

VETERANS BIO-MEDICAL RESEARCH INSTITUTE, INC.
POLICIES AND PROCEDURES
September 15, 2004

Policy Number	Policy Description	Effective Date	Est. Completion Date
	Overview	29-Mar-04	
G	General		
	Acronyms (G-1)		31-Oct-04
	Pharmaceutical Companys (G-2)		31-Dec-04
	PIs (G-3)	25-Mar-04	
	Institutional Review Board (G-5)		31-Dec-04
	IRB Review Fees (G-4)	18-Nov-02	
	Meetings and Conferences (G-6)	01-Apr-04	
	Ethical Conduct (G-7)	01-Jul-04	
PU	Purchasing		31-Dec-04
PE	Personnel		
	WOC (PE-1)		31-Dec-04
	Employment Guidelines (PE-2)		31-Dec-04
	Benefits		
	401K (PE-3)		31-Dec-04
PR	Payroll		
	Input Procedures (RR-01)	31-Dec-03	
	Output Procedures (RR-02)	31-Dec-03	
AU	Audits		
	Annual Audit (AU-1)		31-Dec-04
	NIH Audit (AU-2)		31-Dec-04
AC	Accounting		
	Controls (AC-1)	31-Dec-03	
	Bank Reconciliations (AC-2)		31-Oct-04
	Cash Receipts (AC-3)	31-Dec-03	
	Chart of Accounts (AC-4)	01-Apr-02	
	Professional Consultant Services (AC-5)		31-Dec-04
	Credit Cards (AC-6)		31-Dec-04
	Expenditures - authority, signatures, support (AC-7)	31-Dec-03	
	Capital Expenditure Accounting (AC-8)	18-Nov-02	
	Expense Reporting (AC-9)	31-Dec-03	
	Invoices (AC-10)		31-Oct-04
	Journal Entries (AC-11)	31-Dec-03	
	Quarterly PI Reports (AC-12)	25-Mar-04	
	Quick Books (AC-13)		31-Dec-04
	Portable and Mobile Phones (AC-14)		31-Dec-04
	Reports (AC-15)		31-Oct-04

c:\finance\auditors\auditcompliance_policies

AC Accounting (cont'd)

VETERANS BIO-MEDICAL RESEARCH INSTITUTE, INC.
POLICIES AND PROCEDURES
September 15, 2004

Policy Number	Policy Description	Effective Date	Est. Completion Date
	Revenue Recognition (AC-16)		31-Oct-04
	Year End Checklist (AC-17)	18-Nov-02	
	NIH Reporting (AC-18)	18-Nov-02	
RR	Record Retention		
	Computer Back Up (RR-1)		31-Oct-04
	Files (RR-2)		31-Dec-04
	Storage (RR-3)		31-Dec-04
CT	Clinical Trails		
	Accounting (CT-1)	18-Nov-02	
	Acknowledgement Letters (CT-2)		
	Budget (CT-4)		31-Dec-04
	Files (CT-3)	07-Apr-04	
	Legal Review (CT-5)		31-Dec-04
CO	Committees		
	Education Committee (CO-1)		31-Dec-04
	IRB Committee (CO-2)		31-Dec-04
	R&D Committee (CO-3)		31-Dec-04
	VBRI Board of Trustees (CO-4)		31-Dec-04
EX	Exhibits		
	Bank Reconciliation (EX-1)	01-Jan-04	
	Expense Report (EX-2)	01-Jan-04	
	Cash Receipt Voucher (EX-3)	01-Jan-04	
	Authorization for Expenditure (EX-4)	01-Jan-04	
	Time Sheet (EX-5)	01-Jan-04	
	Fixed Asset Inventory Card (EX-6)	01-Jan-04	
	Accounts Payable Transmittal (EX-7)	01-Jan-04	
	Request for Personnel Action (EX-8)	01-Jan-04	
	Stop Payment Request (EX-9)	01-Jan-04	
	Patient Reimbursement Voucher (EX-10)	01-Jan-04	
	Performance Appraisal Form (EX-11)	26-Mar-04	
	VBRI Invoice (EX-12)	01-Jan-04	
	Expense Report Documentation (EX-13)	31-Dec-03	

Area: Overview	Section:	Reference: OV-01	Issued: March 25, 2004
Policy:		Page 1 of 1	Reissued: -

Veterans Bio-Medical Research Institute, Inc. (VBRI) was incorporated on October 12, 1989 pursuant to the provisions of Section 15A:9-5, Corporation Nonprofit, of the New Jersey statutes. The Corporation was established to facilitate research, education and training by the Department of Veterans Affairs Medical Center, East Orange, New Jersey, as authorized by 38 U.S.C. 7361-7368, as amended, to carry out more effectively the primary function of the Veterans Health Service and Research Administration of the Department of Veterans Affairs, and in order to contribute to the Nation's knowledge about disease and disability. VBRI received a ruling dated March 11, 1991 that is is exempt from Federal income tax under section 501 (a) of the Internal Revenue code as an organization described in section 501 (c) (3).

The original Certificate of Incorporation was dated September 18, 1989, restated on November 24, 1993 (filed on March 24, 1994) and restated a second time on August 2, 2000 (filed on December 26, 2000).

The original By-Laws of the corporation bear no date, were revised on April 13, 1993, July 17, 2000 and June 26, 2002.

The Policies & Procedures that follow in this manual are policy statements, procedural guidelines and supporting forms that direct VBRI personnel toward its operational goals.

Area: General	Section: PIs	Reference: G-03	Issued: March 25, 2004
Policy: Listing		Page 1 of 1	Reissued: -

Batta, PhD Ashok
 Chandrasekaran, Kulandaivelu
 Chang, Victor
 Cordoba-Relossa, Isabelita
 Davanzo, Lawrence
 Dever, Lisa
 Dowling, Peter
 Eng, Robert
 Flores, Angeles
 Gilhooly, Patricia
 Gill, Carol
 Hwang, Shirley
 Kasimis, Basil
 Levin, Barry
 Leyson, Jose
 Lieberman, Bernie
 Najem, Ahmad
 Nasr, Samer
 Natelson, Benjamin
 Ottenweller, John
 Padberg, Frank
 Pogach, Leonard
 Quigley, Karen
 Roy, George
 Sadeghi-Nejad, H.
 Samantra, Arun
 Sastrasinh, Sithiporn
 Servatius, Richard
 Smelson, David
 Smith, Sharon
 Strauss, Walter
 Thomas, Isabelle
 Tint, Stephen
 Vossough, Sima
 Williams, John
 Zimering, Mark

No Longer Associated with VBRI

Akgun, Suat
 Cohen, Jerald
 Dayal, Bishambar
 Ertel, Norman
 Howantiz, E
 Park, Maryann
 Salen, Gerald
 Williams, Marcus

The above listing includes PIs no longer associated with VBRI, as historical documents and projects may refer to them.

Area: General	Section: Institutional Review Board	Reference: G-4	Issued: November 18, 2002
Policy: IRB Review Fees		Page 1 of 1	Reissued: -

I PURPOSE:

IRB fees represent billings from the VA Research Department for costs incurred by the IRB in reviewing research protocols.

II APPROVAL/RESPONSIBILITIES

Generally, clauses are included in the Budget and Payments section of Clinical Study Agreements that provide for the payment, by the Sponsor, of IRB fees in the amount of \$1,500.00.

VBRI is billed by the Research Department for IRB fees, usually in the amount of \$1,500. The written agreement is reviewed to insure it provides for the pharmaceutical company to reimburse VBRI for such fees. VBRI remits a check to the VA for the billing.

IRB fees are to clear through Acct. #7125 - **IRN Review Fee**, whether they are receipts or disbursements. Prior to the payment of VA IRB fee billings, receipt records are to be reviewed to insure collection from the pharmaceutical company has been received and that the contract calls for such fees.

An IRB account exists, however, there has been no activity for the past two years.

Area: General	Section: Meetings and Conferences	Reference: G-6	Issued: April 1, 2004
Policy:		Page 1 of 2	Reissued: -

I PURPOSE:

To establish the controls and determine the procedures under which payment of funds to PIs, employees and other individuals requesting reimbursement of meetings and conferences are allowable.

II GENERAL:

Meetings, conferences, workshops, seminars, grand rounds, town halls, symposia and other similar meetings are accepted features of conducting research and education. Additionally, certain events, such as retreats and board meetings as well as fundraising and public relations, are necessary for the conduct of business. Incidental to the business purpose of such meetings, it may be appropriate to serve meals or refreshments.

Various regulations, the federal ethics standards and the statute that authorizes VBRI influence whether expenditures related to such events are appropriate for VBRI support. Consequently, in order to be considered for VBRI support by direct payment or reimbursement, VBRI has established the following policy.

III SPECIFICS

A. In order to be eligible for VBRI support, a meeting must have a documented research, education or VBRI business purpose. VBRI will not support "entertainment" expenses such as social activities, parties, ceremonial occasions or those that provide amusement.

For a **research related meeting**: A request for VBRI support must include an explicit statement about the research rationale for the event; that is, its research related purpose and how it will further VA research. Accompanying documentation should include the program, agenda or topic of discussion and a roster of attendees. When appropriate, the request should tie the meeting to an approved research project.

For an **educational program not related to research**: The education activity itself must first be approved by the VAMC Education Committee. Documentation should include an explicit statement of the purpose and how the program will further the VAMC's and/or VA's education and training mission, the agenda, program or topic of discussion, and a roster of attendees.

For **other VBRI business events**: A request must include an explicit statement of how the meeting will further VBRI's ability to facilitate research and education. Appropriate events include, but are not limited to retreats and board, annual membership and investigator meetings as well as fundraising, and public relations. Documentation should include the purpose, agenda, program or topic of discussion and a roster of attendees.

B. The types of meetings that may be eligible for VBRI support are too numerous to list and the characteristics of appropriate meetings may vary. However, factors that VBRI will consider when evaluating a meeting for support include:

Whether at least one speaker makes a presentation or presents educational instruction.

Whether there is a non-VAMC speaker and/or non-VAMC personnel are among the expected attendees.

The frequency of similar meetings that may involve the same personnel. Irregularly scheduled meetings and/or those that occur no more than monthly may be eligible for support; weekly meetings generally will not.

Whether support is requested for routine VAMC staff, committee or department meetings. Generally, VBRI will not support meal expenses for such meetings.

Area: General	Section: Meetings and Conferences	Reference: G-6	Issued: April 1, 2004
Policy:		Page 2 of 2	Reissued: -

Whether the meeting involves at least one individual who is being recruited to conduct research or education at the VAMC.

Whether the meeting lasts more than two hours or extends through a normal mealtime.

Regardless of the type of meeting, the documentation required in #1 above is a prerequisite for VBRI support.

C. Requests for VBRI support will be reviewed and approved by the individual designated by the board, generally the executive director or the executive director's designee. VBRI will provide direct payment or reimbursement for reasonable meetings costs based on submission of original receipts. In the event of disagreement, the request will be referred to a designated member of the board of directors or to the full board as appropriate.

D. VBRI encourages meeting organizers to obtain pre-approval of VBRI support for meetings. Such approval is not mandatory, but events lacking pre-approval may be denied support or may receive only partial support.

Area: General	Section: Ethical Conduct	Reference: G-7	Issued: July 1, 2004
Policy:		Page 1 of 2	Reissued: -

I PURPOSE:

To set policy determining a Code of Ethics to govern and guide the conduct of VBRI's trustees, officers, employees, PIs and others conducting research under the its auspices.

I POLICY:

VBRI board members, officers and employees are subject to Federal statutes and regulations applicable to Federal employees with respect to conduct and conflict of interest. Applicable Federal statutes and regulations include 18 U.S.C. sections 202 through 209 and Title 5, CFR part 2635.

This Code of Ethics shall be applicable to all trustees, officers, employees and others when performing functions under the auspices of or acting on behalf of VBRI.

Whenever a question arises concerning the implementation and applicability of this Code of Ethics, it is recommended that, prior to active participation, counsel be obtained from the Executive Director and that continuing questions be referred to the Board of Trustees. If such questions concern a member of the Board of Trustees, then the Executive Director shall confer with the NAVREF Executive Director to resolve the matter.

All trustees, officers, employees and others when performing functions under the authority of VBRI shall conform to the following standards:

- a. No VBRI trustee, officer or employee shall have any interest, financial or otherwise, direct or indirect, or engage in any business or transaction or professional activity which is in substantial conflict with the proper discharge of his or her duties in the public interest.
- b. No VBRI trustee, officer or employee shall use or attempt to use his or her position at VBRI to secure unwarranted privileges or advantages for himself, or others.
- c. No VBRI trustee, officer or employee shall act in his or her official capacity in any matter wherein he or she has a direct or indirect personal financial interest which may reasonably be expected to impair his or her objectivity or independence of judgment.
- d. No VBRI trustee, officer or employee shall accept any gift, favors, services or other things of value under the circumstances from which it might be reasonably inferred that such gifts, services or other thing of value was given or offered for the purpose of influencing him or her in the discharge of his or her official duties.
- f. No VBRI trustee, officer or employee shall undertake any employment of service, whether compensated or not, which might reasonably be expected to impair his or her objectivity and independence of judgment in exercise of official duties.
- g. All VBRI trustees shall be responsible for promptly disclosing to the Executive Director any conflicts of interest arising from the exercise of his/her official duties. Trustees shall be requested to sign a statement indicating their understanding that when a conflict of or potential conflict arises they will not a) participate in any action or decision involving such matter(s); b) be present during any discussion or voting of such matter(s); nor c) use any information gained through their position as Trustees in any way which conflicts with their duties and obligations as a Trustee.
- h. Individuals for whom the Code of Ethics apply, who are newly hired/appointed, shall receive a copy of the Code of Ethics during personnel processing/upon appointment and shall sign a Receipt of Code of Ethics: General Conduct Form which will be maintained in his/her personnel folder within the offices that provided the Receipt.

Area: General	Section: Ethical Conduct	Reference: G-7	Issued: July 1, 2004
Policy:		Page 1 of 2	Reissued: -

i. Any person who knows of a violation or possible violation of the Code should report such information immediately to his or her supervisor, the Executive Director or a Trustee. If the reporting person is involved in the violation, the fact that he or she reported the violation, together with the degree of cooperation by such person, will be given consideration by VBRI in any resulting disciplinary action. No one will be retaliated against because of a good faith report or because he or she cooperated with an investigation of a suspected violation. However, the submission of reports or other information in bad faith constitutes a violation of the Code.

j. All internal information concerning VBRI or its business, research studies and other matters that trustees, officers or employees are privy to is to remain confidential and should not be discussed with anyone under circumstances where it could be overheard. Written information should be appropriately safeguarded and should not be left where it may be seen by persons not entitled to the information.

k. It is a critical part of VBRI's Equal Employment Opportunity Policy that all employees have a right to work in an environment free of discrimination which includes freedom from sexual harassment. Sexual harassment can include, but is not limited to, the following conduct:

- o Any request or pressure for sexual favors where the submission or refusal thereof will have any effect on the person's employment, job assignment, wages, promotion, or any other condition of employment or future job opportunity.
- o Verbal or physical conduct of a sexual nature that is not welcomed by another employee, such as repeated sexual flirtation, advances, requests for sexual favors, innuendo, propositions, jokes or mockery, or conduct that has the purpose or effect of creating an intimidating, hostile or offensive work environment.
- o Any uninvited or unwelcome physical contact.

l. It is the policy of VBRI to afford equal opportunity to all, to discriminate against no one, to take affirmative action to promote equal employment and advancement opportunity regardless of race, color, national origin, religion, sex, age, sexual orientation, disability, veteran's status, marital status, or height or weight.

VETERANS BIO-MEDICAL RESEARCH INSTITUTE
Bi-Weekly Payroll Input Procedures - 06PP
September 15, 2004

- Time sheet (EX-5) copies are submitted by VBRI Employees (to be followed up by supervisor approved copies) by each Tuesday, following the end of each bi-weekly pay period.
- Log in on the time sheet control list, as time sheets are received
- Calculate hours worked during the bi-weekly time period into the proper categories while checking for accuracy and insert the hours in the summary section at the bottom of the time sheet.
- From the time sheet summary section, fill out the PayChex Time Sheet by employee. Place a dash in the Regular Hours column for those individuals that have no hours to report for the bi-weekly period.
- Fill in the Hours Calculation worksheet. Insure, for control purposes, the worksheet is filled out first using the hours reflected on the individual time sheets and then the hours reflected on the PayChex Time Sheet input. If variances are reflected double check your work.
- Complete a FAX transmittal form and transmit the PayChex time sheet, along with any additional forms to PayChex before 1:00PM on the Thursday subsequent to the end of the bi-weekly pay period.

VETERANS BIO-MEDICAL RESEARCH INSTITUTE
Bi-Weekly Payroll Output Procedures - 12PP
September 15, 2004

- Upon receipt of payroll make copy of checks after signing and file in binder.
- Agree the hours per the payroll register to the Excel Hours Calculation worksheet
- Insure all the adjustments, corrections, etc. requested in the transmittal have been made.
- Also make copy of 401K report for subsequent use in TIAA filing
- File all payroll data received
- Update 401K data, insuring the formulas are adjusted and total employee deductions match!
- Complete Payroll Gross/Net & print
- Complete Payroll Analysis Form, adjust for minor variances and print.
- Prepare journal entry in Excel
- Prepare online input to TIAA using 401K Submission Analysis and prepare check for signature
- Enter journal entry into QuickBooks & print copy of entry. Standard entry format can be brought up from "Lists" "Memorized Transaction List" "Payroll Entry". You must adjust the date, entry number and any amounts that changed and then "Enter".
- Record Payroll Exchange activity on Payroll Clearing Reconciliation sheet filed in Prexchange
- Record the checks written and ACH transfers into the Check Register using the Payroll Clearing Reconciliation Analysis. After doing so insure that the Payroll Exchange account balances to zero.
- Distribure checks or stubs as follows:

<u>Sailer</u>	<u>Ambrose</u>	<u>Rouse</u>	<u>Stacie</u>
Boholli	Banks	Pan	Kelly
Boone	Dziopa		
Clarino	Moralishvili		
Croft	Yuan		
Latorre			
Llorente			
Long			
McGlynn			
Owens			
Paez			
Rodrigues			
Sailer			
Schellhase			
Sigurdsson			
Turk-Martin			
Yan			

Area: Accounting	Section: Controls	Reference: AC-1	Issued: December 31, 2003
Policy:		Page 1 of 1	Reissued: -

I PURPOSE:

To safeguard the assets and reliability of financial records of the Institute.

II GENERAL:

The safeguarding of assets and the reliability of financial records are the primary objectives of internal accounting controls. Accounting controls are concerned with systems of authorization and approval, controls over assets, internal auditing and all other financial matters. Most business transactions can be broken down into four steps:

1. Requisition
2. Approval
3. Execution
4. Recording

In order to achieve effective internal accounting control, these functions should be separated, to the degree possible, so that no one person should be in a position where he or she can perform all aspects of a function. For establishing a sytem of internal accounting control, the following shouldl be considered.

1. Establish a well-defined organizational chart that clearly defines the organization's activities by function and set up a detailed chart of accounts that defines the type of items chargeable to each category.
2. Establish a sytem of controls over expenses and revenue. Financial statements should be discussed and reveiwed by the organization's management at regular meetings and Executive Director's reports discussed and approved by the Board of Trustees. Revenue and expense categories can be reviewed at that point to determine resonableness and accuracy of postings by comparisons to estimates.

Area: Accounting	Section: Cash Receipts	Reference: AC-4	Issued: December 31, 2003
Policy:		Page 1 of 1	Reissued: -

I PURPOSE:

To establish control over the receipt and deposit of cash.

II GENERAL:

An independent listing of cash receipts should be prepared before receipts are deposited into bank accounts. A duplicate copy of all bank deposits should be prepared and a third party should verify the listing against the bank receipted deposit slips. Deposits should be prepared and submitted to the bank account promptly after receipt of funds.

III PROCEDURES:

- Checks directly to admin office
- Prepare blue sheet
- Copy check
- Copy deposit ticket and related checks
- Log in on receipts ledger
- Record in QuickBooks
- Prepare deposit envelope
- File in Cash Receipts Ledger

VETERANS BIO-MEDICAL RESEARCH INSTITUTE
Cash Receipts Procedures
September 15, 2004

- Date stamp appropriate portion of material received with check
- Restrictively endorse check with rubber endorsement stamp
- Prepare Cash Receipt voucher (blue) and make copy of check while stubs are still attached
- Determine project number to which check is to be credited by reference to attachments or other material included with check.
- As appropriate, make copy of check and attachments for forwarding to PI
- Enter receipt information into Cash Receipts Excel spreadsheet (c:\finance\receivables\deposits)
- Enter deposit control number from Cash Receipts Excel spreadsheet onto Cash Receipt Voucher.
- Enter receipt information into QuickBooks (**Banking, Make Deposits**)
- Prepare deposit ticket and ATM deposit envelope
- Make copy of deposit ticket followed by checks in order they appear on the deposit ticket
- Staple all papers together with deposit ticket on top followed by check copies and then vouchers.
- File completed cash receipt package in Cash Receipts binder behind appropriate yellow control sheet
- Make deposit and file receipt on top page of deposit voucher package

Area: Accounting	Section: Chart of Accounts	Reference: AC-4	Issued: April 1, 2002
Policy: Revenue - Annotated Chart of Accounts		Page 1 of 5	Reissued: -

I PURPOSE:

To standardize procedures for the recording of financial transactions so as to better analyze and monitor the results of VBRI operations

II CATEGORIES

Revenue - The 4000 series of accounts. Used to record revenue of any nature.

Personnel Costs - The 5000 series of accounts. Used to record salaries and related personnel costs for both administration and research projects.

Administration - The 6000 series of accounts. Used to record administrative costs.

Research - The 7000 series of accounts. Used to record costs other than personnel that are charged to studies.

Equipment - The 9000 series of accounts. Used to record capital & non-capitalized equipment purchases.

III REVENUE

4110 **Project Revenue** - Grant money received from sponsors or other agencies for the purpose of funding VBRI's general research mission

4500 **Miscellaneous Receipts/Refunds** - Receipts that cannot be properly allocated to other specific revenue accounts

4810 **Interest Income** - Interest earned on our balances at PNC or Merrill Lynch

4820 **Investment Income** - The appreciation in value of our liquidated investments at Merrill Lynch

4910 **Unrealized Gain/(Loss) on Investments** - The appreciation in value of our investments at Merrill Lynch that remain unsold at year end

Area: Accounting	Section: Chart of Accounts	Reference: CA-4	Issued: April 1, 2002
Policy: Administrative Expense - Annotated Chart of Accounts		Page 2 of 5	Reissued: -

II ADMINISTRATIVE EXPENSES

- 5110 **Salaries** - Gross salaries paid VBRI employees as well as charges from DVA or UMDNJ for VBRI personnel paid by the VA or by UMDNJ on VBRI's behalf.
- 5120 **Salary Reimbursement** - Reimbursement by the DVA or other third parties for reimbursement of salaries paid to VBRI employees
- 5210 **Payroll Taxes** - Employer portion of FICA taxes and other Federal or state employee taxes
- 5300 **401K** - VBRI's matching contribution to 401K plans for those employees enrolled therein
- 5310 **Health Insurance** - Aetna employee health insurance costs
- 5315 **Health Insurance Reimbursement** - Employee payroll deductions for Aetna health insurance costs or COBRA reimbursements of terminated employees
- 6105 **Computer Equipment & Supplies** - Payments for computers and related accessories including memory chips, CDs, floppy disks, internet connections, software, etc.
- 6120 **Books, Magazines & Journals** - The cost of subscriptions and other literature
- 6140 **Conference Registration & Lodging** - The cost of attendance at conferences and the related lodging expense.
- 6175 **Consulting** - Payments to non-professional third parties for their services.
- 6200 **Office Supplies** - Consumable items such as printer & fax cartridges, paper, staples, file folders, pens, etc.
- 6250 **Postage & Shipping** - U.S. Postage, UPS and Federal Express charges
- 6267 **Website Expense** - Cost associated with the VBRI website
- 6280 **Office Equipment** - The cost of non-capitalized office equipment
- 6290 **Repairs & Maintenance** - The cost of maintaining office equipment. Includes maintenance agreements.
- 6300 **Membership Dues** - Memberships in trade, professional or business organizations necessary for trade affiliation or continuing education
- * 6320 **ARF Support** -
- 6325 **Insurance** - Premiums on general liability, D&O, Workmen's Compensation and Crime and Disability insurance.
- 6400 **Telephone** - The cost of long distance and FAX charges and monthly equipment rental
- 6500 **Meetings & Conferences** - Expenses incurred for gatherings that are held on site or that do not require overnight stays. Includes refreshments, local travel, fees for seminars, etc.
- 6510 **Travel** - Expenses usually associated with account 6140. Includes meals, transportation, tolls, taxis, per diems, parking, etc.
- 6615 **Professional Fees** - Fees paid to auditors, attorneys and other professionals of a skilled nature

6620 **Payroll Processing** - PayChex payroll processing fees

Area: Accounting	Section: Chart of Accounts	Reference: CA-4	Issued: April 1, 2002
Policy: Administrative Expense - Annotated Chart of Accounts		Page 2 of 5	Reissued: -

6625 **Outside Services** - Services that do not include consulting. Includes newspaper employment advertisements.

6650 **Penalties, Fines Judgements** - Includes credit card late fees & finance charges

6800 **All Other** - Charges not appropriately charged to any of the foregoing accounts

6900 **Bank Charges** - Bank charges for overdrafts, service fees, etc.

Area: Accounting	Section: Chart of Accounts	Reference: CA-4	Issued: April 1, 2002
Policy: Research Expense - Annotated Chart of Accounts		Page 4 of 5	Reissued: -

II PROJECT EXPENSES

- 7101 **VBRI Admin Overhead Charges** - A fee (generally 15%) applied against project revenue receipts for operation of the administrative office
- 7102 **Medical Service Overhead Charge** - Funds credited to Medical Service by Dr. Eng from a portion of his study revenue. Charged as an expense to the study receiving the funds and an offsetting credit to Medical Service.
- 7103 **Pharmacy Fee** - The fee charged to pharmaceutical companies that is passed through to the pharmacy department. Charged as an expense to the study and an offsetting credit to pharmacy.
- 7105 **Computer Equipment & Supplies** - Payments for computers and related accessories including memory chips, CDs, floppy disks, internet connections, software and related computer accessibility and Internet connections.
- 7115 **Transfer of Project Funds** - An account used for the transfer of funds from one project to another or to close out closed projects. The consolidated effect of this account should always be zero.
- 7120 **Books, magazines & journals** - Includes subscriptions and literature, reprints & abstract submissions.
- 7125 **IRB Review Fee** - Billings from the DVA for IRB Committee protocol reviews
- 7140 **Conference Registration & Lodging** - The cost of attendance at conferences and the related lodging expense.
- 7150 **Education** - The cost of seminars, courses, programs or learning devices to further one's medical knowledge
- 7175 **Consulting** - Payments to non-professional third parties for their services.
- 7185 **Patient Reimbursement** - Payments to third parties who volunteer their services for clinical studies
- * 7195 **Photo/Film/Slides/Tapes**
- 7200 **Office Supplies** - Consumable items such as printer & fax cartridges, paper, staples, file folders, pens, etc.
- * 7220 **Chemicals**
- * 7230 **Laboratory Supplies** - includes dry ice
- 7240 **Radioisotopes** - Radioactive material purchased for laboratory experiments
- 7250 **Postage & Shipping** - U.S. Postage, UPS and Federal Express charges
- 7280 **Office Equipment** - The cost of non-capitalized office equipment
- 7290 **Repairs & Maintenance** - The cost of maintaining office equipment. Includes maintenance agreements.
- 7300 **Membership Dues** - Memberships in trade, professional or business organizations necessary for affiliation or continuing education

Area: Accounting	Section: Chart of Accounts	Reference: CA-4	Issued: April 1, 2002
Policy: Research Expense - Annotated Chart of Accounts		Page 4 of 5	Reissued: -

- 7305 **Animals** - The cost of laboratory animals purchased for research
- 7310 **Animal Supplies & Maintenance** - The cost of feeding and housing laboratory animals
- 7320 **Animal Per Diem** - DVA overhead charges for operation of the Animal Research Facility
- 7325 **Insurance - Research** - Malpractice or similar insurance charges allocable to a specific study
- 7400 **Telephone** - The cost of long distance and FAX charges and monthly equipment rental
- 7500 **Meetings & Conferences** - Expenses incurred for gatherings that are held on site or that do not require overnight stays. Includes refreshments, local travel, fees for seminars, etc.
- 7510 **Travel** - Expenses usually associated with account 6140. Includes meals, transportation, tolls, taxis, per diems, parking, etc.
- 7625 **Outside Services** - Services that does not include consulting. Includes newspaper employment advertisements.
- 8100 **Credit Card Clearing** - Used to temporarily charge credit card payments so as to avoid late fees. Account should always be cleared prior to paying the subsequent month's invoice
- 9000 **VOID** - An account used for void checks. The Quick Books system requires even a void check to be charged to a specific account
- 9130 **Research Equipment** - Expendable, non-capitalized equipment used for research projects.
- 9500 **Depreciation** - The write-off over the estimated useful life of capitalized equipment
- 9501 **Capitalized Equipment** - The charge for capitalized equipment for a project. Offset by a credit to account #9502 within Administration.
- 9502 **Capitalized Equipment - Clearing** - The contra to account #9501. (see Policy AC-8)
- 9750 **Gain/(Loss) on Disposal of Fixed Assets** - The gain/loss on capitalized equipment that is sold or the proceeds of non-capitalized equipment sold.

Area: Accounting	Section: Expenditures	Reference: AC-7	Issued: December 31, 2003
Policy:		Page 1 of 1	Reissued: -

I PURPOSE:

To establish the controls and determine the procedures under which funds of VBRI are to be disbursed.

II GENERAL:

All requests for disbursement of VBRI funds are to be made on an **Authorization for Expenditure (EX-4)** form. Attached to the request should be an original invoice or other such document that details the service or product being purchased. On the Authorization itself, a justification for the expenditure as well as the project number to which it is to be charged is to be indicated. All expenditures by VBRI must be approved by an appropriate official whose peer reviewed research activity would benefit from the expenditures; or by a management of the corporation for expenditures related to VBRI business. Requests of an employee, PI or other individual for reimbursement of research related expenses are to be made on the **Expense Report (EX-2)** form.

III APPROVALS:

P.I. Signature - The PI of the project to be charged must sign the Authorization in the appropriate space.

Service or Section Chief - Expenditures greater than \$250 must have the approval of the service or section chief.

President, Vice President or Treasurer - Any expenditure greater than \$2,500 must also have the approval signature of a VBRI officer.

IV PROCEDURES:

Approved purchases and disbursements are to be filed in an easily retrievable file system, such as by check number, marked as paid with a voucher copy of each check attached to the paid invoice. Checks should be prenumbered and kept in a secure location. All checks should be completely filled out prior to being presented for signature. Voided and/or spoiled checks should be properly defaced and retained for future inspection. Two signature policies are recommended and should be properly followed. Reimbursements to employees or management should be supported by expense receipts. No personal checks should be cashed through the bank accounts.

- Voucher package
- Filing
- Recording procedure

- Prohibited Items:
- Professional licenses

Area: Accounting	Section: Capital Expenditure Accounting	Reference: AC-8	Issued: November 18, 2002
Policy: Capitalization		Page 1 of 1	Reissued: November 18, 2002

I PURPOSE:

To standardize procedures

II APPROVAL/RESPONSIBILITES

Capital purchases are to be entirely charged to Administration as well as all related depreciation costs.

So that individual projects for which capital outlays are made are appropriately charged for such expenditures, charge account #9501 (Capitalized Equipment) on the project P&L.

In Administration credit account #9502 (Capitalized Purchases - Clearing) a like amount.

This reflects the actual spending of each project while maintaining the accounting integrity of capitalized equipment and precludes charging a project with both capital spending and depreciation.

At year-end account #9501 & #9502 should offset!

Area: Accounting	Section: Expense Reporting	Reference: AC-9	Issued: December 31, 2003
Policy: Travel and Other Reimbursable Expenses		Page 1 of 2	Reissued: -

I PURPOSE:

To establish the controls and determine the procedures under which payment of funds to PIs, employees and other individuals requesting reimbursement of expenses paid on behalf of VBRI.

II GENERAL:

All requests for reimbursement of funds advanced on behalf of VBRI are to made on an **Expense Report (EX-2)** form. Attached to the Report should be original receipts (not copies) or other such document that details the service or product received. On the Report, a justification for the expenditure as well as the project number to which it is to be charged is to be indicated. See Policy G-6 for general rules covering guidelines for Meetings and Conferences.

III APPROVALS:

Requester's Signature - The signature of the individual requesting the reimbursement must be provided.

P.I. Signature - The PI of the project to be charged must sign the Authorization in the appropriate space.

President, Vice President or Treasurer - All Expense Report expenditures must also have the approval signature of a VBRI officer.

IV TRAVEL POLICY

Acceptable Travel - Travel to meetings of clinical specialty societies, research societies, national and international general clinical groups, the recognized or stated primary goals of which are to further medical knowledge, research, public health and/or education is acceptable when the proposed travel has a demonstrable research relevance. International travel must have the advance approval of the VBRI Board of Trustees.

Research Relevance - It is the responsibility of the traveler to submit adequate material to justify a primary research purpose.

Advances - No cash advances or reimbursement of transportation tickets will be made prior to the date of the actual travel. All travel expenses must be paid by the traveler and will be promptly reimbursed upon completion of approved travel. The only exception to this policy is that meeting registration fees \$300.00 and above may be requested in advance. VBRI checks for such registrations will be made out to the organization sponsoring the meeting, not the individual traveler.

Expense Maximum - A maximum not to exceed fifty dollars (\$50.00) per day will be reimbursed to cover the **actual expense** of meals and other incidental expenses. The first and last days of a trip will be reimbursed at 75% of the full rate. Receipts are required for any item over \$25.00 and actual expenses must be itemized on a daily basis.

Hotel Charges - Travelers will be reimbursed for reasonable hotel room costs as determined by the meeting site and prevailing hotel rates. Travelers are to substantiate their room rate with program material detailing prevailing rates. The original itemized bill must be submitted with the reimbursement request.

Transportation - Maximum transportation reimbursement will be limited to the direct coach fare by airplane or train. Use of private automobiles must be approved in advance by the executive director.

Ground Transportation - Ground transportation reimbursement is limited to travel to and from the city-of departure airport/train station plus parking; from airport/train station to hotel, and hotel to airport/train station. A receipt is required for parking charges. In addition, a receipt is required for all cabs over \$5.00. Once the traveler has arrived at the hotel, taxi cabs will not ordinarily be reimbursed (to go out to dinner, etc.). In certain cities, use of a rental car may be authorized, but only if approved in advance by the executive director.

Time Limit - Reimbursement for completed travel should be requested within 60 days. Requests submitted more

Area: Accounting	Section: Expense Reporting	Reference: AC-9	Issued: December 31, 2003
Policy: Travel and Other Reimbursable Expenses		Page 1 of 2	Reissued: -

than 60 days after the expense is incurred may be denied or may require additional justification and approval prior to reimbursement.

V MISCELLANEOUS REIMBURSEMENT

Policy - Since research activities occur in a dynamic environment and projecting future needs may not always be possible, investigators or their staff may purchase necessary research relevant items and may request after-the-fact reimbursement. However, every effort must be made by members to use purchase orders when feasible.

Documentation - All such requests must include adequate documentation justifying the after-the-fact reimbursement. A valid, **original** sales receipt must accompany the request.

Request Denial - Insufficient or inadequate documentation and justification of miscellaneous reimbursement requests will result in non-payment. No equipment items will be reimbursed using this mechanism.

Meetings, conferences, workshops, seminars, grand rounds, town halls, symposia and other similar meetings are accepted features of conducting research and education. Additionally, certain events, such as retreats and board meetings as well as fundraising and public relations, are necessary for the conduct of business. Incidental to the business purpose of such meetings, it may be appropriate to serve meals or refreshments.

Various regulations, the federal ethics standards and the statute that authorizes VBRI influence whether expenditures related to such events are appropriate for VBRI support. Consequently, in order to be considered for VBRI support by direct payment or reimbursement, VBRI has established the following policy.

Area: Accounting	Section: Journal Entries	Reference: AC-11	Issued: December 31, 2003
Policy:		Page 1 of 1	Reissued: -

I PURPOSE:

To establish control over non-cash entries.

II GENERAL:

Journal entries are prepared for non-cash activity recorded on the accounting records. All journal entries to be posted to the general ledger accounts are to be properly approved. Journal entries should include adequate explanation of the adjustments required and supporting documentation as appropriate.
of funds.

III PROCEDURES:

- Form
- Recording
- Filing
- Supporting documentatioin
- Numbering sequence.

Area: Accounting	Section: PI Reporting	Reference: AC-12	Issued: March 25, 2004
Policy: Quarterly Reports		Page 1 of 1	Reissued: -

Quarterly Reports are to be distributed to each PI. The reports are summary statements of receipts and disbursements of each of the PI's projects. The reports reflect monies received for the project and a distribution of the outlays against those receipts. These reports provide each PI an opportunity to review the status of each of their projects and check the accuracy of the related activity.

The reports are be distributed no later than 30 days after the end of each calendar quarter.

Area: Accounting	Section: Year End Checklist	Reference: AC-17	Issued: November 18, 2002
Policy: Transfer of Year End Balances		Page 1 of 1	Reissued: -

I PURPOSE:

To close out year end activity in individual project accounts and transfer the ending balance to the subsequent year.

II APPROVAL/RESPONSIBILITES

1. Update the Excel project worksheet for each project that has a balance at the end of the year just completed. for both dollar balances and projects that may have been neglected to be included on the worksheet during the year.
2. Prepare the year-end Profit & Loss Roll-Up for the Auditors. The total of Ending Balance must agree with the total of the project worksheet prepared in Step 1 above.
3. Prepare a journal entry in Excel
4. Record the journal entry in QuickBooks
5. Print year end project summaries and distribute to PIs

Area: Accounting	Section: NIH Reporting	Reference: AC-18	Issued: November 18, 2002
Policy:		Page 1 of 1	Reissued: June 9, 2004

Quarterly reporting is required on all NIH grants.

Procedure: For Report

1. Log on the **Internet** web site dpm.psc.gov.
2. Click on 272 Quarterly Reports
3. Click on General Report Completion Instructions
4. The sign on and pin number never change for the 272 report. Pin of 0Y62, password of 84984505. (0 = zero)
5. Click on Federal Cash Transaction Report
6. Fill in cumulative spending (no commas) in box in column E and click refresh
7. Return to 272, review and accept report after filling in name, telephone #, etc.
8. Print report, sign and fax. Also send original.

Procedure: For Cash Request

1. Log on the **Internet** web site dpm.psc.gov.
2. Click onto SmartLink Payment Request if "Available" is indicated
3. Enter User Name (DPMGATE0Y62G) and Password (asdfg:03) (0 = zero)
4. Account is 0Y62G!

Area: Clinical Trials	Section: Accounting	Reference: CT-1	Issued: November 18, 2002
Policy: Administrative Overhead		Page 1 of 1	Reissued: -

I PURPOSE:

To standardize procedures for the processing of receipts for which are to have administrative overhead charges deducted therefrom.

II APPROVAL/RESPONSIBILITES

Generally, a 15.0% administrative fee is charged for the operating expenses of the administrative office against grant receipts.

In certain circumstances, the administrative fee can be waived or be other than 15.0%, dependent on the formal agreement, nature of the receipt or other factors too numerous to list.

The gross amount of grant receipts is to be credited to the related project

Charge the project expenses 7101 (VBRI Admin Overhead Charges) and credit Administration 4001 (VBRI Admin Revenue) for the administrative overhead amount. This will reflect the accurate flow of funds to and out of the project.

For audit purposes there is to be a reclassification at year-end so as not to overstate revenue!

Area: Clinical Trials	Section: Files	Reference: CT-3	Issued: April 7, 2004
Policy: Files		Page 1 of 1	Reissued: -

I PURPOSE:

To establish a system whereby all documents and other pertinent information related to a clinical trial are assembled and filed in an orderly and complete manner.

II CONTENTS

When a clinical trial or other such agreement is in the development stage and first comes to the attention of the administrative office a project number is to be established. Project numbers are eight digits with the first four being unique to each PI and the last four being sequentially numbered as additional studies are added to a PIs inventory. Initially, the file folder will contain only memos or other notes as the CTA goes through its formative stages. Eventually, a file folder will contain the following:

- Protocol
- Draft agreements up and including the original agreement signed by both parties.
- Copies of checks received from the sponsor and any accompanying supporting documents (the original copies are to be filed with the deposit documents)
- R&D Committee approval (this is a copy of the page of the agenda referring to the study)
- Copies of invoices to sponsors
- Correspondence

These documents are to placed in the file folder in chronological order from front to back. Remember, no memo, note or other item is too insignificant to be placed in the folder. The folder should contain all papers and documents related to the study.