

## VHA GENERAL POST FUND PROCEDURES

- 1. REASON FOR ISSUE.** To provide procedural guidelines for all fiscal operational activities in the administration of the General Post Fund within the Veterans Health Administration (VHA).
- 2. SUMMARY OF CONTENTS/MAJOR CHANGES.** This Handbook is being published for the first time. It describes VHA procedures to properly maintain general post fund accounts, and it includes much of the content that was previously included in VHA Directive 4721.
- 3. RELATED DIRECTIVE.** VHA Directive 4721, and MP-4, Part V, Chapter 2.
- 4. RESPONSIBLE OFFICE.** The VHA Chief Financial Officer (17), VA Central Office, is responsible for the material contained in this Handbook. Questions may be addressed to 202-273-5602.
- 5. RESCISSIONS.** VHA Directive 4721, dated November 28, 1995, is rescinded.
- 6. RECERTIFICATION:** This VHA Handbook is scheduled for re-certification on or before the last working day of May 2012.

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## VHA GENERAL POST FUND PROCEDURES

### 1. PURPOSE

This Veterans Health Administration (VHA) Handbook prescribes administrative and fiscal procedures for handling VHA General Post Funds (GPF).

### 2. DEFINITIONS

a. **Solicited Funds.** Solicited funds are funds collected and/or donated as a result of efforts by Department of Veterans Affairs (VA) officials to make the public aware of VA's willingness to accept gifts and VA's gift needs.

b. **Allocation.** An allocation is the process by which funds are made available by management, or the budget office, for use in program or operating activities.

c. **Issuance Document.** The issuance document is prepared when gifts are recorded in the facility's accountability records stating a gift has been received, its donor, and the purpose of the gift.

d. **Members.** Members are individuals in VA care, other than medical center inpatients, such as veterans in domiciliaries, nursing homes, etc.

e. **Gift.** A gift is something given voluntarily without payment in return, as to show favor toward someone, honor an occasion, or make a gesture of assistance; present.

f. **Bequest.** A bequest is a disposition in a will.

g. **Devise.** A devise is the act of disposing of property, especially real property, by will.

h. **Donation.** A donation is an act or instance of presenting something as a gift, grant, or contribution.

### 3. RESPONSIBILITIES

a. **VHA Office of Finance (17).** The VHA Office of Finance (17) has the responsibility of providing advice and review, and recommending policy, procedures, and other requirements governing GPFs.

b. **Facility Fiscal or Finance Officer.** The facility Fiscal or Finance Officer is responsible for ensuring that the GPF accounts are maintained and operated in accordance with the procedures set forth in this Handbook.

### 4 SPECIFIC AND GENERAL DONATIONS

a. A specific or restricted donation to the GPF is any gift, bequest, devise, or donation received by a VA official for which the donor has specified that the donation be used for the

exclusive benefit of patients or members at one VA facility or for which the donor designated a specific use for the donation.

b. A general or unrestricted donation to the GPF is any remittance tendered to an official of a VA facility with no restrictions or designated uses placed on the donation by the donor.

c. The following collections, though not donations, must be handled and processed in the same manner as general donations:

(1) The proceeds of the sale of personal property left by a decedent upon premises used as a VHA facility (including contract facilities) who did not leave any survivors, next of kin, or heir, entitled under the law of their domicile, to personal property as to which the person died intestate (i.e., without a will) pursuant to Title 38 United States Code (U.S.C.) § 8501.

(2) Any monies or proceeds of the sale of personal property left by a veteran, or a dependent or a survivor of a veteran, who dies while receiving care or treatment in a Department of Veterans Affairs (VA) medical center or facility (including contract facilities) and whose property is vested in the United States pursuant to 38 U.S.C. § 8520 (see Title 38 Code of Federal Regulations (CFR) §12.19).

(3) The proceeds of the sale of unclaimed property, exclusive of Government property, found on premises under VA control pursuant to 38 U.S.C. § 8504.

(4) Any monies left or found upon any premise used as a VHA facility if the purpose or owner of the funds cannot be identified.

(5) The proceeds from the sale of GPF equipment and other property (i.e., articles of value received as a gift or bequest, or equipment and property previously purchased with GPFs).

(6) Funds of deceased patients deposited to the GPF in accordance with 38 U.S.C. § 8520, and VA Handbook 4020, Personal Funds of Patients.

d. Donations that are specific only in that they are donated for use at a specific facility but otherwise have no restrictions placed by the donor on VA's use of the funds are subject to the same rules as general donations with respect to how they may be used (see par. 12).

## 5. GENERAL POST FUND ACCOUNTS

GPF funds must be deposited and allocated to the appropriate funding accounts established by the Veterans Health Administration (VHA) Office of Finance to provide accountability in the VA financial management system of record. GPF accounts are authorized at each VA medical center, domiciliary, nursing home, and clinic. The four funding accounts are:

a. **8180(S)pecific.** This is the Fund Account for Donations to a Specific Facility or for a Specific Purpose; it was established for the distinct and separate financial reporting of restricted donations (gifts, bequests, devises, etc.) designated by donors for a specific purpose (excepting gifts designated for the National Veterans Museum) and/or a specific VA facility. This account

is also used for general donations allocated by the Secretary of Veterans Affairs to a specific station.

b. **8180(G)eneral.** This is the Fund Account for General Donations; it was established for the distinct and separate financial reporting of unrestricted donations, donations for non-VHA purposes, and interest income from Treasury investments. This account is maintained in Central Office.

c. **8180(A)llocation.** This is the Fund Allocation Account; it was established for the distinct and separate financial reporting of unrestricted funds taken from 8180G and allocated to VHA field facilities under the authority of the VA Central Office GPF Review Committee (GPFRC) (see par. 6). All allocations are designated and approved by the VA Central Office GPFRC, the Secretary of Veterans Affairs, and/or the Under Secretary for Health. Transfer of Disbursing Authority through the Automated Allotment Control System (AACS) is the medium used to allocate the funds to the field facilities. Donations received at the facility must not be recorded in the 8180A funding account.

d. **8180(M)useum.** This is the Fund Account for the National Veterans Museum; it was established for the distinct and separate financial reporting of both specific donations designated by the donor for the museum and general donations designated by the Secretary of Veterans Affairs for use in museum-related activities. This account is currently maintained in VA Central Office. VA has no plans to establish a museum; therefore, no further deposits are to be made into this account.

## **6. VA CENTRAL OFFICE GENERAL POST FUND REVIEW COMMITTEE (GPFRC)**

a. The VA Central Office GPFRC is responsible for the review of all distributions out of the 8180G funds. The Committee may also approve distributions out of 8180G funds to VHA facilities or program offices. Distributions approved by the Secretary of Veterans Affairs or the Under Secretary of Health do not require the approval of the GPFRC. 8180G funds approved for distribution are distributed to station level 8180A accounts.

b. The VA Central Office GPFRC is comprised of the VA Central Office Directors of Chaplain Service, Recreation Therapy Service, and Voluntary Service, or their designees. A VHA representative from the VHA Office of Resource Management (172) serves as a non-voting, advisory member. The GPFRC Chairperson rotates among the members on a biannual basis.

c. To ensure the VA Central Office GPFRC provides effective GPF stewardship, all VHA requests for distributions from the 8180G Fund must be routed through the CPFRC for review.

## **7. REQUESTS FOR FUNDING FROM GENERAL DONATIONS**

a. All requests for General Post Fund support from field facilities and VA Central Office program offices must be submitted in writing to VHA Office of Resource Management (172) for referral to the GPFRC. Upon approval of a request, the GPFRC Chairman directs the VHA Office of Resource Management (172) to transmit funding.

b. National Programs requesting support from the GPFRC must submit their request for funding in the upcoming fiscal year to VHA Office of Resource Management (172) by June 20. Submissions by Memo with back up spreadsheets detailing expenses, desired quarterly distribution, and justification must be signed by the National Program Director, or hosting facility Director. Notification of the disposition of requests is made by Email by the GPFRC Chairman, no later than August 31.

c. Field facilities submitting funding requests for supplemental support to the initial annual allocation must submit their request, with a justification Memo signed by the facility Director to VHA Office of Resource Management (172) . Requests received before the 10<sup>th</sup> of the month are included in the agenda of the next GPFRC meeting. The GPFRC Chairman notifies the field site facility Director of the GPFRC decision.

d. A special request that occurs during the fiscal year follows the same guidelines as supplemental support.

e. **Distribution of Funds.** The GPFRC Chairman directs the VHA Office of Resource Management (172) to transmit funding approved by the committee. The AACS issues a Transmission of Disbursing Authority (TDA) to the applicable program at undistributed level.

(1) Funding in support of the Initial Annual Allocation, supplemental to the Annual Allocation or special requests is allocated in 8180A

(2) Funding in support of National Programs is allocated to the field in 8180A, after unique subaccounts are created within the facility 8180A account. The VHA Office of Resource Management (172) provides any facility receiving such funds with the standardized accounting classification codes for these subaccounts prior to transmittal of the funding.

## **8. GENERAL POST FUND OPERATING LEDGER**

a. The maintenance of subsidiary ledgers covering GPFs is the responsibility of the accounting activity.

b. The subsidiary accounts in the operating ledger are maintained in accordance with VA Directive and Handbook 4520. The accounting section for each facility in receipt of GPFs is required to maintain separate and perpetual subsidiary ledgers for each fund account. Individual subsidiary ledgers are to be established and maintained for each 8180(S) fund account and each 8180(A) fund account.

c. At the end of each month, subsidiary accounts must be reconciled to all respective controlling accounts within the general ledger. Inaccuracies and discrepancies will be corrected promptly.

d. Separate ledger cards must be established for each capital improvement project authorized by VA Central Office for which funds are received.

e. Separate accounts will be established and maintained for the 8180A VA Central Office's allocation account. This account receives all funding from VA Central Office. No donations may be journalized to these accounts. VA Central Office uses this account for two purposes: to allocate unrestricted funds to field facilities that may be used as the facility Director, or designee, deems best (the annual allocation); and to allocate funds for National Program activities, such as sporting and cultural events. Facilities must use the standardized accounting classification codes communicated by VA Central Office along with each distribution of National Program funds.

f. One general purpose account (8180G) must be established and maintained for those donations defined in subparagraph 5b.

g. At the end of each accounting month, subsidiary accounts must be totaled and the total reconciled with the balances in appropriate general ledger accounts. Any inaccuracies or discrepancies must be corrected promptly. A listing or adding-machine tape of the subsidiary ledger totals must be made as of the end of each fiscal year and retained for audit purposes.

h. A memorandum account must be established on VA Form 10-1083, Patient's Account, for each deceased patient's Personal Funds of Patients Account, or the proceeds from the disposition of other personal property that has been credited to the GPF.

(1) The memorandum account form will show the deceased patient's name, social security number (SSN), date of death, the source and amount of each credit to the general post fund, and any other information that may be useful in processing a subsequent claim against the account.

(2) The amount must be recorded by posting the applicable information in the "Date," "Reference," "Deposit," and "Balance" columns of the form.

(a) In the case of a deposit, the number of the receipt, VA Form 4-1027, Field Service Receipt-General, must be posted in the "Reference" column. Immediately below the entry a statement is to be recorded to the effect: "Deposited (Transferred) to General Post Fund, Central Office Restricted Account by Journal Voucher number \_\_\_\_\_ date \_\_\_\_\_."

(b) The facility Fiscal or Finance Officer, or designee, must sign the statement.

(c) Additional entries must be recorded in the same manner.

(3) When reasonably certain that all deposits and transfers to the GPF have been accomplished for the deceased patient, the VA Form 10-1083 or the computer generated running balance document is forwarded to the appropriate regional office to be filed in the veteran's benefit file.

i. The VA Office of Deputy Assistant Secretary for Administration (03) is responsible for maintaining and reconciling the Museum fund (8180M). The maintenance of subsidiary ledgers covering this fund is the responsibility of the VA Central Office accounting activity.

## 9. COLLECTIONS

a. All remittances received as donations to the GPF must be immediately deposited at the field facility receiving the donation. In VA Central Office, the Under Secretary of Health or designee is authorized to accept gifts and donations for the benefit of patients or for the benefit of a medical center, domiciliary, nursing home or outpatient clinic.

b. Field service receipts covering remittances for deposit to the GPF account must clearly indicate the name of the donor, purpose of donation, and any specific limitation, restriction, or identification required on items authorized for purchase from such funds, including identification as specific or general donation. All collections for credit to the general post fund must be scheduled on Standard Form (SF) 215, Deposit Ticket. With the exception of refunds, overpayment, erroneous payments and deposits on containers, which are deposited to 36X8180, all collections to the credit of the GPF must be deposited on an SF 215, under the identifying symbol 36X8180.1.

c. The Budget Clearing Account (Suspense) VA, 36F3875, should not contain GPF donations. Any GPF money currently accounted for in suspense account 36F3875 must be transferred to the GPF and credited to account 36X81 80.1.

d. The availability of GPF collections for disbursement purposes is determined in accordance with the type of donation:

(1) **Specific Donations.** Subject to the deferred credit period required for clearance of personal checks, a specific donation becomes immediately available for expenditure at the field facility receiving the remittance.

(2) **General Donations.** General donations are deposited or transferred to the 8180G account (Disbursing Authority – General Donations for Central Office-Restricted Account). All deposits and transfers to this account must be identified on collection documents, journal vouchers, and SF 224, Statement of Transactions, as 36X8180.1. Field facilities are not to disburse from 8180G under any circumstances.

## 10. DISBURSING AUTHORITY

VHA utilizes the AACS as the medium through which authority to expend GPFs is granted to field facilities. Funds are disbursed to the field in the 8180A account. The documents must indicate the amounts made available, any special purpose or restriction on the use of the funds, as well as the accounting classification codes to be used for National Program allocations. All funds for national events and programs must be deposited to a 97 series account according to instructions from the office of Finance (173A2) before the disbursement.



## 11. GIFTS AND DONATIONS

*NOTE: For purposes of this Handbook, the term “gift” includes donated money, devises, and bequests.*

### a. Accepting Gifts and Donations

(1) In accordance with Title 38 U.S.C. 8301, the Secretary of Veterans Affairs may accept gifts, for use in carrying out all laws administered by VA, which enhance the Secretary's ability to provide services and benefits to the veteran.

(2) VHA officials listed in the following paragraphs may not accept gifts and donations unless this Handbook authorizes both the acceptance of the gift or donation and the expenditure of the gift or donation for the purpose designated by the donor.

(a) No gift may be accepted or used for a purpose that is neither authorized by law nor directly beneficial to VA patients while receiving care from VA.

(b) If the designated purpose is not specifically authorized or prohibited by this Handbook or Directive 4721, or if there is a question as to whether the designated purpose meets these general guidelines, the official considering acceptance of the gift or donation must consult the VHA Office of Resource Management (172) to determine if the gift or donation is acceptable.

(3) The Under Secretary for Health, or designee, is authorized to accept gifts for the benefit of patients and members of VA medical facilities, and for the benefit of one or more medical centers, domiciliaries, nursing homes, or clinics. The Under Secretary for Health, or designee (including the GPFRC), must authorize all transfers or allocations to VHA field facilities.

(4) Other VHA officials authorized to accept gifts include:

(a) Veterans Integrated Service Network (VISN) and facility Directors are authorized to accept gifts for the benefit of patients at their VISN or facility and for the general benefit of their network, medical center, hospital, domiciliary, nursing home, or clinic.

(b) The Chief Learning Officer is authorized to accept, for use in carrying out all laws, regulations, and VHA policies administered by the Employee Education System (EES), gifts which enhance its ability to provide services for VHA. This authority may not be redelegated.

(c) The Chief Chaplain Service at each facility is authorized to accept gifts for the benefit of the religious needs of patients and to support all Chaplain Service activities at the facility (see M-2, Pt. II, Ch. 5). This authority may not be redelegated.

(d) The Chief of Voluntary Service (CVS), at each VA facility is authorized to accept gifts that benefit the facility and its patients. This authority may not be redelegated. The CVS is not authorized to accept gifts for research and education purposes.

(e) The Chief Consultant, Public Health Strategic Health Care Group (13B) is authorized to accept gifts designated by the donor for carrying out VHA policies administered by this Group.

(f) For guidance on the proper handling of donations for research purposes (see VHA Handbook 1200.2) and for guidance on the proper handling of donations for research education purposes (see Manual M-8, Pt. V, Ch. 5) refer to current VHA policy.

(5) Any offers of gifts to VA received by VHA officials which are not acceptable under the preceding subparagraph 11a(4) must be forwarded through the appropriate organizational channels to the VA Central Office GPFRC for submission to the Under Secretary for Health. VHA officials may not accept non-VHA gifts. Gifts given through VHA officials for non-VHA purposes must be directed to the VA Central Office GPFRC.

(6) VHA officials are not to accept gifts in return for VA endorsements of or testimonials for any product or commercial line of endeavor (see 5 CFR 2635.702(c)).

(7) If a donor does not intend to relinquish all control over the future use of the donated property, the donor's intent must be set forth in a gift agreement to which the VA accepting official(s) agrees. For example, with a gift agreement, a VA accepting official may accept temporary use of personal property for a set period without charge to VA.

(8) Devises or bequests, if administratively acceptable, must be referred to the appropriate Regional Counsel to determine legal acceptability. Certain legal principles may be involved in making replies to individuals who indicate a desire to include a devise or bequest to VA in their wills. No commitments are to be made until a legal opinion has been obtained from the Regional Counsel.

#### **b. Return of Gifts**

(1) Property donated by the American Red Cross which becomes surplus to the needs of VA, may be subsequently disposed as prescribed in the Federal Property Management Regulations, 41 CFR Subpart 101-44.6.

(2) A donor's instructions concerning the use of a special purpose gift must be carried out to the extent they are proper, practicable, and not in violation of VA policies. If a gift cannot be accepted because the facility cannot fulfill the purpose specified by the donor, the facility may ask the donor to permit the funds to be used for another purpose. Otherwise, the gift must be returned to the donor.

(3) VA accepting officials may decide to reject gift offers for any reason including because there is no anticipated need or the maintenance of the item is out of proportion to its value.

(4) Gifts of money are not be accepted if the donor stipulates that the purpose would be for making loans to, or on behalf of, patients or incurring any "conditional" expenditure.

c. **Letters of Acceptance and Non-acceptance**

(1) Facility Directors, or their designees, must express their appreciation in writing for any accepted gift.

(a) Any gift not accepted must be gratefully acknowledged and the acknowledgement may indicate the reason(s) for non-acceptance if deemed appropriate.

(b) If a specific purpose gift cannot be accepted because the facility cannot fulfill the purpose specified by the donor, the facility may ask the donor to release the funds to use for another purpose.

(c) Small gifts may be acknowledged by a letter with a facsimile signature or by a key staff person authorized by the Director.

(2) Donations to the GPF are tax deductible. The Internal Revenue Service (IRS) has special rules regarding the tax deductibility of contributions of \$250 or more. To assist donors in complying with these rules, all letters of acceptance for contributions must contain the following:

(a) The amount of cash and/or description (but not value) of any other property contributed and

(b) A statement that no goods or services were provided by VA in return for the contribution. This statement is necessary because VA does not have the authority to provide donors with goods or services in exchange for contributions. If it is believed that VA provided the donor with goods or services in exchange for the contribution, the Regional Counsel, or the VA General Counsel, needs to be contacted for further instructions prior to signing a letter of acceptance.

d. **Disposition of Donations.** Monetary donations must be turned over to the agent cashier immediately, or as soon as practicable, if received during non-duty hours, and deposited to the GPF account. Outside accounts (e.g., banks or credit union accounts) may not be used to maintain GPF funds.

(1) An employee accepting a cash donation must prepare, in duplicate, a VA Form 10-2815, Temporary Receipt for Funds. The original must be given to the donor and a copy delivered with the cash donation to the agent cashier. If the agent cashier is unavailable, a copy of the original VA Form 10-2815 and the donation must be locked in a safe until the funds can be turned over to the agent cashier. **NOTE:** *For the proper disposition of mailed donations, reference VA Handbook 4010, Agent Cashier Procedures.*

(2) Donation checks for Veterans Canteen Service (VCS) coupon books erroneously made payable to the VCS must be endorsed: “payable to VA by the VCS for deposit to the GPF.”

e. **Inscription on Gifts.** Donors may be recognized with a suitable inscription on the gift. However, in no case will the inscription, whether by specific language or by implication, give the impression that the gift is owned by, or the donor controls further use of the gift.

(1) The size and design of any tablet, plaque, etc., containing an inscription or acknowledgment must coincide with the general nature and design of the gift.

(2) The VA facility is authorized to furnish the identifying plaque.

f. **Medical Equipment.** Acceptance of medical equipment donations is limited to comparable equipment normally supplied for standard use in VA facilities. The Under Secretary of Health and the VISN Directors are the only VHA officials authorized to accept the donation of medical equipment items. All equipment must be subject to an incoming inspection pursuant to the requirements of the Joint Commission on Accreditation of Healthcare Organizations (JCAHO) before the equipment is made available for patient care deployment.

g. **Supplies and Equipment.** Gifts of supplies and equipment (other than medical equipment) normally obtained through routine VA acquisition processes may be accepted to the extent the donations fall within the established stock levels for the facility. Larger quantities may be accepted only if other VA facility or facilities agree to use the donated items, the items are within their established stock level, and the other facility or facilities agree to pay any associated shipping charges.

h. **Real Estate or Construction.** Gifts or donations for the purpose of acquiring, constructing, or altering VA medical facilities, including leased facilities, cannot be accepted under the GPF authority. They must be accepted under 38 U.S.C. Sections 8103(a)(2) or 8104(e). The Secretary of Veterans Affairs has not delegated this authority. If there is any doubt as to whether or not a project is subject to this restriction, guidance needs to be requested from the regional counsel. Offers of such gifts received by VHA officials must be forwarded to the VA Central Office GPFRC (173A). The GPFRC submits the request with recommendations to the Under Secretary for Health for possible submission to the Secretary of Veterans Affairs, after receiving General Counsel concurrence. Facility requests for approval of construction work exceeding \$25,000 must be accompanied by the application from the VISN Service Support Center (VSSC) database for minor and Non-recurring Maintenance (NRM) projects. The request must include the amount of the offered donation, as well as the facility's estimate of the actual cost of construction. The Secretary of Veterans Affairs must approve all proposals to use money already deposited in the GPF for acquiring, constructing, or altering VA medical facilities.

i. **Recording of Donated Items**

(1) Within 5 workdays of accepting a non-monetary gift, the Finance Office needs to obtain the assistance of Acquisition and Material Management Service (A&MMS), or other services as appropriate, to ensure a proper valuation of the donated gift is determined. The valuation must be included in the GPF records. A&MMS is to be furnished with:

(a) A copy of the letter of acceptance,

(b) A listing of the gifts, and

(c) An explanation of any restrictions placed on the gift by the donor.

(2) This information (subpar. 11i(1)) must be used to record the gifts in the facility's accountability records and to prepare the necessary issuance document.

(3) Expendable items donated directly to the using service (if authorized to accept the donation) are not normally recorded in the accountability records.

(a) Expendable property by definition is that property valued at less than \$300 and with a useful life of less than 2 years.

(b) Consult A&MMS with questions about expendable versus nonexpendable items.

j. **Soliciting Contributions.** VHA officials who are delegated authority to accept gifts may:

(1) Take action to raise the public's awareness of VHA's willingness to accept gifts and the productive use of GPF gifts; and

(2) Communicate VHA gift needs to potential donors. *NOTE: These VHA officials may delegate their authority to solicit gifts to other VHA management employees.*

k. **VA Employee Travel**

(1) **Official Travel to Attend a Meeting or similar Function.** See the VA Employee Travel Management Manual (currently, MP-1, Pt. II, Ch. 2, subpar. 3j) for VA policy on VA employees accepting gifts for official travel to attend a meeting or similar function. *NOTE: "Meeting or similar function" is defined at 41 CFR § 304-1.2(c)(3).*

(2) **Travel to Other Than a Meeting or Similar function.** For support of official travel other than to a meeting or similar function, authorized VHA officials may accept gifts to VA for official travel to conduct Government business, but only for attendance at, or participation in, an event relating to the employee's official duties and only if the gifts are:

(a) In compliance with the designated purpose of the donor (if the donation is designated for a research or education project only that portion identified by the donor as appropriate for travel by VA staff may be used for travel).

(b) For conducting Veterans' National VA Rehabilitation Special events, or otherwise for the direct benefit of VA patients or members (e.g., travel accompanying a patient).

l. **Liquidation of Donated Property Not Needed for VA Purposes.** In accordance with 38 CFR 12.22, any assets consisting of personal property accruing to the GPF, including stocks, bonds, and similar instruments, must be sold or otherwise converted to cash. Any such property received as general or specific donations must be redeemed in accordance with M-1, Part I, Chapter 14, subparagraph 14.73c. *NOTE: Although this manual provision addresses assets*

*accruing to the GPF in cases when veterans die in VA facilities without heirs or next of kin, these procedures also apply when property is donated to VA. Any donated real property accepted by a VHA official, but not needed for VA purposes, must be sold, but only the Secretary of Veterans Affairs may sign the deed, unless the Secretary of Veterans Affairs has delegated that authority.*

m. **Miscellaneous**

(1) Prospective donors expressing an interest in donating gifts to a new facility under construction need to be encouraged to wait until the facility is operational.

(2) Gifts or donations for support of research in a facility may be accepted under conditions outlined in VHA Handbook 1200.2.

(3) Gifts or donations for support of education activities in a facility may be accepted under conditions outlined in M-8, Part I, Chapter 1, Paragraph 1.07.

## 12. EXPENDITURES

a. **General.** All GPF related expenditures incurred must comply with established VA financial policy and procedures. No gift may be used for a purpose that is not either authorized by law or directly beneficial to VA patients while receiving care from VA.

(1) GPF funds may be used to purchase items to be blessed or consecrated for use in serving the religious needs of veteran patients of a particular faith group or denomination. These items remain under the custody of the chaplain of the particular faith group or denomination for the purposes of appropriate use, and at the end of their useful life, for appropriate disposal.

(2) GPF accounts are not to be used for the acquisition, construction, renovation, expansion, alteration, or repair of VA medical facilities and space used to provide care and treatment except with the Secretary of Veterans Affairs' approval as noted in subparagraph 11h.

(3) GPF expenditures incurred for the sole benefit of individual patients, such as travel and lodging expense of visiting families, telephone calls, or other similar purposes are authorized.

(4) GPF expenditures of specific donations for food, refreshments, and entertainment incurred for dedication ceremonies, rededication ceremonies, groundbreakings, and building anniversaries are authorized (unrestricted donated funds may be used only if approved by the Under Secretary for Health, see following subpar. 12d(3)).

(5) GPF funds may not be used to purchase items for resale.

(6) GPF funds may not be given to a Veterans Service Organization (VSO) or other non-VA entity unless these funds are used to pay for services provided under a contract with the entity.  
*NOTE: Expenditures under the contract must be for a purpose authorized under this Handbook.*

b. **Explanation of Restricted Versus Unrestricted Funds.** The terms "restricted" and "unrestricted" refer to the presence or lack of restrictions placed on the funds by the donor. The

terms can be confusing in that restricted funds may often be expended on events, services, and items for which unrestricted funds cannot be used.

(1) Unrestricted funds are primarily available only for expenditures that directly benefit patients or members (with some notable exceptions).

(2) Restricted funds are available for many expenditures that do not directly benefit patients or members if the donor has so designated the funds. Donations that are restricted by the donor may be expended for a donor-designated purpose that could not be funded with unrestricted donations.

(a) Restricted donations are always to be documented with written instructions from the donor specifying the purpose for which the donation has been made, and originals or copies of this documentation is to be maintained by the fiscal activity because this documentation is required for fiscal reviews and audits. **NOTE:** If this documentation cannot be obtained, consult with the Regional Counsel or VHA Office of Resource Management (172) to determine if the donation can be accepted.

(b) Donations that are restricted by the donor only in that they are given to one or more specific facilities, but otherwise have no restrictions placed by the donor are treated as general donations for the purpose of determining how they may be used.

c. **Expenditures using Restricted Donations.** VHA officials who have been delegated the authority to accept donations may authorize expenditures of restricted donations for the purposes designated by the donor if the expenditure is for a purpose for which the official is authorized to accept gifts (see subpar. 11a).

(1) Money designated for VA Voluntary Service (VAVS) Committee purposes may be used to pay for recognition ceremonies attended by VA volunteers.

(2) Separate accounts for major faith groups must be established to receive and expend funds from chapel offerings.

d. **Expenditures using Unrestricted Donations (includes donations specific to one or more facilities that otherwise have no restrictions placed on them by the donor).** VHA officials with delegated authority to accept gifts may authorize expenditures of unrestricted money allocated to their service, facility, or VISN if the expenditure is for the benefit of patients or members who are being supplied care or treatment by VA in any medical facility. The medical facility treating the VA patient does not have to be under VA's direct administrative control.

(1) Unrestricted money may not be used for expenditures incurred in the care and treatment of a patient in a VA medical facility, or to purchase, maintain, or repair equipment used to provide care and treatment.

(2) Unrestricted money may not be used to reimburse the salary or contract costs of medical care providers.

(3) Unrestricted money may be used to purchase food and/or refreshments at ceremonies, receptions, and similar activities that benefit patients or members. The following activities benefit patients or members.

(a) Recognition ceremonies for VAVS volunteers,

(b) VA-Very Special Arts Program receptions and festivals, and

(c) Receptions at the VA National Veterans Recreation Therapy Events. Only the Secretary of Veterans Affairs or the Under Secretary for Health may approve the use of unrestricted funds to purchase food and/or refreshments at other activities that do not involve the direct participation of patients or members.

(4) The facility Directors and staff are required to adhere to VHA's policy that unrestricted GPF funds are to be used only for the direct benefit of patients or members receiving care or treatment from VHA.

(5) The following are some examples of prohibited GPF expenditures using unrestricted funds:

(a) Dues for memberships in professional organizations,

(b) Advertisements for employee recruitment, and

(c) Employee activities except for recognition ceremonies for VAVS volunteers.

e. **Approval of Expenditures.** Except for funds designated for the religious needs of patients and for the Chaplain Service, all withdrawals must be approved by the Facility Director, or designee, and recorded as an obligation on the subsidiary ledger prior to the release of purchase documents or the expenditure of cash. This approval must be indicated on the purchase order document, or by a memorandum attached to the purchase order document.

f. **Personal Services Prohibited.** No direct expenditures are to be made from the GPF for personal service costs. Where personal services are required to accomplish the purposes specified by the donor, the appropriation from which the employee is paid is to be reimbursed from the GPF.

g. **Obligation and Posting Procedures**

(1) The electronic purchase order must be forwarded to the individual responsible for maintaining the applicable GPF account. This individual must verify the availability of funds and provide authorization to make the purchase. The expenditure must be immediately recorded in the GPF subsidiary ledger. The electronic purchase order must be approved by the responsible party and returned to the procurement office. The pending obligation file must be reviewed frequently and follow-up action taken when indicated.



(2) Cash payments from the GPF using Imprest Fund expenditures may be made. All expenditures of this type must be approved as indicated in the preceding subparagraph 12g(1). The document providing the authorization for the purchase serves as the obligating instrument.

(3) Advances to Social Workers from the General Post Fund:

(a) When specific donations are received for making payments to, or for, veterans for travel of visiting families, telephone calls, etc., a cash advance may be made to a designated social worker on behalf of the veteran. This social worker must be designated in writing, by name and title, by the Facility Director to receive and disburse such funds.

1. The maximum advance to each employee will be \$50.00.

2. These funds may not be deposited in personal bank accounts or commingled with personal funds, and must be properly safeguarded against theft.

3. Only the employee receiving the advance can disburse the funds.

*NOTE: Unannounced verification of outstanding advances will be made in connection with the audit of the agent cashier funds per VA Handbook 4010.*

(b) A memorandum requesting the cash advance is prepared in duplicate and must cite the authority for the advance, the purpose, and the specific account from which the advance is to be made. The memorandum must be approved by the facility Director, or designee, and forwarded to the fiscal activity for obligation. A copy must be retained for obligation control purposes and the original forwarded to the agent cashier authorizing the cash advance.

1. The social worker must follow agent cashier policy and procedures and acknowledge receipt of the advance with the social worker's signature.

2. An accounting of each cash advance is made as additional funds are required and at least once per quarter.

3. Receipts and remaining cash must be returned to the agent cashier in exchange for the receipted memorandum. The agent cashier notes the obligation copy of the memorandum to show that the remaining cash was returned, and that the replenishment voucher is posted as a withdrawal and the obligation liquidated.

### **13. ACCOUNTING FOR DONATED ARTICLES AND ITEMS PURCHASED WITH GENERAL POST FUNDS**

a. **GPF Trust Expendable Supplies.** Expendable items placed in stock that were donated or purchased from GPFs must be recorded in the trust supplies inventory control account. Office of Acquisition and Materiel Management (OA&MM) perpetual inventory records is the subsidiary to this account.

b. **GPF Trust Equipment.** Donated items of nonexpendable equipment, excluding items received from other governmental agencies without cost, and nonexpendable equipment purchased from GPFs, must be recorded in the equipment control account.

c. **Property Pending Disposal (Trust).** The value of materials, supplies, and equipment purchased with GPFs and/or donated, which are on hand pending sale, transfer, salvage, destruction, etc. must be recorded in the property pending disposal (trust) inventory control account. Balances in this account control the subsidiary records maintained by OA&MM. Proceeds from the sale of such property must be deposited as general donations to the GPF unless the donor originally specified otherwise.

d. **GPF Supplies (Expendable).** Expendable items purchased from GPFs and upon receipt issued immediately to patients, members, or others must be recorded as a credit to the accounts payable account and a debit to an expense account. Expendable items that are donated and issued immediately to patients, members, or using divisions must be recorded as an operating expense.

e. **GPF Building Service Equipment and Real Property**

(1) Donated land, buildings and building service equipment are not to be recorded in the GPF, but must be recorded in the Assets and Miscellaneous Accounts Fund (AMAF) series of general ledger accounts.

(2) Land, buildings, and building service equipment purchased with GPFs must be recorded in the work-in-process account and, when the project is complete, capitalized in the AMAF series of general ledger accounts.

f. **GPF Non-Government Securities.** Non-government securities donated to the GPF must be recorded at the market or appraised value at the time of acquisition.

#### 14. RESIDUAL FUNDS

a. When funds donated for a specific purpose are expended to the extent that further execution of the purpose specified is impractical, residual balances must be transferred to the general purpose account (8180G) using a Official Form (OF) 1017-G, Journal Voucher, to record the entries. Where the residual balance is \$100 or more, reasonable effort must be made to contact the donor and obtain approval to transfer the residual balance. Without such approval, the balance must be refunded to the donor.

b. Residual balances of funds allocated by VA Central Office in 8180A for a National Program event, or other specific purpose, normally are returned to VHA Central Office. To accomplish this, the fiscal activity must transfer the residual balance from the designated Accounting Classification Code (ACC) to the budgetary level that allows VHA Central Office to withdraw the funds (the “undistributed” line in the Financial Management System (FMS)).

(1) Facilities must notify VHA Office of Resource Management (172) by Email of amounts available for withdrawal (contact VHA Office of Resource Management (172) for email address in use at time).

(2) Facilities may request by Email, or written memorandum, that VHA Office of Resource Management (172) grant permission to transfer the funds directly to another field station for use in funding the same event in the future.

## 15. INACTIVE BALANCES

When funds remain on hand for a period in excess of 1 year in an inactive status, local administrative determination is to be made as to the need of and/or the feasibility of expending funds for the purpose specified by the donor. If such determination is negative, the donor is to be contacted for approval to transfer the funds to the general purpose account. If the donor is not agreeable to the transfer, the funds must be returned to the donor with an appropriate letter of explanation. A OF 1017-G must support transfers to the general purpose account. In the event that a donor cannot be contacted, the funds must be moved to the general purpose account (8180G). VHA Office of Resource Management (172) must be notified by Email of any such amounts transferred to 8180G.

## 16. TRANSITIONAL HOUSING PROGRAM

Allocation of GPF monies to the VA Transitional Housing Program is not mandatory and is therefore subject to the approval of the GPF Review Committee.

## 17. VA VOLUNTARY SERVICE (VAVS) COMMITTEE

a. VAVS promotes and coordinates volunteer activities within the VA health care community as authorized by VHA policy and Title 38 U.S.C., Section 513.

b. Fiscal Service at each VA medical facility must establish at the request of the Chief, Voluntary Service, VAVS Committee 8180A and 8180S GPF accounts. Treasurers of VAVS Committees, with the concurrence of their Chief, Voluntary Service, may request the withdrawal of funds from their VAVS Committee GPF account. VAVS Committees may not use any other outside accounts for the deposit and maintenance of donated funds (e.g., bank or credit union accounts).

c. Funds deposited in the VAVS Committee GPF Accounts may be used to provide support for programs or activities that assist in carrying out the business of the local VAVS Committee, unless the donor designates a specific use for the funds. Some examples are:

(1) Gifts distributed to patients on National Salute to Hospitalized Veterans Day, Memorial Day, National Prisoners of War and/or Missing in Action Recognition Day, Veterans Day, Armed Forces Day, Christmas, and other special days.

(2) Canteen coupon books and personal-care items for patients. **NOTE:** *Instructions for the control of canteen coupon books are contained in M-1, Part I.*

(3) Refreshments served during VAVS activities and other VA medical facility special events when patients are invited.

(4) Support for VAVS volunteer recognition awards and ceremonies.

(5) Support for patients attending the National Events.

(6) Support for VAVS youth volunteer recognition.

(7) Support for the Annual VAVS National Advisory Committee meeting.

## 18. INVESTING THE GENERAL POST FUND TRUST FUND BALANCE

a. The GPF is a Federal trust fund authorized by 31 U.S.C., Section 1321. Department of the Treasury policy requires Federal trust funds to invest in non-marketable, “special” securities that are created and made available exclusively to the Federal Trust and other funds. All of these investment options pay interest semi-annually and have maturity dates ranging from 1 month to 30 years.

b. The VA Office of Financial Policy, Management, and Financial Reports Service, must notify the VHA Chief Finance Office (CFO) monthly of the cash balance in the 8180 account. The cash balance is analyzed for potential investment in light of future funding requirements, approaching maturities of current investments and other factors impacting the cash balance. The VHA CFO may delegate this authority to a VHA Associate CFO; this authority may not be redelegated. The VHA Office of Finance directs the Department of the Treasury to allocate the GPF investments according to the instructions from the VHA CFO.

c. The entire cash balance must not be invested. A sufficient cash reserve must remain available to meet current operating needs of the GPF (i.e., to liquidate obligations as required). Historically, \$1.5 to \$2 million of the cash balance is not invested, when a security matures and surplus cash must be reinvested. This range for the cash reserve has always proven sufficient; however, the VHA CFO must adjust this amount if future fund activity necessitates a larger cash balance.

d. The investment strategy seeks to optimize interest income to fund operations and events supported by the GPF while guarding against the dual risks of future interest rate changes and future cash requirements. Income is maximized by investing in longer-term maturities that pay higher-interest rates. A balance must be maintained between longer-term and shorter-term investments, such that at least one-half or more of all the investments must mature within every 6-month period.

e. In general, and especially when the availability of GPF monies may be insufficient to fund typical outlays within the ensuing 2 years, investments that require a significant premium are to be avoided because the premium can not be recouped until the investment matures. Care needs to be taken to avoid large interest pre-payments, if there is deemed to be any possibility of a cash shortage before the next semi-annual interest payment is made on that investment by the

Department of the Treasury (interest pre-payments are recouped with the first semi-annual interest payment).

f. The preceding thresholds for cash reserves, interest payments due within every 6 month period and securities maturing within every 6-month period have been set based on historical operations of the GPF. These threshold amounts may need to be reviewed and adjusted, if future fund operations vary significantly from historical operations.

*NOTE: More information about investing trust fund monies can be found in the Department of the Treasury Operating Circular – Responsibilities Relating to Government Investment Accounts and Investing in Government Account Series Treasury Securities at:*

[http://www.treasurydirect.gov/govt/apps/fip/fip\\_fedinvest.htm](http://www.treasurydirect.gov/govt/apps/fip/fip_fedinvest.htm)

## 19. REFERENCES

- a. Title 31 U.S.C., Section 1321
- b. Title 38 U.S.C., Sections 8103 and 8104, Chapters 83 and 85.
- c. Title 38 CFR, Part 12.
- d. Title 41 CFR, Part 304.
- e. Title 41, USC, Chapter 101.
- f. VA Directive and Handbook 0631.1).
- g. VA Directive and Handbook 4520).
- h. M-1, Part I, Chapter 14.
- i. M-2, Part II, Chapter 5.
- j. VHA Directive 1200.2).
- k. M-8, Part V, Chapter 5.
- l. VA Directive and Handbook 4010.