ms. West may waive the registration late fee if that appears to be a disincentive.

Action Items:

- Ms. West will invite the eight executive directors of NPCs with revenues greater than \$10 million to attend the Open Forum sessions to share their expertise.
- Ms. West will draft a list of suggested topics for Dr. Birdsall’s session and after seeking board input, will provide it to Dr. Birdsall.
- Ms. West will provide Ms. Burns with a list of NPCs that have not registered at least one conference attendee.

11. Governance Matters.

- **Slate for the 2011 Board Elections.** Priscilla West, executive director of the Veterans Research and Education Association of Northern New England, and Kristen Bourgerie, executive director of the Veterans Biomedical Research Institute, joined the meeting by speakerphone to comprise the Nominating Committee. After excusing Ms. Reutzel and Dr. Wright from the meeting, the board discussed the candidates and approved the following slate for elections that will occur during August.

Position Categories	Candidates
Executive Director	Kerstin Lynam
Executive Director	Cindy Reutzel
ACOS/R	Fred Wright, MD

- **2012 Board Meeting Locations.** The board approved the following meeting dates and locations.

Season	Date	Location
Winter	Monday, January 30	Los Angeles, California
Spring	Monday, April 30	East Orange, New Jersey
Summer	Monday, July 30	Chicago, Illinois
Fall	Monday, October 29	Albuquerque, New Mexico

- **Executive Director Evaluation and Compensation Review.** After excusing Ms. West and Ms. Murakami, the board reviewed and approved the draft evaluation of Ms. West's performance that was provided in the agenda. After discussion, the board decided to keep Ms. West's compensation at the current level and to award her a \$4000 bonus to be paid in a lump sum on or after October 1, 2011. Ms. West may use the bonus to increase her 2012 personal 403(b) contribution or may take it as an after-tax payment.

Action Items:

- Ms. West will notify Mr. Hollingsworth and Ms. Lynam of the board's decision regarding the election slate.
- Ms. West will conduct the election process during August.
- Ms. West will send board members who plan to attend the 2011 Annual Conference a list of executive directors who may have future board membership potential so they may make an effort to meet them during the conference.
- Ms. West will contact Dr. Brown about hosting the July board meeting at the Jesse Brown VAMC and will determine whether the executive director of the Los Angeles NPC is willing to host the January board meeting. (The executive directors of the East Orange and Albuquerque NPCs have already agreed to host meetings.)
- Board members will note the 2012 meeting dates and locations in their calendars.

12. Governance Discussion. Ms. Reutzel led a governance discussion about succession planning. It was decided that when practical Ms. West and Ms. Murakami should not travel together even though this may increase some travel expenses.

Action Item: Ms. West will ensure that succession planning will be the governance topic for the October 2011 board meeting and will provide "Succession Planning for Nonprofits of All Sizes" as supporting documentation.

Dr. Lennon adjourned the meeting at 3:30 p.m.

Approved by the board.

Date

Norberto Fas, MD, MBA, Secretary/Treasurer

August 24, 2011

Jerry Menikoff, MD, JD
Office for Human Subject Protections (OHRP)
Department of Health and Human Services
1101 Wootton Parkway, Suite 200
Rockville, MD 20851

Subject: Docket ID Number HHS-OPHS-2011-0005
Question 73

Dear Mr. Menikoff:

The National Association of Veterans' Research and Education Foundations (NAVREF) is the section 501(c)(3) membership organization of 82 nonprofit research and education corporations (NPCs) affiliated with Department of Veterans Affairs medical centers. Last year, NPCs administered approximately \$70 million in support of clinical trials conducted at VA medical centers across the nation.

NAVREF is pleased to respond to Question 73 of Docket ID Number HHS-OPHS-2011-0005. Thank you for the opportunity to submit comments on the vitally important matter of protecting human subjects who participate in research. We applaud the Department of Health and Human Services (HHS) for undertaking modernization and revision of the current regulations.

Question 73 – Part 1: To what extent do the existing differences in guidance on research protections from different agencies either facilitate or inhibit the conduct of research domestically and internationally?

Response: Differences between Food and Drug Administration (FDA) guidelines for good clinical practice (GCP) and those resulting from the International Conference on Harmonization of Technical Requirements for Registration of Pharmaceuticals for Human Use (ICH), also known as ICH-GCP, are significantly inhibiting the conduct of research domestically and internationally.

Although FDA adopted ICH-GCP as official FDA guidance in 1997, there are differences between FDA and ICH-GCP guidance. As a result of these differences, federal agencies such as the Department of Veterans Affairs, which regularly participates in a large number of clinical trials of new drugs, are able to assure pharmaceutical companies that they will follow ICH-GCP only to the extent adopted by FDA. Consequently, otherwise highly desirable US study sites and subjects are excluded from participation in many clinical trials. Pharmaceutical companies, which are increasingly multi-national, are understandably reluctant to jeopardize foreign approval of new drugs by using study sites that cannot provide the necessary assurance even if the sites are in fact following ICH-GCP guidelines and agree to have studies monitored in accordance with ICH-GCP requirements.

To reduce length, the attachments have been omitted, but are available on request from Ms. West.

Following differing guidelines in the United States defeats the purpose of ICH-GCP. That purpose, which was achieved through hard won international cooperation, is to provide a common standard for the design, conduct, performance, monitoring, auditing, recording, analysis, and reporting of clinical trials that provides assurance that the data and reported results are credible and accurate and that the rights, integrity, and confidentiality of trial subjects are protected.

NAVREF encourages HHS to reach an understanding that allows federal agencies to provide assurances that meet the needs of international pharmaceutical companies, thereby fostering US participation in development of new drugs. US participation in clinical trials is important because:

- The US population is diverse in terms of ethnicity, age, and health conditions, making it a useful cohort for studies.
- Drugs developed largely outside of the US are often tested in populations that are homogenous and that may be drug-naïve, leading to development of drugs that may differ in effectiveness when used in other populations.
- Previously unrecognized complications may occur when drugs tested primarily in foreign populations are marketed and administered to the more heterogeneous population of the US.
- Many Americans are medicated for multiple health conditions. Therefore, testing in the US helps to determine how new drugs may interact with other treatments.

Additionally, it is important that federal health care systems participate in development of new drugs because:

- VA and the Department of Defense (DoD) have large patient populations that typically complete clinical trials at higher rates than the general public.
- Care is provided irrespective of ability to pay or insurance provider and clinicians are salaried. As a result, decisions are not influenced by subject or provider financial considerations.
- Federal agency human subject protections programs are highly developed and compliant, and they entail multiple levels of oversight that exceed those required of private sites.

Question 73 – Part 2: What are the most important differences influencing the conduct of research?

For the most part, the differences between ICH-GCP as adopted by the FDA and the full ICH-GCP guidelines are minor. Nonetheless, they are sufficient to prevent federal study sites from providing pharmaceutical companies with the assurances necessary for foreign approval of pharmaceuticals. The attached article and PowerPoint slides provide a good summary of the differences.

Mr. Menikoff
Page Three
August 24, 2011

Recommendation: Because FDA adopted ICH-GCP guidelines but then diverged from them, NAVREF encourages HHS to 1) ensure that FDA guidance is harmonized with ICH-GCP; or 2) state explicitly that each federal agency may harmonize its own guidance with ICH-GCP.

The objective is to allow federal sites to assure pharmaceutical companies that a study will be conducted in accordance with ICH-GCP without having to add the caveat "to the extent adopted by FDA." This statement has the unintended consequence of disqualifying sites from participation in clinical trials, even if they are in fact following ICH-GCP guidelines, and inhibiting the conduct of research domestically and internationally.

Thank you for considering our views.

Sincerely,



Barbara F. West
Executive Director

Attachments: 2

cc: Joel Kupersmith, MD, Chief Research and Development Officer,
Department of Veterans Affairs
Holly Birdsall, MD, PhD, Acting Deputy Chief Research and Development Officer,
Department of Veterans Affairs

MEMO

To: Barbara West. Executive Director, NAVREF
From: Kim Collins, NPPO Administrator
Date: 10/7/11
Re: Nonprofit Oversight Board meeting of June 7, 2011
Message: Overview of Meeting

- Dr. Lisa Thomas, Acting Chief of Staff, VHA, chaired the meeting.
- Ms. McCartney, past Chair of the NAVREF Board of Directors spoke on behalf of NAVREF as Ms. West and Ms. Lennon were both out of the country. Ms. McCartney graciously thanked the NPOB for providing a venue for NAVREF participation and dialogue.

Ms. McCartney indicated that she and Ms. Collins have discussed two issues prior to the meeting:

- 1) Desire for scheduling NPPO reviews in a timely manner.
- 2) Posting the ICQ on the NPPO website.

Ms. McCartney was pleased that both of the issues have already been addressed by Ms. Collins. No questions were posed from the NPOB; Dr. Thomas thanked Ms. McCartney for her participation.

- It was decided to send a memo to NAVREF providing pertinent meeting information.
- CFO Report was approved by Mr. Kearns. The NPPO received a good report for the 2009 Annual Report. Mr. Husson noted that the three team members had done a good job on the annual report and the NPC reviews. Dr. Birdsall thanked Mr. Husson for the kind words and agreed the NPPO staff of three do a big job.

- Financial Training by Gerry Zack, CPA held in Kansas City for 42 NPC Staff Members. Dr. Birdsall stated that the feedback on the training had been very good. One member stated the training was amazing and he was able to go home and re-work the procedures currently in place. Immediate rewards were taken home from the training. One NPC noted a federal funds violation after this training and reported this to the NPPO.
- NPPO Reviews Completed:
 - a. Syracuse –
 - b. Pittsburgh –
 - c. Bay Pines –
 - d. Tampa –
 - e. Richmond
 - f. Reno
 - g. San Francisco –
 - h. Sepulveda –
 - i. Los Angeles –
 - j. Baltimore –
 - k. Philadelphia –
 - l. Indianapolis –
 - m. Louisville –
 - n. Sioux Falls
 - o. Minneapolis
- Whistleblower Reviews Completed:
 - i. Pittsburg, PA
 - ii. Iowa City, IA
- Problems Identified During Reviews Completed:
 1. Minneapolis, MN
- Tone at the Top Presentation given to 16 NPC Boards and to the NAVREF Board of Directors. This training has been very well received.
- IPA training will be provided by OGC to all NPC's, ACOS-R, AO's, and HR staff. Ms. Szybala indicated that this training could be provided via the web.
- Salem NPC, the ED left abruptly prior to submission of the annual report. Lori Moll, Durham NPC Executive Director and Angela Murakami from NAVREF completed their annual report over the Memorial Day weekend. At this time, they discover that the past four years of external audits had been falsified. The Salem NPC ED's delinquency was reported to the MCD two years ago by the NPPO and she was placed on a performance improvement plan and was being held to a higher standard. The NPPO will go on-site and do a full review in July.

NPOB Meeting

October 24, 2011

3:00 p.m.

Redacted Agenda for NAVREF

PRESENTER	AGENDA TOPIC
Dr. Robert Jesse, Principal Deputy Under Secretary for Health	Welcome
ITEMS FOR DISCUSSION	
Barbara West, Executive Director, NAVREF	NAVREF UPDATE
Dr. Robert Jesse, Principal Deputy Under Secretary for Health	June 7, 2011 Minutes
Mr. Allan Krehbiel, NPPO Auditor	2010 Annual Report
Ms. Kim Collins, NPPO Administrator	2011 NPPO Accomplishments
Ms. Kim Collins, NPPO Administrator	2012 NPPO Goals
Dr. Robert Jesse, Principal Deputy Under Secretary for Health	New Business

MEMORANDUM

October 21, 2011

TO: Board of Directors

FROM: Barbara West

SUBJECT: Updated NAVREF NPC Self-Assessment Tool (S.A.T.)

Action Item: During the meeting, board members will be asked to suggest edits, if any, to the updated S.A.T. that is provided on the following pages.

Background: NAVREF first published the NPC S.A.T. in 2006 after the board decided to abandon the old "NPC Checklist" used primarily for Best Practices Consultations. The S.A.T. was very positively received by NPCs, and member feedback indicates that it remains a valuable tool for self-assessment and prioritizing management areas in need of attention. Newly appointed executive directors have found the S.A.T. to be particularly helpful.

Since 2006, the S.A.T. has undergone periodic reviews and minor revisions have been made in response to changes in rules applicable to NPCs and member recommendations.

In early 2011 NAVREF initiated a major revision and updating effort in order to reflect the new NPC authorizing statute and revision of Handbook 1200.17. Mary Rauschenberg, executive director of the VA Connecticut Research and Education Foundation (West Haven) and Zunner Soliz, accountant for the South Florida Veterans Affairs Foundation for Research and Education (Miami), provided valuable assistance to Dr. Lennon and Ms. West.

After incorporating edits recommended by the board, the revised S.A.T. will be offered to NAVREF members for review and comment before being finalized.

NAVREF NPC-Self-Assessment Tool – Updated September 2011 - Draft

The following standards are offered to VA-affiliated nonprofit research and education foundations established under 38 USC 7361-7366 as a means to assess four main areas of typical NPC operations: programs, governance, finances and selected management topics. Along with items required in IRS guidance, under the NPC authorizing statute, VA policy reflected in VHA Handbook 1200.17 and occasional VHA policy memos, or required by other oversight or regulatory organizations, this tool offers additional standards that reflect a higher, but not required, level of competence. NAVREF encourages NPCs to use this tool to ensure compliance with minimum requirements, but also to set goals and timelines to achieve standards identified as “reach goals.”

Notes:

Only selected elements of Handbook 1200.17 have been incorporated in this self-assessment tool. NPCs are responsible for becoming familiar with the handbook. Research supported by NPCs is subject to VA regulation and oversight and the requirements of private and non-VA federal funding agencies. **This self-assessment tool is not intended to assess compliance with rules applicable to the conduct of research.**

Key:

S	= Required by the NPC authorizing statute 38 USC 7361-7366	Minimum standards; “yes” responses indicate the NPC “meets” the standard
M	= Mandatory requirements of regulatory or oversight organizations other than VA	
H	= Required in Handbook 1200.17 or other VHA policy	
EP	= Expected practice; not specifically mandated, but generally expected of nonprofits	Reach goals; one or more “yes” responses indicate the NPC “exceeds” the standards
BP	= Best practice; reach goals recommended, but not specifically mandated under state or federal statutes or regulations	
*	= Management areas subject to particular scrutiny	

I. Mission and Programs

Each VA-affiliated nonprofit research and education corporation (NPC) should have a well-defined mission consistent with the authorities and purposes established under the NPC authorizing statute, Title 38, Subchapter IV, Sections 7361-7366. All programs supported by the NPC must be consistent with that mission.

A. Mission

		Standard	Checklist	Documentation
1	S	Research and education programs supported by the NPC are consistent with the NPC’s purpose and its authority to support VA research and education under 38 USC 7361-7366.	Yes or No	Minutes and expenditure documentation
2	EP	NPC has a board-approved mission statement consistent with its statutory authorities and its tax exempt purposes.	Yes or No	Mission statement
3	BP	The board reviews the mission statement regularly. The suggested review period is every three years.	Date of last review: _____	Minutes or dated bylaws
4.	BP	The board establishes and periodically reviews short term and long term goals for the NPC.	Date of last review: _____	Minutes
		NPC <input type="checkbox"/> meets or <input type="checkbox"/> exceeds the minimum standard regarding mission.	Yes or No	

NAVREF NPC-Self-Assessment Tool – Updated September 2011 - Draft

B. Program Evaluation

		Standard	Checklist	Documentation
1	S	* Except for reasonable and usual preliminary costs for project planning before its approval, NPC does not spend funds for a research project unless the project has been approved by the VAMC R&D Committee.	Yes or No	Project file
2	S	* Except for reasonable and usual preliminary costs for activity planning before its approval, NPC does not spend funds on an education or training activity unless the activity has been approved by the VAMC Education Committee.	Yes or No	Activity file
3	M	NPC programs reported/described on IRS Form 990 and the annual report to VA are consistent with the NPC's mission and tax exempt purposes.	Yes or No	IRS Form 990 and schedules; Annual report to VA
4	BP	Research-related NPC programs such as seed grants, development and/or bridge funding, recruitment, etc., are evaluated by the board for consistency with the NPC's mission and value in supporting VA research.	Yes or No	Minutes
5	BP	The board periodically evaluates its support for non-research related education activities for consistency with the NPC's mission and to ensure that they benefit VA employees and/or patients and their families.	Yes or No	Minutes
6	BP	The board engages in ongoing planning activities to define specific goals related to its mission, and to evaluate the success of its programs toward achieving that mission.	Yes or No	Minutes
		NPC <input type="checkbox"/> meets or <input type="checkbox"/> exceeds the standard regarding board program evaluation.	Yes or No	

C. Program Service

		Standard	Checklist	Documentation
1	BP	NPC assesses the satisfaction of principal investigators and other personnel whose research and education programs are served by the NPC.	Date of last assessment: _____	PI survey, annual membership meeting or other means for feedback
2	BP	NPC is responsive to PI recommendations that increase or improve NPC services to PIs and PI satisfaction.	Yes or No	Board meeting minutes
		NPC <input type="checkbox"/> meets or <input type="checkbox"/> exceeds the standard regarding program service.	Yes or No	

NAVREF NPC-Self-Assessment Tool – Updated September 2011 - Draft

II. Governance

An NPC must have a board of directors that meets the requirements of 38 USC 7363. The board should provide effective governance of the NPC including overseeing compliance with its mission and finances, approving management policies and procedures, and ensuring adequate human and financial resources.

A. Board Responsibilities

		Standard	Checklist	Documentation
1	S	The board has appointed the executive director.	Yes or No	Minutes or separate memorandum
2	S	The medical center director has concurred in the appointment of the executive director.	Date of concurrence: _____	Minutes or separate memorandum
3	M	The reasonableness of the executive director's pay and benefits is documented in accordance with IRS requirements regarding executive compensation. Note: NPC Executive Director Compensation Benchmarking report is available from NAVREF on request.	Date: _____	IRS checklist and/or minutes
4	M	Board meeting minutes: <ul style="list-style-type: none"> ▪ Indicate date and time the meeting begins and ends ▪ List attendees ▪ State agenda items ▪ Provide a brief summary of deliberations sufficient to demonstrate due diligence ▪ State decisions of the board ▪ Are approved by the board and signed by the secretary ▪ Are maintained in a readily accessible minutes book 	Yes or No Yes or No Yes or No Yes or No Yes or No Yes or No Yes or No	Minutes
5	EP	The board reviews the bylaws every three to five years and updates them as needed.	Date of last review/update _____	Minutes
6	EP	Annually, the board approves an operational budget for the NPC.	Yes or No	Minutes
7	EP	The board reviews and approves financial policies for the organization every three to five years.	Date of most recent approval: _____	Minutes
8	EP	The board has reviewed and approved personnel policies for employees.	Date of approval: _____	Minutes
9	EP	The board reviews NPC insurance coverages annually. See section B, items 4 and 5 for a list of possible coverages. Such review ensures that: <ul style="list-style-type: none"> ▪ The limits are adequate; and ▪ The NPC has insurance coverage appropriate for its activities. 	Date of last review: _____ Yes or No Yes or No	Minutes

NAVREF NPC-Self-Assessment Tool – Updated September 2011 - Draft

		Standard	Checklist	Documentation
10	EP	The board has established an Audit Committee to identify the independent auditor, to review the audited financial statements and to receive communications from the auditor regarding internal controls, fraud, etc.	Yes or No	Board minutes; audit committee minutes
11	EP	The board has approved management’s corrective plan to address material weaknesses and significant deficiencies identified in the independent auditor’s report or letter to management.	NA or Yes or No	Minutes
12	EP	The board provides financial oversight including: <ul style="list-style-type: none"> ▪ The board approves the selection of the audit/accounting firm ▪ The board (or designated Audit Committee) meets with the auditor independently from staff ▪ Reviewing: <ul style="list-style-type: none"> ▫ the audit report and management letter (if any) ▫ IRS Form 990 and schedules ▫ internal financial statements ▫ internal controls 	Yes or No Yes or No Yes or No Yes or No Yes or No Yes or No	Minutes
13	BP	Board supervision of the executive director includes: <ul style="list-style-type: none"> ▪ A board-approved position description for the executive director ▪ An approved employment agreement (contract or letter) with the executive director ▪ Approving an annual performance evaluation and compensation review for the executive director. 	Yes or No Yes or No Date of last review: _____	Position description Agreement Minutes
		NPC <input type="checkbox"/> meets or <input type="checkbox"/> exceeds standards regarding board responsibilities.	Yes or No	

B. Board Composition

		Standard	Checklist	Documentation
1	S	*The composition of the board meets the requirements established in 38 USC 7363.	Yes or No	Board roster
2	M	The composition of the board is consistent with the NPC’s bylaws and state regulations regarding board make up and appointment of officers.	Yes or No	Bylaws and roster
		NPC <input type="checkbox"/> meets or <input type="checkbox"/> exceeds the standards regarding board composition.	Yes or No	

NAVREF NPC-Self-Assessment Tool – Updated September 2011 - Draft

C. Board Conduct

		Standard	Checklist	Documentation
1	M	If the board has VA employees among its members in addition to those required to serve on the board by the NPC statute (MCD, COS, ACOS/R and ACOS/E): <ul style="list-style-type: none"> ▪ Board meetings are held outside of normal VA duty hours; or ▪ Such non-statutory VA members have an irregular tour of duty to accommodate meetings held during their normal VA tour of duty. 	NA or Yes or No NA or Yes or No	Minutes or leave certification
2	H	No compensation is paid to a statutory VA member of the board for services as a board member (i.e., MCD, COS, ACOS/R and/or ACOS/E).	Yes or No	Bylaws
3	EP	The board meets in accordance with the bylaws and as frequently as needed to conduct the business of the organization.	Yes or No	Minutes
4	EP	Board members prepare for meetings in advance by reviewing the agenda and supporting documentation.	Yes or No	Board self-evaluation
5	BP	Board members regularly undergo governance training.	Yes or No	Minutes, training roster or certificate of attendance
6	BP	The board has written expectations of board members and other board policies.	Yes or No	Board policies or minutes
7	BP	The board has an orientation process for new members.	Yes or No	Board policies
8	BP	The board conducts an annual evaluation of its own performance.	Date of self-evaluation: _____	Minutes or copy of last evaluation
9	BP	The board has a code of conduct.	Yes or No	Code
		NPC <input type="checkbox"/> meets or <input type="checkbox"/> exceeds the standards regarding board conduct.	Yes or No	

D. Conflicts of Interest

		Standard	Checklist	Documentation
1	S	NPC has adopted a written NPC conflict of interest policy	Yes or No Date of board approval: _____	Policy Minutes

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2	H	<p>The NPC conflict of interest policy:</p> <ul style="list-style-type: none"> ▪ Describes when a conflict may occur. ▪ Requires training for directors, officers and employees within 90 days of hire or affiliation. ▪ Requires annual refresher training for directors and officers and for employees with decision making authority (key employees). ▪ Requires directors, officers and key employees (at a minimum) to disclose potential conflicts of interest. ▪ Requires directors, officers and employees to sign a statement acknowledging understanding of the policy and agreement to comply with it. ▪ Includes a process for identifying and managing conflicts of interest. 	<p>Yes or No</p> <p>Yes or No</p> <p>Yes or No</p> <p>Yes or No</p> <p>Yes or No</p> <p>Yes or No</p>	Policy
3	H	All officers, directors and employees have certified understanding of and compliance with the NPC conflict of interest policy.	Yes or No	Signed certifications
4	H	<p>Annually in the June 1 NPC annual report to VA, the executive director certifies that each NPC director, officer and employee has:</p> <p>(1) Been trained about the conflict of interest policy;</p> <p>(2) Acknowledged understanding of the policy and agreed to comply it; and</p> <p>(3) Submitted a conflict of interest disclosure form as appropriate for the NPC’s policy.</p>	Yes or No	Executive director verification
		NPC <input type="checkbox"/> meets or <input type="checkbox"/> exceeds the standards regarding conflicts of interest.	Yes or No	

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III. Human Resources

Managing employees imposes a heavy burden on NPCs. Managing employees well requires high level skills and can contribute significantly to high morale and productivity. Managing employees poorly exposes the organization to legal suits and penalties. Any NPC that has employees should have policies that establish clear expectations for their work and workplace behavior. NPC HR staff must be qualified to ensure compliance with federal, state and local requirements. Although NAVREF discourages NPCs from hiring VA employees, those that choose to do so must exercise particular diligence to avoid violations of federal ethics regulations.

A. Human Resource Management

		Standard	Checklist	Documentation
1	S	<p>*To be afforded FTCA protection in the same manner as VA-salaried employees, NPC employees engaged in VA research or education:</p> <ul style="list-style-type: none"> ▪ Have a VA appointment; this may be a without compensation (WOC) appointment or an approved assignment under the Intergovernmental Personal Act (IPA). ▪ Work within the scope of government work (VA-approved research or education); and ▪ Work under the supervision of a VA-salaried employee. 	<p>Yes or No Yes or No Yes or No</p>	<p>WOC or IPA documentation PD or duty assignment records Time sheets</p>
2	M	<p>*NPC exercises particular diligence in managing joint VA/NPC employees including establishing NPC policy describing the terms and conditions for hiring VA employees. Such policy requires:</p> <ul style="list-style-type: none"> ▪ Certification that the NPC-paid work is different from their official VA duties by comparing VA and NPC job descriptions (obtaining a VA attorney opinion as needed) ▪ Use of timesheets to verify that NPC-paid work is performed outside of official VA duty hours. 	<p>Yes or No Yes or No Yes or No</p>	<p>Policy Position descriptions or opinion Time sheets</p>
3	M	Human resource management policies and practices meet the minimum federal and state requirements appropriate for the number of NPC employees and the NPC's activities.	Date of last review: _____	Review by labor attorney or qualified HR manager
4	M	NPC withholds taxes for individuals who qualify as "employees" under IRS guidelines for determining employment v. independent contractor/consultant status.	Yes or No	Contract or statement of work
5	M	NPC administrative employees have VA affiliate appointments. (Mandatory when affiliate badges are phased in by VAMC.)	Yes or No	Appointment documentation
6	H	NPC employees involved in research are credentialed by VA and have undergone VA training appropriate for their responsibilities (ethics, biosafety, etc.).	Yes or No	Employee record, training roster, or other NPC or VA documentation
7	EP	<p>NPC has on file a letter of employment, a contract or other engagement documentation for each employee. The letter establishes:</p> <ul style="list-style-type: none"> ▪ Duties and responsibilities ▪ At-will employment or in the case of a contract, termination terms ▪ Exempt or non-exempt status for FLSA/overtime purposes 	<p>Yes or No Yes or No Yes or No Yes or No Yes or No</p>	Employment letters, contracts or other employment documentation
8	EP	NPC management employees undergo continuing education in nonprofit management and skills appropriate for management of NPC activities (such as accounting, HR management, federal funds management, etc.).	Yes or No	Attendance documentation
9	BP	If NPC administers federal funds, at least one staff member has significant experience in federal funds management and/or has undergone extensive training	Yes or No	Resume or attendance documentation

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		Standard	Checklist	Documentation
10	BP	Each NPC position has a written job description.	Yes or No	Samples
11	BP	NPC has established a salary schedule with ranges for each job description.	Yes or No	Schedule
12	BP	NPC has SOPs for hiring and terminating employees that minimize exposure to lawsuits.	Yes or No	SOPs
		NPC <input type="checkbox"/> meets or <input type="checkbox"/> exceeds the standards regarding human resource management.	Yes or No	

B. Personnel Policies

		Standard	Checklist	Documentation
1	M	<p>NPC has employee policies that at a minimum encompass (NPCs accepting federal funds or meeting certain threshold numbers of employees may have additional mandatory requirements – see below):</p> <ul style="list-style-type: none"> ▪ Working conditions (dress, smoking, security, etc.) ▪ Employee benefits ▪ Leave (vacation; sick leave; holidays; jury duty; bereavement, etc.) ▪ Employee evaluation ▪ Grievance procedures ▪ Confidentiality of personnel and other NPC records ▪ Disciplinary action ▪ At will or contract employment status ▪ Sexual harassment ▪ Whistleblower protection ▪ Mandatory training in VA policies (ethics, biosafety, security, etc.) ▪ Employee classification (exempt/nonexempt; regular/temporary/intermittent; full time/part time; at will) ▪ Hiring of employees vs. independent contractors 	<p>Yes or No</p> <p>Yes or No</p> <p>Yes or No</p> <p>Yes or No</p> <p>Yes or No</p> <p>Yes or No</p> <p>Yes or No</p> <p>Yes or No</p> <p>Yes or No</p> <p>Yes or No</p> <p>Yes or No</p> <p>Yes or No</p> <p>Yes or No</p> <p>Yes or No</p>	Policies
2	M	<p>NPC management is in compliance with federal and state workplace statutes and regulations as applicable to NPC revenues, expenditures or number of employees. Note: The following list is suggestive, not exhaustive.</p> <ul style="list-style-type: none"> ▪ Hiring of employees vs. independent contractors ▪ Age Discrimination in Employment Act (ADEA) ▪ Americans with Disabilities Act (ADA) ▪ Consolidated Omnibus Budget Reconciliation Act (COBRA) ▪ Employee Polygraph Protection Act ▪ Employment Retirement Income Security Act (ERISA) ▪ Equal Employment Opportunity (EEO) ▪ Family Medical Leave Act (FMLA) ▪ Fair Credit Report Act (FCRA) ▪ Fair Labor Standards Act (FLSA) ▪ Immigration Reform and Control Act of 1986 ▪ National Labor Relations Act (NLRA) 	<p>NA or Yes or No</p> <p>NA or Yes or No</p> <p>NA or Yes or No</p> <p>NA or Yes or No</p> <p>NA or Yes or No</p> <p>NA or Yes or No</p> <p>NA or Yes or No</p> <p>NA or Yes or No</p> <p>NA or Yes or No</p> <p>NA or Yes or No</p> <p>NA or Yes or No</p> <p>NA or Yes or No</p> <p>NA or Yes or No</p> <p>NA or Yes or No</p> <p>NA or Yes or No</p> <p>NA or Yes or No</p>	Policies

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		Standard	Checklist	Documentation
		<ul style="list-style-type: none"> ▪ Occupational Safety and Health Act (OSHA) ▪ Poster requirements ▪ Title VII of the Civil Rights Act ▪ Uniformed Services Employment & Re-employment Act ▪ Worker Adjustment Retraining Notification Act (WARN) ▪ Workers Compensation Law 	NA or Yes or No NA or Yes or No NA or Yes or No NA or Yes or No NA or Yes or No NA or Yes or No	
3	BP	NPC has an employee handbook.	Yes or No	Handbook
4	BP	NPC has written procedures for orientation of new employees.	Yes or No	Procedures
5	BP	Personnel policies apply consistently to all employees regardless of supervisor.	Yes or No	Pay and benefits records
		NPC <input type="checkbox"/> meets or <input type="checkbox"/> exceeds the standards regarding personnel policies.	Yes or No	

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IV. Financial and Legal

NPCs should practice sound financial management and must ensure compliance with applicable legal and regulatory requirements. An NPC's financial systems should be sufficient to maintain accurate financial accountability and to verify that expenditures are consistent with its statutory purpose of supporting VA research and education. They should also reflect an appropriate level of internal controls. NPCs should pay particular attention to expenditures regarding travel, business meetings that may involve meals, and compensation to VA employees.

A. Financial Accountability

		Standard	Checklist	Documentation
1	S	NPC accepts VA-appropriated funds only when pursuant to reimbursement for an approved Intergovernmental Personnel Act (IPA) assignment.	Yes or No	Financial records
2	S	NPC undergoes an annual audit in accordance with 38 USC 7366(b).	Yes or No	Last audit
3	M	The level of audit performed is appropriate for NPC activities - GAAS, GAGAS or A-133.	Yes or No	Last audit
4	M	NPC completes IRS Form 990 and schedules in accordance with IRS guidance.	Yes or No	IRS Form 990 & Schedules
5	M	NPC maintains an inventory of capitalized business property.	Yes or No	Inventory
6	M	NPC has a method for ensuring compliance with grant/award/contribution/donation requirements (reporting deadlines, budget constraints, etc.) and restrictions, if any.	Yes or No	Method
7	M	On IRS Form 990 Part VI, Section C, Line 20, NPC names a person qualified to respond to IRS inquiries.	Yes or No	IRS Form 990
8	H	*All expenditures are supported by an explicit research, education or NPC business justification and appropriate documentation.	Yes or No	Expenditure documentation
9	M	The board has established who may sign checks on behalf of NPC.		
10	H	The executive director or other individual designated by the executive director approves all expenditures: research, education and administrative.	Yes or No	Samples
11	H	NPC cash assets are held in financial instruments that are backed by the full faith and credit of the US Government; i.e., government securities, GNMA bonds, accounts protected by FDIC or NCUA coverage, or brokerage accounts offering government backing.	Yes or No	Bank statements
12	H	NPC monitors account balances to ensure reasonable compliance with federally insured limits.	Yes or No	Bank statements
13	H	NPC documents payments to VA.	Yes or No	Payment documentation
14	H	NPC pays for professional licenses only for employees who work exclusively for NPC.	Yes or No	Policy
15	H	NPC has policies governing: <ul style="list-style-type: none"> ▪ *Travel and other reimbursements (IRS accountable plan). ▪ *Business meetings (including meals or refreshments). ▪ Professional subscriptions and memberships. ▪ Reimbursement to the medical care appropriation for clinical services provided purely for research purposes. 	Yes or No Yes or No Yes or No Yes or No	Policies
16	H	Officers, directors and key employees undergo training on internal controls within 90 days of appointment.	Yes or No	Training records
17	H	Annually in the June 1 NPC annual report to VA, the executive director certifies that appointees have complied with the internal controls training requirement.	Yes or No	Certification
18	H	NPC retains proof of internal control training as long as the individual is associated with the NPC.	Yes or No	Training records

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27	BP	NPC provides PIs with monthly statements of financial activity in each project account.	Yes or No	Sample statement
		NPC <input type="checkbox"/> meets or <input type="checkbox"/> exceeds the standards regarding financial accountability.	Yes or No	

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B. Legal Compliance and Risk Management

		Standard	Checklist	Documentation
1	S	NPC has obtained an IRS determination of tax exempt status and has a copy of the determination letter on file.	Yes or No	IRS letter
2	M	NPC's state registered agent documentation is current.	Yes or No	State verification
3	M	NPC has obtained a state tax exempt certificate.	NA or Yes or No	Certificate
4	H	NPC provides officers, directors and employees with "directors and officers" (D&O) liability insurance coverage.	Yes or No	Declarations page
5	H	NPC has other insurance coverages as appropriate including: <ul style="list-style-type: none"> ▪ Professional liability (contract errors and omissions) ▪ Fidelity bond ▪ General liability ▪ Business property ▪ Workers' compensation ▪ Umbrella ▪ Event cancellation 	Yes or No Yes or No Yes or No NA or Yes or No NA or Yes or No Yes or No NA or Yes or No	Declarations pages
6	H	NPC employee services for which the NPC receives VA reimbursement are governed by IPA agreements.	Yes or No	IPA documentation
7	H	Excluding CRADAs (to which VA is a party), NPC contracts and agreements do not bind VA.	Yes or No	Samples
8	H	If NPC obtains written advice from private legal counsel that is contrary to VA policy, NPC provides a copy to Regional Counsel.	NA or Yes or No	Submission documentation
9	BP	NPC is in compliance with federal, state and local tax reporting, registration and licensure requirements as applicable.	Yes or No	Description
10	BP	NPC's employee handbook has undergone legal review.	Date of last review _____	Review by attorney or qualified HR manager
12	BP	Transactions between NPC and the VAMC's university affiliate are documented as being for VA-approved research projects or education activities or for the general support of VA research and/or education.	Yes or No	Sample
13	BP	NPC has a plan for business continuity in the event of a natural or man-made disaster.	Yes or No	Plan
		NPC <input type="checkbox"/> meets or <input type="checkbox"/> exceeds the standards regarding legal compliance and risk management.	Yes or No	

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V. Transparency

NPCs are statutorily authorized private corporations with particular responsibility to be transparent in their activities, programs and finances.

A. Reporting

		Standard	Checklist	Documentation
1	S	*NPC's annual report to VA as required under 38 USC 7366(d) is timely, complete and accurate.	Yes or No	Annual report to VA
2	M	NPC is in compliance with state reporting requirements.	Yes or No	State forms
3	M	NPC is in compliance with retirement plan reporting requirements.	Yes or No	Federal form
4	H	NPC provides the ACOS/R or AO/R with data regarding expenditures from October 1 through September 30 for RDIS reporting.	Yes or No	Data
5	BP	NPC periodically reviews ePROMISe Project Report to verify accurate reporting of NPC-administered projects	Yes or No	Annotated report
6	BP	NPC has a readily available statement about its mission, programs and finances, such as recent quarterly financial statements.	Yes or No	Statement
7	BP	NPC prepares an annual report for its internal stakeholders (board, PIs, staff, donors, etc.).	Yes or No	Internal annual report
		NPC <input type="checkbox"/> meets or <input type="checkbox"/> exceeds the standards regarding reporting.	Yes or No	

B. Public Access

		Standard	Checklist	Documentation
1	S	NPC board and staff are aware that NPC records must be made available to the DVA Secretary and to the VA IG in accordance with 38 USC 7366(a).	Yes or No	Minutes, memorandum, or other documentation
2	S	NPC board and staff are aware that NPC activities are subject to investigation by the VA IG and GAO in accordance with 38 USC 7366 (B)(2).	Yes or No	Minutes, memorandum or other documentation
3	M	NPC is prepared to comply with federal nonprofit disclosure laws (copies of public versions of its last three IRS 990s; 1023 application for tax exempt status and IRS exemption determination letter).	Name of person responsible for compliance: _____	Minutes or policy
4	M	NPC is in compliance with state "sunshine laws" requiring that certain records, meetings and decisions be made available to the public.	NA or Yes or No	Minutes
		NPC <input type="checkbox"/> meets or <input type="checkbox"/> exceeds the standards regarding public access.	Yes or No	

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VI. Fundraising and Donations

An NPC board of directors should ensure that the organization has financial resources sufficient to pursue its planned activities and to achieve its goals. Some NPCs rely exclusively on government and private sector grants and contracts. Others conduct solicitations (i.e., fundraising) that must be conducted in an ethically responsible manner and in compliance with federal and state requirements. Additionally, NPCs must be prepared to appropriately administer unsolicited contributions.

A. Fundraising

		Standard	Checklist	Documentation
1	M	VA personnel involved in NPC fundraising activities in their official capacities are in compliance with federal ethics regulations found at 5 CFR 2635.808.	Yes or No	Review of solicitations
2	M	Fundraising solicitations: <ul style="list-style-type: none"> ▪ Are written on NPC (not VA) letterhead ▪ Are conducted by NPC officials and staff ▪ Are signed by an NPC official ▪ Clearly state that such efforts are on behalf of the NPC, not VA ▪ Do not use the VA logo or photographs of senior VA personnel 	Yes or No Yes or No Yes or No Yes or No Yes or No	Review of solicitations
3	M	Expenditures of donations are consistent with the donor's intent, complying with any known restrictions.	Yes or No	Minutes
4	M	NPC is in compliance with federal and state requirements regarding fundraising.	Yes or No	Review by auditor or external accountant
		NPC <input type="checkbox"/> meets or <input type="checkbox"/> exceeds the standards regarding fundraising.	Yes or No	

B. Acceptance and Use of Donations, Gifts and Contributions (Not Grants or Contracts)

		Standard	Checklist	Documentation
1	EP	NPC has a policy addressing NPC acceptance and use of donations.	Yes or No	Policy
2	M	NPC is in compliance with IRS rules regarding donor advised funds.	NA or Yes or No	IRS form 990
3	H	NPC acknowledges contributions over \$250 in a letter to the donor reflecting limitations or conditions on the gift, if any.	Yes or No	Sample acknowledgement
4	EP	NPC has a policy on acceptance and use of donations resulting from fundraising activities and unsolicited gifts.	Yes or No	Policy
5	EP	Expenditures of donations/gifts are subject to the same review policies and procedures as other expenditures.	Yes or No	Expense documentation
6	BP	NPC has a policy prohibiting acceptance of donations of honoraria, speaker fees, etc., earned by VA employees.	Yes or No	Policy
		NPC <input type="checkbox"/> meets or <input type="checkbox"/> exceeds the standards regarding acceptance and use of donations/gifts.	Yes or No	

MEMORANDUM

October 21, 2011

TO: Board of Directors**FROM:** Barbara West**SUBJECT:** NAVREF Governance Training for NPC Boards

Action Item: During the meeting, board members will be asked to identify topics for the training described below.

Background: At its August meeting, the board explored ways for NAVREF to offer NPC boards governance training with a particular focus on the statutory VA directors. Mr. Gardner suggested offering a session during the March 2012 Congress on Healthcare Leadership of the American College of Healthcare Executives (ACHE) in Chicago. Many VA personnel, especially medical center directors and chiefs of staff, are members and attend this meeting.

Subsequently, Mr. Gardner, Dr. Lennon and I have worked with the VA ACHE regent, Guy Richardson, and the VA coordinator, Joyce Brown, to obtain a timeslot on the program. We proposed the following title and description:

Title: *You're on the Board of a VA Research Nonprofit. Now What?*

Description: *VA-affiliated nonprofit research and education corporations (NPCs) are under unprecedented scrutiny from VA as well as the IRS and other federal and state watchdogs. At the same time, board members – including the MCD, COS and ACOS/R and ACOS/E who are statutorily mandated to serve on NPC boards – are being held accountable for effective NPC governance and oversight. Attend this session to learn from your VA colleagues and leaders of the National Association of Veterans' Research and Education Foundations (NAVREF). Leave with practical advice on fulfilling your NPC board member responsibilities among the many other demands on your time.*

In early October, Ms. Brown indicated that our proposal has been accepted. The session will be from 11:45 a.m. to 1:45 p.m. on Wednesday, March 21, 2012. NAVREF will offer a light buffet lunch before beginning the program.

Mr. Gardner will provide an introduction and Dr. Lennon, Ms. Reutzel and Ms. West will present the content.

The costs for this program (meal service for 55 and AV), as well as speaker travel expenses, have been incorporated in the proposed 2012 NAVREF budget.

Request: Please come to the board meeting prepared to offer suggestions for topics, practical tips for the attendees, handouts, etc.



RETURNING HEROES
Chronic Disease and Overseas Deployment

Co-sponsored by:

The Digestive Health Alliance, the American Thoracic Society, and Friends of VA Medical Care and Health Research

Thursday, October 27, 2011

House Veterans Affairs Hearing Room
334 Cannon House Office Building
12:00 PM – 1:00 PM
-Lunch will be served-

Please RSVP to Lesia Griffin at Health and Medicine Counsel of Washington at griffin@hmcw.org or 202-544-7499 -- (This is a widely attended event)

While serving in the Persian Gulf, many American servicemen and women are exposed to substances and circumstances that cause them to return home seriously impacted by chronic health conditions. These conditions include debilitating functional gastrointestinal disorders, such as cyclic vomiting syndrome (CVS) and irritable bowel syndrome (IBS), which can be brought on by exposure to environmental factors such as severe stress and infections of the digestive tract. Other veterans suffer from unexplained shortness of breath and may have severe respiratory disease as a result of service connected exposures in Iraq and Afghanistan. Otherwise healthy young veterans are incurring these conditions at higher rates than the general population.

Please join us to learn how service in the Persian Gulf, Afghanistan and Iraq impacts the health of our returning veterans, the current state of the research, and what we can do to help improve their lives.

Speakers:

Brennan Spiegel, M.D. – Assistant Professor of Medicine, Division of Digestive Diseases, UCLA School of Medicine and Division of Gastroenterology, VA Greater Los Angeles Health Care System

Brian Bird, U.S. Army (ret.) – Iraq veteran and CVS patient

J.D. Williams, U.S. Army (ret.) – Iraq Veteran and Chronic Bronchiolitis patient

Robert Miller, M.D. – Associate Professor of Pulmonary and Critical Care Medicine, Vanderbilt University Medical Center/Nashville VA Medical Center

-This is a widely attended event-

NAVREF
Statement of Financial Position
End of Fiscal Year 2011 and 2010
Fiscal Year is October 1 - September 30

	<u>September 30, 2011</u>	<u>September 30, 2010</u>
ASSETS		
Current Assets		
Checking/Savings		
Petty Cash	75	220
SunTrust	85,424	111,354
SunTrust Money Market	93,919	193,721
SunTrust CD's	-	-
Total Checking/Savings	<u>179,418</u>	<u>305,295</u>
Accounts Receivables	2,000	-
Other Current Assets		
Raymond James		
RJ - CDs	250,000	-
RJ - Capital Access	600,051	-
Total Raymond James	<u>850,051</u>	<u>-</u>
Merrill Lynch		
ML - CDs	-	98,000
ML - CDs Accrued Interest	-	1,464
ML - Money Market Bank Dep. Prog.	85,888	726,661
Total Merrill Lynch	<u>85,888</u>	<u>826,125</u>
Total Current Assets	<u>935,939</u>	<u>1,131,420</u>
Fixed Assets		
Equipment and Furniture		
Accumulated Depreciation	(58,532)	(55,402)
Equipment and Furniture - Other	94,437	81,541
Total Equipment and Furniture	<u>35,905</u>	<u>26,139</u>
Prepaid Expenses	5,778	16,468
TOTAL ASSETS	<u><u>1,159,040</u></u>	<u><u>1,174,027</u></u>
LIABILITIES & NET ASSETS		
Liabilities		
Current Liabilities		
Accounts Payable	4,698	2,769
American Express	21,078	484
Merrill Lynch Visa	(184)	794
Accrued Vacation	25,380	31,038
Payroll Liabilities	-	1,388
Unearned Revenue		
2010 Annual Conference	-	116,025
2010-2011 Annual Dues	-	454,750
2011-2012 Annual Dues	459,650	-
Total Unearned Revenue	<u>459,650</u>	<u>570,775</u>
Total Liabilities	<u>510,622</u>	<u>607,248</u>
Total Net Assets	<u>648,418</u>	<u>566,779</u>
TOTAL LIABILITIES & NET ASSETS	<u><u>1,159,040</u></u>	<u><u>1,174,027</u></u>
Board Designated Reserve of \$300,000 as of 11/7/2007.	\$300,000	
Capital Equipment Reserve	\$7,104	
Remaining 2010-2011 Budget	\$37,732	
Unobligated Fund	\$303,581	

NAVREF
Statement of Functional Expenses
Income and Expenses for Administration and Non-revenue Generating Education Programs
End of FY2010 and FY2011 Actuals and FY2011 Budget

	End of FY2010 Actuals	End of FY2011 Actuals	FY2011 Budget	% of Budget
Income				
Annual Dues				
2009-2010 Annual Dues	396,850			
2010-2011 Annual Dues		464,000	462,250	100%
Charitable Contributions	-	450	-	100%
Interest	12,809	3,672	10,000	37%
Total Income	409,659	468,122	472,250	99%
Expense				
Accounting	4,305	6,678	6,678	100% 1
Bank Service Charges	225	225	500	45%
Consulting	1,500	0	3,000	0%
Depreciation	1,308	3,130		
Office Equip Lease/Maint/Repair	8,346	7,688	10,000	77%
Insurance	10,421	6,146	9,000	68% 2
Meetings and Conferences				
Expenses	84	352	1,000	35%
Registration Fees	1,875	1,625	5,000	33%
Travel	15,336	17,333	20,000	87% 3
Total Meetings and Conferences	17,295	19,311	26,000	74%
Memberships	1,295	295	1,500	20%
Miscellaneous	1,571	1,319	2,000	66%
Occupancy	36,232	39,483	41,500	95%
Payroll and Tax Service	1,521	2,395	2,395	100% 1
Payroll Expenses	332,849	324,980	338,500	96%
Postage, Shipping and Delivery	1,530	965	2,000	48%
Printing and Graphics	38		1,277	0% 1
Subscriptions	3,277	2,885	4,500	64%
Supplies	2,422	3,123	4,000	78%
Telephone	3,288	2,841	5,000	57%
Temporary Office Assistance	-	174	-	100%
Website	540	480	2,000	24%
Total Expense	427,963	422,118	459,850	92%
Net Income/Loss	-18,304	46,004	12,400	

End of FY2011 Revenue Generating Education Expenses (2010 & 2011 Annual Conferences)	183,745
End of FY2011 Management and Programmatic Expenses	422,118
Total FY2011 Expenses To Date	605,863

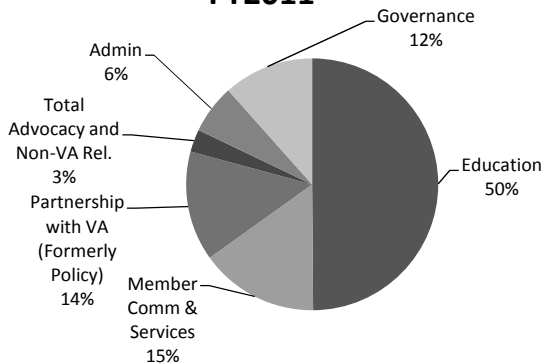
- 1 Per board approved policy, the NAVREF executive director and treasurer rebudgeted to the Payroll and Tax Service budget \$322 from Accounting and \$233 from Printing and Graphics to cover the overage.
- 2 The amount paid for 2010-2011 insurance is below the budgeted amount because an audit of NAVREF's 2009 and 2010 worker's compensation policies resulted in a credit that was applied to the 2010-2011 policies.
- 3 The Travel expense is low because NAVREF budgeted for three Best Practices Consultations, but conducted only one, and because Merrill Lynch points were used to pay for some staff travel.

NAVREF
Statement of Activities
End of FY2011 and FY2010

	<u>End of FY2011</u>		<u>End of FY2010</u>	
Revenue				
Membership Dues	464,000		396,850	
Education Programs	219,380		5,600	
Charitable Contribution	450		-	
Interest	3,672		12,809	
Total Revenue	687,502		415,259	
Expenses				
Program Services				
Education	302,182	50%	118,385	26%
Member Communication & Services	92,358	15%	109,710	26%
Partnership with VA (Formerly Policy)	85,401	14%	58,114	12%
Advocacy and Non-VA Relationships				
Lobbying	9,768		27,369	
Other	7,735		0	
Total Advocacy and Non-VA Rel.	17,503	3%	27,369	7%
Total Program Services	497,444	82%	313,578	71%
Management & General Services				
Administration	38,073	6%	40,854	9%
Governance	70,346	12%	84,029	20%
Total Management & General Services	108,419	18%	124,883	29%
Total Expenses	605,863	100%	438,461	100%
Net Revenue over Expenses	81,639		-23,202	

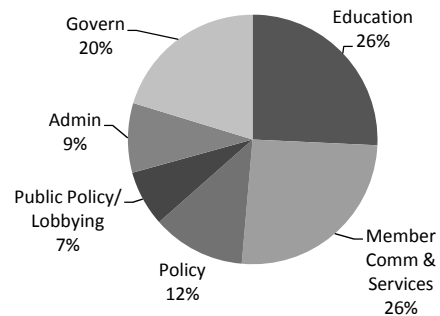
Program Allocations

FY2011



Program Allocations

FY2010



NAVREF
Proposed FY2012 Budget
Administration and Non-revenue Generating Education Programs
Budget for FY2012 Compared to FY2011 Actuals

	End of FY2011 Actuals	FY2012 Budget
Income		
Annual Dues		
2010-2011 Annual Dues	464,000	
2011-2012 Annual Dues		460,650 1
Interest	3,672	4,000
Other Income	450	0
Carryforward from prior year education		8,399
Total Income	468,122	473,049
Expense		
Accounting	6,678	6,500
Bank Service Charges	225	500
Consulting		3,000
Depreciation	3,130	
Equipment Lease/Maint/Repair	7,688	9,000
Insurance	6,146	9,000 2
Meetings and Conferences		
Expenses	352	3,600 3
Registration Fees	1,625	5,000
Travel	17,333	24,000 4
Total Meetings and Conferences	19,311	32,600
Memberships	295	1,500
Miscellaneous	1,319	2,000
Occupancy	39,483	43,000
Payroll and Tax Service	2,395	1,850
Payroll Expenses	324,980	348,000 5
Postage, Shipping and Delivery	965	1,500
Printing and Graphics		1,500
Subscriptions	2,885	4,000
Supplies	3,123	4,000
Telephone	2,841	3,000
Temporary Office Assistance	174	-
Website	480	2,000
Total Expense	422,118	472,950
Net Income/Loss	46,004	99

1 Board approved reduced dues lowered dues revenue by \$5,550 (Albany - \$3,000; Louisville - \$1,900; and Orlando - \$650). An additional \$8,000 in dues revenue is anticipated but not yet received from NPCs that requested a dues payment schedule (San Juan - \$5,000; and Temple - \$3,000).

2 Actual insurance expense in FY 2011 was low because of a credit resulting from two years of worker's compensation audits. The credit was applied to policies that were renewed in FY2011.

3 Meeting expense includes the anticipated cost of the 2012 Congress on Healthcare Leadership (ACHE) session for NPC statutory VA directors (lunch and AV).

4 Travel expense usually includes expenses for four board meetings and three best practices consultations. In addition to normal expenses, the FY2012 budget includes expenses for the ACHE Congress as well as the ASAE-Center CEO Symposium in anticipation of appointment of a new NAVREF Chair.

5 Payroll Expense includes a part-time admin/meetings assistant (20 hours per week) with increased to full-time for 2.5 months; and additional expense of making D. McCue a full-time employee for four months to assist with the website conversion.

National Association of Veterans' Research and Education Foundations (NAVREF) Website RFP

1. Summary

The National Association of Veterans' Research and Education Foundations (NAVREF) is accepting proposals to design and develop NAVREF's website with the additional option to host. This will be a concept-to-completion project. The purpose of this RFP is to provide background information about NAVREF, the desired outcomes, and a framework for proposals.

The existing NAVREF website was originally designed and produced in 1998 and has undergone only minor modifications since then. The site has been maintained with in-house resources using FrontPage and Microsoft SharePoint Designer; and is hosted at Network Depot. NAVREF is seeking a cost-effective solution to its website needs using current, user-friendly platforms.

For additional information about NAVREF and NAVREF's programs, please go to: <http://www.navref.org/about/default.htm>.

2. Proposal Guidelines

- The proposal must be signed by an authorized agent of the company submitting the proposal.
- The price of your proposal should be inclusive. If your price excludes certain services, fees or charges, provide a detailed list of excluded items with an explanation.
- If execution of the work to be performed entails your company hiring subcontractors, you will be responsible for all aspects of communicating, managing and paying subcontractors.

3. Contract Terms

- NAVREF will negotiate final contract terms upon selection of a vendor.
- Bidder must disclose any relevant conflicts of interest and pending adverse business or legal actions.

4. Purpose and Description

a. Purpose of the Website Redesign

NAVREF's current website is outdated and lacks functionality (i.e., security, usable search feature, etc.). Accessing information on the website is cumbersome. The redesign will re-engineer the site to better reflect NAVREF's mission using the latest web technology.

b. Description

Create a flexible, informative and user-friendly web site that is easy to maintain and allows users to gain access to various tools and information as needed.

To be effective, our web site must be:

- Easy and intuitive to navigate
- Visually pleasing
- Informative
- Safe and secure
- Quick to load
- Easy to expand with additional content

5. Audience and Objectives

The objectives for the website vary depending on the audience. For purposes of the NAVREF website, the audience can be divided into four distinct groups and the needs and access for each group will be different:

- **NAVREF members (82 Department of Veterans Affairs affiliated non-profit corporations (NPC) with 2 to 15 individuals per NPC):** The objective is to have a members-only (password protected) place for members to:
 - Access NPC-specific information on NPC management, governance, interfacing with VA and newsletters
 - Access profile information about other members (contact information, major characteristics, key staff, etc.)
 - Access information about member benefits (i.e., educational conference calls, insurance, preferred vendor list, etc.)
 - Post questions and receive responses (subject to screening and approval by NAVREF staff)

NAVREF members are 501(c)(3) organizations. Therefore, access should be made available to NPC executive directors, board members and senior administrative staff.

- **Partners in VA research:** The objective is to have a place for partners to learn about NAVREF's mission and members, to strengthen their relationships with NAVREF members and to promote access to and encourage involvement with the NPCs. VA research partners include: VA employees (research staff, attorneys, HR personnel, etc.); other federal agencies; and industry sponsors. Access to member profiles and downloadable membership list is desirable subject to submitting a request to be approved by NAVREF staff.
- **General public:** A place to increase awareness of and interest in NAVREF's mission and the VA-affiliated NPCs.
- **NAVREF staff and NAVREF board members:** The objective is to improve business efficiency by:
 - Consolidating access to and streamlining the collection of member information into a single member database (i.e., membership database [currently maintained in Access], member profiles, online

conference registration, etc.) and link information to Microsoft Outlook contacts

- Sharing documents with NAVREF board members through a password protected portal

To accomplish these objectives, NAVREF would like to:

- Present comprehensive information and resources in an easy to understand and easy to find format
- Make the website intuitive to navigate and with an easy user interface
- Maximize use of web-based technologies
- Create the framework for a scalable and maintainable website
- Deliver a consistent image
- Improve delivery of membership communications and services
- Provide NAVREF staff with access to web-based tools and solutions
- Build member loyalty and enhance relationships between NAVREF and members as well as between the members
- Minimize staff time required to perform routine functions

6. Scope and Guidelines

- Create a new web site to replace the existing website. Some, but not all content will be migrated to the new web site subject to page-by-page review, updating and approval of NAVREF staff.
- Create a visually pleasing look and feel for the website. While a mix of text and graphics is desirable, emphasis should be placed on content, not graphics. The web pages should be easy to print and any graphics should not adversely impact printing or download speed.
- Create a consistent (common) design and theme, through use of graphics, fonts and layout. Elements that should be available on every page include:
 - NAVREF Logo
 - NAVREF contact information (address, phone, email)
 - Navigation back to the home page and other major sections
 - Search box
 - Site map
 - Other
- Create an easy to navigate site. Information should be grouped and presented in a logical manner (framework) and should require no more than three levels of “drill down” for the user to find the desired information. Also, the URLs should be short.
- In conjunction with NAVREF staff, convert substantial amounts of existing content to new web site. The sitemap of NAVREF’s current site can be seen at: <http://www.navref.org/sitemap/default.htm>.
- Use a technology solution that allows the in-house staff to easily and cost effectively update content after the initial launch. The interface should be intuitive and NAVREF staff should be able to update content without directly accessing source code. If not, the company will recommend necessary software and licenses for site maintenance NAVREF staff or contractors, as decided by NAVREF.

- Create template pages so NAVREF staff can easily add content.
- Provide search capabilities using key words or phrases.
- Use a technology solution that will create a Member Profiles page where members and NAVREF staff can update information and member lists.
- Provide member-populated but publically available job posting.
- All user-created log-in passwords must have the ability to be reset by user.
- NAVREF will be responsible for providing logo; creating and maintaining all content on the website; and the initial data for transfer into the new integrated membership database. A company that can handle all site planning, interface design and production is required.
- All aspects of the website, conference registration, email blasts, etc., must be accessible through the Department of Veteran's Affairs' IT firewall as well as usable (i.e., no Flash) on Apple products (i.e., iPad).

Optional Enhancements:

- *Optional: Create web forums for members to connect with each other (ListServ) by posting questions or responding to inquiries. Questions and responses should be screened and edited as needed by NAVREF staff before posting.*
- *Optional: Create the ability for NAVREF staff to publish a blog.*
- *Optional: Create a "content-management system" that will permit non-technical NAVREF staff to instantly update web site content on any page on the website.*
- *Optional: Create a system that will integrate the membership database with the member profile page, membership lists (auto update), conference registrations, etc. Also, the membership database should be able to interface with Microsoft Outlook contacts.*
- *Optional: Create an interface between the membership database for conference registrations that will use information and automatically populate information into the conference registration or an interface with NAVREF's current online registration provider. NAVREF is currently using RegOnline for conference registrations and could use RegOnline for charitable donations.*
- *Optional: Create capability for NAVREF staff to send email newsletters and other group emails that can pass through the VA firewall*
- *Optional: For purposes of Accessibility/Usability, website compliance with section 508.*

NAVREF has not yet determined whether the website should rely on a database to display information or if it will be "static" HTML. Recommendations will be considered.

Upon completion, NAVREF will be responsible for and will have control of web site content, maintenance and administration. All design, content, coding and graphics will become the sole property of NAVREF. NAVREF must own, have full access to, and have the right to customize site code.

The website design company should also be available on an ongoing basis for minor changes as well as new initiatives once the project has been completed and the final

product has been delivered and accepted by NAVREF. Hourly rates should be provided in the proposal.

7. NAVREF Contacts Available as Resources

NAVREF will make staff available as resources for this project, including the following:

- a. Point of contact manager: Angela Murakami, Program Director
- b. Technical hardware and software contacts: In addition to Barbara and Angela, staff from Network Depot may be made available for technical hardware and software questions.

8. Timeline and Proposal Submission Requirements

- This RFP is dated October 18, 2011.
- If you intend to submit a proposal, please notify the NAVREF office by 5:00 p.m. East Coast time within 5 business days.
- Proposals are due no later than 12:00 noon East Coast Time within 10 business days after notifying NAVREF of intent to submit a proposal
- Proposal should be delivered or emailed to:
Angela Murakami, Program Director
National Association of Veterans' Research and Education Foundations
5480 Wisconsin Avenue, Suite 214, Chevy Chase, MD 20815
T: 301-656-5005; E: Amurakami@navref.org
- All proposals should provide the information requested in proposal format outlined in this RFP
- Proposals will be evaluated immediately upon receipt. During this time we may require interviews at our office with our evaluation team. You will be notified if this is requested.
- If your proposal is selected, discussions on terms and pricing will begin immediately.
- Initial meetings should begin immediately.
- The proposal should be broken into two phases:
 - Phase I: Discovery, Requirements Planning & Site Definition
 - Phase II: Site Development, Testing (Beta site by at least 5 sites) and Deployment
- Phase I of the project must be completed and delivered on a mutually agreed schedule.
- If you wish to submit alternate solutions, please do so.
- Engagement work complete and web site live – deliverable date to be determined during Phase I.

9. Budget

NAVREF is prepared to begin this project as soon as a contract has been signed. The budget allocated for this project is between \$15,000 and \$20,000. (Total cost may not exceed \$20,000). Hosting costs may be excluded from the budget and should be addressed separately.

Sample Format for Proposals

1. Executive Summary
2. Company Information
 - a. Organizational staff structure and expertise including lines of reporting and any special tools used
 - b. Guidelines for communication with NAVREF [who, what, where, when]
3. Technical Information
 - a. Web development process: explain the process you will follow to build the website
 - b. Address usability standards and testing
 - c. Address any important technology information and specifications used in your solution (languages, platform, etc.)
 - d. Schedule of deliverables including major milestones for Phase I and Phase II as well as when Beta testing and evaluation of the website will begin
4. Budget. The budget must encompass all design, production, and software acquisitions necessary for development and maintenance of the web site.
 - a. Break down costs by production hours, tools, and functionalities
 - b. Maintenance and support: Identify any costs that should be assumed as part of the site creation (one time costs) and ongoing costs for maintenance and support we may need in the future.
 - c. License fees: Identify the costs we will need to pay to develop or host the site.
 - d. Hosting: Identify whether we must or are highly encouraged to host with your company. If hosting is provided as an option or requirement, provide pricing options.
 - e. Training and Style Guide: Identify costs to train our staff to use site tools and provide a styleguide
 - f. Other charge areas: Please identify whether there will be other expenses, consulting fees, future work, etc. to complete this project.
5. Milestones and Payment schedule: Provide list of milestones and deliverables and a payment schedule. Separate cost by phase. List pricing for:
 - a. Phase I: Discovery, Requirements Planning & Site Definition
 - b. Phase II: Site Development, Testing (Beta site) and Deployment
 - c. Hourly rate for any updates or changes after completion of website redesign has been reviewed and approved.
 - d. Hosting: We have not yet made a decision to host on or off-site. Discussions during the discovery phase and your input and advice will help us make a decision in this regard.
6. Qualifications and Experience: relevant case histories with information on accessing online demos or examples; and qualifications and experience of individuals who will be assigned to this project.
 - a. Professional references (at least 4 from similarly sized associations with websites that are similar in scope and functionality)

October 21, 2011

TO: NAVREF Board of Directors
FROM: Barbara West
SUBJECT: Treasurer Discussion Items

Action Items: During the meeting, the board will be asked to 1) approve a change in NAVREF's retirement plan; 2) update NAVREF's investment policy; and 3) to consider allowing the staff to begin exploring purchasing a condo for the NAVREF office.

- 1. Addition of a 6-Month Vesting Requirement to NAVREF's 403(b) Plan:** NAVREF's current 403(b) plan provides that employees are fully vested upon hire. At the time this was put in place, we did not contemplate the possibility of directly hiring (vs. using a temp firm) employees for short periods of time as has been the case with Diana McCue. Immediate vesting puts NAVREF at risk of having to contribute to and maintain a retirement account for an employee who is expected to work for NAVREF for only a few months.

Recommendation: Modify NAVREF's retirement plan to provide that employees may participate after six months of NAVREF employment.

- 2. Updating NAVREF's Investment Policy.** NAVREF's current investment policy is in need of updating to reflect establishment of an account with Raymond James:

NAVREF invests excess cash in the following list of board-approved investments:

- Merrill Lynch Money Market
- Merrill Lynch Insured Saving Account
- Raymond James Money Market
- Raymond James Bank Deposit Program
- Certificates of Deposit
- Merrill Lynch Institutional Fund
- Federal Bonds

The decision to invest cash in any other investments is made jointly by the executive director and the treasurer.

Use of banks not fully insured by the Federal Deposit Insurance Corporation (FDIC) is prohibited.

- 3. NAVREF Office.** With real estate prices low and many condos on the market, this may be a good time to explore once again purchasing a condo to use as the NAVREF office. NAVREF's 10-year office lease will end in January 2015. However, the leasing contract allows NAVREF to sublet or transfer the lease subject to approval by the landlord.

NAVREF's current monthly rent is \$3494. This is subject to an annual 3% escalator. A 30-year mortgage for \$300,000 at 5% costs \$1610 per month. For \$400,000 at 5% the cost is \$2147. Condo fees, which typically run \$400-\$1000 per month in the Washington area depending on the level of services provided, would be on top of the mortgage. A brief discussion with a real estate agent indicates that some condo buildings will allow corporations to purchase units, particularly if they do not generate a lot of foot or car traffic.

Compilation of NAVREF 2011 Annual Conference Evaluations

What is your NPC position?

Answer Options	Response Percent	Response Count
NPC Executive Director	53.5%	46
NPC Financial Staff	22.1%	19
Other NPC Staff Member	8.1%	7
NPC Board Member	11.6%	10
VA Attorney	0.0%	0
Other	4.7%	4
If Other, please describe:		4

#	If Other, please describe:
1	Office and Personnel Manager
2	VA Program Specialist
3	Chief of Staff
4	VA Program Specialist

Note: Regarding sessions, attendees were asked to indicate their overall rating of the presentation by each speaker.

NPC Indirect Cost Rate Q&A

Answer Options	Excellent	Good	Fair	Poor	Response Count
Bob Forrester	25	22	0	0	47
#	Comments:				
1	Good handouts.				
2	Bob made a complex subject seem very simple (relatively speaking). I will definitely consult with him when we have our first prime award.				
3	Great summary - clear presentation of complex material.				
4	This was very good, but I still struggle with the details of getting it done.				
5	A little technical. A little too much bio.				
6	Glossary was an excellent handout.				
7	Excellent presentation. Very clear and precise material. Improved my understanding.				
8	It was a good overview for newer people.				

A Call to Leadership

Answer Options	Excellent	Good	Fair	Poor	Response Count
Bonnie Dunbar, PhD, NAE	61	14	0	0	75
#	Comments:				
1	Ms. Dunbar was a very positive and inspiring speaker. She had lots of excellent ideas - esp. getting everyone involved in communication.				
2	Engaging, informative, practical information with the Space Museum.				
3	Interesting, though more relevant to larger organizations. Great speaker.				
4	Truly exceptional presentation!				
6	Great speaker and ties to research and VA research I would never have considered.				
7	Very articulate - very personable - very relevant. Terrific!				
8	This was a terrific keynote.				
9	So inspiring! (4)				
10	The print on the slides was too small/dense.				
11	Nice combination of research and leadership.				
12	Excellent! Loved her style and her message.				
13	Very polished presentation. Not clear how it was a keynote.				
14	A good overview. Also she made the point (well taken) that an NPC is really a business. I also liked the well-turned phrases that she presented.				
15	Bonnie Dunbar - best speaker to date! Articulate and informative.				
16	Excellent subject matter for economic times. Very inspirational.				
17	Very dynamic and accomplished person.				

Proof Positive III - VA/NPC Research and Education Success Stories

Answer Options	Excellent	Good	Fair	Poor	Response Count
Elaine Peskind, MD	51	25	2	1	79
Marsha Tarver, PhD	48	29	1	0	78
#	Comments:				
1	Dr. Peskind was very informative regarding her Alzheimer's research. Dr. Tarver was an excellent speaker on MS education programs. She was upbeat and exciting!				
2	So great to see and hear about some of the research we as NPCs "facilitate" - great presentations.				
3	Glad to hear about VA/NPC research and education results.				
4	Both presentations were excellent.				
5	Dr. Peskind's presentation was another research project. Talks on PTSD are pretty common and most likely we all have a number of PTSD studies going on.				
6	Both very good and I was very glad to hear pre-military TBI addressed.				
7	Elaine was a bit too medically detailed but quite good. Marsha's presentation was especially nice as it told a good story, made us re-think events as both possible and fun!				
8	Enjoy these sessions.				
9	Good presentations - however, I thought Dr. Tarver was a bit long.				
10	Like having researchers from NPCs sharing what they are doing.				
11	Both speakers were great. Topics were very interesting. Really enjoyed session.				
12	Research presentation could have been less technical/data-reliant. (6)				
13	I think that Dr. Tarver's talk on getting the research results out to clinicians was particularly relevant and informative.				

Innovative Ideas for Growing and Marketing Your NPC

Answer Options	Excellent	Good	Fair	Poor	Response Count
Lea Lowe	39	30	5	1	75
Sharon Feltman	37	36	1	1	75
Eileen Lennon, PhD	38	35	2	1	76
Kathleen DeLaura	44	29	2	0	75
#	Comments:				
1	I love Dr. Lennon's idea of the quarterly newsletter and the Annual Meeting. Ms. DeLaura's enthusiasm and ideas regarding women veterans and mental health were interesting. I also liked her ideas on events.				
2	Fundraising next time.				
3	Not enough for smaller NPCs that are just trying to stay in the black.				
4	Great info! Appreciate hearing about new ideas.				
5	Great ideas. (5)				
6	All good but Kathy is a phenom.				
7	Thought provoking!				
8	It was very interesting to hear the varied approaches - each short and to the point - excellent job all!				
9	Will definitely pursue state tax checkoff.				
10	Informative.				
11	Helpful - may try a tax check-off.				
12	Loved hearing success stories and new/different opportunities.				
13	Lea's info was specific/personal - perhaps not applicable to most of our situations. Would have been useful to include discussion of giving programs or alternatives.				
14	Kathleen DeLaura - obviously cares very much about women vets. I applaud her.				
15	Some content was specific to title objective - some was very general and vague.				
16	Excellent ideas.				
17	Well done. The education program presented is very promising.				

Strategic Planning for Your NPC

Answer Options	Excellent	Good	Fair	Poor	Response Count
Peg Jackson, DPA, CPCU	53	22	2	0	77
#	Comments:				
1	Captivates the audience with humor, yet very informative!!				
2	Very personable and lively. Great common-sense experience.				
3	Great presenter - love her attitude.				
4	Don't wanna but I know I gotta.				
5	Good structured guidance.				
6	Please, no book pitches - felt self-serving.				
7	Too basic. (2)				
8	Made it simple and approachable. Will plan to do a new strategic plan ASAP.				
9	Very helpful.				
10	I feel confident I can do a strategic plan.				
11	She did a good job of debunking the complexity of strategic planning and emphasizing that it can be done in a brief period of time.				
12	Good practical points.				
13	Appreciated that Peg stressed that this did not need to be a long, drawn-out process. Is/will a strategic plan be required of the NPCs by the NPPO?				

- 14 I SO needed this.
- 15 Excellent. No nonsense/direct approach. Good emphasis on what's really important versus a lot of buzz words/phrases.
- 16 I agree with her that an NPC should indulge in strategic planning. That said, I think she should have put more emphasis on the separateness/independence from VA of the NPCs.
- 17 Excellent presentation.
- 18 Very useful info.
- 19 Would have liked to see a sample plan.
- 20 It would be great to have Peg give an expanded lecture/discussion on this topic.
- 21 Great explanation of the "two year plan."

Insights on Building Effective Working Relationships with Regional Counsel Attorneys; the Attorney Perspective

Answer Options	Excellent	Good	Fair	Poor	Response Count
Suzanne Will	31	36	8	1	76
Coleen Welch	27	41	5	1	74
Rex Cray	26	41	7	1	75
Michael Hughes	27	42	5	1	75
Overall rating of the session	27	38	8	2	75

#	Comments:
1	Content didn't match title, but info was useful.
2	Did not really deal with the big issue of how NPCs can get material through RC in reasonable time frame. Displayed a disconnect from VA/NPC/veteran relationships. Building relationships is not a one-sided issue.
3	Great session for people who have RCs that are responsive and supportive. I didn't get much information for how to build an effective working relationship with an RC who isn't responsive or supportive.
4	Not really what I expected or needed. Not really how to work with RC. Coleen Welch came closest to what I needed to hear but got so little time.
5	Since I don't have the kind of relationship enjoyed by Donna McCartney with her RC, I'd hoped for some insights on building/improving. I walked away with no information, unfortunately.
6	Typical attorney speak - never said NPC is their client but nice to see a good working relationship between NPC and RC.
7	Some good reminders on policies I need to make sure we are implementing. Good tips on key non-negotiable CRADA items.
8	Their message of collegiality and their interest in and support of NPCs came through loud and clear. West Coast rocks!
9	Should have told the group that all VA attorneys are not the same. Could have brought up negative issues/situations and how we should handle these situations.
10	Nothing new. We know they are busy, but so are we. Hoping for centralized CRADA review very soon.
11	Wishing for some new information/guidance!
12	The VA attorneys have a very difficult job but, overall, they are very supportive.
13	Good suggestions, need clarity on some suggestions as to how to move forward.
14	Disagree with S. Will, are you kidding me? Unfortunately, most of this panel took a defensive position. Rex was the only one who spoke in the spirit of cooperation. Out of touch!
15	What is OGC/Regional Counsel doing to see that NPCs are a priority? What training are attorneys getting in CRADAs and industry-sponsored studies?

- 16 Very well done. However and unfortunately, most of us in the Central US do not have this type of support. And I am not sure why.
- 17 They were too careful (understandably) with their words...wish they could have been more frank with the understanding the audience would acknowledge this position.

The ORD/NPPO Update

Answer Options	Excellent	Good	Fair	Poor	Response Count
Holly H. Birdsall, MD, PhD	54	25	3	0	82
#	Comments:				
1	Holly is a really good speaker - I like how she delivers the update. (2)				
2	Wanted to hear about their strategic plans.				
3	Always one of the highlights of a conference like this ...				
4	Insightful - ORD folks are not from VA?!				
5	Does the NPPO anticipate looking into the problem area of VA Human Resources?				
6	Encouraging to know there are advocates for the field perspective now at ORD. Helpful information provided in Holly's update.				
7	We are fortunate to have Holly's time and interest. She's an invaluable colleague.				
8	Very knowledgeable.				
9	Better presentation of update than in previous years. Very informative; in understandable language.				
10	She is fabulous. We hope that "decreasing regulations" will really happen as she states.				
11	Big mystery solved to learn that ORD has only two people who have actually worked in a VAMC.				
12	Very helpful!				
13	Very informative.				
14	Interesting presentation, a lot of material to cover.				

Open Forums by NPC Size (complete only for the session you attended)

Answer Options	Excellent	Good	Fair	Poor	Response Count
Open Forum for NPCs with revenues under \$500,000	17	3	1	0	21
Open Forum for NPCs with revenues between \$500,000 and \$2 million	13	10	3	4	30
Open Forum for NPCs with revenues between \$2 million and \$10 million	14	9	3	1	27
#	Comments:				
1	These are always good sessions. I always attend the session for where I want the NPC to be rather than the one that matches our current situation.				
2	Perhaps in the future this session can be changed to different criteria -- the number of employees, instead of dollar figures - we sit in a room with the same groups year after year; need a different cross-section - number of employees, largest sector of revenue, etc.				
3	Appreciate sharing information and ideas with others. Like the breakdown by size.				
4	There was no opportunity to have a good group discussion, nor was there an opportunity to provide constructive answers to questions. One moderator took over the meeting and discussed her accomplishments and in response to questions gave info on her accomplishments. "Hook your wagon to me and we'll grow together" is not an helpful answer to, "how do I grow my NPC?" (2).				

- 5 Always good to hear what other NPCs are doing to grow their business.
- 6 Mostly very basic. Really disturbing to have a speaker tell this audience that it is no longer possible to get things like start-up money, monitor visit charges, amendments, mods. Many of us are doing this successfully and it will hurt us to have others not insisting on these charges. Thankfully Lea Lowe was there to counteract some of X's negativity about reimbursements.
- 7 This is always a productive, helpful session.
- 8 Lots of good info shared.
- 9 Too free form.
- 10 Took lots of notes. This size is all about growing and managing growth.
- 11 Good discussion of key issues all NPCs are facing - IPAs, reimbursables, clinical trials --> some interesting ideas shared, but some issues don't have easy solutions. Is there any way to address the source of the prevalence of IPAs - issues hiring competent research staff within VA??
- 12 Was a most helpful session. Facilitators were great!
- 13 Excellent group. Good ideas. Good networking.
- 14 A little bit of a "X" show...
- 15 As was the case last year, this session was lifeless and ended early. I heard that the smaller revenue group sessions were lively, so maybe the low energy is just endemic to "the bigs."
- 16 Good sharing of practices, training.
- 17 Slow at first. The group relaxed and became more vocal as session progressed. Good information. Good session.
- 18 Very helpful. Would love more of this type session.
- 19 Good, topical session.
- 20 I picked up some valuable tips.
- 21 Great discussion!
- 22 Excellent forum, interesting discussion on clinical trials, pre-cost charging.
- 23 Too much about only one NPC's challenges, somewhat irrelevant to others. (2)
- 24 Good exchange with other finance staff as to how they do things.

Protecting Your NPC from Cyber Attacks and Financial Fraud

Answer Options	Excellent	Good	Fair	Poor	Response Count
Michael Kaiser	41	34	3	0	78
#	Comments:				
1	Great presentation, but might have included more specific examples of steps to take to prevent cyber attacks.				
2	Very useful and informative. (5) Good information. (2) Great topic! (2)				
3	Perfect presentation - great fit for this audience. Eye-opening, unnerving but needed.				
4	Hot topic these days.				
5	Took multiple notes and would like NAVREF to include this info under best practices. Also a sample IT policy for internet usage, etc...				
6	Highlighted some real concerns/preventive opportunities I will look into.				
7	Good information. (2)				
8	Very interesting session. Good speaker. Great topi				
9	Good ideas presented for protecting an NPC's computers.				
11	Good presentation, excellent suggestions and material.				
12	Would have liked hearing more about using the cloud.				

How Not-for-Profit Organizations Can Prepare for a Clean Audit - the Auditor's Perspective

Answer Options	Excellent	Good	Fair	Poor	Response Count
Andrew Prather, CPA	48	29	3	0	80
#	Comments:				
1	Finally learned difference between types of audits. Very practical information.				
2	Hard to believe this could be interesting but it was very informative.				
3	Very pleasant speaker and easy to follow.				
4	He did a pretty great job on a dry subject and covered the latest pertinent topics, as well as a thorough overview of the audit process.				
5	Looking forward to using toolkit this fall. Nice clear explanation of findings and other matters definitions.				
6	Good overview of audit process from auditor perspective, but somewhat basic for those directly involved with and experienced with audit -- great for other staff to understand process.				
7	Andrew - excellent presentation. Clear explanation of audit process - very helpful for preparation of audit.				
8	He was as engaging and endearing as an accountant can be. Material was too basic for me but probably pitch-perfect for many. That's NAVREF's problem in program planning: the diversity of expertise and interest.				
9	Could tell he took the time to know his audience and issues.				
10	Good speaker. Relevant information. (2)				
11	Style and content very good with much pertinent information.				
12	Somewhat dry - little new information from my perspective.				
13	A funny accountant!!				
14	Good summary for execs and directors to come to an understanding of an audit, terminology, et cetera. Suggestions for next: explain use of SUDs for an audit recommendation.				

Keeping Current! - GAAP and Other Financial Accounting and Tax Updates Applicable to Not-for-Profit Organizations

Answer Options	Excellent	Good	Fair	Poor	Response Count
Jane Searing, CPA	50	21	4	0	75
Vincent Stevens, CPA	40	28	6	0	74
Overall rating of the session	42	22	4	0	68
#	Comments:				
1	The presenters did a good job sharing the information. Loved the way they played off each other's comments.				
2	Area of weakness for me - always a learning curve! Very helpful.				
3	Mr. Stevens was an excellent speaker, but sometimes the concepts were a bit over my head!				
4	Vincent seemed a little "green" in the public speaking arena. Topic was appropriate. (2)				
5	Speakers were ok, but topic not as relevant to me. Like the tag team approach.				
6	These two made an otherwise tedious topic enjoyable. (3)				
7	A conference like this should focus on what's new in comparison to the prior year.				
8	Social accountability and sustainability are interesting trends/concepts. Management discussion and analysis also important.				
9	Helpful overview of some upcoming accounting changes.				
10	Excellent informational session - especially on Form 990.				
11	They were energetic and engaging. Good information. (2)				

- 12 Very good organization of topic and samples. Jane -- very good presenting style. Rules and practice addressed.
- 13 Good session. Enjoyed speakers.
- 14 Great 990 information.
- 15 Excellent and very topical. Good presentation skills, also complex/contradictory topic - well done!
- 16 Interesting matters arose and controversial subjects! We definitely need to be kept informed.
- 17 Love Jane. Dynamic speaker.

Budgeting for Industry Sponsored Studies (1:30 p.m. - 3:00 p.m.)

Answer Options	Excellent	Good	Fair	Poor	Response Count
Wendy Hill, RN	52	12	0	0	63
Ron Waldorf	44	19	0	0	63
Overall rating of this session	46	14	1	0	61

#	Comments:
1	Ron didn't say much, but I got the idea. Wendy was super!!
2	This was truly excellent and a good counterbalance to a previous session where a presenter told the audience you could no longer get start-up fees, amendment, med fees, etc.
3	Best yet! Wendy was especially good - proficient, professional, personable - terrific and very useful info.
4	They are a strong team.
5	Great ideas and starting point for negotiations.
6	Excellent!! Really helpful advice/process for improving our budget negotiations.
7	Exactly what I needed.
8	Wendy Hill's presentation was excellent. Very helpful on budgeting ideas. I will implement some IRB-processing fees that I didn't think of requesting.
9	A little disconcerting for new EDs because it was designed in California, which has a higher cost of living, so higher costs. Most cannot get \$100 stipends or increase their budgets by 44%. But Wendy was very good.
10	Very good information and relevant. Brought up some considerations that need to be addressed when reviewing budgets that I had not thought of. Maybe extend info to include (post) admin of clinical research studies - ins, outs, issues, etc.
11	Excellent presentation, learned a lot from their extensive knowledge on the subject and expertise.
12	Wendy and Ron did a great job explaining what they do to get their jobs done and gave great examples. Good job answering questions also!
13	As someone who has just begun to be involved with budgets of this type, I came away with a lot of ideas as to what to include in the budget and how to format a budget that's easy to follow.

Working with VA-Affiliated Universities

Answer Options	Excellent	Good	Fair	Poor	Response Count
Eileen Lennon, PhD	38	21	4	0	63
Kerstin Lynam	39	22	2	0	63
Priscilla West	37	21	3	0	61
Overall rating of the session	34	20	3	0	57

#	Comments:
1	Too short and not specific enough on major issues.

- 2 Focus of speakers was directed to only positive and choice relationships. It was not that useful for those of us with more difficult affiliate relationships.
- 3 The presentations were great and informative. I'm glad you included this topic.
- 4 I thought the examples provided were beneficial.
- 5 Useful information.
- 6 Like the speakers' first-hand perspective. Educational and easy to understand.
- 7 Loved hearing Priscilla's fairy-tale story of gaining control of grants and hope it's a happy ending, i.e., that she gets the grants.
- 8 Need more of the how-to, as just hearing about the successful relationships does not 'problem solve' for those of us with on-going issues.
- 9 These types of sessions are always VERY helpful.
- 10 Short but good experiences.
- 11 This was too many topics for a 1.5 hour session.

Best Practices for NPC Support of a VAMC: Core Research Services

Answer Options	Excellent	Good	Fair	Poor	Response Count
Nancy Watterson-Diorio	19	27	10	3	59
Bob Forrester	18	28	10	1	57
Overall rating of the session	18	23	10	2	53

#	Comments:
1	Didn't understand the purpose of the talk, not relevant to our organization (2)
2	The session could have been more useful if the presenters spent more time up-front clarifying what they were talking about. I spent a good amount of the session trying to understand what it was that they were doing and why.
3	I am concerned that in NPCs where there is a good practice, Nancy may cause problems if she rolls this out to all ACOSs. Nancy stated that an MOU would be the governing document to allow the university to pay the VA, but Regional Council has come down hard on MOUs being improperly used. Many people in the audience had no problems with this process.
4	I hope it works! This is a area of frustration for us.
5	Useful information.
6	Interesting concept but not sure we can relate. Not sure concept was laid out clearly.
7	Looking forward to the final product.
8	Will be interested to see how this plays out.
9	This was a confused and confusing session. I had no idea what she was discussing, what the message was and who the "I/they/we/me/them" were in her references. It appears that she's trying to create a billing system for VA. Why?? Why did she ditch the slides? (4)
11	This is a very relevant and timely issue, something that will be very helpful to provide to our VAMC. Why are the NPCs always asked to do/address work VA is responsible for? (When we are understaffed, do not have VA resources, etc.) VA needs to take responsibility for addressing, acquiring, and drafting procedures to recoup/acquire fees for services (especially when provided to support affiliate administered research).
12	Understand the why but not clear if this was the NPC or the VA.
13	Not clear how NPC supporting core or other.
14	This was too many topics for a 1.5 hour session.
15	A little confusing at first. But I got the gist of it.

Building a Superior Board; Getting the Right People for the Job and Orienting Them

Answer Options	Excellent	Good	Fair	Poor	Response Count
Helen Petrovitch, MD	28	25	2	0	55
Chuck French	28	23	3	0	54
Overall rating of the session	28	19	3	0	50

#	Comments:
1	Elementary, very basic.
2	This was a real eye-opener for me. I realized how much we can do to support our board. Excellent!!
3	As a "community" board member, I think it is crucial for the NPO boards to have "outside/community" members. The NPO will have increased visibility, a "private" perspective on issues and more broad-based support in Congress.
4	Useful information.
5	Good resources for board orientation.
6	Lots of helpful information.
7	Nothing new or exciting.
8	Excellent ideas.
9	Orientation handout should be useful.
10	This was too many topics for a 1.5 hour session.

Business Resiliency Planning; How Your Organization Can Survive Anything!

Answer Options	Excellent	Good	Fair	Poor	Response Count
Peg Jackson, DPA, CPCU	20	10	1	0	31

#	Comments:
1	Good but already doing most of this.
2	Will make this an action item on my strategic plan. Very timely in light of recent tornadoes/hurricanes/earthquakes.
3	Good recommendations!
4	Awesome speaker!

Superior Subawarding and Contracting: Watch Out - the First Step is a Big One!

Answer Options	Excellent	Good	Fair	Poor	Response Count
Rex Porter	38	28	3	1	70

#	Comments:
1	Bring him back again.
2	This was a very helpful topic. The speaker was good and shared very good information.
3	Good speaker, but lots of concepts just seemed to be general administrative advice. Would like to have more specific advice about how to comply with federal requirements. Second part of presentation was more specific, but first part was a little too general.
4	We do not have federal awards yet, but all this is good to know before we get them. (2) Thank you for repeating the questions or comments when folks did not have the microphone.
5	Speaker is very knowledgeable.
6	Animated and articulate presenter, but this session was way over my head.
7	Excellent points - need to establish a pre and post system.
8	A lot of important concepts covered to follow up on, but more in-depth info on fewer items might have been helpful.
9	Good information.

- 10 Rex was probably the best speaker - I am so sorry I am not staying for the workshop. He is an excellent educator, especially for new members.
- 11 Need to have slide numbers so we can note the slide number and go to NAVREF website and find that slide. I know nothing about federal grants. I would like to consider seeking federal grants for the NPC. I was very lost in the details. However, I got some overall points. I bet this talk was very good for those who are doing federal grants. I'm still not sure about doing these grants. Pretty scary. Possibly someone could tape classes (beginning at 101 basic level) on how to do federal and DOD. This would be most helpful!
- 12 Great presenter, but information is not yet pertinent to our organization.
- 13 Long intro. (2)
- 14 Excellent speaker! (2)
- 15 Good ideas and presentation.

We Learn Something New Every Day

Answer Options	Excellent	Good	Fair	Poor	Response Count
Eileen Lennon, PhD; Cindy Reutzel; Barbara West	29	13	1	0	43
#	Comments:				
1	A few things were pretty confusing (apparently I'm easily confused).				
2	Nice to have a forum for general questions.				
3	Need underlying agreements with VA.				
4	I think we new EDs <> 2 years could use some basic training on CRADAs.				
5	Can the IRS definition of an employee be emailed to us?				
6	An expanded version of this would be great.				

Special Session for New Executive Directors and New Board Members/Post Conference Wrap Up

Answer Options	Excellent	Good	Fair	Poor	Response Count
Eileen Lennon, PhD; Cindy Reutzel; Barbara West	11	3	0	0	14
#	Comments:				
1	Great sharing of information on the NPPO activities and other pertinent topics.				
2	Might be good to have new folks let you know in advance their issues/needs. Easy to spend too much time on one topic, but in any case always an enjoyable and helpful format.				
3	Always look forward to this session. It is so good to learn of problems, concerns and how we can benefit from the information.				
4	I picked up some useful tidbits.				

Part One - Winning Grants Proposal Design and Cost Estimating: Show Me the Money

Answer Options	Excellent	Good	Fair	Poor	Response Count
Rex Porter	20	8	3	0	31
#	Comments:				
1	Probably should have spent much less time on pre-award, since for the vast majority this is out of administrative hands and with PIs. We need more on post-award and compliance since this is the focus of our positions.				

- 2 Rex has great general knowledge of grant submissions, but it would have been helpful here to have someone with more specific knowledge of NIH and DOD medical research and/or basic research proposals. Logic model exercise wasn't really helpful from an administrative perspective.
- 3 Even though we do not have federal funds yet, this is knowledge we need in order to be ready for that time.
- 4 Seemed too "into the nitpicky" compliance/rules/regs. Hoping for more general guidance on finding the money. But likely more helpful to senior grant managers. He is a formidable presenter and spot on with delivery and timing.
- 5 Eye opener!
- 6 Tough material - made understandable. Great!

Part Two - Outstanding Management of Federal Grants: Make it Look Easier!

Answer Options	Excellent	Good	Fair	Poor	Response Count
Rex Porter	21	7	1	0	29
#	Comments:				
1	Much more relevant.				
2	Much more specific to federal grants management than yesterday's presentation - I learned a lot!				
3	Rex did a great job of repeating the comment or question for the audience when the person did not use the microphone.				
4	Rex is great.				

Part Three - Excellence in Grant Compliance and Internal Controls: Practice Makes Perfect

Answer Options	Excellent	Good	Fair	Poor	Response Count
Rex Porter	15	7	2	0	24
#	Comments:				
1	For all of Rex's sessions there was too much theory and not enough practical. The most benefit was obtained from the practical discussions.				
2	All very good, but the last morning I reached the very tired level.				
3	Really liked the nuts and bolts section.				
4	Like his style!				
5	Although Rex is very knowledgeable, I believe he should have "read the audience" better. For example, he asked how many NPCs participated in matching gifts. Few if any participants raised their hands, so he said he would not spend much time on matching gifts, and then went on to lecture for 20 minutes or so and have us complete an exercise, too! Not great use of our time. Great preparation of reference documents. Rex had obviously done his homework on NPCs and showed an exceptional grasp of our unique structure/status.				

General comments about program sessions

#	Response Text
1	All very relevant information - as always. thanks.
2	The sessions were very good. As per any meeting, you take what you need and leave the rest behind.
3	The content of this year's conference was, on the whole, more relevant to me than in past years. I appreciate the diversity and value of topics and information that is shared. Very good speakers and helpful sessions.

- 4 Excellent topics and a very well-run conference. Congratulations to the program chairs, NAVREF and Eileen for a terrific time in the Northwest. Thanks so much!!
- 5 You all did a terrific job in putting the program together. I really do not know how you can top this one! Thank you for having me!
- 6 Generally very good to excellent.
- 7 Great sessions but too much packed into each day.
- 8 People need to hold the microphone closer so we can hear questions or the speaker needs to repeat the question.
- 9 Great sessions!
- 10 All the sessions were excellent, with good speakers, topics, etc. There were a wide variety of topics covered, with just the right amount of information.
- 11 The whole program was right on target for my needs. Subject matter was so appropriate. Speakers were great. Excellent.
- 12 A little too financial for me, but I learned a lot.
- 13 It's hard to create sessions applicable to all members because of diversity of knowledge/experience/need. Some of the sessions dragged for me but I don't know how to fix - it's the basic problem issue for NAVREF meetings.
- 14 Really enjoyed the fact that the number of attendees at meeting was smaller. Easier to network and meet others.
- 15 The best conference NAVREF has done in the five years I've attended. Topics and speakers were exactly what I needed. Great job!
- 16 As with prior annual conferences, excellent work Barbara, Angela!!!
- 17 Overall very good
- 18 In general, there was too much information stuffed into many of these sessions, and very little time for questions as a result.
- 19 Lots of new faces.

Suggestions for future educational topics

#	Response Text
1	Assessing the feasibility of a study. It is so easy to take on a study and then perform poorly due to not testing actual patient population against inclusion/exclusion criteria or having thought through the play by play logistics of recruiting patients and conducting the study. VERA Session could be framed as using VERA data to promote your nonprofit. NPCs need to work with their Research Services to assure accurate reporting. Our service miscoded NPC expenditures for years. NPC may not know that spending dollars out of residual accounts does not expose the expenditures to VERA matching. I would hope that VISN directors would be appreciative of any efforts to improve VERA matching and perhaps support research a bit more. For instance, the VISN that includes WV offers a \$50,000 competitive award for emerging investigators. Maybe if NPC assured the best possible matching, other VISNs could also support research.
2	I'd like to have a session on major fundraising. With tight funding from the Fed, and pharma cutting back on their funds, smaller NPCs need help.
3	Maybe a follow-up on current research being conducted at the different VAs; a session for board members.
4	Session regarding getting the most from QuickBooks.

- 5 1. Helping us being culturally sensitive within our multinational workforce, i.e. communication styles and preferences; how to communicate with ESL staff. 2. Ins and outs of IPAs. 3. Supervision and intervention when affiliate or U or VA staff are involved (i.e., VA employee harassing NPC employee). 4. Dealing with irate PIs - VA policies regarding irate behavior and threats... zero tolerance policy and how it is applied. Applications to NPCs and their staff. Role of the ED in such conflicts. 5. Case study of a large federal contract. 6. Org chart of VA, how to work with people beyond your local site - if at all. 7. With whom does NAVREF interact on behalf of NPCs?
- 6 Time and effort reporting for federal grants, including settings with multiple paymasters (VA, NPC, university). In what settings (if any) can PI be reimbursed for effort over and above their usual 100% effort?
- 7 More about the education piece of the nonprofits - what grants/funding is available, what are our restrictions, etc.
- 8 Loved the industry/budget - bring back! - more educational outreach-marketing/fundraising.
- 9 Technology - websites, Facebook, etc... bookkeeping/QuickBooks/HIPAA - patient info for reimbursement.
- 10 I would like to see small group breakouts to discuss accounting software, and/or more local/regional breakout sessions.
- 11 As said earlier, some basic CRADA training for new EDs <> 2 years.
- 12 I would like additional information on how to prepare and negotiate pharma budgets. Also, if we could submit issues we are having difficulty with (such as the blood and tissue storage), in order to have ORD address what can be done to relieve the problems.
- 13 Independent contractors, payroll/timesheet processing, social media/HR issues.
- 14 Conflict of interest in NIH grants.
- 15 1. Although an NPC is "tied" to VA it is also an independent non-governmental corporation. 2. An NPC's board is not like VA or univ. committees, in that a decision by an NPC's board can only be changed by a court in a lawsuit.
- 16 Some more focus on Education portion of our nonprofits.

The Red Lion Hotel facilities

Answer Options	Excellent	Good	Fair	Poor	Response Count
Seattle as a conference location	66	9	1	0	76
Meeting rooms	41	31	3	0	75
Sleeping rooms	42	21	6	0	69
Overall service	46	23	1	0	70
Quality of food at the Red Lion	39	28	3	0	70
#	Comments:				
1	Windows in conference rooms very helpful! Food was great.				
2	Seattle in two years. YES.				
3	Very enjoyable accommodations - wonderful setting.				
4	I found all the facilities to be clean and very comfortable. This was a great choice.				
5	Food was great - good variety and plentiful. (2)				
6	Seattle was great, but long way from NY. I suggest a more central location. (2)				
7	I L-O-V-E-D the speaker speaking in front of a window with greenery.				
8	Did not get in to the Red Lion but stayed at the Westin down the street and it was great. (2)				

- 9 Meeting rooms excellent until Thursday when the walls seemed to be very thin. Check-in was poor. Not enough people working. Room not ready until 5 pm.
- 10 No way to improve on this and what a location!
- 11 Wished they had a business center with computer. Hard to work completely off smart phone and did not want to lug laptop.
- 12 Great venue.
- 13 Dark side of conference room.
- 14 The food service was excellent for the meetings and on our own. The front desk service could be improved. The sleeping rooms were small.
- 15 Fabulous location and venue. Hotel staff were exceptional.
- 16 Sleeping rooms were dark. (2)
- 17 Need Wi-Fi in meeting rooms.
- 18 I would have liked classroom seating for meeting.
- 19 Did not like main meeting room set up - for example round tables - difficult to see speakers. Room was too large.
- 20 The only negative in meeting room was adjacency to a service area which resulted in lots of distraction at times (voices, equipment, etc.)
- 21 Sleeping rooms not always cleaned. Conference room: pillars were a problem and sound system not great.
- 22 Bigger coffee cups, please!
- 23 Room was very small but a/c was cold and I like it cold.
- 24 No extra blanket in room.
- 25 The wireless service in my room was very slow.

Please rate the networking opportunities

Answer Options	Beneficial	Not beneficial	Response Count
Sunday - Welcome Reception	57	1	58
Monday - Networking Lunch	65	3	68
Monday - Networking Dinner and Cruise in Puget Sound	58	4	62

General comments about the NAVREF 2011 Annual Conference

#	Response Text
1	Job well done. Keynote and cruise were obviously very nice additions. Very competitive with other meetings such as DIA and SRA.
2	Overall very beneficial. Could spend a bit more time on actual problem-solving sessions. Might be worthwhile having specific problem-solving sessions. Maybe pre-meeting getting a list of problematic topics and then setting up open discussions on similar groups of topics with some experienced moderators.
3	Seattle was a great city! Sessions informative and innovative.
4	Thanks for all the hard work putting together a very organized event. Everything flowed very smoothly and the time was well filled with learning and networking opportunities. It is always good to see up close and personal other NPC staff - and learn what works and doesn't work for them. We learn about areas where we have weaknesses and how to build those areas up - as well as new ideas. Thank you again.
5	As with all past conferences, an excellence kudos to the NAVREF Team!

- 6 The conference was really great! I came back with some ideas for improving our NPC and what I hope to be some great new contacts. Thank you!
- 7 Fabulous! Thank you!!
- 8 Dinner cruise was super fun! As always, networking was beneficial and fun.
- 9 As usual, a fabulous meeting - inspirational and informative!
- 10 This is always a great conference. You guys did a great job - look forward to next year.
- 11 This conference was excellent. Great job!
- 12 Very timely topics.
- 13 It will be nice to have government rate for hotel accommodations as part of the negotiations. The Red Lion rooms via NAVREF block do not accept government rate.
- 14 Was a great conference. Think it hit right along the middle for different levels of experience and expertise.
- 15 Too long - I think it could have been condensed - other than for new members, it seems the focus should just be on changes, best practices, or concerns. One good topic might be: What have we learned or what do we need to improve upon based on the site visits? Also - a good lunch topic might be: How can we collaborate? Expert presentations are the best.
- 16 Woo-hoo! Great program. Timely topics.
- 17 The dinner cruise was an excellent networking opportunity. Seattle was an excellent location. San Francisco would be a future suggested location for the next NAVREF Meeting, along with Charleston, SC.
- 18 Best yet!
- 19 Excellent group of speakers and presenters. Good hotel choice - great city. This conference was overall better than last year. I wish I could have attended all the sessions. Great networking opportunities!
- 20 Networking lunch - very hard to hear - ended up talking to the person on either side. Very hard to exchange ideas. (3)
- 21 Totally advocate having annual meeting away from Washington, DC and without too many VA staff, etc. This is more conducive to networking and open dialogue among/between NPC staff and EDs. Great meeting!! Cruise was outstanding.
- 22 Loved it all! Location was wonderful, sessions were right on spot for me, and networking gets better each year.
- 23 Good idea to allow download of slides. But should be in color to match presentation slides, e.g. brain scans as downloaded do not show color gradations.
- 24 Well done. Networking time was very helpful. The cruise was a nice touch and very appreciated.
- 25 Very informative. Thanks for inviting me.
- 26 Very worthwhile meeting.
- 27 To date for me, the best conference so far.
- 28 Excellent speakers, interesting subjects. I think there should be more advanced subjects available next year.
- 29 Learned a lot.
- 30 Dinner on boat was not good - salmon overcooked, pasta not hot. Way overpriced for such a meal!
- 31 Outstanding!
- 32 Best conference in 10 years!
- 33 As always, excellent job. Barbara and Angela and now Diana did a great job. Very well put together.

**2011 Annual Conference Actuals vs. 2010 Actuals and 2011 Budget
Summary of Revenues and Expense**

Conference Revenue and Expense Detail

Revenues	2010 Actual			2011 Budget			2011 Actuals		
	# Reg	Fee	Total	# Reg	Fee	Total	# Reg	Fee	Total
Regular Registration Fee	139	795	\$ 110,505	125	845	\$ 105,625	103	845	\$ 87,035
Late Registration Fee	6	895	\$ 5,370	0	945	\$ -	3	945	\$ 2,835
Complimentary or Reduced Registrations	2		\$ -	5	350	\$ 1,750	2		\$ -
Sponsorship Support	2		\$ 2,000	0			2	1000	\$ 2,000
Add-on Workshop	36	325	\$ 11,900	15	325	\$ 4,875	36	325	\$ 11,700
Other: Longman/Reception and Dinner Guests	70	10	\$ 700						\$ 1,400
		Subtotal	\$ 130,475		Subtotal	\$ 112,250		Subtotal	\$ 103,570
Cancellations and refunds	7	-695	\$ (4,865)	0	745	\$ -	5		\$ (2,945)
Total Conference Revenues	140		\$ 125,610	130		\$ 112,250	103		\$ 100,625

Expenses

AV			\$ 8,920			\$ 9,000			\$ 11,981
Credit Card Service Charge and RegOnline Fees	145	\$ 61	\$ 8,829	125	\$ 55	\$ 6,875	105	\$ 55	\$ 5,735
Hotel Fees			\$ -			\$ 1,000			
Insurance			\$ 765			\$ 1,500			\$ 1,626
Speaker Fees and Expenses	143	\$ 84	\$ 12,048	125	\$ 120	\$ 15,000	105	\$ 61	\$ 6,445
Meals and Breaks	143	\$ 443	\$ 63,292	130	\$ 462	\$ 60,000	105	\$ 466	\$ 48,882
Miscellaneous (Travel; Parking; Misc; Subscrp)			\$ 6,286			\$ 12,000			\$ 9,762
Office supplies			\$ 3,261			\$ 4,000			\$ 1,917
Postage, Shipping and Delivery			\$ 303			\$ 2,500			\$ 2,164
Printing and Graphics (postcards, conference handouts, signs)	200	\$ 16	\$ 3,230	150	\$ 23	\$ 3,500	105	\$ 35	\$ 3,713
Total Conference Expenses	143	\$ 748	\$ 106,933	125	\$ 923	\$ 115,375	105	\$ 878	\$ 92,226

Summary of Conference Revenues and Expenses

	2010 Actuals			2011 Budget			2011 Actuals		
Revenues	140	\$ 897	\$ 125,610	125	\$ 898	\$ 112,250	103	\$ 977	\$ 100,625
Expenses	143	\$ (748)	\$ (106,933)	125	\$ (923)	\$ (115,375)	105	\$ (878)	\$ (92,226)
Net difference (revenues minus expenses)		\$ 149	\$ 18,677		\$ (25)	\$ (3,125)		\$ 99	\$ 8,399

October 21, 2011

TO: Board of Directors

FROM: Barbara West

SUBJECT: 2011 Annual Conference "Non Attendee NPCs"

Twenty-one NPCs did not send a staff member or a board member to the 2011 NAVREF Annual Conference. For comparison:

Year	Number of Non-Attendee NPCs
2010	17
2009	12
2008	18











As is our custom, the executive directors were sent an email conveying our disappointment and providing a link so they may access the conference materials.

Because the number of non-attendee NPCs is increasing, NAVREF conducted a brief survey to help determine why and to guide any changes to the conference that should be made to facilitate attendance. The survey results are provided on the pages following this memo.

Below is a list of NPCs that did not attend the 2011 meeting:

	City, State	
1	Baltimore, MD	Baltimore Research and Education Foundation, Inc.
2	Bay Pines, FL	Bay Pines Foundation, Inc.
3	Birmingham, AL	VISTAR, Inc.
4	Brooklyn, NY	Narrows Institute for Biomedical Research, Inc.
5	Dayton, OH	Dayton Veterans Affairs Research and Education Foundation
6	Ft. Meade, SD	VA Black Hills Research and Education Foundation
7	Huntington, WV	Huntington Institute for Research and Education
8	Jacksonville, MS	Research! Mississippi, Inc.
9	Northport, NY	The Research Corporation of Long Island, Inc.
10	Louisville, KY	Clinical Research Foundation, Inc.
11	Milwaukee, WI	Wisconsin Corporation for Biomedical Research
12	Shreveport, LA	Louisiana Veterans Research and Education Foundation (Shreveport)
13	Oklahoma, OK	Veteran's Research and Education Foundation
14	Philadelphia, PA	Philadelphia Research and Education Foundation
15	Portland, OR	Portland VA research Foundation, Inc.
16	Providence, RI	Ocean State Research Institute
17	Salem, VA	Salem Research Institute, Inc.
18	Sepulveda, CA	Sepulveda Research Corporation
19	Sioux Falls, SD	Great Plains Medical Research Foundation
20	St. Louis, MO	Vandeventer Place Research Foundation
21	Washington, DC	Institute for Clinical Research, Inc.

1. Check all that apply:

		Response Percent	Response Count
NPC could not afford the registration fee.		20.0%	2
NPC could not afford the cost of travel.		20.0%	2
Conference expenses were not included in this year's budget.		10.0%	1
The board declined approval for the registration and travel expense, or for staff time away.		0.0%	0
Staff were unable to be away from the office due to too much NPC work.		20.0%	2
Staff were unable to be away from the office due to too much VA or other work.		30.0%	3
Staff had a conflicting personal commitment.		40.0%	4
Staff had a personal reason for not attending.		40.0%	4
Conference dates entailed traveling during the 10th anniversary of September 11.		0.0%	0
Mid-September is not convenient.		30.0%	3
Did not wish to attend a meeting in Seattle.		0.0%	0
Prefer to attend meetings in Washington, DC.		10.0%	1
No board member was available to attend.		20.0%	2

The program was not sufficiently compelling.	0.0%	0
Other (please specify):		1
answered question		10
skipped question		1

2. Of the item(s) that you checked above, check the #1, #2 and #3 reasons that no one from your NPC attended the conference (check one per column; if only one reason applies, please check only column one):

	#1 Reason	#2 Reason	#3 Reason	Response Count
NPC could not afford the registration fee.	50.0% (1)	50.0% (1)	0.0% (0)	2
NPC could not afford the cost of travel.	100.0% (2)	0.0% (0)	0.0% (0)	2
Conference expenses were not included in this year's budget.	0.0% (0)	0.0% (0)	0.0% (0)	0
The board declined approval for the registration and travel expense, or for staff time away.	0.0% (0)	0.0% (0)	0.0% (0)	0
Staff were unable to be away from the office due to too much NPC work.	50.0% (1)	50.0% (1)	0.0% (0)	2
Staff were unable to be away from the office due to too much VA or other work.	50.0% (1)	50.0% (1)	0.0% (0)	2
Staff had a conflicting personal commitment.	80.0% (4)	20.0% (1)	0.0% (0)	5
Staff had a personal reason for not attending.	50.0% (1)	50.0% (1)	0.0% (0)	2
Conference dates entailed traveling during the 10th anniversary of September 11.	0.0% (0)	0.0% (0)	0.0% (0)	0

Mid-September is not convenient.	0.0% (0)	66.7% (2)	33.3% (1)	3
Did not wish to attend a meeting in Seattle.	0.0% (0)	0.0% (0)	0.0% (0)	0
Prefer to attend meetings in Washington, DC.	0.0% (0)	0.0% (0)	0.0% (0)	0
No board member was available to attend.	66.7% (2)	0.0% (0)	33.3% (1)	3
The program was not sufficiently compelling.	0.0% (0)	0.0% (0)	0.0% (0)	0
			General Comments:	3
			answered question	10
			skipped question	1

Q1. Check all that apply:

- | | | |
|---|--|---------------------|
| 1 | Due to new Medical Center construction Research and BREF offices had to move to temporary space which is considerably smaller than the space we previously occupied. The contractor determined that the move needed to be completed by September 15th so we spent most of the weeks of September 5th and September 12th putting files in storage and moving. | Oct 6, 2011 5:09 AM |
|---|--|---------------------|

Q2. Of the item(s) that you checked above, check the #1, #2 and #3 reasons that no one from your NPC attended the conference (check one per column; if only one reason applies, please check only column one):

- | | | |
|---|---|---------------------|
| 1 | Sory we missed the annual conference. It's a first for BREF. | Oct 6, 2011 5:09 AM |
| 2 | My daughter attends University of Alabama. Family Weekend was September 16-18. To attend NAVREF meeting prior to my trip to see my daughter would have put me out of the office for too long. As a single parent, it's important to me to be with my kids for these important milestones in their life. October is much better travel time for me. | Oct 5, 2011 9:29 AM |
| 3 | Originally we were projecting a deficit so conference funds were not part of the budget. Once we realized we would not be in the red, we added \$2,000 to attend but that was not going to be enough considering I was most interested in the post workshop session on federal grants-- which was an additional cost. The flights to Seattle were such that I would have had to add an extra day to attend all the sessions. Adding to it was the fact I already had personal travel scheduled that same week and it was going to be a bit of a hassle making it all work but I would have if I thought it would be cost effective. | Oct 5, 2011 8:39 AM |

MEMORANDUM

October 21, 2011

TO: Board of Directors**FROM:** Barbara West**SUBJECT:** 2012 and 2013 Annual Conferences

1. NAVREF 2012 Annual Conference. A contract has been signed to hold the 2012 conference at the Washington Marriott. The entire hotel was recently renovated, and it is in a convenient downtown location just a few blocks from Georgetown and the Foggy Bottom Metro station.

Dates: Sunday, September 11, through Wednesday, September 14

Action items: During the meeting, the board will be asked to:

- Identify a board member and a non-board executive director to serve as the conference co-chairs. To assist the board, a list of NPC contacts is provided on page 135.
- Consider whether to continue to have a “conference planning committee” as a means to engage more NAVREF members in conference planning.
- Determine a theme for the meeting and a targeted audience beyond NPC executive directors and senior staff. In past years, the themes have been governance, human resources management and financial accountability.
- Whether to add a workshop to the program and if yes, the topic. At this early date, it may be possible secure meeting space on Sunday or Wednesday and part of Thursday.
- Whether to incorporate in the meeting a “gala” celebration of the 20th anniversary of NAVREF.

2. NAVREF 2013 Annual Conference. In order to ensure high quality meeting space at the best possible price, staff would like to begin negotiating a hotel contract for the 2013 Annual Conference at the earliest opportunity.

Action Item: During the meeting, the board will be asked to determine 2-3 cities in which it would like to hold the 2013 meeting.

MEMORANDUM

October 21, 2011

TO: Board of Directors**FROM:** Barbara West**SUBJECT:** Governance Items

1. **Conflict of Interest Disclosures and Annual Reaffirmation of Compliance.** Annually, board members and the executive director submit updated disclosure forms and renew their agreement to abide by NAVREF's conflict of interest policy. The policy and renewal forms were sent to all board members in mid-October.

Action Item: Board members will be asked to submit their completed forms if they have not already done so.

2. **2012 Board Elections.** As indicated on the "Board Rotation Schedule" on the following pages, five positions will be up for election in 2012.

- Executive Director (2)
- At Large (1)
- Medical Center Director (1)
- Chief of Staff (1)

Action Item: During the meeting, board members will be asked to begin considering possible candidates.

NAVREF Board of Directors and Liaison Rotation Schedule
As of September 2011

Position Category	Currently Occupied By:	Year Began Current Term:	Term Expires at the Annual Membership Meeting in the Year:	Notes
Executive Director	Eileen Lennon, PhD	2009	2012	Elected 10/2006 (first term) and re-elected 10/2009 (second consecutive term); Vice Chair 9/2009; Chair 2/2011
Executive Director	Cindy Reutzel	2011	2014	Elected 20/2008 (first term); re-elected 9/2011 (second consecutive term); appointed Secretary/Treasurer 1/2009; appointed Vice-Chair 1/2011
ACOS Education	Norberto Fas, MD	2010	2013	Elected 10/2010 (first term); eligible to run for one more elected term; appointed Secretary/Treasurer 2/2011
Executive Director	Nancy Watterson-Diorio	2010	2013	Appointed 5/2006 to complete Dr. Swiatlo's term; elected 11/2007 (first term); re-elected 10/2010 (second consecutive term)
Executive Director	Lea Lowe	2009	2012	Appointed 1/2009 to complete Peggy Hannon's term; elected in 10/2009; eligible to run for one more consecutive elected term
Executive Director	Kerstin Lynam	2011	2014	Elected 9/2011 (first term)
ACOS R&D	Fred Wright, MD	2011	2014	Elected 10/2008 (first term); re-elected 9/2011 (second consecutive term)
Chief of Staff	Wendy Brown, MD	2009	2012	Elected 10/2009 (first term); eligible to run for one more consecutive elected term
Medical Center Director	Jonathan Gardner	2009	2012	Elected 2006 (first term); re-elected 2009 (second consecutive term)
At Large	Elizabeth Hill, RN, PhD	2010	2013	Elected 10/2010 (first term); eligible to run for one more consecutive elected term
At Large	David Johnson, PhD	2009	2012	Appointed 11/2005 to complete Bob Guancial's term; elected 2006 (first term); re-elected 2009 (second consecutive term)

Position Category	Currently Occupied By:	Year Began Current Term:	Term Expires at the Annual Membership Meeting in the Year:	Notes
Class B	Vacant		Renewable annually	
Class B	Terrence Hannigan	2008	Renewable annually	One year term; appointed 1/08; 1/09; 1/10;1/11

Liaison Positions

Position Category	Currently Occupied By:	Year Began Current Term	Term	Notes
CRDO Liaison (non-voting)	Joel Kupersmith, MD	2005	Indefinite	DVA Headquarters Liaison; designated Deputy CRADO Holly Birdsall, MD, PhD, 1/2011
	Designee: Holly Birdsall, MD, PhD	2011	Renewable annually	
COAA Liaison (non-voting)	Malcolm Cox, MD	2006	Indefinite	DVA Headquarters Liaison

Positions Up for Election in 2012

Position Category	Currently Occupied By:	Year Last Elected or Appointed:	Term Expires at the Annual Membership Meeting in the Year:	Notes
Executive Director	Eileen Lennon, PhD	2009	2012	Elected 10/2006 (first term) and re-elected 2009 (second consecutive term); Vice Chair 9/2009; Chair 2/2011
Executive Director	Lea Lowe	2009	2012	Appointed 1/2009 to complete Peggy Hannon's term; elected 10/2009; eligible to run for one more consecutive elected term
At Large	David Johnson, PhD	2009	2012	Appointed 11/2005 to complete Bob Guancial's term; elected 10/2006 (first term); re-elected 10/2009 (second consecutive term)
Medical Center Director	Jonathan Gardner	2009	2012	Elected 10/2006 (first term); re-elected 10/2009 (second consecutive term)
Chief of Staff	Wendy Brown, MD	2009	2012	Elected 10/2009 (first term); eligible to run for one more consecutive elected term

Daring to **Lead** 2011

A National Study of
Nonprofit Executive
Leadership

A Joint Project of
CompassPoint Nonprofit Services
and the Meyer Foundation

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About Daring to Lead 2011

More than 3,000 executive directors participated in *Daring to Lead 2011*, the third *Daring to Lead* national study produced in partnership by CompassPoint and the Meyer Foundation, with previous studies published in 2001 and 2006.

Daring to Lead 2011 has multiple components:

- This main report
- Three topical briefs: *Leading Through a Recession*, *Inside the Executive Director Job*, and *The Board Paradox*
- The interactive *Daring to Lead* website (daringtolead.org), where you will find report downloads, additional data and findings, downloadable charts and graphs, community comments, research methodology, and information about the project team and regional partners.

Please visit daringtolead.org frequently to hear what sector leaders are saying about the findings and to engage in the ongoing dialogue about their implications for nonprofit executives and boards, philanthropy, and capacity builders.

Daring to Lead 2011 Partner Organizations

CompassPoint and the Meyer Foundation deeply thank our partner organizations for distributing the survey and supporting this project. Without their partnership, this research would not have been possible.

Center for Nonprofit Management, Dallas

Center for Nonprofit Management, Los Angeles

Center for Nonprofit Management, Tennessee

Community Resource Exchange, New York

Donors Forum, Chicago

Georgia Center for Nonprofits, Atlanta

Hawai'i Community Foundation, Hawai'i

MAP for Nonprofits, Minneapolis

Nonprofit Association of Oregon, Portland

Weingart Foundation, Los Angeles

Note on terminology: We use the term executive and leader interchangeably in this report to mean both Executive Director and CEO.

For reference purposes, please use the following citation: Cornelius, Marla, Rick Moyers, and Jeanne Bell, *Daring to Lead 2011: A National Study of Executive Director Leadership* (San Francisco, CA: CompassPoint Nonprofit Services and the Meyer Foundation, 2011). All charts are available to download at daringtolead.org.

Our third *Daring to Lead* report in 10 years comes at an extraordinary time

to be the executive director of a nonprofit organization. Since our last report in 2006, powerful forces have influenced the requirements of—and the possibilities for—embodying the role well. On the challenging side, executives are daring to lead through a deep recession that resulted for many in fewer resources, and for all in profound shifts in when and on what terms individuals and institutions invest in their organizations. Moreover, executives leading the effort to respond to the economically disadvantaged are facing a relentless demand for services far beyond their capacity to respond. On the positive side, the comparatively progressive policies of the Obama administration and nonprofit-led progress on various social movements mean that executives leading critical social change efforts are experiencing greater opportunity and organizational growth.

And with respect to the practice of leadership itself, five years later we know more about how the sector is experiencing the generational handoff, about what works in developing future leaders, and about which executive and governance practices are most associated with sustainable organizations. This report is organized around three key findings and concludes with corresponding calls to action.

KEY FINDING 1

Though slowed by the recession, projected rates of executive turnover remain high and many boards of directors are under-prepared to select and support new leaders.

“I had originally thought I would leave around the 10-year mark, but the economy has significantly stressed our organization over the past two years such that it would feel like a set-up.”

As a sector, we have been anticipating and studying executive transition for 15 years.

Executives wrestle with a number of personal and organizational readiness questions—as well as environmental factors from the economy to the election cycle—in determining when the successful handoff to a new leader can happen. *Daring to Lead 2006* found that 9% of executives were in the process of leaving their jobs and that 75% anticipated leaving their jobs within 5 years. In 2011, 7% have given notice and 67% anticipate leaving within five years. But within that 67% there is also a large cohort (10%) who have not given notice but say they are actively considering leaving.

These data suggest that several factors have created a drag effect on the rate of executive transitions. First, the recession required many older executives to reconsider their transition timing. One in six leaders is 60 years or older, and of this group, 22% reported that a loss in their retirement savings contributed to a transition delay. Across all age groups, 12% reported that a shrinking job market contributed to delay. And, 9% reported that reduced funding and the resulting instability of their organizations contributed to delay. A second factor that influences turnover timing is the perceived lack of an appropriate successor. Nine percent (9%) of executives said this contributed to their delay.

Still, the distribution of executive tenure across the 3,000 respondents reflects a healthy continuum of new and veteran leaders in the sector. Nearly a third of current executives (31%) have been on the job for fewer than three years; this is more than the 27% who have been on the job for ten or more years. Alarm at the potential widespread sector disruption executive turnover might cause has given way to concern about how best to prepare new leaders and their organizations to weather, and even leverage, inevitable transition.

“One of my main concerns is making sure that staff are being recognized, that they are growing, and that we’re retaining and developing the next cycle of leadership. I have nightmares about it. What if I got hit by a bus? What would happen?”

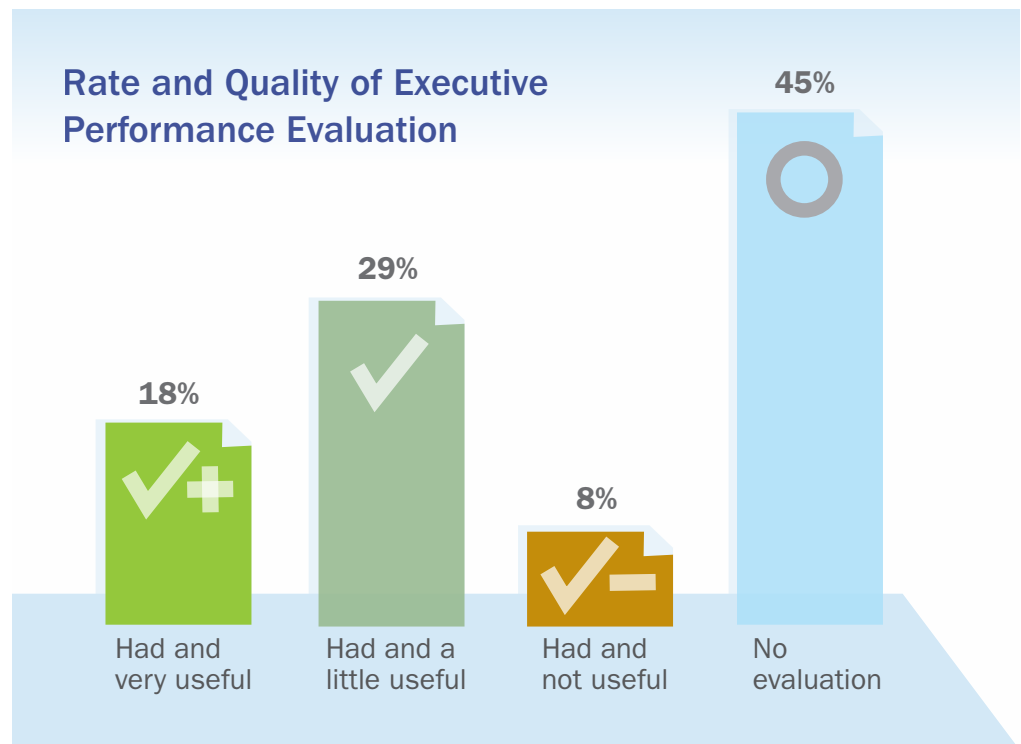
Anticipated Executive Departure Timing



Despite 15 years of attention to the issue, a number of key practices associated with effective executive transition are not widespread. Executives and boards are still reluctant to talk proactively about succession and just 17% of organizations have a documented succession plan. Even more problematic is the extent to which many boards are unfamiliar with the dimensions of their executives’ roles and responsibilities. Just 33% of executives were very confident that their boards will hire the right successor when

“Look at all of us who’ve been in these roles for decades; for us to leave is the normal evolution of a healthy organization.”

they leave. Performance management is a critical means of being in dialogue with an executive about success and its metrics, yet 45% of executives did not have a performance evaluation last year. Even among the majority of executives who did have a review within the past year, just a third (32%) said it was very useful, with the remaining two thirds reporting that it was only a little useful (53%) or not useful at all (15%). Without consistent, meaningful engagement in what the job requires, many boards are under-prepared for their critical role in executive transition.

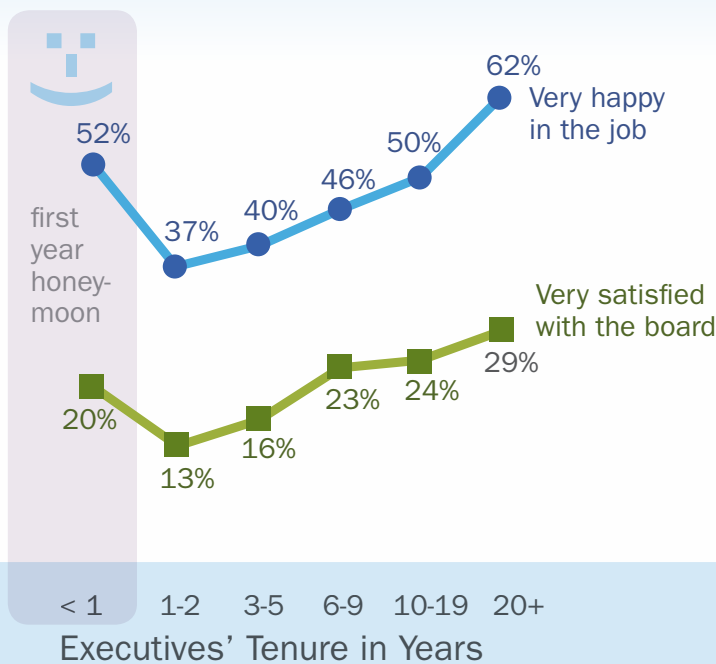


Boards' unfamiliarity with the role and dearth of executive performance management no doubt contribute to two additional challenges related to executive transition: termination on the one hand, and supportive onboarding¹ on the other. Thirty-three percent (33%) of current executives followed a leader who was fired or forced to resign, indicating the frequency of mishires and unclear expectations between boards and executives across the sector. Further, this research uncovered a number of challenges for newly hired executives. While all executives reported periods of exhaustion, newer leaders described a visceral fear as they came to realize the enormity of their jobs. After an initial

honeymoon phase during which 52% of leaders in the role for less than a year described themselves as very happy, just 37% identified that way during years one through three. Newer leaders were particularly challenged by establishing effective partnerships with their boards, describing disillusionment with what boards actually contribute with respect to strategy, resources, and personal support along executives' steep learning curves. As with happiness in the job, satisfaction with board performance was lowest among leaders on the job between one and three years. It appears that many boards see executive transition as ending with the hire, when in fact leaders—nearly all of whom are in the role for the first time—need intentional support and development as they build efficacy in the executive role.

“I don’t know if I’d call it burnout but more panic. The 3:00 a.m. stuff for me is, my gosh, how are we going to find the money? And the feeling that it’s very personal. That it will reflect on my leadership, but also that it will affect people who are doing really amazing work—people who I don’t want to let down. More important than my own ego is that. I think what I am really talking about is fear.”

‘Post-Honeymoon’ Challenges for Early-tenure Executives



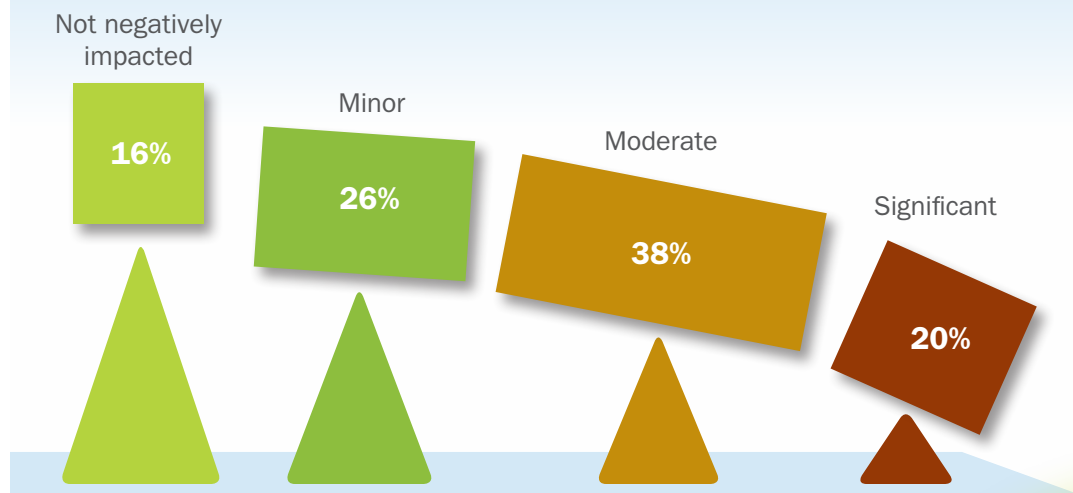
KEY FINDING 2

The recession has amplified the chronic financial instability of many organizations, causing heightened anxiety and increased frustration with unsustainable financial models.

The majority of organizations were negatively impacted by the recession. Eighty-four (84%) of leaders reported negative organizational impact, though its intensity varied widely, with one in five executives describing the negative impact as significant. In the fourth quarter of 2010 when these data were collected, 26% of organizations had downsized; that is, were operating with a budget smaller than the previous year's. More than one third of nonprofits (34%) were operating with a budget larger than the previous year's, indicating the opportunity that some executives were able to find in higher demand, federal stimulus funding, increased donor commitment to safety-net services, and other counter-cyclical market forces. Given the dire budget situation in cities, counties, states, and at the federal level, it remains unclear how many organizations will in fact come out of the recession wholly intact. Specifically, there is widespread acknowledgment among leaders that fundamental shifts are underway in how the social safety-net—to which nonprofit service providers have become absolutely integral—is adequately financed going forward.

Beyond the effect on their organizations' balance sheets, the recession has taken a personal toll on executives. Sixty-five percent (65%) of executives reported significant levels of recession-related anxiety. Understandably, there was a strong correlation between executives' anxiety and the size of their organizations' operating reserves, or financial margin for error.² Thirty-three percent (33%) of executives with less than one month of reserves reported high recession-related anxiety, compared with 15% among executives with six months or more. Further, recession anxiety was strongly associated with executive burnout. Overall, 9% of executives described themselves as very burned out, compared to 19% of leaders with high levels of recession anxiety.

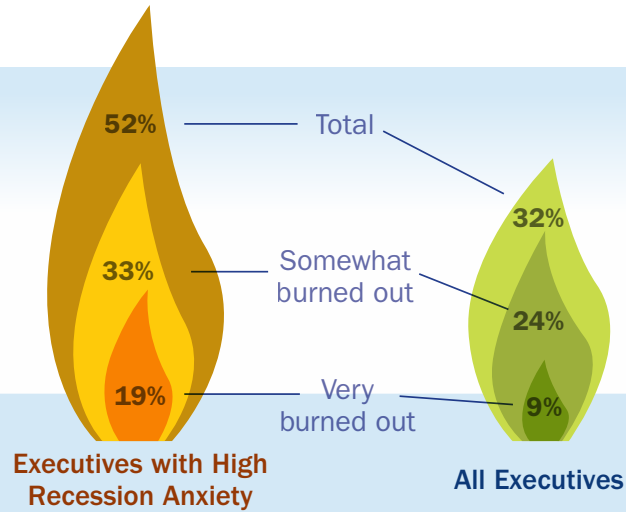
Impact of the Recession on Organizations



In fact, the recession has only exacerbated an endemic challenge of leadership in the nonprofit sector: developing a sustainable business model that fully finances a nonprofit's desired impacts and allows for strategic organizational development and growth over time. For instance, almost half of executives (46%) reported cash reserves of fewer than three months—when the prevailing wisdom is that organizations should maintain reserves of at least three to six months. This means that roughly half of nonprofit executives have very limited organizational savings with which to take risks, underwrite growth, or invest in their own capacity beyond what they can get existing funding streams to pay for. Nonprofits that rely on government contracts for more than 50% of their operating budget—typically those providing direct human services—are even more vulnerable, with 55% operating with less than three months' reserves compared to 42% among those that receive a majority of their funding from other sources.

"It's a business that doesn't work. We have to find a way for contributed income to be 60% or 70% of our income. We've tried going the other way to make earned income work. But I haven't figured it out. I truly believe that our business of nonprofit management can't work like a business."

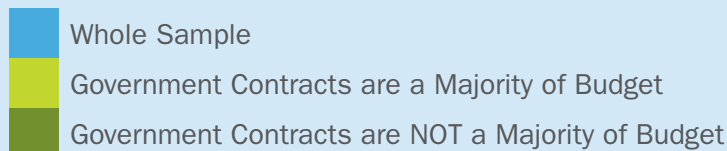
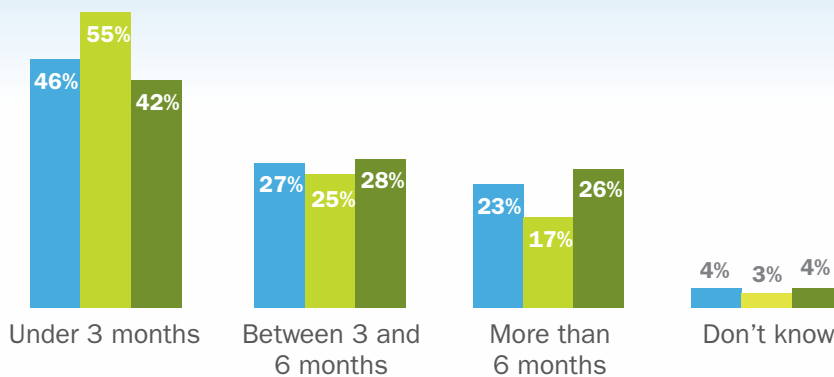
Recession Anxiety and Burnout



Of particular concern, the recession and business model challenges are disproportionately affecting new leaders and leaders of color. Thirty-two percent (32%) of executives in their first year on the job have less than one month of operating reserves; in other words, those on the steepest part of the learning curve often have the smallest margin for error. Twenty-eight percent (28%) of people-of-color-led organizations were severely impacted by the recession, compared with 18% of white-led nonprofits. This is in part because people of color are more likely to run heavily government-funded organizations; 34% of leaders of color run nonprofits whose budgets are comprised of 50% or more government contracts compared with 27% of white executives.

For the majority of nonprofit leaders, boards of directors are not a buffer against this harsh financial reality. A minority of boards are active in fundraising. Forty-eight percent (48%) of executives reported that they had someone on their boards who participates in donor identification; 41% had someone who participates in donor cultivation; and 42% had someone who participates in asking for donations. In fact, nearly half of boards (44%) have

Months of Operating Reserves



not even achieved 100% giving, which is a fairly standard expectation of board support. Moreover, just 32% of boards are participating in policy advocacy, which can be critical to the protection of public funding.

KEY FINDING 3

Despite the profound challenges of the role, nonprofit executives remain energized and resolved.

“I love seeing the transformation that takes place in the lives of our clients. I love witnessing the changes in people’s lives. I love that we do both policy and direct services. I get to be involved in the big picture, but also to witness the impact on everyday lives.”

Despite the complexity of the economic and structural challenges to nonprofit leadership—and perhaps inspired by them in some cases—the majority of executives demonstrated a high level of resolve and confidence in their capacity to lead. Forty-five percent (45%) reported being very happy in their jobs, and another 46% reported that they have more good days than bad in the role. Levels of burnout, especially given the economic climate, were low; 67% of leaders reported little or no burnout at all. In fact, leaders distinguished between burnout, which they associated with disengagement and ultimately leaving the job, and the realities of fatigue and elusive boundaries between their work and personal lives that go with the job. Forty-seven percent (47%) of executives reported having the work-life balance that’s right for them, while a significant minority (39%) said they did not. The inherent isolation of the position is also a reality, with 70% reporting some degree of loneliness at the top. These indicators of executive well-being differ significantly among men and women. Men report burnout at half the rate of women and are significantly more likely to report having the work-life balance that’s right for them.

Feelings of leadership efficacy are widespread among nonprofit executives. Leadership theory now distinguishes among the leadership domains that any role may require: the capacity to lead self, to lead others, to lead an organization, and to lead externally in networks and community.³ The vast majority of leaders assessed themselves as effective or very effective in all four of these leadership domains. The domain where the smallest percentage (35%)

assessed themselves as very effective was leading others. The classic challenges associated with human resource management—hiring and firing, giving and getting effective feedback, keeping a whole team aligned and high-performing—contribute to this relatively lower self-assessment by executives. In fact, they ranked human resources as the most depleting and commensurately as the least energizing aspect of their work.

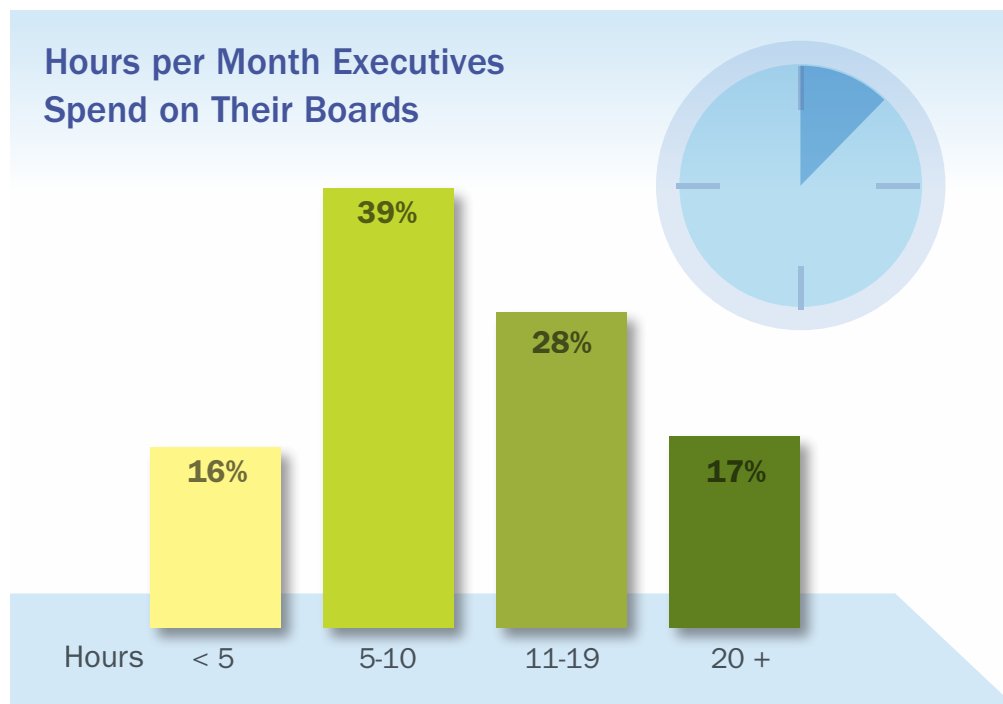
But leading others is also about actively developing people and effectively sharing responsibility and decision-making across the staff. Fifty-seven percent of executives (57%) said that shared leadership—described as a leadership approach that is inclusive and collaborative—very much described their style.

Another 34% said that shared leadership somewhat described their approach. And a large majority (81%) reported having someone on staff that they trusted to make important organizational decisions without consulting them. Explicit executive mentoring of other staff was a relatively infrequent practice, with 31% of executives reporting being in an explicit mentoring relationship. Supporting executives in expanding their intentional leadership development practices and encouraging them to build organizational systems—beyond their individual shared leadership practices—that prioritize talent development are critical to strengthening organizations today and preparing them for leadership transition in the future.

“Personnel is a sucking bog, and the thing is, I don’t feel like there’s any return on investment. I spend a lot of time working with this person or this department or this team, and now it’s good, and then they get a new job. They’re like, ‘thanks for the training, bye!’ Or ‘thanks for the training. I’m really good now. I want more money, I want more time’... I want, want, want.”

“I have almost a flat hierarchy. Yes, I’m the executive director but we make a lot of decisions as a group. We have some more junior staff that are learning, but they’re given equal voice at the table. And I think it’s a really good way to go. I get much better ideas, much better input, and much, much better buy-in.”

Executive time invested in working with boards of directors was notably low. Sixteen percent (16%) of executives reported spending fewer than five hours per month on board-related activity, yet nearly half of these executives described themselves as spending the right amount of time. The largest group of executives (39%) spend between five and 10 hours per month—just 6% of their time overall—and half of these executives said this was the right amount of time. Other studies have found that executives who spend 20% of their time on board-related activity have high rates of satisfaction with board performance. Similarly, among these respondents, executives at the low-end of the time investment spectrum were the least happy with their boards’ performance.

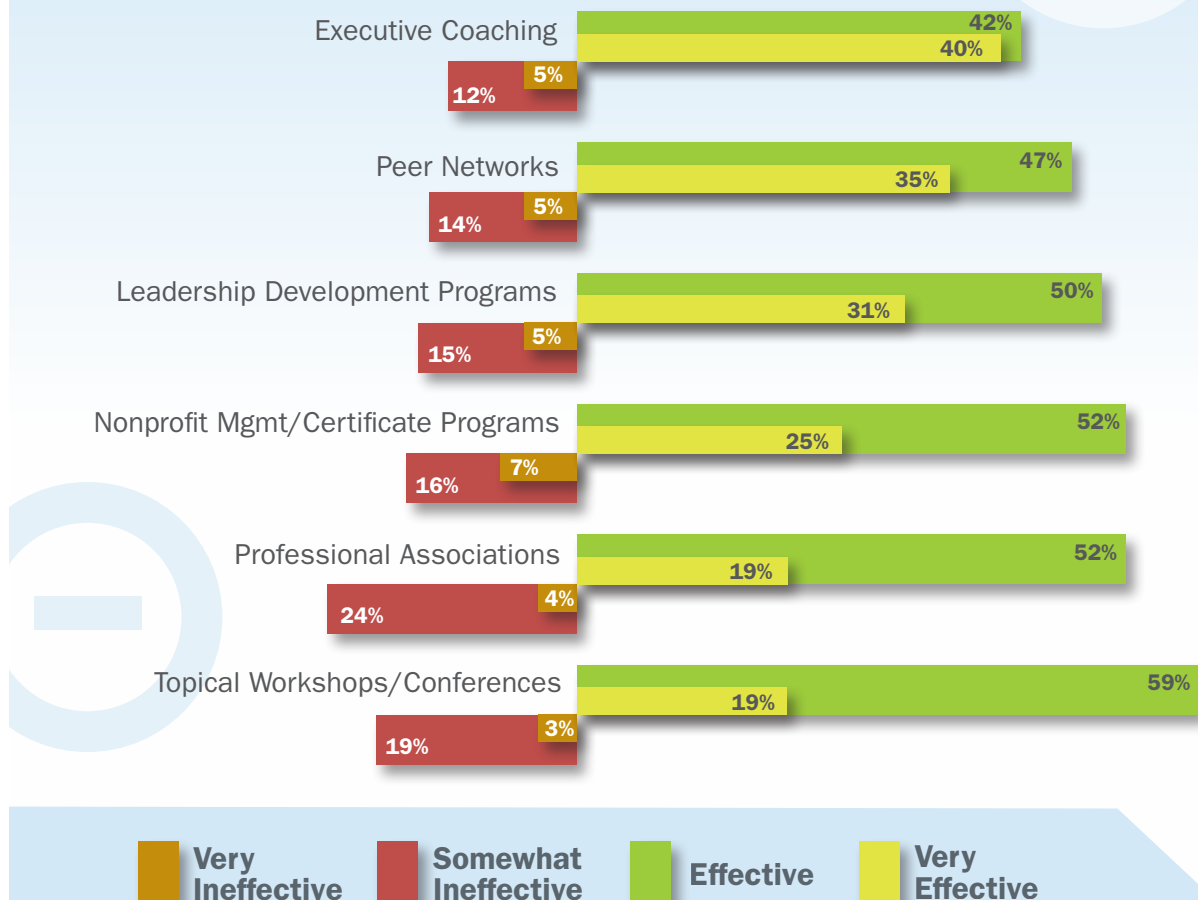


In fact, overall executive satisfaction with board performance was quite low; just 20% of leaders described themselves as very satisfied. Moreover, only 38% of executives were very confident that their own efforts could influence their boards’ performance. Despite decades of technical assistance to leaders promoting the value of strategic board development and engagement, many executives still struggle to define the return on investment (ROI) of board-related activity, and further to understand their position of influence on that ROI.

“For me as an executive director, the biggest angst is finding board members and their ability to understand what their role is in leading the organization.”

With respect to their own development as leaders, executives reported employing a range of strategies to continue learning and access support. They were most likely to assess executive coaching, peer networks, and leadership programs as very effective. All three of these strategies include non-didactic elements—an opportunity for skilled executives to grapple with the universal challenges of their roles and reflect on their own leadership practices in a safe environment. Ten percent (10%) of leaders were currently working with an executive coach. Peer networks, both formal and informal, were especially effective for decreasing feelings of isolation and norming the trials and tribulations of the role.

Effectiveness Ratings of Professional Development Activities Utilized



The five years since the last *Daring to Lead* were among the most challenging since the sector began emphasizing and exploring the dimensions of effective nonprofit executive leadership some 15 years ago. The demands on leaders have never been greater and for many, resources remain scarce. Yet overall, the 3,000 executives of this study tell a story of resilience and an undiminished commitment to—and passion for—their leadership roles in the social sector.

Calls to Action

1

Plan for successful transitions.

Both the age of current executive directors and the responses to this and previous surveys suggest that high rates of executive turnover will continue—and in some cases transition is healthy. Recognizing that some transitions are inevitable, boards, executives, and funders should do all they can to ensure that the ingredients necessary for healthy transition are in place. These include:

- Emergency succession and transition plans to ensure continuity in the event of an unexpected executive departure.
- A meaningful annual performance review process and conversation between the board and executive about performance.
- Recognition by funders of the importance of successful leadership transition to the strength and stability of grantees and, where possible, stepped up support during the transition.
- Understanding on the part of boards, funders, and executives themselves that financial stability is essential to effective executive transitions.
- Ongoing board involvement and support for new executives beyond the hire.

2

Advance understanding of nonprofit financial sustainability.

A significant number of executive directors don't thoroughly understand the financial underpinnings of their organizations, and boards of directors are more focused on financial oversight than on long-term sustainability. In addition to being a primary contributor to executive director burnout, financial instability can threaten an organization's ability to carry out its mission and its very existence. Addressing nonprofit sustainability challenges calls for:

- Clearer understanding on the part of executives and boards about the financial condition of their organization, its business model, and the meaning of sustainability. This will require many executive directors to improve their financial management and analysis skills, and boards to shift their focus from compliance and oversight to long-term sustainability. Beyond basic training in how to read financial statements or how to prepare for an audit, executives and boards need sophisticated training on financial sustainability—training and support that is not available in most communities.
- Recognition among funders of the ways in which they contribute to the chronic undercapitalization of nonprofit organizations.
- Increased board engagement in fundraising.

3

Expand and diversify the professional development options available to executive directors.

This study highlighted the fact that executive directors have different challenges and professional development needs depending on tenure, organizational size, and other factors. Boards, funders, and executives themselves need to develop a more expansive definition of professional development and recognize that executives will need different things at different times. Actions that could address this include:

- Increased support for and utilization of executive coaching, which stands out as a professional development activity that executives say is highly effective but is used by a relatively small number of executives.
- Support for new executive directors, perhaps from a coach or consultant, during their first few years on the job, when they are especially vulnerable to burnout.

continued >

- Development of alternative forms of coaching, perhaps in combination with peer networking or mentoring opportunities, to address the isolation inherent in the executive director role.
- Support from boards of directors and funders for practices and activities that promote healthy work-life balance as an essential element of professional development and support for executive directors.

4

Find new ways to improve the performance and enhance the composition of boards.

Weak board performance was cited many times by survey participants and contributes to botched executive transitions, financial instability, and executive burnout. The board plays a central role in supporting and sustaining executive directors and creating sustainable organizations. Despite decades of attention to improving board effectiveness, board performance continues to lag. Actions that could address this issue include:

- Recognition by executives of their own important role in helping to improve the performance of the board—and the need to invest their time in identifying and cultivating board members and supporting the board in its work.
- Development of improved systems for placing and training board members that can address the huge, ongoing demand for skilled and engaged board members.
- Increased attention and higher expectations of boards and governance from funders, along with funds to help organizations strengthen their boards.

Endnotes

- 1 Onboarding is the process of orienting and acclimating new staff and volunteers so that they acquire the necessary knowledge, skills, and behaviors to become effective in their roles.
- 2 We defined reserves as unrestricted cash in excess of the current budget's requirements. One month of reserve is equivalent in dollars to a typical month's expenses, or burn rate.
- 3 Adapted from the work of Center for Creative Leadership, Grantmakers for Effective Organizations, David Day, and Building Movement Project, the *Daring to Lead* survey defined the domains as follows: Leading self—Have a sense of personal purpose, self-awareness and understanding of personal leadership style, strengths, and abilities. Leading others inside my organization—Can relate to and understand others, develop them, coordinate their efforts and build commitments. Leading my organization—Can develop, communicate and manage organizational vision, strategy and priorities. Can problem-solve, make decisions, and manage and communicate change. External leadership—Can connect to and work with others outside of the organization in order to advance the organization's mission. Includes leading in collaborations, coalitions, partnerships, and other external community relationships.

visit www.DaringToLead.org

More data, updates and downloads

Find new articles, data and methodology on DaringtoLead.org.

Join the conversation

Hear what sector leaders are saying about the findings and add your own comments to the ongoing dialogue.



About CompassPoint Nonprofit Services

CompassPoint intensifies the impact of fellow nonprofit leaders, organizations, and networks as we achieve social equity together. We believe that nonprofit organizations and leaders need relevant support that builds on their strengths, experiences, and achievements and that those individuals and organizations that invest in increasing their leadership and management capacities are better poised to achieve progress. For over 35 years, CompassPoint has worked to carry out this purpose by guiding nonprofits as they become better managed, more adaptive, and achieve higher impact. For more information, visit www.compasspoint.org.

About the Meyer Foundation

The Meyer Foundation identifies and invests in visionary leaders and effective community-based nonprofit organizations that are working to create lasting improvements in the lives of low-income people in the Washington, DC metropolitan region, and works to strengthen the region's nonprofit sector as a vital and respected partner in meeting community needs. The Foundation makes grants to organizations working in the areas of education, healthy communities, economic security, and a strong nonprofit sector. Meyer's nonprofit capacity building programs, which were established in 1994, have received national recognition. In 2006, as a response to the previous *Daring to Lead* study, the Foundation established the annual Exponent Awards to recognize outstanding nonprofit executives. For more information, visit www.meyerfoundation.org.

Daring to Lead 2011 has multiple components:

- This main report
- Three topical briefs: *Leading Through a Recession*, *Inside the Executive Director Job*, and *The Board Paradox*
- The interactive *Daring to Lead* website (daringtolead.org), where you will find report downloads, additional data and findings, downloadable charts and graphs, community comments, research methodology, and information about the project team and regional partners.

Please visit daringtolead.org frequently to hear what sector leaders are saying about the findings and to engage in the ongoing dialogue about their implications for nonprofit executives and boards, philanthropy, and capacity builders.

VA Research Intergovernmental Personnel Act (IPA) Assignments

Note: The focus of this document is on non-federal organizations sending their employees to VA on IPA assignments. It does not address IPA assignments involving VA employees.

Background:

- **IPA authority:** 5 USC §§3371-3375; **Regulations:** 5 CFR Part 334
- **OPM IPA Website and guidance:** <http://www.opm.gov/programs/ipa/mobility.asp>
- **Purpose of the IPA authority:** IPA assignments to or from state and local governments, institutions of higher education, Indian tribal governments and other eligible organizations are intended to facilitate cooperation between the federal government and the non-federal entities through the temporary assignment of skilled personnel.
- **IPA assignment term limits:**
 - After being employed by a qualified organization for at least 90 days, an individual may be eligible for assignment to a federal agency under the IPA authority for up to 2 years. Upon approval by the head of a federal agency, the assignment may be extended for up to another 2 years.
 - After a break in the assignment, a non-federal employee may be assigned to a federal agency for another period of up to 4 years.

VA IPA Assignments

- IPA assignments are widely used to acquire the services of personnel with skills necessary to conduct VA-funded research.
- The preponderance of VA IPA assignments involve university personnel assigned to VA to work on VA merit reviews. Some NPCs also have personnel assigned to work on VA merit reviews and for other research related purposes using the IPA authority.

Reasons Why IPA Assignments Benefit VA Research

- **IPA assignments provide a means for VA to acquire skilled services promptly for time-limited research projects.** Federal hiring procedures are ill-suited for this purpose and take too long for research programs which often need specifically qualified staff that must be hired and ready to commence work within the short time between an award notification and the project start date.
- **Under the IPA authority, VA can pay market rates for the exact skill set, services, hours, and time period needed.** Federal pay rates may be too low to attract personnel with highly specialized skills. Using an IPA assignment, VA reimburses the university, NPC or other eligible organization only for the salary and fringe benefit cost of the services provided, making them a cost-effective and efficient VA staffing mechanism.
- **IPA assignments make available to VA skilled personal services that would otherwise be difficult for VA to acquire because skilled research services often are needed only on a part time or short term basis.** Skilled individuals employed by a university are unlikely to be willing to give up their university employment for the sake of a term (limited to 4 years) or temporary (limited to 1 year) or part time (may not provide benefits) VA position. Additionally, the benefits associated with part-time, term or temporary VA appointments may not be sufficiently robust to attract skilled personnel.

- **The IPA mechanism allows VA access to skilled workers to meet part time or short term VA research needs while allowing the workers to maintain stable employment and benefits at a university or NPC.** These arrangements are often instituted to appropriately distribute an employee's effort among awards from two or more funding sources (e.g., VA merit review, NIH grant and American Heart Association grant).
- **The IPA mechanism makes VA a more attractive employer because it provides skilled research personnel on "soft" money with the flexibility to combine federal and non-federal employment, whether part time or full time, and to readily adjust their time and effort in accordance with funding availability and research project needs.** Ultimately, this provides such employees with some level of employment security while pursuing a career path that is inherently insecure.
- **Through the IPA mechanism, VA may acquire the services of highly trained, talented foreign nationals qualified to work in the US.** Because federal employees, including temporary and term employees, must be US citizens, VA is otherwise denied access to this talent pool.
- **The IPA authority is the only means available for NPCs to assist VA in meeting VA's research staffing needs.**

Current Issues:

- At many VAMCs, it has been common practice to end an IPA 61 days prior to reaching the 4-year maximum length of an IPA assignment allowed under the IPA authority and to initiate a new IPA assignment after the 61-day break. The OPM website states that "successive assignments without a break of at least 60 calendar days will be regarded as continuous service." Consequently, it has been understood that a break of at least 61 days exceeds the OPM 60-day definition of continuous service and allows initiation of a new IPA assignment after a 61-day break. For example, a common sequence entails a 2-year IPA assignment; a successive 1-year and 10-month IPA assignment at the end of which the IPA assignment is terminated; a subsequent 61-day break followed by initiation of a new 2-year IPA assignment, etc.
- Clarification of the IPA authority by some VA regional counsels and human resource departments is resulting in a requirement that after serving on an IPA assignment for 3 years and 10 months, an individual must return to the original employer for at least 12 months (not just 61 days) before a new IPA assignment may be initiated.
- Originating employment organizations (such as universities and NPCs) have historically managed to absorb the cost of employing individuals during the 61-day gap between IPA assignments for an employee nearing the 4-year maximum. It is expected that universities and NPCs will not be able to absorb the cost of a 12-month gap in IPA eligibility.
- Individuals with highly sought-after skills and long experience working in VA are at risk of losing their jobs. VA is at risk of losing access to services necessary to conduct VA current and future research.
- VA/university/NPC partnership is at risk of being diminished.

Recommendations (in ascending order of likely difficulty):

- Ask VA research offices to collect from VA human resource departments the number of active VA IPA assignments (full time and part time; originating employer) on a specific date. Note: Research is not the only service with personnel on IPA assignments – for example, MIRECCs and GRECCs use the IPA authority as well.

- Urge OPM to collect data from federal agencies on each agency's use of the IPA authority. 5 CFR Part 334.108 provides that federal agencies must submit to OPM such reports as OPM may require. As far as we have been able to determine, OPM does not require federal agencies to report their use of the IPA authority.
- Seek clarification of the IPA authority such that a gap of at least 61 days is sufficient to initiate a new IPA assignment. An OGC attorney has opined that 5 CFR Part 334.104(c) and the OPM guidance on the OPM IPA website may be sufficiently ambiguous to allow such a clarification.
 - 5 CFR Part 334.104. Length of Assignment. (c) *A Federal agency may not send or receive on assignment an employee who has served under the mobility authority for 4 continuous years without at least a 12-month return to duty with the organization from which originally assigned.*
 - OPM Website: *Successive assignments without a break of at least 60 calendar days will be regarded as continuous service under the mobility authority.*
- Ask the Secretary of Veterans Affairs to request from OPM a waiver of the IPA restrictions on length of assignments in order to enable continuity of essential medical research. This is consistent with paragraph (b) which permits such an OPM waiver when federal employees serve on IPA assignments.
- Seek a legislative solution that provides VA with the ability to extend IPA assignments at the discretion of the Secretary (presumably, to be delegated to medical center directors).

Note: The IPA statute allows executive agency heads to extend the period of an IPA assignment to an Indian tribe or tribal organization indefinitely when it is determined that the assignment will continue to benefit the executive agency or the tribal organization [5 USC §3372(a)(2)]. Additionally, 5 CFR Part 334.104(b) allows OPM to waive the 6-year limit on sending federal employees on IPA assignments. These two provisions may be sufficient precedent on which to base a request for VA to be granted a similar ability to extend the terms of IPA assignments necessary for VA research purposes.

Factors in favor of these recommendations:

- Quantifying the number of VA IPA assignments would indicate the extent of the damage to VA research that potentially may be caused if a 61-day gap between successive IPA assignments is disallowed nationally.
- Asking OPM to collect data on each federal agency's use of the IPA authority would be a means to determine use of the IPA authority government-wide and agency by agency.
- VA research projects could continue to be conducted by skilled individuals for whom ORD provides peer-reviewed funding.
- Clarification of the IPA authority that verifies that a gap of at least 61 days is sufficient to initiate a new IPA assignment would solve the current problem.
- Individuals would retain their non-federal jobs and benefits during a time of high unemployment and an administration commitment to create – not destroy – jobs.
- Universities (AAMC) are likely to support a solution because some of their employees' jobs are dependent in full or in part on IPA assignments to VA.

Factors against these recommendations:

- Quantifying the number of VA IPA assignments may reveal a large number that could be perceived as reflecting negatively on VA HR offices and VA compliance with federal hiring requirements. (Counter arguments: 1) It is already well-established that federal hiring

procedures are inefficient; and 2) The IPA provides an approved federal means to procure skilled services. VA use of this authority should not be held against the agency provided that each assignment adheres to IPA requirements.)

- Clarification of the IPA authority that verifies that a gap of at least 61 days is **not** sufficient to initiate a new IPA assignment would expand the scope of a problem currently limited to a few regions. (Counter argument: Regional counsels and HR personnel regularly talk to each other; it is possible that the adverse regional clarification will become *de facto* national policy over time.)
- Seeking an OPM waiver or exemption from the IPA time limits may be perceived as a way to circumvent federal hiring procedures. (Counter argument: VA research needs are different from clinical staffing and administrative needs; an exception is being sought only for VA research purposes.)
- More specifically, such a waiver or exemption may be seen to work around veterans' preference requirements at a time when VA is strongly promoting hiring veterans. (Counter arguments: 1) Recent veterans are unlikely to be qualified for skilled research positions; and 2) If a veteran is qualified, whether the veteran is hired by VA, a university or an NPC, it is still a veteran hire.)
- Whether OPM would support any of these solutions is not known. A full-scale persuasive effort may be necessary.
- Other federal agencies may object to a special exception for VA. Alternatively, other agencies may have an interest in a similar exception and may welcome a provision that allows all executive agency heads to extend the length of IPA assignments.

Conclusion

NPCs and universities often hire employees specifically to meet the needs of VA PIs with VA-funded projects. Because OGC interprets the NPC statute to prohibit contracting between VAMCs and NPCs, an IPA assignment is the only means by which VA may reimburse an NPC for NPC staff assigned to work on VA-funded research awards as VA WOC appointees. Being fully dedicated to supporting the VA research and education missions, NPCs are willing to incur the considerable financial burden IPA assignments impose on them, but are unable to support the cost of a 12-month gap in VA reimbursement.

The desire to keep research personnel fully employed by one institution so as to maximize their benefits and employment stability is another factor that often drives IPA assignments as well as personnel reimbursement agreements with universities. These mechanisms prevent employees from having to constantly shift from one employer to another, or to have multiple simultaneous employers depending on which institution is administering a particular award, as funding and projects start and stop. IPAs and personnel reimbursement agreements with universities allow all three institutions – VA, universities and NPCs - to maintain qualified, experienced research staff. Long term IPA assignments are an essential element of the flexibility necessary to make this work among the various institutions.

Please note that the proposed rule will not apply to NAVREF because NAVREF is a 501(c)(c) organization.



Proposed Amendments to OGE Gift Rules

The Office of Government Ethics (OGE) is proposing amendments to the ethics rules for government employees, imposing new limits on the use of exceptions in the rules allowing employees to accept invitations to “widely attended gatherings” from registered lobbyists and lobbying organizations (*See Federal Register Vol. 76, No. 177, September 13, 2011*).

Background

Standards of Conduct for Employees of the Executive Branch were first promulgated by OGE in 1992. In general, all executive branch employees are restricted from soliciting or accepting gifts from a prohibited source or because of an employee’s official position. Prohibited sources include registered lobbyists and lobbying organizations. There are several exceptions in the current regulations that cover a range of situations, such as gifts from family members and friends, de minimis gifts (valued under \$20), and gifts of free attendance at widely attended gatherings.

In addition to these existing regulations, President Obama signed a Jan. 20, 2009 Executive Order that imposes an additional gift prohibition on full-time political appointees. The order requires appointees to sign an “Ethics Pledge” that they will not accept gifts from lobbyists and organizations that are registered under the Lobbying Disclosure Act (LDA), and restricts appointees from using the widely attended gatherings exception that had previously been permissible. However, the OGE carved out two categories of organizations from the definition of lobbying organizations: 501(c)(3) nonprofit organizations, and media organizations.

The proposed rules that were released Sept. 13 represent OGE’s efforts to extend the lobbyist gift ban for political appointees to the ranks of career government employees. Like the 2009 guidance, the proposed rules also exclude certain types of organizations from the definition of lobbying organizations from which gifts are banned. OGE intends that these exclusions from the gift rules would be applicable to all employees, including political appointees.

Highlights of Proposed OGE Rules

- Like the 2009 Executive Order, the proposed OGE rules would limit the use of certain gift exceptions for all government employees. The proposed rules would not allow any employee to use the following exceptions in connection with gifts from registered lobbyists or lobbying organizations: the \$20 de minimis exception; the widely attended gathering exception; and the social invitation exception.
- OGE indicates, however, in the proposed rules that it “does not believe that employees, including political appointees subject to the Pledge, should be precluded categorically from accepting offers of free attendance at substantive events that would provide a legitimate educational or professional development benefit that furthers the interests of an agency.”

- Therefore, OGE proposes to exclude from the definition of registered lobbyist or lobbying organization the following types of organizations, even if these organizations are registered under the LDA: “nonprofit professional associations, scientific organizations, and learned societies.”
- The proposed rules state that the exception for widely attended gatherings held by 501(c)(3) organizations generally has worked well for political appointees and it makes sense to extend it now to the rules that cover all government employees. Additionally, OGE proposes to adjust the current guidance concerning gifts from 501(c)(3) organizations to do away with the requirement that an invitation to an event not come directly from a registered lobbyist. Basically, if the gift is coming from a 501(c)(3) organization – even one that is registered under the LDA – it’s allowable.
- A major change, however, in the OGE exception for gifts from 501(c)(3) organizations states that government employees can still rely on the “widely attended gathering” exception to accept free attendance at a training or professional development event hosted by a nonprofit professional association, scientific organization, or learned society, but the WAG exception does NOT apply to invitations to purely social events, including gala dinners, fundraisers, parties, etc.
- It’s important to note that OGE’s proposed rules specifically exclude trade associations from the list of organizations that can extend invitations to government employees to attend widely attended gatherings. In its reasoning, OGE states that, “Trade associations may sponsor educational activities for their members and even the public, but the primary concern of such associations generally is not the education and development of members of a profession or discipline, which is the focus of the proposed exclusion.”
- The OGE rules do not acknowledge that both trade associations and professional societies are typically exempt under section 501(c)(6) of the tax code. The proposed rules appear to allow employees to attend widely attended gatherings that are held by professional societies, stating that “OGE would not limit this exclusion to scientific organizations but would extend it to any professional or learned societies that promote the development or education of members of a profession or discipline.”
- The proposed rules do not affect the ability of employees to accept offers of free attendance at events if an employee is speaking or presenting information on behalf of the government. OGE’s explanation is that a speaking engagement is not a gift, and the employee’s participation in these events is viewed as a customary and necessary part of his or her duties.
- The proposed rules permit employees to accept offers of free attendance at social events attended by several persons, provided that the invitation does not come from a registered lobbyist or lobbying organization and no attendance fee is charged to anyone.

Comments are due to OGE before Nov. 14, 2011.

###

August 9, 2011

Ms. Kathrine Fox
Executive Director
Clinical Research Foundation, Inc.
800 Zorn Avenue (151)
Louisville, KY 40206

Dear Kathrine:

I am writing to convey NAVREF's sincere regret about the decision by management of the Clinical Research Foundation (CRF) not to renew its NAVREF membership for the 2011-2012 membership year. We hope that you and the CRF board will reconsider this decision. To facilitate a change of mind, during its August 1 meeting, the board agreed to make a one-year accommodation by asking CRF to pay only \$100, the minimum dues required for NAVREF membership. Based on prior year revenues of \$430,000, this represents a waiver of \$2400.

While we understand that CRF is experiencing a lean year, other NPCs with revenues in the \$300,000 to \$400,000 range are able to meet their financial obligations and to contribute generally to the success of the facility research program by charging an administrative overhead rate on revenues that is consistent with industry expectations. As indicated by the enclosed 2009 survey of NPCs, most have established administrative overhead rates in the 20-25% range. This allows them to support the necessary NPC infrastructure – staffing, insurance, accounting, audit, etc., - and even to accrue funds to invest in the facility research program. Seed grants, bridge funding, and contributions of staffing and equipment are common uses of these funds.

We encourage you and the CRF board to consider raising the CRF administrative rate to ensure an adequate revenue stream. Without such a change, the NAVREF board is concerned that CRF will soon be unable to sustain independent operations. Also, the CRF board may want to consider the workable option available thanks to changes made in the NPC authorizing statute signed into law in May of 2010. The new statute allows sharing one NPC among two or more VA medical centers. I understand that your board wishes CRF to remain independent. However that may not be possible for the long term with such limited funds for administration.

To help you weigh options, you might consider requesting a NAVREF Best Practices Consultation. Such a consultation is a NAVREF benefit offered at no cost to members. For details, see: http://www.navref.org/about/navref_consultations.htm.

Ms. Fox
August 4, 2011
Page Two

You are correct in stating that CRF dues are .5% of its 2010 revenue while an NPC with revenues of \$20 million but less than \$40 million is charged .0725%, and the one with revenues over \$40 million is charged .0366%. This dues structure was thoughtfully developed over the course of many board meetings and in consultation with members. It was designed to be as fair as possible and still generate the revenues that NAVREF needs to maintain its advocacy and educational programs and services. As discussed during our phone conversation, in addition to paying substantial dues, larger NPCs are very generous in providing management advice and assistance to other NPCs. It should be noted that recognizing the financial constraints on low revenue NPCs, dues for smaller NPCs like CRF have remained at .5% of revenues since NAVREF's inception.

The NAVREF board joins me in wishing you and CRF all the best and continued success in supporting VA research. NAVREF values every one of its members and we hope that CRF will take advantage of the \$100 accommodation offered by the board. For your convenience should you decided to accept this offer, I have enclosed a membership renewal packet.

Also, I sincerely hope that you will attend the 2011 NAVREF Annual Conference. Because this meeting is our primary, once-a-year means of communicating information of importance to NPCs, NAVREF offers financial assistance to members that are unable to manage the cost on their own. I have enclosed an application for your convenience. If you have a conflicting commitment, perhaps another staff member or a board member could attend.

Sincerely,

Barbara F. West
Executive Director

Enclosures:

- NAVREF Survey Results
- Membership Renewal Materials
- Financial Assistance Application

cc: William G. Cheadle, MD, Chairman

CLINICAL RESEARCH FOUNDATION, INC.

800 Zorn Avenue (151)

Louisville, KY 40206

Kathrine.Fox@insightbb.com

502 287-6260 or 502 339-9310

August 16, 2011

Barbara West, Executive Director
NAVREF
5480 Wisconsin Avenue, Suite 214
Chevy Chase, MD 20815

Reference: NAVREF Letter dated 8/9/2011 concerning CRF's NAVREF's membership for the 2011-2012 year

Dear Barbara,

I want to thank you and the NAVREF Board of Directors for extending to CRF the one-year accommodation for the \$100.00 minimum dues rate (check is enclosed.) I sincerely appreciate your help and advice. The July meeting of the CRF Board of Directors unanimously approved to increase CRF's indirect cost rate to a maximum of 25% for new industry sponsored projects. We hope this will make a significant difference in the coming years.

Best Regards,



Kathrine Fox
Executive Director

**NPC Contacts and VA Status with 2010-2011 Revenue
Compiled October 2011**

NVA = Not VA
VA AO = VA Administrative Officer
VA NAO = VA, but not AO/R
VA ACOS/R = Associate Chief of Staff R&D

City	State	FN + Degree	VA Status	Revenue 10-11
Albany	New York	Ms. Susan Benjamin	NVA	\$ 704,627
Albuquerque	New Mexico	Ms. Donna Wilt	NVA	\$ 9,080,417
Ann Arbor	Michigan	Ms. Susan A. Zuk	VA AO	\$ 425,493
Asheville	North Carolina	Ms. Marilyn P. Peek	NVA	\$ 73,067
Augusta	Georgia	Ms. Dolores H. Vasquez	NVA	\$ 96,321
Baltimore	Maryland	David E. Johnson, Ph.D.	NVA	\$ 3,691,335
Bay Pines	Florida	Ms. Christa A. Madison	VA AO	\$ 1,253,741
Bedford	Massachusetts	Mr. Reginald Griffin	NVA	\$ 1,791,224
Birmingham	Alabama	Mr. James Palmer	NVA	\$ 239,336
Boston	Massachusetts	Ms. Nancy Watterson-Diorio	NVA	\$ 12,575,800
Bronx	New York	Mr. Anthony Rotolo	VA AO	\$ 1,628,421
Brooklyn	New York	Ms. Sharon Perez	NVA	\$ 1,151,443
Buffalo	New York	Ms. Pamela K. Anderson	NVA	\$ 329,343
Charleston	South Carolina	Ms. Kelsie Cochran	NVA	\$ 1,013,123
Chicago/Westside	Illinois	Vacant	NVA	\$ 423,980
Cincinnati	Ohio	Ms. Kathleen DeLaura	NVA	\$ 1,174,593
Clarksburg	West Virginia	Maria M. Kolar, M.D.	ACOS/R	\$ 102,677
Cleveland	Ohio	Ms. Gail Burns	NVA	\$ 798,605
Columbia	South Carolina	W. Russell Hughes	NVA	\$ 328,938
Columbia	Missouri	Ms. Sharon K. Feltman	NVA	\$ 487,053
Dallas	Texas	Ms. Sue Linder-Linsley	NVA	\$ 2,341,844
Dayton	Ohio	Ms. Carolyn McDermott	NVA	\$ 27,401
Decatur	Georgia	Ms. Leslie Henry	NVA	\$ 12,723,119
Denver	Colorado	Mr. Paul Saenger	NVA	\$ 1,781,381
Detroit	Michigan	Ms. Mary Jo Brady	NVA	\$ 351,538
Durham	North Carolina	Ms. Lorie Moll	NVA	\$ 1,920,197
East Orange	New Jersey	Ms. Kristen Bourgerie	NVA	\$ 2,129,876
Fort Meade	South Dakota	Michael Fellner, Ph.D.	VA NAO	\$ 68,319
Gainesville	Florida	Ms. Joy Mitchell	NVA	\$ 671,846
Hines	Illinois	Ms. Cindy Reutzel, MPA	NVA	\$ 5,704,440
Honolulu	Hawaii	Helen Petrovitch, M.D.	NVA	\$ 2,858,859
Houston	Texas	Ms. Sachiko Takase	NVA	\$ 189,245
Huntington	West Virginia	Mr. William Barnette	VA NAO	\$ 6,633
Indianapolis	Indiana	Ms. Marta Sears	VA NAO	\$ 515,512
Iowa City/Solon	Iowa	Ms. Sarah Else	NVA	\$ 679,195
Jackson	Mississippi	Ms. Wanda Hayes	VA AO	\$ 501,568
Kansas City	Missouri	James Hamilton, Ph.D.	NVA	\$ 2,435,828
Kings Park	New York	Ms. Erica Brown	NVA	\$ 506,763
Little Rock	Arkansas	Alan Wolfman, Ph.D.	NVA	\$ 732,164
Long Beach	California	Ms. S. Lea Lowe	NVA	\$ 4,192,724
Los Angeles	California	Kenneth G. Hickman, Ph.D.	NVA	\$ 12,125,248
Louisville	Kentucky	Ms. Kathrine Fox	NVA	\$ 333,122
Madison	Wisconsin	Mr. Marvin G. Rupp	VA AO	\$ -

**NPC Contacts and VA Status with 2010-2011 Revenue
Compiled October 2011**

NVA = Not VA
VA AO = VA Administrative Officer
VA NAO = VA, but not AO/R
VA ACOS/R = Associate Chief of Staff R&D

City	State	FN + Degree	VA Status	Revenue 10-11
Memphis	Tennessee	Mr. Kerry Palmertree	NVA	\$ 1,463,479
Miami	Florida	Mr. Luis Gonzalez	VA AO	\$ 2,100,235
Milwaukee	Wisconsin	Mr. Phillip L. Cook	VA AO	\$ 822,555
Minneapolis	Minnesota	Mr. Clayton Tenquist	NVA	\$ 3,666,961
Montrose	New York	Cecile Sison, Ph.D.	VA AO	\$ -
Mountain Home	Tennessee	Ms. Dorothy A. Fish	NVA	\$ 249,887
Nashville	Tennessee	Ms. Charlotte A. Gooch	NVA	\$ 219,025
New Orleans	Louisiana	Joseph Constans, Ph.D.	VA ACOS/R	\$ 44
Oklahoma City	Oklahoma	Ms. Darline Mitchell	NVA	\$ 611,905
Omaha	Nebraska	Mr. Stephan D. Nowling	NVA	\$ 602,242
Orlando	Florida	Mr. Denismar Medina	VA AO	\$ 131,012
Palo Alto	California	Ms. Donna McCartney	NVA	\$ 22,440,772
Philadelphia	Pennsylvania	Ms. Tinesar Forrest	NVA	\$ 859,702
Phoenix	Arizona	Charles Hollingsworth, Dr.P.H.	NVA	\$ 1,825,714
Pittsburgh	Pennsylvania	Mr. Nicholas L. Squeglia	VA AO	\$ 2,950,113
Portland	Oregon	Ms. Shelley Cobb	NVA	\$ 3,833,275
Providence	Rhode Island	Ms. Regina Correa-Murphy	VA AO	\$ 634,244
Redlands	California	Mr. Ronald Reed	NVA	\$ 3,904,488
Reno	Nevada	Elizabeth E. Hill, R.N., Ph.D.	VA ACOS/R	\$ 448,331
Salem	Virginia	Vacant	NVA	\$ 462,697
Salisbury	North Carolina	Ms. Lynn Bolick	NVA	\$ 3,630
Salt Lake City	Utah	Mr. Marc A. Sanders	NVA	\$ 2,500,842
San Antonio	Texas	Ms. Darlene Davis	NVA	\$ 464,946
San Diego	California	Ms. Kerstin Lynam	NVA	\$ 27,758,059
San Francisco	California	Mr. Robert Obana	NVA	\$ 49,598,242
San Juan	Puerto Rico	Ms. Ana Rivera	VA AO	\$ 1,257,070
Seattle	Washington	Eileen Lennon, Ph.D.	NVA	\$ 13,928,810
Sepulveda	California	Ms. Bonita L. Krall	NVA	\$ 5,627,029
Shreveport	Louisiana	Ronald G. Washburn, M.D.	VA ACOS/R	\$ 118
Sioux Falls	South Dakota	Dave Maddox, Ph.D.	VA AO	\$ 80,950
St. Louis	Missouri	Mr. John Bley	NVA	\$ 120,604
Syracuse	New York	Ms. Lori Gould	NVA	\$ 1,394,564
Tampa	Florida	Mr. John F. Hern, Jr.	NVA	\$ 1,401,135
Temple	Texas	Ms. Maggie McCarthy	NVA	\$ 601,881
Tucson	Arizona	Ms. Midge Adams	NVA	\$ 1,723,839
Tuscaloosa	Alabama	Ms. Sandra Creel	NVA	\$ 1,474,493
Washington	District of Columbia	Patrick Joyce, M.D., J.D., M.P.H.	VA NAO	\$ 3,960,491
West Haven	Connecticut	Ms. Mary Rauschenberg	NVA	\$ 3,230,160
White River Junction	Vermont	Ms. Priscilla West	NVA	\$ 356,181

NAVREF Board of Directors as of September 11, 2011
() – Board Category

Name, Title and Board Category	Office and Address	Phone, Fax and Email
Eileen Lennon, Ph.D. Executive Director; (Executive Director) <i>NAVREF Chair</i>	Seattle Institute for Biomedical and Clinical Research 1660 S. Columbian Way (151F), Seattle, WA 98108	206-204-6179 Fax: 206-764-2742 Eileen@sibcr.org
Cindy Reutzell Executive Director; (Executive Director) <i>NAVREF Vice-Chair</i>	Chicago Assn for Research and Education in Science P.O. Box 250; Hines, IL 60141	708-343-6379 Fax: 708-343-9676 Cindy.Reutzell@va.gov
Norberto Fas, M.D., M.B.A. ACOS Education; (ACOS for Education) <i>NAVREF Secretary/Treasurer</i>	Atlanta VA Medical Center (141) 1670 Clairmont Rd, Decatur, GA 30033	404-321-6111 ext. 5390 Fax: 404-728-7668 Norberto.Fas@va.gov
Nancy Watterson-Diorio Chief Executive Officer; (Executive Director)	Boston VA Research Institute, Inc. VA Boston Healthcare System (151 B) 150 South Huntington Avenue, Boston, MA 02130	617-738-1313 ext. 113 Fax: 617-738-8480 nwd@bvari.org
Lea Lowe Executive Director; (Executive Director)	Southern California Institute for Research & Ed. 5901 East 7 th Street (151), Long Beach, CA 90822	562-826-5747 Fax: 562-826-8138 Lea.Lowe@va.gov
Kerstin Lynam Chief Executive Officer; (Executive Director)	Veterans Medical Research Foundation of San Diego 3350 La Jolla Village Drive (V151A) San Diego, CA 92161	858-642-3070 Fax: 858-642-3081 klynam@vmrf.org
Fred S. Wright, M.D. ACOS R&D; (ACOS R&D)	VA Connecticut Research and Education Foundation VA Connecticut Healthcare System, Research (151) 950 Campbell Avenue; West Haven, CT 06516	203-937-3830 Fax: 203-937-3829 Fred.Wright@va.gov
Jonathan Gardner, FACHE Medical Center Director; (MCD)	Tucson VA Medical Center (10) 3601 S. Sixth Avenue, Tucson, AZ 85723	520-629-1821 Fax: 520-629-1820 Jonathan.Gardner@va.gov
Wendy Brown, M.D., M.P.H. Chief of Staff; (COS)	Jesse Brown VA Medical Center (11) 820 S. Damen Avenue, Chicago, IL 60612	O: 312-569-6102; C: 312-285-4172 Fax: 312-569-8105 Wendy.Brown@va.gov
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Terrence Hannigan (Class B)	13544 Molique Boulevard, Fishers, IN 46037	317-938-3003 THannigan@aol.com
DVA Liaisons: Joel Kupersmith, M.D. Chief Research & Development Officer Holly H. Birdsall, M.D., Ph.D. Acting CRADO (DVA HQ ORD Liaison)	Department of Veterans Affairs (12) 810 Vermont Avenue, NW, Washington, DC 20420 Physical Address: 131 M Street, NE, Washington, DC	202-443-5600 Fax: Joel.Kupersmith@va.gov 202-443-5600 Birdsall.HollyH@va.gov
Malcolm Cox, M.D. Chief Academic Affiliations Officer (DVA HQ OAA Liaison)	Department of Veterans Affairs (14) 810 Vermont Avenue, NW, Washington, DC 20420	202-357-4010 Fax: Malcolm.Cox@va.gov
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