

Scenarios and Considerations for Outside Pay to VA Compensated Investigators and Staff (VACIS) Engaged in VA Research¹

VA Status	VACIS is a DAP ³	VACIS is not a DAP ³	Federal Funds	Non-Federal Funds	University/Academic Affiliate Administered	NPC Administered	Recommended Action <i>(In some cases it is best to reimburse VA via an MOU rather than directly compensate the employee. The scenarios below should be considered as guidance for when to implement outside compensation. However, several only allow for the utilization of an MOU.)</i>	Considerations
Full Time VA (8/8ths compensated appointment)	X		X		X		University/Academic Affiliate pays VACIS for effort on the extramural award/Project up to a reasonable total based on University/Academic Affiliate base salary.	2, 4, 6, 8, 11, 12
	X		X			X	NPC and University/Academic Affiliate enter into a formal JPA to cover VACIS effort on the extramural award up to a reasonable total; University/Academic Affiliate pays the VACIS, and University/Academic Affiliate invoices NPC for reimbursement for salary, benefits, administrative expenses, etc.	2, 4, 6, 8, 10, 11, 12, 14
	X			X	X		University/Academic Affiliate pays VACIS for effort on the extramural award/Project up to a reasonable total based on University/Academic Affiliate base salary.	2, 4, 5, 8,
	X			X		X	NPC and University/Academic Affiliate enter into a formal JPA to cover VACIS effort on the extramural award up to a reasonable total; University/Academic Affiliate pays the VACIS, and University/Academic Affiliate invoices NPC for reimbursement for salary, benefits, administrative expenses, etc.	2, 4, 5, 8, 10, 12, 14
		X	X			X	No NPC pay to the VACIS is permitted; reimbursement to VA for project effort within the VA tour of duty may be allowed by funder.	7, 11
		X		X		X	No NPC pay to the VACIS is permitted; reimbursement to VA for project effort within the VA tour of duty may be allowed by funder.	7
Part Time VA (<8/8ths compensated appointment)	X		X		X		University/Academic Affiliate pays VACIS for effort on the extramural award/Project up to a reasonable total based on University/Academic Affiliate base salary.	2, 4, 6, 8, 11
	X		X			X	NPC and University/Academic Affiliate enter into a formal JPA to cover VACIS effort on the extramural award up to a reasonable total; University/Academic Affiliate pays the VACIS, and University/Academic Affiliate invoices NPC for reimbursement for salary, benefits, administrative expenses, etc.	2, 4, 6, 8, 11, 12, 14
	X			X	X		University/Academic Affiliate pays VACIS for effort on the extramural award/Project up to a reasonable total based on University/Academic Affiliate base salary.	2, 4, 5, 8
	X			X		X	NPC and University/Academic Affiliate enter into a formal JPA to cover VACIS effort on the extramural award up to a reasonable total; University/Academic Affiliate pays the VACIS, and University/Academic Affiliate invoices NPC for reimbursement for salary, benefits, administrative expenses, etc.	2, 4, 5, 8, 10, 14
		X	X			X	NPC pays the VACIS directly for effort on the NPC administered extramural award without exceeding the 40 hour total combined effort between the NPC and VA compensated effort. Alternatively, some federal funding agencies allow reimbursement to VA as described in the following block.	4, 6, 7, 8, 9, 11, 12, 13
		X		X		X	VA increases the VACIS's VA eighths in proportion to the project effort and VA pays the VACIS; VA invoices NPC and NPC reimburses VA for the VACIS's effort devoted to the project (total not to exceed 40 hours).	9
Considerations:								
1. These scenarios apply when the work is considered VA research as defined in VHA Directive 1200.02, regardless of administrative entity.								
2. Ensure that acts affecting a personal financial interest (18 U.S.C. § 208) as a result of your position are reviewed as part of the Alt-450. Seek OGC advice when necessary.								
3. DAP (Dual Appointed Personnel): For the purpose of this chart, DAP is a VA compensated employee who also holds a compensated appointment at the affiliate. The salary is Outside Compensation when Reimbursement to VA is not possible.								
4. VACIS should not accept outside compensation from projects where payments made to the VACIS are directly related to the number of patients recruited by the VACIS. OGC advice should be sought.								
5. Review budget to determine if reimbursement is based or dependent on enrollment of study subjects which could be perceived as a conflict of interest. OGC advice should be sought.								
6. Review budget to ensure that outside compensation does not affect NIH prohibition on use of an extramural award for a pay increase.								
7. Ensure that the reimbursement takes into consideration MD vs. PhD regulations surrounding tenure status and overtime (Title 38 vs. Title 5) and position descriptions.								
8. Must provide documentation that there is no possibility of dual compensation or effort overlap as stated in the application for the same work (project) or of an actual or apparent conflict of interest.								
9. Ensure that both parties (NPC and VA) have reviewed any FLSA impacts associated with joint employment to ensure if OT is required for work above 40 hours per week.								
10. Parties' respective responsibilities for time and effort management and reporting should be outlined in a document reviewed and approved by the affected parties (VA, Affiliate, NPC)								
11. When funded by NIH, is the budget in conformance with the NIH Grants Policy Statement and NIH correspondence or the current NIH Policy Guide Chapter 17 when it comes to payment of staff .								
12. To ensure reasonableness and absence of overlap tied to salary/compensation, an MOU (VA/University/Academic Affiliate/NPC as appropriate for the situation) should be established; total VA, NPC and/or University/Academic Affiliate pay derived from NIH grants is subject to the NIH cap limitations found at https://grants.nih.gov/grants/policy/salcap_summary.htm .								
13. When in doubt of the impact of FLSA, consult your HR office and/or OGC Personnel law.								
14. JPA (Joint Personnel Agreement) - an agreement between the NPC and University/Academic Affiliate outlining salary reimbursement procedures including amount and effort								
NIH Policy Guide Chapter 17 Salary Cap								