**NIH Grant**

**Salary & Fringe Reimbursement for a VA Employee**

The NIH Grants Policy Statement paragraph 17.6 states, “In most circumstances no salary or fringe benefit payments may be made from NIH grant funds to support Federal employees.” Paragraph 17.6 provides three exceptions to allow payment of salary and fringe benefits when prior approval is obtained from an authorized official of the employee’s agency (i.e. VA).

EXCEPTION #1 PROCESS - *A temporary VA employee specifically hired to assist in the performance of an NIH grant*

1. Determine if the Employee Meets Eligibility Requirements for Reimbursement to VA:

* Review the guidance provided by NAVREF regarding the NIH Grants Policy Statement 17.6.
* Obtain a copy of the SF50 from the VA employee (they may pull a copy of this form from their OPM folder) or request it through the local VA Human Resources office. Review the form to assure that Tenure Group 3 is selected in Box 24. Retain a copy of the form for your records.

1. If Eligible:

* Have the VA ACOS/R&D sign a letter to the NPC stating that the employee’s Tenure Group designation meets the requirements of NIH Policy for reimbursement to the VA for the employee’s salary and fringe and include a statement that there will be no dual compensation. (See template provided by NAVREF.)

NOTE: If the ACOS/R&D is the PI for the study, request the letter from the next senior official to avoid conflict of interest

* Obtain salary and fringe benefit rate and add the employee to the NIH grant budget
* After describing the VA employee’s duties on the project include text in the Budget Justification that states:

NAME is a VA paid employee in Tenure Group 3 as identified on his Notification of Personnel Action Form (SF 50). VA NPC will reimburse the XXX VA for NAME’s effort on this project.

* No related documents need to be provided to NIH at the time of submission however the NPC must retain all documents and, if requested, provide them to NIH.

1. If the grant is awarded:

* Create an MOU between the NPC and VA for reimbursement of the employee’s salary and fringe. (See template provided by NAVREF). Once fully executed keep a copy for NPC records and have a copy placed in the VA employee’s personnel file to document permission from the VA for the individual to work on the NIH award.
* Obtain and retain Affirmation of Effort documentation from the VA employee.

EXCEPTION #2 PROCESS – *A VA employee on an IPA to a non-Federal institution with an NIH grant* (Infrequently Used by NPCs)

1. Determine if the Employee Meets Eligibility Requirements for Reimbursement to VA:

* Review the guidance provided by NAVREF regarding the NIH Grants Policy Statement 17.6.
* Obtain a copy of the SF50 from the VA employee (they may pull a copy of this form from their OPM folder) or request it through the local VA Human Resources office. Review the form to assure that Tenure Group 1 or 2 is selected in Box 24. Retain a copy of the form for your records.
* Obtain verification from the R&D office or the local VA Human Resources Office that the VA employee has not exceeded the total 6 year maximum on an IPA.

1. If Eligible:

* Identify VA salary and fringe benefit rate and add the employee to the NIH grant budget.
* After describing the VA employee’s duties on the project include text in the Budget Justification that states:

NAME is a VA paid employee in Tenure Group 1 or 2 as identified on his Notification of Personnel Action Form (SF 50). VA and NPC will enter into an IPA for NAME’s effort on this project.

* No related documents need to be provided to NIH at the time of submission however the NPC must retain all documents and, if requested, provide them to NIH.

1. If the grant is awarded:

* Complete the IPA and once fully executed retain a copy for NPC’s records.

EXCEPTION #3 PROCESS - *A part-time VA employee who is also working part-time at a VA NPC on an NIH grant.*

1. Determine if the Employee Meets Eligibility Requirements for Payment to Federal Employee:

* Review the guidance provided by NAVREF regarding the NIH Grants Policy Statement 17.6.
* Obtain verification from the R&D office or the local VA Human Resources Office that the VA employee is part-time. Also confirm the total number of hours the employee works for the VA.

1. If Eligible:

* Determine salary and fringe benefit rate and add the employee to the NIH grant budget. (Not more that 40 total hours between VA and NIH funded work.)
* No related documents need to be provided to NIH at the time of submission however the NPC must retain all documents and, if requested, provide them to NIH.

1. If the grant is awarded:

* Obtain WOC appointment for the NPC paid portion of the employee’s work.
* Create an MOU between the NPC and the VA documenting the employee’s total effort. Include language that asserts separate duties, no dual compensation, and no conflict of interest. (See template provided by NAVREF). Once fully executed keep a copy for NPC record.
* Have employee complete and sign a timesheet each pay period that includes the following statement: *Signature certifies that this timesheet represents the actual hours worked on the specified project and the number of hours reported and times the employee worked are accurate.*