

# Policy Manual

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## 2. Acceptance of Funds

CARES accepts funds in support of the research and education mission of its VA affiliated facilities. All funds deposited in the corporation and all equipment purchased with corporation funds are the property of the corporation and are subject to policies and procedures established by the Board of Directors. Such policies and procedures will be consistent with applicable federal and state statutes and regulations.

Grantors or donors may send funds by check or electronic transfer.

All checks or other funds directed to CARES should be made payable to the Chicago Association for Research and Education in Science, Employer Identification Number (EIN) 36-3334177. Checks made payable to other individuals or organizations cannot be accepted.

If funds are received in support of a specific research proposal, no research may begin until that project has received approval from the appropriate R&D Committee. Funds may be expended for activities related to preparing for research to begin.

If funds are received in support of a specific educational or training activity, the activity may not begin until approval by the local facility's Education Committee (EC) or equivalent. Funds may be expended for activities related to preparing for the educational activity

All CARES funds will be invested in instruments backed by the full faith and credit of the U.S. Government.

## Sources of Revenue

The general categories for revenue are: (A) private foundation grants; (B) corporate sponsored grants, studies or gifts; (C) federally-funded programs; (D) state or local government programs; (E) transfer funds and; (F) miscellaneous. The administration of funding may vary depending on the stipulations of the funding source.

Funds derived from indirect support provided by the sponsored research or education activities administered by CARES will be used to support the operations of CARES. These institutional funds may also be used to respond to the needs for direct or indirect research costs or educational and training support as identified by the CARES Board of Directors.

## **A. PRIVATE FOUNDATION RESEARCH STUDIES**

Funding in this category is derived from nonprofit entities to support a specific research or education proposal. Indirect cost reimbursement rates vary among sponsors. Some sponsors in this category have written policies that either state the organization does not provide overhead costs or that set limits for this support. The investigator should review the proposal and budget with CARES prior to submission to the sponsor. If required by sponsor policy, CARES may accept and administer these sponsored awards with less than its approved indirect cost rate.

## **B. FEDERAL PROGRAMS**

This category consists of grants or contracts from federal agencies, other than VA, but including the National Institutes of Health, Department of Defense, Centers for Disease Control, National Science Foundation and others. CARES annually negotiates an indirect cost rate with the Division of Cost Allocation, Department of Health and Human Services. Funds provided by the sponsor in support of indirect costs are in addition to the direct costs provided for support of the studies.

## **C. CORPORATE SPONSORED RESEARCH OR EDUCATION GRANTS**

Funding in this category is usually provided by pharmaceutical or other commercial sponsors involved in the development of new drugs or devices, or in the support of medical research or education. The studies may be initiated by the investigator or the pharmaceutical company. Negotiations for this type of award should include the CARES indirect cost rate of 30% as an additional cost to the funding required to conduct the study.

The Department of Veterans Affairs Office of General Counsel has determined that the appropriate mechanism for industry-sponsored or funded research is a Cooperative Research and Development Agreement (CRADA). The Veterans Health Administration (VHA) Directive (2007-044) requires the use of a CRADA for industry-funded studies effective March 26, 2008.

## **D. STATE OR LOCAL GOVERNMENT PROGRAMS**

This category consists of grants or contracts from state or local government agencies. Studies will usually be in response to a request for proposals initiated by the funding agency. If no pre-determined indirect cost rate is established by the agency CARES will use the indirect cost rate negotiated with the Division of Cost Allocation, Department of Health and Human Services. The indirect costs are provided to the grantee institution in addition to the direct costs provided for support of the studies.

## **E. TRANSFER FUNDS**

Investigators may transfer residual funds from accounts in other nonprofit institutions to CARES. Indirect costs to be assessed by CARES on transfer funds will be determined based on the original funding source and the intended use of the funds. Transfer of active projects will follow the stipulations or guidelines of the funding agency or institution.

## **F. MISCELLANEOUS SUPPORT**

Sources for funding in this category may be broad and may include gifts or other donations from individuals or public or private entities. Single awards or donations of \$1,000 or less will not be charged overhead unless the award represents a portion of a larger contribution. Deposits totaling more than \$1,000 generally will have an overhead rate applied.

## **G. Overhead Considerations**

Funding received from an associated University will be charged overhead as described above based on the original source of the funding. University departmental funds will be charged overhead at 10%.

No overhead is charged to start-up, IRB, pharmacy, and other one-time fees.

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