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GRANT POLICY MANUAL

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Replaces NSF 88-47

NATIONAL SCIENCE FOUNDATION  
Arlington, Virginia 22230  
July 1995  
(introduction)

This Grant Policy Manual (GPM) is a compendium of basic NSF policies and procedures for use by the grantee community and NSF staff. Its coverage includes the NSF award process, from issuance and administration of an award through closeout.

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Guidance regarding other grant requirements or considerations which either are not universally applicable or which do not follow the award cycle is also provided. The GPM does not address differences between paper and electronic processing of requests, information, etc. As new electronic initiatives are implemented which change or alter existing guidance, updates will be issued to incorporate these new policies or procedures.

The Manual is available by subscription from the Superintendent of Documents, Government Printing Office(GPO), Washington,DC 20402 or (202) 512-1800. GPO subscription prices and terms are subject to change without notice.

The GPM and other referenced NSF issuances are also available through the NSF Science and Technology Information System (STIS). STIS is an electronic dissemination system that provides fast, easy access to NSF publications. For additional information on STIS contact: (e-mail) stis@nsf.gov (Internet); phone: (703) 306-0214 (voice mail); and TDD (Telephonic Device for the Deaf) (703) 306-0090.

General information about NSF programs may be found in the NSF Guide to Programs. Additional information about special requirements of individual NSF programs may be obtained from the appropriate Foundation program offices. Information about program deadlines and target dates for proposals appears in the NSF Bulletin, issued monthly except July and August and in individual program announcements and solicitations.

Guidelines detailing the NSF proposal preparation process may be found in the Grant Proposal Guide (GPG). This brochure provides guidance regarding the preparation, submission, review and processing of unsolicited proposals to NSF.

Informal information about NSF activities can be obtained on the Grants Bulletin Board (GBB). To make arrangements to access the bulletin board, send your electronic mail address along with your complete name, address and telephone number to grants@nsf.gov (Internet).

[Any or all portions of this Manual  
may be reproduced.]

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## BASIC INFORMATION

This chapter provides basic information about the National Science Foundation, its organization, grant policies and this Manual. It consists of the following topics:

100	THE NATIONAL SCIENCE FOUNDATION
110	NSF ORGANIZATION
120	THE NSF GRANT POLICY MANUAL
130	PROPOSAL SUBMISSION AND MERIT REVIEW

### 100 THE NATIONAL SCIENCE FOUNDATION

a. The National Science Foundation (NSF) is an independent agency of the Federal government established in 1950 to promote and advance scientific and engineering progress in the United States. NSF funds research and education in most fields of science and engineering, but does not itself conduct research or carry out education projects. b. The Foundation carries out its statutory responsibilities for the support of research, education and related activities, through a number of programs. The NSF Guide to Programs and other brochures and announcements contain information about NSF programs, their objectives and timing for the submission of proposals. (See GPM 130, "Proposal Submission and Merit Review," for information on proposal preparation guidelines.) c. NSF has no programs involving the construction of public works in metropolitan areas, no development assistance programs, no programs requiring State plans as a condition of assistance, none involving coordination of planning in multi-jurisdictional areas and no programs of grants to State and local governments as defined in Section 6501(4) of title 31 of the United States Code (USC).

### 110 NSF ORGANIZATION

a. The current NSF organization chart is shown as Exhibit I-1. b. The NSF organizations/offices described below are normally of most direct interest to grantees.

### 111 National Science Board

The National Science Board is the governing body of the National Science Foundation. The Board is composed of 24 members, representing a cross section of American leadership in science and engineering research and education; appointed by the President to six-year terms, with one third appointed every two years; and selected solely on the basis of established

records of distinguished service. The NSF Director is a member ex officio of the Board. In addition to governance of the Foundation, the Board serves the President and the Congress as an independent advisory body on policies affecting the health of U.S. science and engineering and education in science and engineering.

## 112 Program Division/Office

Program Divisions/Offices are responsible for the scientific, technical and programmatic review and evaluation of proposals and for recommending that proposals be declined or awarded. The scientific, engineering or educational aspects of a grant will be monitored by the NSF Program Officer named in the grant.

## 113 Division of Grants and Agreements

The Division of Grants and Agreements (DGA) is responsible for the business, financial and administrative review of all recommended grants, cooperative agreements and other assistance awards and assuring that they are consistent with applicable policies, regulations, directives and fund certifications. The NSF Grants Officer, an official in DGA, is the only NSF official with delegated authority to issue grants, cooperative agreements and other assistance awards and to obligate NSF funds for expenditures under such arrangements. DGA is also responsible for issuing all amendments and certain approvals under these awards and for the administration and closeout of these awards.

## 114 Division of Contracts, Policy and Oversight

The Division of Contracts, Policy and Oversight (CPO) is responsible for solicitation, negotiation, award and administration of NSF contracts; for NSF proposal and award policy development, coordination and issuance; and for overseeing NSF procurement systems, processes and guidance. In addition, it performs cost analysis and resolves audit findings pertaining to the allowability, allocability and appropriateness of costs claimed under all NSF awards (including grants and cooperative agreements).

## 115 Division of Financial Management

The Institutional Ledger Section (ILS) of the Division of Financial Management (DFM) is available to assist the grantee financial and business official in matters of payment and financial reporting discussed in Chapter IV of this Manual.

## 116 Office of the General Counsel

The Office of the General Counsel (OGC) is responsible for NSF patent and other legal matters. It provides legal advice to NSF offices and handles invention disclosures and other patent-related matters (see GPM 730, "Intellectual Property").

## 117 Office of Equal Opportunity Programs

The Office of Equal Opportunity (OEO) Programs is responsible for all NSF civil rights matters. It provides direction and monitors all complaints related to race, color, religion, sex, age, national origin or disability.

## 118 Office of Inspector General

The Office of Inspector General (OIG) is responsible for conducting audits, inspections and investigations involving NSF operations. This includes the investigation of financial or nonfinancial wrongdoing in connection with NSF proposals and grants. In particular, OIG receives and investigates allegations of misconduct in science and engineering.

## 120 THE NSF GRANT POLICY MANUAL 121 Purpose and Applicability

a. Purpose. This NSF Grant Policy Manual (GPM) sets forth NSF policies regarding the award and administration of grants and implements Office of Management and Budget (OMB) Circular A-110, Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals, and Other Non-Profit Organizations, and 45 CFR §602 (the Common Rule implementing OMB Circular A-102), Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments.<sup>1</sup> This Manual also implements other OMB Circulars, Public Laws, Executive Orders (E.O.) and other directives<sup>2</sup> listed in Exhibit I-2 insofar as they apply to grants, and is issued pursuant to the authority of Section 11(a) of the NSF Act (42 USC §1870). b. Applicability. This Manual is applicable to: 1) grants; and 2) cooperative agreements, unless noted otherwise in the award instrument. This Manual does not apply to NSF contracts.

## 122 General Organization and Citation

The GPM is organized into chapters which correspond, in general, to the process from issuance and administration of a grant through closeout. Other requirements or considerations which either are not universally applicable or which do not necessarily follow the award cycle are contained in Chapters VII-IX. Chapters are subdivided into sections which cover single subjects within the scope of the chapter. Specific sections may be cited by the section number, e.g., GPM 122, "General Organization and Citation."

## 123 Changes

Changes to this Manual will be made through use of Updates issued by the Policy Office, CPO. Each Update will describe the new material transmitted, the old material superseded (if any) and the purpose of the change. These Updates will transmit the new or revised material in loose-leaf form. Updates will also be provided electronically via the Grants Bulletin Board (GBB). Approximately every two years, the GPM will be reissued in its

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entirety incorporating all previously issued Update material. The current version of the GPM is also available on NSF's Science and Technology Information System (STIS).

## 130 PROPOSAL SUBMISSION AND MERIT REVIEW

General guidance for the preparation, (content, format, budget, etc.), submission, review and processing of unsolicited proposals is contained in the Grant Proposal Guide (GPG). The GPG also contains a Proposal Forms Kit (Section IX) which includes all the forms/formats necessary for proposal submission. The Proposal Forms Kit is also available as a separate publication. Some NSF programs issue or utilize more specific program announcements/solicitations which may modify the guidance contained in the GPG. The latest version of the GPG is available electronically on NSF's STIS. Copies of the GPG, Proposal Forms Kit or any other NSF publication referenced in the GPM may also be obtained from: National Science Foundation  
Forms and Publications Unit 4201 Wilson Boulevard --  
Room P15 Arlington, VA 22230 Telephone: (703) 306-1130  
Internet: pubs@nsf.gov

\_\_\_\_\_ 1For purposes of this Manual, references to OMB Circular A-110 also include comparable portions of 45 CFR §602, where appropriate. 2 Consult Exhibit I-2 for information on obtaining these types of documents.

### NSF Organization Chart

(Not available here. May only be accessed in paper copy.)

### 5. Office of Management and Budget Circulars

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Exhibit I-2

## STATUTES, EXECUTIVE ORDERS AND OTHER DIRECTIVES

Following are lists of the various statutes, executive orders and other directives referred to or implemented by the GPM section indicated.

### 1. Statutes (Names in quotes are unofficial)

Title

#### Age Discrimination Act

United States Code:	42 USC §§6101 et seq.
GPM:	705

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Animal Welfare Act  
 United States Code: 7 USC §§2131-59  
 GPM: 713

Bayh-Dole Act  
 United States Code: 35 USC §§200-212  
 GPM: 730

Byrd Anti-Lobbying Act  
 United States Code: 31 USC §1352  
 GPM: OMB Circular A-110

Cash Management Improvement Act  
 United States Code: 31 USC §6503  
 GPM: 443

Civil Rights Act of 1964, Title IX  
 United States Code: 42 USC §§2000d et seq.  
 GPM: 702

Clean Air Act, Sec. 306  
 United States Code: 42 USC §§7401 et seq.  
 GPM: OMB Circular A-110

Contract Work Hours and Safety Standards Act of 1962  
 United States Code: 40 USC §§327-333  
 GPM: OMB Circular A-110

Copeland Anti-Kick Back Act  
 United States Code: 18 USC §874, 40 USC §276c  
 GPM: OMB Circular A-110

Cost-type Research and Development Contracts w/ Educational Institutions  
 United States Code: 41 USC §254(a)  
 GPM: 630

Davis-Bacon Act  
 United States Code: 40 USC §§276a et seq.  
 GPM: 721

Demonstration Cities and Metropolitan Development Act of 1966, Sec. 204  
 United States Code: 42 USC §3334  
 GPM: 800

Education Amendments of 1972, Title IX  
 United States Code: 20 USC §§1681-86  
 GPM: 704

Federal Grant and Cooperative Agreement Act of 1977  
 United States Code: 31 USC §§6301-08  
 GPM: 210

Federal Water Pollution Control Act  
 United States Code: 33 USC §§1251 et seq.  
 GPM: OMB Circular A-110

Freedom of Information Act  
 United States Code: 5 USC §552  
 GPM: 812.3

Government in the Sunshine Act  
 United States Code: 5 USC §552b  
 GPM: 812.3

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Intergovernmental Cooperation Act of 1968  
 United States Code: 31 USC §6502  
 GPM: 800

Internal Revenue Code of 1954  
 United States Code: 26 USC 501(c)  
 GPM: 730

International Air Transportation Fair Competitive Practices Act of 1974  
 United States Code: 49 USC §1517  
 GPM: 760

Marine Mammal Protection Act of 1972  
 United States Code: 16 USC §§1361-1421h  
 GPM: 714

Metric Conversion Act of '75, as amended  
 United States Code: 15 USC §205a-k  
 GPM: 863

National Environmental Policy Act of 1969, Sec. 102  
 United States Code: 42 USC §4332  
 GPM: 830

National Flood Insurance Act of 1968  
 United States Code: 42 USC §4012a, 42 USC §4106  
 GPM: 723

National Historic Preservation Act  
 United States Code: 16 USC §470  
 GPM: 840

National Science Foundation Act of 1950, as amended  
 United States Code: 42 USC §§1861-75  
 GPM: 100,120,333,722,731

Paperwork Reduction Act of 1980  
 United States Code: 44 USC §§3501-11  
 GPM: 811.1

Plant Variety Protection Act  
 United States Code: 7 USC §§2321 et. seq.  
 GPM: 730

Rehabilitation Act of 1973, Sec. 504  
 United States Code: 29 USC §794  
 GPM: 703

Resource Conservation and Recovery Act  
 United States Code: 42 USC §6962  
 GPM: OMB Circular A-110

Single Audit Act  
 United States Code: 31 USC §§7501-07  
 GPM: 350

## 2. Executive Orders

Number	Short Title	GPM
9492	Patents	731

11246 and 11375	Equal Employment Opportunity, as amended	706
11247	Civil Rights	702
11296	Evaluation of Flood Hazards	723
11593	Protection and Enhancement of the Cultural Environment	840
11764	Nondiscrimination in Federally Assisted Programs	700
12356	National Security Information	850
12372	Intergovernmental Review of Federal Programs	800
12549 and 12689	Debarment and Suspension	OMB Circular A-110
12699	Seismic Safety of Federal and Federally-assisted or Regulated New Building Construction	724
12770	Metric Usage in Federal Government Programs	863
3.	NSF Regulations (45 CFR, Chapter VI)	

Part Number	Subject	GPM
602	Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments	Entire Manual
605, 611, and 617	Nondiscrimination in Federally Assisted Programs	700
612, 613, and 614	Freedom of Information, Privacy, and Government in the Sunshine Acts	812.3
620	Debarment and Suspension and Drug-Free Workplace	912,930
640	National Environmental Policy Act	830
650	Patents	731
660	Intergovernmental Review of NSF Programs	800
689	Misconduct in Science and Engineering	930
690	Protection of Human Subjects	711

#### 4. Other Federal Regulations

##### Title

Contract Cost Principles and Procedures  
(Federal Acquisition Regulations)

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Code of Federal Regulations: 48 CFR §31  
 GPM: 600

Contract Work Hours and Safety Standards  
 Code of Federal Regulations: 29 CFR §5  
 GPM: OMB Circular A-110

Controlling Paperwork Burdens on the Public  
 Code of Federal Regulations: 5 CFR §1320  
 GPM: 811

Council on Environmental Quality  
 Code of Federal Regulations: 40 CFR §§1500-1508  
 GPM: 830

Disposition (Government-owned Federal Information  
 Processing Equipment)  
 Code of Federal Regulations: 41 CFR §201.23  
 GPM: 546.6

Equal Employment Opportunity  
 Code of Federal Regulations: 41 CFR §60  
 GPM: 706

Metric Usage in Federal Government Programs  
 Code of Federal Regulations: 3 CFR, 1991 comp  
 GPM: 863

Principles for Determining Costs Applicable to Research  
 and Development Under Grants and Contracts with Hospitals  
 Code of Federal Regulations: 45 CFR, Part 74, Appendix E  
 GPM: 601

Withdrawal of Cash from the Treasury for Advances Under  
 Federal Grant and Other Programs  
 Code of Federal Regulations: 31 CFR, 205  
 GPM: 403

Protection of Historic and Cultural Properties  
 Code of Federal Regulations: 36 CFR §800  
 GPM: 840

Rights to Inventions Made by Nonprofit Organizations and  
 Small Business Firms Under Government Grants, Contracts,  
 and Cooperative Agreements  
 Code of Federal Regulations: 37 CFR §§401et seq.  
 GPM: 731

Rules and Procedures for Funds Transfers  
 Code of Federal Regulations: 31 CFR §205  
 GPM: Ch. 4

Small Business Size Regulations  
 Code of Federal Regulations: 13 CFR §121  
 GPM: 501.2

Utilization of Personal Property  
 Code of Federal Regulations: 41 CFR §101.43  
 GPM: 543.3

## 5. Office of Management and Budget Circulars

Number	Short Title	GPM
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A-21	Cost Principles for Educational Institutions	601
A-87	Cost Principles for State and Local Governments	601
A-110	Uniform Administrative Requirements for Grants and Other Agreements to Non-Profit Organizations	Entire Manual
A-122	Cost Principles for Non-Profit Organizations	601
A-128	Audits of Institutions of Higher Education and Other Non-Profit Institutions	350
A-133	Audits of State and Local Governments	350

## 6. How to Obtain

Volumes of the United States Code and the Code of Federal Regulations can be purchased from the Government Printing Office by contacting: Superintendent of Documents, Attn: New Orders, Box 371954, Pittsburgh, PA 15250-7954. Telephone orders can be made with a credit card by dialing: (202) 512-1800 (voice), (202) 512-2250 (fax), or (202) 512-2265 (TDD). In addition, the Government Printing Office distributes these documents to U.S. Government Depository Libraries in each state. These documents are also often available in the reference sections of major libraries.

Copies of pending and enacted federal legislation can be requested by bill or law number by calling either the Senate Document Room at (202) 224-7701 or the House Document Room at (202) 225-3456. For further information about ordering other congressional documents, contact the Government Printing Office on (202) 512-2465.

Copies of Executive Orders and Office of Management and Budget Circulars can be obtained by contacting: The Executive Office of the President (EOP), Publications Distribution Services, 725 17th Street, NW, Room 2200, Washington, DC 20503 or by telephone at (202) 395-7332.

660	Intergovernmental Review of NSF Programs	800
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## NSF AWARDS

This chapter discusses the award process and specifically highlights the following topics:

200	BACKGROUND
210	DEFINITIONS
220	NSF-GRANTEE RELATIONSHIPS

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230 GRANT INSTRUMENT  
240 NSF STANDARD GRANT CONDITIONS  
250 NSF GRANT PERIODS  
260 ADDITIONAL FUNDING SUPPORT

## 200 BACKGROUND

The types of activities funded by NSF and the purposes of NSF funding vary. Consequently, the degree of NSF responsibility for and the management control of such activities also varies. NSF traditionally uses grants for fundamental research and other support activities. The key factor in determining the appropriate award terms and conditions is the type of project which is to be funded, not the type of performing organization which will be the recipient of the award or the NSF program recommending the award.

## 210 DEFINITIONS

a. An AUTHORIZED ORGANIZATIONAL REPRESENTATIVE is the administrative official who on behalf of the proposing organization is empowered to make certifications and assurances and can commit the organization to the conduct of a project that NSF is being asked to support as well as and to adhere to various NSF policies and grant requirements. b. ASSISTANCE AWARDS are awards which entail the transfer of money, property, services or other thing of value from the Federal government to a State or local government or other recipient to accomplish a public purpose of support or stimulation. In the case of the NSF, assistance awards involve the support or stimulation of scientific and engineering research, science and engineering education or other related activities. NSF is authorized to use grants or cooperative agreements for this purpose. c. A GRANT\* is a type of assistance award and a legal instrument which permits an executive agency of the Federal government to transfer money, property, services or other thing of value to a grantee when no substantial involvement is anticipated between the agency and the recipient during the performance of the contemplated activity. Grants are the primary mechanism of NSF support. NSF awards the following types of grants: 1. A STANDARD GRANT is a type of grant under which NSF agrees to provide a specific level of support for a specified period of time. There is with no statement of NSF intent to provide additional future support without submission of another proposal. 2. A CONTINUING GRANT is a type of grant under which NSF agrees to provide a specific level of support for an initial specified period of time, with a statement of intent to provide additional support of the project for additional periods provided funds are available and the results achieved warrant further support. 3. A COST REIMBURSEMENT GRANT is a type of grant under which NSF agrees to reimburse the grantee for work performed and/or costs incurred by the grantee up to the total amount specified in the grant. Such costs must be allowable in accordance with the applicable cost principles (e.g., OMB Circular A-21 Cost Principles for Educational Institutions or A-122 Cost Principles for Non-Profit Organizations). Accountability is based primarily on technical progress, financial

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accounting and fiscal reporting. Except under certain programs and under special circumstances, NSF grants and cooperative agreements are normally cost reimbursement type awards. 4. A FIXED AMOUNT AWARD is a type of grant used in certain programs and situations under which NSF agrees to provide a specific level of support, without regard to actual costs incurred under the project. The award amount is negotiated using the applicable cost principles or other pricing information as a guide. This type of grant reduces some of the administrative burden and record keeping requirements for both the grantee and NSF. Except under unusual circumstances, such as termination, there is no governmental review of the actual costs subsequently incurred by the grantee in performance of the project. There typically is a requirement for the grantee to certify that the approximate number of person-months or other activity called for in the grant was performed. Payments are based on meeting specific requirements of the grant and accountability is based primarily on technical performance and results. d. A COOPERATIVE AGREEMENT\* is a type of assistance award which may be used when the project being supported requires substantial agency involvement during the project performance period. Substantial agency involvement may be necessary when an activity: is technically or managerially complex; requires extensive or close coordination with other Federally supported work; or helps assure suitability or acceptability of certain aspects of the supported activity. Examples of projects which might be suitable for cooperative agreements are systemic reform efforts, research centers, policy studies, large curriculum projects, multi-user facilities, projects which involve complex subcontracting, construction or operations of major in-house university facilities and major instrumentation development. e. A GRANTEE\* is the organization or other entity that receives a grant and assumes legal and financial responsibility and accountability both for the awarded funds and for the performance of the grant-supported activity. NSF grants are normally made to organizations rather than to individual PI/PD(s). Categories of eligible proposers may be found in GPG Chapter I. f. PRINCIPAL INVESTIGATOR/PROJECT DIRECTOR (PI/PD) is the individual designated by the grantee, and approved by NSF, who will be responsible for the scientific or technical direction of the project. The term "Principal Investigator" generally is used in research projects, while the term "Project Director" generally is used in science and engineering education and other projects.

\* For purposes of this Manual, except where explicitly noted, the term "grant" is interchangeable with the term "cooperative agreement", and the term "grantee" is interchangeable with the "recipient" of a cooperative agreement.

## 220 NSF-GRANTEE RELATIONSHIPS 221 Basic Requirements

a. Grants will be used by NSF when the accomplishment of the project objectives requires minimal NSF involvement during performance of the activities. Grants establish a relationship between NSF and the grantee in which: 1. NSF agrees to provide up to a specified amount of financial

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support for the project to be performed under the conditions and requirements of the grant. NSF will monitor grant progress and assure compliance with applicable standards. 2. The grantee agrees to the performance of the project, to the prudent management of the funds provided and to carry out the supported activities in accordance with the provisions of the grant. (See GPM 230, "Grant Instrument", for the documents which comprise an NSF grant.). b. Cooperative agreements will be used by NSF when the accomplishment of the project objectives requires substantial NSF technical or management involvement during performance of the activities. 1. Cooperative agreements will specify the extent to which NSF will be required to advise, review, approve or otherwise be involved with project activities. 2. Although active NSF involvement may be necessary under cooperative agreements, recipients still have primary management responsibility for conduct of their projects. To the extent that NSF does not reserve responsibility for coordinating or integrating the project activities with other related activities or does not assume a degree of shared responsibility for certain aspects of the project, all such responsibilities remain with the recipient. As appropriate, NSF may provide advice, guidance or assistance of a technical, management, or coordinating nature and require NSF approval of specific decisions, milestones, procedures or subawards. While NSF will monitor cooperative agreements, it will not assume overall control of a project or unilaterally change or direct the project activities. All cooperative agreements will state the nature and extent of expected NSF involvement to ensure that the responsibilities of each party are fully understood.

## 222 Acceptance of Assistance Agreements

a. Grant Acceptance. Grantees are free to accept or reject the grant. Normally, action to obtain Federal funds constitutes acceptance of a grant once it is made. However, in some cases, NSF may require written acceptance. b. Cooperative Agreement Acceptance. All cooperative agreements must be signed by an Authorized Organizational Representative at the recipient organization before the agreement becomes binding.

## 230 GRANT INSTRUMENT

The following documents comprise an NSF grant: a. the grant letter, including any special conditions applicable to the award and any numbered amendments thereto; b. the budget, which indicates the amounts, by categories of expense, on which NSF has based its support; c. the proposal referenced in the grant letter; d. the applicable NSF conditions referenced in the grant letter (see GPM 240, "NSF Grant Conditions," for listing); and e. any NSF program announcement/ or solicitation or other document incorporated by reference in the grant letter. 240 NSF GRANT CONDITIONS a. NSF Grant Conditions. Each NSF grant letter specifically identifies certain conditions which are applicable to and become part of that award. When these conditions reference a particular GPM section, that section becomes part of the grant requirements through incorporation by reference. b. Basic Conditions. The following types of basic conditions may be made a part of

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an NSF grant, as appropriate. 1. General Conditions. (a) Grant General Terms and Conditions (GC-1) are used in most NSF grant awards; (b) Federal Demonstration Project General Terms and Conditions (FDP-II) and Agency Specific Requirements (Modifications to the General Terms and Conditions) are used in most grants to participants in the FDP only; and (c) Small Business Innovation Research (SBIR) Phase II Grant General Conditions are used in Phase II grants under the SBIR program. 2. Standard Conditions. These types of conditions may either supplement or modify the applicable General Conditions described above. (a) Administration of NSF Conference or Group Travel Award Grant Special Conditions (FL 26) are used for conference or travel grants. (b) Construction Conditions (A-2) are used for grants which include rearrangements/alterations/renovation over \$10,000 (construction). (c) Fixed Amount Award Grant Conditions (FAA) are used in NSF fixed amount grants. (Note: these conditions may establish different financial and other requirements which are not generally used in cost reimbursement type grants.). (d) Cooperative Agreement Conditions (CA-1) are used under NSF cooperative agreements. c. Availability. The latest version of each set of these general and standard conditions, as well as other standard conditions, is available on STIS. These conditions are also available from the NSF Forms and Publications Unit (for address see GPM 130, "Proposal Submission and Merit Review").

## 250 NSF GRANT PERIODS 251 Definitions

a. EFFECTIVE DATE is the date specified in the grant letter on or after which, except for fixed amount awards, expenditures may be charged to the grant. Effective dates used by NSF are normally either the 1st or the 15th day of the month. If no effective date is specified, then the date of the grant letter is the effective date. (See, however, GPM 602.2, "Pre-Award Costs.") b. EXPIRATION DATE is the date specified in the grant letter after which expenditures may not be charged against the grant except to satisfy obligations to pay allowable project costs committed on or before that date. The expiration date is normally the last day of a month. c. GRANT PERIOD is the period of time between the effective date and the expiration date of an NSF grant shown as the duration.

## 252 Significance of Grant Period

a. Except in fixed amount awards, an NSF grant gives authority to the grantee to commit and expend funds for allowable costs (see Chapter VI) in support of the project up to the grant amount specified in the grant letter at any time during the grant period. b. Except as provided in GPM 602.2, "Pre-Award Costs", GPM 602.3, "Post-Expiration Costs", or GPM 617, "Publication, Documentation and Dissemination", expenditures may not be charged prior to the effective date or subsequent to the expiration date under an NSF cost reimbursement grant.

## 253 Changes in Grant Periods 253.1 Effective Date

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The effective date of a grant will not be changed unless it is justified by exceptional circumstances. Any request to change the effective date must contain such justification and be signed by the PI/PD and endorsed by an Authorized Organizational Representative. Two copies of the request should be transmitted to the NSF Grants Officer. If approved, the NSF Grants Officer will issue an amendment to the grant. No other commitments regarding effective dates are valid.

## 253.2 Expiration Date

The expiration date may be changed as a result of approval of a request for continued support of a continuing grant, for a no-cost grant extension, or, in some cases, by renewed support of a standard grant or supplemental support. If approved, the NSF Grants Officer will issue an amendment to the grant.

## 253.3 No-Cost Extension

a. Grantee Authorized Extension. Grantees may authorize a one-time extension of the expiration date of the grant of up to 12 months if additional time beyond the established expiration date is required to assure adequate completion of the original scope of work within the funds already made available. This one-time extension may not be exercised merely for the purpose of using the unliquidated balances. The grantee shall notify the NSF Grants Officer in writing, providing supporting reasons for the extension and the revised extension date, at least ten days prior to the expiration date specified in the grant to ensure accuracy of NSF's grant data. For extensions provided by organizations, no amendment will be issued. b. NSF-Approved Extension. 1. If additional time beyond the extension provided by the grantee is required and exceptional circumstances warrant, a formal request must be submitted to NSF. Two copies of the request, signed by the PI/PD and an Authorized Organizational Representative, must be received by the cognizant NSF program office at least 45 days before the expiration date of the grant. The request must explain the need for the extension and include an estimate of the unobligated funds remaining and a plan for their use. As indicated above, that unobligated funds may remain at the expiration of the grant is not in itself sufficient justification for an extension. The plan must adhere to the previously approved objectives of the project. 2. Any approved no-cost extension will be issued by an NSF Grants Officer in the form of an amendment to the grant specifying a new expiration date. Grantees are cautioned not to make new commitments or incur new expenditures after the expiration date in anticipation of a no-cost extension.

## 260 ADDITIONAL FUNDING SUPPORT 261 Types of Additional Funding Support

Additional funding of a project beyond the original grant period will be in the form of renewed support, continued support or supplemental support.

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## 262 Renewed Support (Standard Grants)

a. Renewed support is defined as additional funding for a support period subsequent to that provided by a standard grant. Standard grants may be renewed one time by amendment of the original grant instrument provided that the cumulative duration does not exceed five years. Subsequent renewals (if any) will be in the form of a new grant with a new grant number. Costs incurred under the old grant cannot be transferred to the new grant. Residual funds remaining in the old grant cannot be transferred to the new grant. b. A proposal for renewed support of a project is evaluated in competition with all other pending proposals. Instructions for preparation of renewal proposals are contained in the GPG, Sections II and VI.

## 263 Continued Support (Continuing Grants)

a. Funding increments for projects being supported under continuing grants, as defined in GPM 210, receive high priority within NSF and normally are not considered in competition with proposals for new grants or for renewed support of standard grants. b. Unless otherwise provided for in the original grant letter, each increment of a continuing grant will be funded at the level indicated in that letter without a formal request, provided the required annual progress report has been received and subject to NSF's judgment of satisfactory progress and availability of funds. NSF makes every attempt to honor continuing grant commitments. However, in order to adjust to changes in the general level of funds for a particular field of science or engineering or to major new opportunities in that field, NSF may reduce continuing grant increments below the levels indicated in original grant letters. This requires full written justification by program staff and management review and approval. In the absence of major unanticipated fiscal year constraints, reductions are rare. c. In order to obtain a committed funding increment and ensure continuity of funding, one copy of the NSF Form 1328, Annual NSF Grant Progress Report, addressed to the cognizant program office, with a copy to the Authorized Organizational Representative, must be received by NSF at least three months before the end of the period currently being funded. Requests should be prepared in accordance with the instructions contained on the form. Processing of the planned funding increment will not be initiated until the required progress report is submitted. The certification on the NSF Form 1328 must be signed by the PI/PD. This form is contained in the GPG and is also available on STIS.

## 264 Supplemental Support

a. In unusual circumstances, small amounts of supplemental funding and up to six months of additional support may be requested to assure adequate completion of the original scope of work. Such requests for supplemental funding support should be submitted to the cognizant NSF Program Officer at least two months prior to the need for the additional funds and must be adequately justified. Program Officers may make decisions regarding whether

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or not to recommend a small supplement without merit review of the supplemental request. Requests for larger supplements may require merit review. b. A request for supplemental support should include: 1. A brief justification of need; and 2. A signed budget, (NSF Form 1030, Summary Proposal Budget,) highlighting the use by budget category of the additional funding as distinguished from the original funding provided in those categories of cost. Two copies of the request should be submitted. c. NSF will not approve requests for supplemental support for such purposes as defraying the costs of increases in salaries, wages or staff benefits or for additional indirect cost reimbursement, whether caused by a change in the indirect cost rate or by changes in direct cost expenditures which affect the indirect cost base. (See GPM 602.1, "Maximum Obligation," and GPM 635, "Grantee Reimbursement for Indirect Costs.") d. If approved, the NSF Grants Officer will amend the grant to provide additional funding for the current support period. The amendment letter will specify both the amount of supplemental funding and the cumulative amount awarded through the expiration date, which normally will remain unchanged. e. Only in exceptional cases will more than one supplement be approved. f. Special NSF programs such as Research Experiences for Undergraduates may provide their funding through supplements to other NSF grants. In such instances, the guidance in this section may not be applicable.

## GRANT ADMINISTRATION

This chapter implements various requirements contained in OMB Circular A-110 and is applicable to all NSF grants to all types of performing organizations. It contains the following topics:

300 MONITORING PROJECT PERFORMANCE  
 310 CHANGES IN PROJECT DIRECTION OR MANAGEMENT  
 320 CHANGES IN THE GRANT BUDGET  
 330 COST SHARING AND MATCHING  
 340 TECHNICAL REPORTING REQUIREMENTS  
 350 RECORDS RETENTION AND AUDIT

300 MONITORING PROJECT PERFORMANCE 301 Grantee Responsibilities

a. A grantee has full responsibility for the conduct of the project or activity supported under an NSF grant and for the results achieved. The grantee should monitor the performance of the project to assure adherence to performance goals, time schedules or other requirements as appropriate to the project or the terms of the grant. In order to carry out these responsibilities, each grantee organization shall agree to comply with the applicable Federal requirements for grants and to the prudent management of all expenditures and actions affecting the grant. Documentation for each expenditure or action affecting the grant shall reflect appropriate organizational reviews or approvals which should be made in advance of the action. Organizational reviews are intended to help assure that expenditures

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are allowable, necessary and reasonable for the conduct of the project, and that the proposed action: 1. is consistent with grant terms and conditions; 2. is consistent with NSF and grantee policies; 3. represents effective utilization of resources; and 4. does not constitute a change in objective or scope. b. Notwithstanding these responsibilities, NSF continues to encourage communication between NSF Program Officers and PI/PDs on the progress of projects supported by NSF as well as on project changes. c. NSF, through authorized representatives, has the right, at all reasonable times, to make site visits to review project accomplishments, grantee management control systems and administration and management of the grant and to provide technical assistance as may be required. If any site visit is made by the Foundation on the premises of the grantee or a subawardee under a grant, the grantee shall provide and shall require its subawardees to provide all reasonable facilities and assistance for the safety and convenience of the NSF representatives.

## 302 Grantee Notifications to NSF and Requests for NSF Approval

Exhibit III-1 provides a listing of grantee notifications to and requests for approval from NSF. While the listing is not intended to be all-inclusive, it does highlight the most frequent areas where specific notifications and requests for approval are called for.

## 310 CHANGES IN PROJECT DIRECTION OR MANAGEMENT 311 Changes in Objectives, Scope or Methodology 311.1 Changes in Objectives or Scope

Neither the phenomena under study nor the objectives of the project stated in the proposal or agreed modifications thereto should be changed without prior NSF approval. Such changes should be proposed to the NSF Program Officer by the PI/PD in a written communication countersigned by the Authorized Organizational Representative. If approved by NSF, the Grants Officer will amend the grant.

### 311.2 Changes in Methodology

NSF believes that the PI/PD, operating within the established policies of the grantee organization, should feel free to pursue interesting and important leads which may arise during the conduct of a research (or other grant-supported) project or to adopt an alternative approach which appears to be a more promising means of achieving the objectives of the project. Significant changes in methods or procedures should be reported to appropriate grantee official(s) and to the cognizant NSF Program Officer.

### 311.3 Significant Changes, Delays or Events of Unusual Interest

a. In the event there are problems, delays or adverse conditions that will materially affect the ability to attain the objectives of the project or to meet such time schedules as may have been proposed, appropriate grantee officials should notify the NSF Program Officer. b. NSF should be informed of any events of unusual interest which occur during the course of the project.

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Reports, communications or photographs may be directed to the NSF Program Officer.

## 312 Changes in PI/PD or Person-Months Devoted to the Project 312.1 Background

The NSF decision to support or not to support a proposed project is based to a considerable extent upon its evaluation of the proposed PI/PD's knowledge of the field of study and his/her capabilities to conduct the project in an efficient and productive manner. This is reflected in the NSF criteria for the selection of research projects (see GPG Section III). The named PI/PD should be continuously responsible for the conduct of the project and be closely involved with the effort.

### 312.2 Basic Requirements

If the named PI/PD plans to, or becomes aware that he/she will: (a) devote substantially more or less effort to the work than anticipated in the approved proposal; (b) sever his/her connection with the grantee organization; or (c) otherwise relinquish active direction of the project, he/she shall advise the Authorized Organizational Representative, who shall initiate action appropriate to the situation under the guidelines which follow.

### 312.3 Short-Term Absence of PI/PD

If the named PI/PD will be absent from the project for short periods of up to three months, he/she shall notify appropriate officials of the grantee organization and the NSF Program Officer of arrangements for conduct of the project during his/her temporary absence.

### 312.4 Long-Term Absence of PI/PD

In the event the named PI/PD will be away from the project for a period greater than three months (e.g. sabbatical leave) but intends to return, arrangements for oversight of the project shall be sent to NSF for approval. This information shall be provided at least 30 days before departure or as soon as practicable after the prospective absence is known. It should be endorsed by the Authorized Organizational Representative and addressed to the NSF Program Officer. The NSF Program Officer will provide written approval if the arrangements are satisfactory, but no formal amendment to the grant will be made. If the arrangements are not satisfactory to NSF, the grant may be terminated as prescribed in GPM 910, "Suspension and Termination Procedures." If the PI/PD's temporary activities might constitute a conflict of interest (e.g., working for a Federal agency), a substitute PI/PD shall be appointed as described in GPM 312.7, "Substitute PI/PD."

### 312.5 Change in Person-Months Devoted to the Project

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If the PI/PD will devote substantially more or less time to the project than anticipated in the proposal, he/she should consult with appropriate officials of the grantee organization and with the NSF Program Officer. If either determines that the increased effort will substantially affect the project proposal as approved or the reduction of effort will substantially impair the successful execution of the project, the Program Officer should consult the NSF Grants Officer. The NSF Grants Officer may: a. request the grantee to nominate a replacement PI/PD acceptable to the NSF Program Officer; b. initiate the termination procedures described in GPM 910, "Suspension and Termination Procedures"; or c. negotiate an appropriate modification to the grant.

## 312.6 Withdrawal of PI/PD

In the event the named PI/PD severs his/her connection with the grantee organization or otherwise relinquishes active direction of the project, the Authorized Organizational Representative should notify the NSF Program Officer, and either: a. initiate grant closeout procedures through submission of final reports (GPM 342, "Final Project Report," and GPM 452, "Final Disbursement Reporting"); or b. nominate a substitute as described in GPM 312.7, "Substitute PI/PD."

## 312.7 Substitute PI/PD

In the event the grantee desires to continue the project with a substitute PI/PD, the Authorized Organizational Representative should advise the NSF Program Officer of the substitute PI/PD's name, qualifications, and current and pending support for research from all sources. The recommended substitute PI/PD shall countersign the notification letter to the NSF Program Officer from the Authorized Organizational Representative nominating the substitute PI/PD. If approved by NSF, the Grants Officer will amend the grant. If not approved, NSF may take steps, pursuant to GPM 910, "Suspension and Termination Procedures," to suspend or terminate the grant.

## 312.8 Disposition of a Grant When a PI/PD Transfers from One Organization to Another Organization

a. Policy. When a PI/PD plans to leave an organization during the course of a grant, the organization has the prerogative to nominate a substitute PI/PD or request that the grant be terminated and closed out. In those cases where the PI/PD's original and new organizations agree, NSF will facilitate a transfer of the grant and the assignment of remaining unobligated funds to the PI/PD's new organization. This should normally be done with a tripartite agreement (involving NSF and the PI/PD's original organization and new organization), or by a subaward arrangement (in certain circumstances) between the PI/PD's original and new organizations, subject to NSF's consent. (See GPM 313 "Contracting or Transferring the Project Effort (Subawards).") b. Procedures. When a PI/PD plans to leave an organization during the course of a grant, the PI/PD or the PI/PD's organization shall notify the NSF Program Office. If the project is to

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continue with the original organization, the NSF Program Officer should advise the grantee to nominate a substitute PI/PD (see GPM 312.7, Substitute PI/PD"). If the project is to be continued at the PI/PD's new organization, and if NSF and both organizations agree, formal notification of the impending transfer countersigned by the Authorized Organizational Representatives of both the original and new organizations shall be made to the NSF Program Office using NSF Form 1263, NSF Grant Transfer Request. (See Exhibit III-2.) The required certifications on page 2, Certification Page, shall be signed by both the PI/PD(s) and the Authorized Organizational Representative of the new organization. The completed transfer request shall be accompanied by: 1. a brief summary of progress to date; 2. a description of work yet to be accomplished; and 3. a budget for the amount to be transferred. Signing of the request constitutes agreement by the new organization to assume responsibility for completion of the project effort and to administer the grant (as originally awarded) from the transfer date to completion in accordance with any special terms and conditions and the applicable general terms and conditions that normally govern NSF grants made to the new organization. c. Fund Transfer. Upon receipt of the above material, NSF will review the request and, if approved, deduct the specified transfer amount from the original grant and re-establish it under a new grant number at the new organization. Signature of the NSF Grants Officer will constitute formal ratification of the grant transfer. At that time, the Grants Officer will also specify the applicable basic terms and conditions to govern the grant (i.e., NSF GC-1, FDP, or other Terms and Conditions). d. Equipment Transfers. Equipment purchased with NSF funds for use in a specific project should remain available for use for the duration of the project. PI/PDs who are in the midst of projects that included funding for equipment and who will continue the project at a new organization with NSF support should be able to arrange with their original organization to have the equipment transferred with them. Shipping costs for such equipment may be charged to the original or transferred grant as an allowable cost. Budgets should not include funds to "buy" equipment that had been previously obtained with Federal funds. e. Possible Alternatives to the Transfer Process. When the amount of time and funds remaining in a project are modest, and if both the original and new organizations are in agreement, the original organization may issue a subaward to the new organization for completion of the project. This and other possible alternatives should be discussed with the NSF Grants Officer.

### 313 Contracting or Transferring the Project Effort (Subawards)

a. Excluding the procurement of items such as commercially available supplies, materials, equipment or general support services allowable under the grant, no significant part of the research or substantive effort under an NSF grant may be contracted or otherwise transferred to another organization without prior NSF authorization. The intent to enter into such arrangements should be disclosed in the proposal submission. b. If it becomes necessary to contract or otherwise transfer a significant part of the research or substantive effort after a grant has been made, the grantee shall submit, at a minimum, to the NSF Grants Officer: 1. a clear

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description of the work to be performed; 2. the basis for selection of the subawardee (except for collaborative/joint arrangements); and 3. a budget in the prescribed NSF format for each subaward. Collaborative/joint arrangements may include closely related and coordinated activities at another organization; a joint activity by several organizations or a consortia; and group proposals from multiple organizations. The request shall be signed by the PI/PD and endorsed by the Authorized Organizational Representative. NSF authorization will be indicated by an amendment to the grant signed by the Grants Officer. The NSF grant will identify which NSF grant conditions should be included in subawards. (See also GPM 731.3.g, "Standard Patent Rights Clause," regarding patent "flow-down" provisions.)

c. Procurements under NSF grants are also subject to GPM 530, "Procurement Standards," and OMB Circular A-110 Sections .41 through .48.

## 320 CHANGES IN THE GRANT BUDGET 321 OMB Directives

Section .25 of OMB Circular A-110 contains optional requirements regarding budgetary revisions. NSF elects NOT to impose the following requirements on its grantees: a. prior approval requirements for appropriate transfer between direct and indirect cost categories of the grant budget; and b. restrictions in transfers of funds among direct cost categories for grants in which the Federal share exceeds \$100,000.

## 322 Grant Changes and Approvals

a. If required in furtherance of the project, the grantee is authorized to transfer funds from one budget category to another for allowable expenditures. Exhibit III-1, however, highlights certain budget changes which may require NSF prior approval. b. When a change requires NSF approval, two copies of a request, signed by the PI/PD and by the grantee's Authorized Organizational Representative, should be sent to the appropriate NSF office. The request should clearly state which budget items, if any, are to be changed and by what amounts, and should explain the reasons for any changes. c. Whenever the amount of Federal funds authorized by an NSF grant is expected to exceed the requirements of the project, as outlined in the approved proposal, by more than \$5,000 or 5 percent of the grant amount, whichever is greater, the PI/PD, with the endorsement of the Authorized Organizational Representative, will promptly notify the NSF Program Officer. If a request for a no-cost extension (GPM 253.3, "No-Cost Extension"), renewed support (GPM 262, "Renewed Support (Standard Grants)") or continued support (GPM 263, "Continued Support (Continuing Grants)") is under preparation, such notification should be included in that request.

## 330 COST SHARING AND MATCHING 331 Basis for NSF Requirements 331.1 Statutory Requirement

The appropriations providing funds to NSF and other independent agencies contain the following language: "None of the funds provided in this Act may be used for payment, through grants and contracts, to recipients that do not share in the cost of conducting research resulting from proposals for

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projects not specifically solicited by the Government: Provided, that the extent of cost sharing by the recipient shall reflect the mutuality of interest of the grantee or contractor and the Government in the research."

## 331.2 OMB Directive

Section .23 of OMB Circular A-110 prescribes criteria and procedures for the allowability of cash and in-kind contributions in satisfying cost sharing and matching requirements.

## 332 Significance of Cost Sharing Promises in Proposals

Even if not required by a particular program announcement/solicitation, a promise of cost sharing by a prospective grantee may be a significant factor in NSF's funding decision and may be made a specific condition of the grant.

## 333 NSF Cost Sharing Requirements 333.1 Unsolicited Research Projects

a. In accordance with Congressional requirements (GPM 331.1, "Statutory Requirement"), NSF requires that each grantee share in the costs of research projects resulting from unsolicited proposals. (An unsolicited proposal is one not specifically solicited by an NSF program solicitation or other document.) NSF grants which provide funds solely for the following purposes are not considered to be support of "research" for statutory cost sharing purposes: 1. international travel; 2. construction, improvement or operation of facilities; 3. acquisition of research equipment; 4. ship operations; 5. education and training; 6. publication, distribution and translation of scientific data and information; 7. symposia, conferences and workshops; and 8. special studies authorized or required by Subsections 3a(5) through 3a(7) of the NSF Act, as amended. b. As a matter of policy, NSF does not reimburse grantees for the indirect costs associated with grants solely for the support of doctoral dissertation research and considers that as satisfaction of the cost sharing requirement. (See GPM 632.2, "Exceptions to Basic Policy.")

## 333.2 Solicited Research Projects

NSF encourages organizations responding to program solicitations to contribute to the cost of performing the research unless that would be inappropriate. Nevertheless, unless otherwise specified in a particular program solicitation, cost sharing is not a prerequisite to the award of a grant to support a project resulting from such a program solicitation.

## 333.3 Cost Sharing Amount

a. NSF expects that grantees will share in the costs at a level which reflects their interest in the research, the potential benefits they may derive and their ability to cost share. Organizations have a great deal of flexibility with regard to their approach to cost sharing under NSF-supported projects, and thus shall assume and exercise responsibility in

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determining appropriate levels of cost sharing. b. Grantees shall share in the cost of projects requiring cost sharing as indicated in GPM 333.4, "Cost Sharing Method," except in certain instances where specific cost sharing amounts, percentages or other requirements may be included in or incorporated by reference in specific NSF grants. In such cases the provisions of the grant govern the amount, level or nature of cost sharing. A failure to provide such cost sharing may result in grant costs being questioned and required to be refunded to NSF and may constitute a violation of the terms of the grant so serious as to provide grounds for debarment or suspension.

## 333.4 Cost Sharing Method

a. Except for grants which require specific cost sharing amounts or percentages (see GPM 333.3, "Cost Sharing Amount"), grantees can comply with the basic cost sharing requirement and meet the minimum amount by either of two alternative methods: 1. cost sharing a minimum of one percent on each and every project; or 2. cost sharing a minimum of one percent on the aggregate total costs of all projects requiring cost sharing. This latter approach allows organizations greater flexibility by being able to share a greater percentage on some projects and not share at all on others. b. Decisions on which method to use may be made by the grantee and there is no requirement that NSF either be advised or approve of the method chosen. NSF does not use "organizational cost sharing agreements," such as those used by some granting agencies, to provide for aggregated cost sharing. c. Regardless of the method chosen and unless otherwise specified in the NSF program announcement/solicitation, the amount or percentage of cost sharing need not be detailed in specific project proposals or proposal budgets, except if cost sharing is expected to be undertaken by claiming less than the approved indirect cost rate, which should be clearly stated in the proposal budget. (See GPM 333.5, "Method of Providing Contributions.") d. Cost sharing responsibilities are assumed by the grantee upon acceptance of the grant.

## 333.5 Method of Providing Contributions

a. Unless the grant states otherwise, contributions may be made from any non-Federal source, including non-Federal grants or contracts. Contributions from non-Federal sources may be counted as cost sharing toward Federal projects only once. Thus, contributions counted as cost sharing toward projects of another Federal agency may not be counted as cost sharing toward projects supported by NSF. If such contributions however, are related to projects supported by more than one Federal agency, the recipient may elect to make a proration among the agencies involved. b. The contributions may be in the form of either direct or indirect costs. c. Only items which would be allowable under the applicable cost principles, if charged to the project, may be included as the grantee's contribution. d. Organizations will not be required to obtain prior NSF approval of the manner in which contributions are to be provided. The contributions may be in any allowable budget category or combination of categories. However, when direct cost

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items are contributed to the project, any indirect costs related to that item may not be charged to the project. Those indirect costs may, of course, be counted as part of the contribution. This restriction also applies to fringe benefits (when treated as direct costs) applicable to direct salaries contributed by the recipient. e. If a grantee wishes to provide cost sharing in the indirect cost category, it should merely reduce its claim for indirect costs to which it would be otherwise entitled, indicating the difference as cost sharing.

## 333.6 Cost Sharing Records and Reports

a. Grantee Records. 1. Grantees shall maintain records of all research project costs which are claimed by the grantee as being its contribution to cost participation, as well as records of costs to be paid by the government. Such records are subject to audit. 2. If the grantee's cost participation includes in-kind contributions, the basis for determining the valuation for volunteer services and donated property must be documented. 3. Grantees using the aggregate cost sharing method may find it useful, on a fiscal year basis, to prepare a summary of the total project costs for the year of all NSF-funded projects requiring cost sharing (excluding those grants which require specific cost sharing amounts or percentages; see GPM 333.3, "Cost Sharing Amount"), the total amount of cost sharing on those projects for the year, and the aggregate level of cost sharing expressed as a percentage of contributed costs to total project costs. Such information will facilitate organizational and Federal audit review and analysis of compliance with the cost sharing requirements on the aggregate basis. b. Grantee Reports. Unless otherwise required by the grant instrument or requested by NSF, the actual cost participation by the grantee need not be reported to NSF. However, in cases where grantee cost sharing commitments are \$500,000 or more, the grant instrument will require as a condition of the grant, the Authorized Organizational Representative to report and certify the amount of cost sharing on an annual and cumulative basis. These cost sharing reports shall be included as part of the annual progress and final project reports.

## 334 NSF Matching Requirement

Some NSF programs have a requirement for grantees to match the Federal support in whole or in part, as outlined in the specific program announcement. Records and reporting requirements for matching funds are the same as those outlined above for cost sharing amounts, GPM 333.6, "Cost Sharing Records and Reports."

## 340 TECHNICAL REPORTING REQUIREMENTS

### 341 Annual Progress Reports

a. PI/PDs should submit progress reports as indicated below. Such reports should be submitted on the NSF Form 1328, Annual NSF Grant Progress Report, (see GPG) to the NSF Program Officer specified in the grant instrument and

in accordance with such procedures as the grantee organization may prescribe. The certification contained on the NSF Form 1328 shall be signed by the PI/PD. b. Unless otherwise specified in the grant instrument, progress reports shall be submitted in the following frequency: 1. for standard grants awarded for two or more years, progress reports are required annually, no later than 90 days after the anniversary of the effective date of the grant. If the grant is not renewed, no progress report is required at the end of the final year, only the final project report need be submitted; or 2. for continuing grants, the progress report is part of the annual request for continued support, described in GPM 263, "Continued Support (Continuing Grants)."

## 342 Final Project Report

Within 90 days following expiration of the grant, one copy of NSF Form 98A, Final Project Report, (see GPG), shall be submitted to the cognizant NSF Program Officer. This form contains a summary of the completed project that will be used to answer inquiries by non-scientists as to the nature and significance of the project. The form also includes space to indicate the status of submission of the final technical information items for NSF program use. (See GPM 343, "Final Technical Information Items.") In addition, Part IV of the form requests summary data on the project personnel. The certification contained on the NSF Form 98A shall be signed by the PI/PD. Part II of a completed NSF Form 98A is available to the public.

## 343 Final Technical Information Items

As soon as they are available after completion of the project, the following technical items shall be submitted for NSF program management use: a. abstracts of theses; b. publication citations and reprints of articles; c. data on scientific collaborators; d. information on inventions; e. technical description of the project and results; f. other materials either required in the grant instrument or considered to be useful to NSF; and g. Universal Resource Locator numbers of electronic publications generated by the project.

## 344 Compliance with Technical Reporting Requirements

NSF Program Officers are responsible for ensuring that Final Project Reports on prior, expired grants have been submitted by PI/PDs before new grants are made to those PI/PDs. Failure to provide final technical reports (NSF Form 98A) will delay NSF review and processing of pending proposals for that PI/PD.

## 345 Grant Closeout

Grant closeout is the process by which NSF determines that all applicable administrative actions and all required work of the grant have been completed. Grants will be closed upon receipt of the final disbursement

information in the Federal Cash Transaction Report (FCTR) and Final Project Report, and after determination that any other administrative requirements in the grant instrument have been met. In the event a final audit has not been performed prior to the closeout of the grant, NSF reserves the right to recover appropriate amounts after fully considering the recommendations on disallowed costs resulting from the final audit.

## 350 RECORDS RETENTION AND AUDIT

a. Financial records, supporting documents, statistical records and other records pertinent to a grant will be retained by the grantee for a period of three years from submission of the Final Project Report described in GPM 342, "Final Project Report," except that: 1. records related to audits, appeals, litigation or the settlement of claims arising out of the performance of the project will be retained until such audits, appeals, litigation or claims have been disposed of; and 2. records related to projects subject to special program income provisions (GPM 753, "NSF Policy") will be retained for three years from the end of the grantee's fiscal year in which the grantee's obligations expire. b. Unless court action or audit proceedings have been initiated, the grantee may substitute microfilm copies of original records. c. The NSF Director and the Comptroller General of the United States, or any of their duly authorized representatives, shall have access to any pertinent books, documents, papers and records of the grantee organization (and of the performing organization, if different) to make audits, examinations, excerpts and transcripts. Further, in accordance with Section .48(d) of OMB Circular A- 110, any negotiated contract in excess of the small purchase threshold made by the grantee shall include a provision to the effect that the grantee, NSF, the Comptroller General or any of their duly authorized representatives, shall have access to pertinent records for similar purposes. d. In order to avoid duplicate recordkeeping, NSF may make special arrangements with grantees to retain any records which are needed for joint use. NSF may request transfer to its custody of records not needed by the grantee when it determines that the records possess long-term retention value. When the records are transferred to or maintained by NSF, the three-year retention requirement is not applicable to the grantee. In the rare event that these provisions are exercised, NSF will negotiate a mutually agreeable arrangement with the grantee regarding reimbursement of costs. e. It is the responsibility of grantees that are institutions of higher education or other non-profit organizations to arrange for the conduct of audits as required by OMB Circular A- 133, Audits of Institutions of Higher Education and Other Non-profit Institutions, except those organizations that are audited as part of single audits in accordance with OMB Circular A-128, Audits of State and Local Governments. Any Federal project audit(s) deemed necessary by NSF shall build upon the results of such audit(s).

Exhibit III-1

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GRANTEE NOTIFICATIONS TO AND REQUESTS FOR APPROVAL\* FROM THE NATIONAL SCIENCE FO

Type of Grantee Notification	GPM	Send To NSF:
Grantee Approved No-Cost Extensions	253.3	Grants Officer
Significant Changes in Methods/ Procedures	311.2	Program Officer
Significant Changes/Delays or Events of Unusual Interest	311.3	Program Officer
Short-Term Absence of the PI/PD	312.3	Program Officer
Amount of Federal funds is expected to exceed requirements of the grant by more than \$5,000 or 5%	322	Program Officer
Conflicts of Interest which cannot be satisfactorily managed, reduced or eliminated	510	Office of the General Counsel

## Type of Grantee

### Request to Change Effective Date

GPM:	253
GC-1:	(none)
Send To NSF:	Grants Officer
Final NSF Action By:	Grants Officer

### NSF Approved No-Cost Extension

GPM:	253.3
GC-1:	Article 4
Send To NSF:	Program Officer
Final NSF Action By:	Grants Officer

### Request for Supplemental Support

GPM:	264
GC-1:	(none)
Send To NSF:	Program Officer
Final NSF Action By:	Grants Officer

### Change in Objective or Scope

GPM:	311.1
GC-1:	Article 8
Send To NSF:	Program Officer
Final NSF Action By:	Grants Officer

### Long-Term Absence of the PI/PD

GPM:	312.4
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GC-1: Article 8  
 Send To NSF: Program Officer  
 Final NSF Action By: Program Officer\*\*

Change in Person-Months Devoted to Project  
 GPM: 312.5  
 GC-1: Article 8  
 Send To NSF: Program Officer  
 Final NSF Action By: Grants Officer, if necessary

Withdrawal of PI/PD  
 GPM: 312.6  
 GC-1: (none)  
 Send To NSF: Program Officer  
 Final NSF Action By: Grants Officer

Substitute PI/PD  
 GPM: 312.6  
 GC-1: (none)  
 Send To NSF: Program Officer  
 Final NSF Action By: Grants Officer

PI/PD Transfer from One Organization to Another  
 GPM: 312.8  
 GC-1: (none)  
 Send To NSF: Program Officer  
 Final NSF Action By: Grants Officer

Establishing Relatedness of Projects Under the Direction of Collaborating PI/PDs  
 GPM: (none)  
 GC-1 Article 5  
 Send To NSF: Grants Officer  
 Final NSF Action By: Grants Officer

Contracting or Transferring the Project Effort (Subawards)  
 GPM 313  
 GC-1 Article 8  
 Send to NSF: Grants Officer  
 Final NSF Action By: Grants Officer

Pre-award Costs in Excess of 90 Days  
 GPM: 602.2  
 GC-1: Article 3  
 Send to NSF: Grants Officer  
 Final NSF Action By: Grants officer

Reallocation of Funds Budgeted for Participant or Trainee Support Costs  
 GPM: 618  
 GC-1: Article 2  
 Send to NSF: Program Officer

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Final NSF Action By: Program Officer

Rearrangements/Alterations over \$10,000

GPM: 621  
 GC-1: Article 11  
 Send to NSF: Grants Officer  
 Final NSF Action By: Grants Officer

Note:

\* This listing of Grantee Notifications and Grantee Requests for approval is not intended to be all-inclusive. \*\* Final action by Grants Officer, when warranted

- page 1 -Nsf Form 1263 (7/95) -- NSF Grant Transfer Request
- page 2 -page 2 of 1263 (Certification Page)

(Not available here. Copies may be accessed in the Word version or in the paper

- page 3 - Instructions for Use of NSF Grant Transfer Request  
 (NSF Form 1263 (next page)

When a Principal Investigator plans to leave an organization during the course of an award, the PI or the I's organization must notify the NSF Program Office. If the project is to continue with the original organization, the NSF Program Officer will advise the grantee to nominate a substitute PI (see GPM 312622.7). If the project is to be continued at the PI's new organization, and if NSF and both organizations agree, formal notification of the impending transfer countersigned by the Authorized Organizational Representatives of both the original and new organizations must be made to the NSF Program Office using NSF Form 1263. The required certifications on page 2, Certification Page, must be signed by both the Principal Investigator(s) and the Authorized organizational Representative of the new organization.

The completed transfer request (NSF Form 1263) must be accompanied by:

- a brief summary of progress to date;
- a description of work yet to be accomplished; and
- a budget for the amount to be transferred.

Signing of the request constitutes agreement by the new organization to assume responsibility for completion of the project effort and to administer the grant (as originally awarded) from the transfer date to completion in accordance with any special terms and conditions and the applicable general terms and conditions that normally govern NSF awards made to the new organization.

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Upon receipt of the above material, NSF will review the request and, if approved, deduct the specified transfer amount from the original award and re-establish it under a new grant number at the new organization. Signature of the NSF Grants Officer will constitute formal ratification of the grant transfer. At that time, the Grants Officer will also specify the applicable terms and conditions to govern the award, (i.e., NSF GC-1, FDP, or other Terms and Conditions).

Equipment purchased with NSF funds for use in a specific project should remain available for use for the duration of the project. PIs who are in the midst of projects that included funding for equipment and who will continue the project at a new organization with NSF support should be able to arrange with their original organization to have the equipment transferred with them. Shipping costs for such equipment may be charged to the original or transferred grant as an allowable cost. Budgets should not include funds to "buy" equipment that had been previously obtained with Federal funds.

This chapter covers general grant payment methods and policies and provides instructions for obtaining payments. Topics covered are:

400 BACKGROUND  
 410 STANDARDS FOR FINANCIAL MANAGEMENT  
 420 DEFINITIONS  
 430 PAYMENT REQUIREMENTS  
 440 CASH REFUNDS AND CREDITS TO NSF  
 450 GRANT FINANCIAL REPORTING REQUIREMENTS

400 BACKGROUND

a. The acceptance of a grant from NSF creates a legal duty on the part of the grantee organization to use the funds or property made available in accordance with the conditions of the grant. Payments may be made in advance of work performed or as a reimbursement for work performed and/or costs incurred by the grantee. However, payments may not be made in advance of a grant being signed by a grants official for the project period. NSF has a reversionary interest in the unused balance of advance payments in any funds improperly applied (whether or not received as an advance payment); and in property acquired through the grant, to which NSF specifically either retains title or reserves the right to require title transfer.

b. The provisions of this chapter cover all NSF grants. Graduate Fellowship agreements with domestic colleges and universities are included, but contracts are excluded. All categories of grantees (academic, nonacademic, profit and non-profit) are covered by this chapter. The procedures in this chapter apply primarily to the comptroller's office or business office.

410 STANDARDS FOR FINANCIAL MANAGEMENT

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NSF grantees are required to have financial management systems which meet the requirements of Section .21 of OMB Circular A-110.

## 420 DEFINITIONS

The following definitions are either not included elsewhere in the manual or are repeated in this section because of their special applicability to this chapter.

a. BUSINESS OFFICER is the financial official of the grantee organization who has primary responsibility for the accountability for and reporting on NSF grant funds.

b. CASH ON HAND includes NSF funds on deposit, imprest funds and undeposited Treasury checks.

c. DISBURSEMENTS/OUTLAYS/EXPENDITURES are charges made to the project during a given period for:

1. goods and other tangible property received;

2. services performed by employees, subawardees, contractors and other payees; and

3. amounts becoming owed for which no current services or performance is required.

d. A GRANTEE is the organization or other entity that receives a grant and assumes legal and financial responsibility and accountability both for the awarded funds and for the performance of the grant-supported activity. NSF grants are normally made to organizations rather than to individual PI/PD(s).

e. NSF OBLIGATIONS are funds authorized by an NSF Grants Officer, in writing, for payment to a grantee.

f. GRANTEE OBLIGATIONS are the amounts of orders placed, subawards issued, contracts awarded, services received and similar transactions during a given period that will require payment by the grant during the same or a future period.

g. PAYMENTS are moneys transferred from NSF to the grantee by direct deposit (Automated Clearing House (ACH) Vendor Express) and in some rare occasions by check.

h. UNLIQUIDATED OBLIGATIONS, for financial reports prepared on a cash basis, represent the amount of obligations incurred by the grantee that have not been paid. For reports prepared on an accrued expenditure basis, unliquidated obligations represent the amount of obligations incurred by the

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grantee for which an outlay has not been recorded.

I. UNOBLIGATED BALANCE is the portion of the funds authorized by the grant that has not been obligated by the grantee. It is determined by deducting outlays and unliquidated obligations from the cumulative funds authorized.

## 430 PAYMENT REQUIREMENTS

### 431 General

Federal grant and other programs involving advances to various organizations outside the Federal government constitute a significant portion of the Federal budget. Advances of cash from the U.S. Treasury to such organizations for the purpose of financing current operations under Federal programs have a substantial impact on Treasury financing costs and the level of the public debt. The purpose of this section is to prescribe the timing of such advances and the procedures to be observed to assure that cash withdrawals from the Treasury occur only when essential to meet the needs of a grantee for its actual disbursements.

### 432 Payment Policies

a. Timing of Payments. Advances to a grantee shall be limited to the minimum amount needed and shall be timed to be in accordance with the actual, immediate cash requirements of the grantee in carrying out the purpose of the approved program or project. The timing and amount of cash advances shall be as close as is administratively feasible to actual disbursements for direct program costs and the proportionate share of any allowable indirect costs.

b. Payments to Subawardees. Cash advances made by primary grantees (those which receive advances directly from NSF) to others (subawardees) shall conform to the same standards of timing and amount as apply to advances by NSF to primary grantees, including the furnishing of reports of cash disbursements and balances.

c. Withholding payments. NSF reserves the right, upon written notice, to withhold future payments after a specified date if the recipient:

1. fails to comply with the conditions of an NSF grant, including the reporting requirements; or

2. is indebted to the U.S. Government.

d. Safeguarding Funds. In no case will NSF-furnished funds be commingled with the personal funds of, or be used for personal purposes by, any officer, employee, agent of the grantee; nor will any of these funds be deposited in personal bank accounts for disbursement by personal check.

### 433 Request for Advance

a. Grantees may receive payments from NSF in advance of cost incurred provided that the following conditions exist:

1. funds for the project period have been obligated by a Grants Officer in the form of a signed grant;

2. the grantee has established or demonstrated to NSF the willingness and ability to establish written procedures that will minimize the time elapsing between the transfer of funds from the U.S. Treasury and their disbursement by the grantee; and

3. the grantee's financial management system meets the standards for fund control and accountability prescribed in Section .21 of OMB Circular A- 110.

b. The grantee's designated official (Accounting Officer, Business Officer, Treasurer, etc.) must submit an SF 270, Request for Advance or Reimbursement, to NSF on a periodic basis (monthly, biweekly or other regular cycle) depending on normal disbursement patterns. Such requests should be limited to the minimum amounts needed and be timed to meet the anticipated cash requirements for allowable charges to active NSF projects. Grantees qualified to receive advance payments, are instructed to use the "Alternate Computation for Advance," section 12 of SF 270, instead of section 11. SF 270 along with preparation instructions is included in Exhibit IV-1. c. Grantees shall maintain advances of NSF funds in interest bearing accounts as specified in GPM 443, "Interest Earned on Advance Payments."

#### 434 Request for Reimbursements

When a grantee does not meet the conditions specified in GPM 433, "Request for Advance," or when otherwise considered appropriate by NSF, the grantee shall be required to finance its operations with its own working capital, and payments shall be made to reimburse the grantee for actual cash disbursements based on requests for reimbursement submitted to NSF. The amount requested as reimbursement will be reported on line 11i of the SF 270.

#### 435 Working Capital Advance

In those cases where the reimbursement method described in GPM 434, "Request for Reimbursements," is not feasible, arrangements may be made whereby NSF projects are financed on a working capital advance basis. On this basis, funds may be advanced to the grantee to cover estimated disbursement needs for a given initial period. Thereafter, the grantee would be reimbursed for the amount of its actual cash disbursements. The amount of the initial advance shall be geared to the reimbursement cycle so that after the initial period, the advance approximately equals the average amount of the grantee's unreimbursed program disbursements. Under this method of payment, SF 270,

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section 12, will be used for the initial advance; thereafter, reimbursements will be requested on SF 270, line 11i.

## 436 ACH Vendor Express

a. Electronic Funds Transfer. NSF Grantees will be paid through the ACH Vendor Express System based on submission of a request for funds to NSF. GPM 433-435 describe the conditions for requesting funds from NSF. Whether funds are paid in advance, as a reimbursement, or on a working capital replenishment basis, the actual payment will be made through the Vendor Express System. Vendor Express is an electronic funds transfer (EFT) system which allows the Government to transfer funds to a grantee's financial institution (bank) along with explanatory information about the payment. A grantee and its financial institution will determine how the grantee will be advised of the deposit and the explanatory information.

b. Enrollment. When awarded a grant, new grantees will receive a copy of the SF 3881, ACH Vendor/Miscellaneous Payment Enrollment Form (see Exhibit IV- 2). This form is required to implement the Vendor Express System and to notify NSF of any change or correction to the financial institution information.

c. Requests for Payments. After enrollment in the Vendor Express System, funds may be requested from NSF, as needed, in any of the following three formats:

1. SF 270 (an original only) mailed to NSF, DFM, ILS, Room 575, 4201 Wilson Blvd., Arlington, VA 22230;
2. SF 270, faxed to (703) 306-0287 (DFM). Grantees shall not duplicate their request by mailing a copy of the same form to NSF; or
3. an electronic mail message addressed to "loc@nsf.gov" (Internet). By electing to submit an electronic cash request, grantees are certifying to its truthfulness as stated in the certification in section 13 of SF 270. Under penalties of perjury, a willful false certification is a criminal offense, 18 USC §1001.

d. Review of requests for funds. Daily reviews of requests for funds are performed by DFM by 1 p.m. to ensure that the information provided is correct as follows:

1. the amount requested;
2. the ten-digit organization code (this number can be found on the quarterly SF 272, Federal Cash Transactions Report (FCTR), in the top right corner, directly beneath the organization's name);
3. the full name of the organization;

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4. the name and telephone number of the individual making the request;

5. an indication of whether the request for cash is for an advance or for a reimbursement;

6. identification of the period covered by the request; e.g., from 1/2/95 to 1/4/95. Advance requests should be limited to the minimum amounts needed and be timed to meet the anticipated cash requirement for allowable charges to active NSF projects; and

7. SF 3881 is on file at NSF. (See Exhibit IV-2.) Requests for funds will be rejected for missing or incorrect information. The grantee will be informed by telephone, fax or electronic mail of any rejection. NSF-approved requests are sent via magnetic tape to the U.S. Treasury (Birmingham Regional Finance Center) where payment is transferred via ACH to the grantee's bank account.

## 437 Use of Women-Owned and Minority-Owned Banks

Recipients of NSF grants are encouraged by the Federal government to use banks which are owned (at least 50 percent) by women or minority groups such as Asian, Black, Hispanic, Native Americans and Pacific Islanders. This action is consistent with the national goal of expanding the opportunities for women-owned and minority-owned business enterprises.

## 440 CASH REFUNDS AND CREDITS TO NSF 441 Final Unobligated Balance

NSF has a reversionary interest in the unobligated balance of a grant upon expiration or completion of the grant. Based on final disbursements reported on the FCTR, the final unobligated balance will be computed by NSF and reported in the "Final Unobligated Balance" column of the FCTR. (See GPM 452, "Final Disbursement Reporting.") The entry reduces the grantee's "Balance Authorized" as computed on line 17 of the FCTR. (See Exhibit IV-3.)

## 442 Erroneous Payments

Advances or reimbursements made in error must be refunded by check (payable to the National Science Foundation) if the erroneous payment creates an excess cash on hand condition or a negative "Balance Authorized" as computed on line 17 of FCTR. Excess funds should be promptly refunded and redrawn when needed if the funds are erroneously drawn in excess of immediate disbursement needs. The only exception to the requirement for prompt refunding is when the funds involved will be disbursed within 30 calendar days. This exception to the requirement for prompt refunding should not be construed as approval by NSF for a grantee to maintain excessive funds; it is applicable only to excessive amounts of funds which are erroneously drawn.

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## 443 Interest Earned on Advance Payments

Grantees shall maintain advances of NSF funds in interest bearing accounts, unless any of the following apply:

- a. the grantee receives less than \$120,000 in Federal grants per year;
- b. the best reasonably available interest bearing account would not be expected to earn interest in excess of \$250 per year on Federal cash balances; or
- c. The depository would require an average or minimum balance so high that it would not be feasible within the expected Federal and non-Federal cash resources. Interest earned on NSF advances deposited in interest bearing accounts shall be remitted annually to the Department of Health and Human Services (DHHS), Payment Management System, P.O. Box 6021, Rockville, MD 20852 (telephone number: (301) 443-9247). Grantees are authorized to retain up to \$250 per year for administrative expenses. Interest on advances earned shall be reported on line 11 of the FCTR. The requirement to annually remit interest does not apply to grantees subject to the Cash Management Improvement Act (CMIA) and its implementing regulations (i.e., State agencies and instrumentalities). State universities and hospitals shall comply with the CMIA, as it pertains to interest. In accordance with Section .22 of OMB Circular A-110, if a grantee subject to CMIA uses its own funds to pay pre-award costs without prior written approval from NSF, it waives its right to recover the interest under CMIA.

## 444 Program Income

If, in accordance with the grant, program income is designated for credit to grant costs, it will be recovered by NSF by crediting costs otherwise chargeable against the grant on the FCTR. (See Exhibit IV-3 and GPM 750, "Program Income.") In these cases, income in excess of the grant will be remitted to NSF by check payable to the National Science Foundation.

## 445 Other Cost Credits

Purchase discounts, rebates, allowances, credits resulting from overhead rate adjustments and other credits relating to any allowable cost received by or accruing to the grantee shall be credited against NSF grant costs if the grant has not been financially closed out. A grant is financially closed out when the final net disbursements have been reported on the FCTR. Credits of \$300 or more shall be credited against NSF grant costs even if the grant has been closed out. See also GPM 617, "Publication, Documentation and Dissemination."

## 450 GRANT FINANCIAL REPORTING REQUIREMENTS 451 Quarterly Disbursement Reporting - Federal Cash Transactions Report (FCTR)

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Shortly (usually within ten days) after the end of each calendar quarter, NSF will send (via electronic or conventional mail) to each grantee a FCTR to be updated, certified and returned to NSF. This report is required whether funds are provided on an advance or a reimbursable basis. The report elements are in compliance with the uniform Federal standards applicable to financial reporting by grantees. The FCTR with instructions is shown in Exhibit IV-3. The original and one copy of the completed FCTR must be sent in time to reach the DFM by no later than the reporting date specified at the bottom of FCTR. FCTRs that lack a Certifying Official's signature will not be processed. Failure to submit the FCTR to NSF in a timely manner can result in one or more of the following actions: a. suspension of all future payments; b. close-out of expired grants based on previously reported disbursements; c. suspension of unexpired grants; and d. suspension of review and processing of new proposals. Electronic submissions of FCTR data is optional at NSF. Grantees may enroll by contacting the DFM, ILS Section, (703) 306-1283. Participating grantees will continue to receive the paper copy of the FCTR each quarter, in addition to an electronic mail (E-Mail) FCTR (see Exhibit IV-4) which contains grant data similar to the paper FCTR. The E-Mail FCTR consists of two messages. The first message contains basic instructions while the second message contains the grant data that is to be updated and returned to NSF. By electronic submission of the FCTR, grantees are certifying to its truthfulness as stated in the certification at the end of FCTR. Additional information on electronic submission of FCTRs may be obtained by calling the cognizant grant accountant (703) 306-1283.

## 452 Final Disbursement Reporting

NSF does not require grantees to submit individual SF 269, Financial Status Reports, for purposes of final grant accountability. NSF procedures have been designed to extract the final financial data from the entries in the FCTR. This reporting is accomplished as follows: a. For any grant listed on the FCTR that expired prior to the beginning of the quarter covered by the FCTR, the grantee will enter the final disbursement amount in the "Net Disbursement Reporting Quarter" column. b. If there are valid unpaid obligations outstanding at the time final disbursements are due, the obligations must be charged against the NSF cash advance and reported in the "Net Disbursement Reporting Quarter" column as if they had actually been paid. If subsequent payment differs by \$300, plus or minus, from the amount previously reported, the grantee must request the approval of the Cost Analysis/Audit Resolution Branch, CPO. The request should specify the reason for the adjustment. Adjustments will not be approved for amounts less than \$300. c. If by law, regulation or accounting system limitations, valid unpaid obligations cannot be charged against the NSF advance and reported as disbursed in accordance with b, above, closeout by NSF will be deferred provided that: 1. the grantee submits to DFM, ILS, a one-time statement of the reason(s) for not reporting unpaid obligations as disbursed; 2. for each grant to be held active, the grantee inserts "unpaid obligations" in the Recipient Remarks column of the FCTR; and 3. the grantee signs the certification printed at the end of the FCTR. d. The final disbursement amount may not exceed the amount of the grant. If the

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grantee erroneously reports such an excess, NSF will keep the grant in the FCTR in the subsequent quarter and require the grantee to review its accounting records and make the necessary adjustments so that the disbursement amount does not exceed the grant amount. e. When the final disbursements have been recorded by NSF, the grant will be financially closed and no additional disbursements shall be shown by the grantee in subsequent reports. f. When all final reporting requirements have been met, the grant will be deleted from the FCTR. When this is done, the grant will be shown in the next "Schedule of Awards Purged and Subsequent Adjustments During the Quarter," Part IV of the FCTR.

## 453 Compliance with Financial Reporting Requirements

DFM monitors financial report submissions to assure that the requirements for final disbursement information in the FCTR are fulfilled.

### REQUEST FOR ADVANCE OR REIMBURSEMENT INSTRUCTIONS (SF 270)

Line No.

1a. Recipients that qualify for advance payments in accordance with conditions stated in GPM 433 should "X" the "Advance" block. Recipients that do not meet the requirements specified GPM 433 should "X" the "Reimbursement" block.

3. Enter: National Science Foundation Division of Financial Management

7. Enter the 10 digit institution code which is printed under the recipients' name on the Federal Cash Transactions Report.

Note: A new Form SF 3881 must be submitted to NSF to change either to a new bank or bank account number.

8. Enter the month, day, and year for the beginning and ending of the period covered in this request. If the request is for an advance, or for both an advance and reimbursement, show the period that the advance will cover. If the request is for reimbursement, show the period for which the reimbursement is requested.

9. Self-explanatory.

11i. If the "Reimbursement" block is designated in 1a, above, enter in the "Total" column the amount requested for reimbursement for the period covered by the request.

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12. If "Advance" block is designated in 1a, above, complete lines 12a through 12c.

13. Complete the certification before submitting this request.

note: Standard Form 270 is not available here. May be accessed in the Word format or in the paper copy.ance and reimbursement, show the period that the advance will cover.

IV-2

ACH VENDOR/MISCELLANEOUS PAYMENT ENROLLMENT FORM

(Not available here. May be accessed in the Word version or in the paper copy.)

FEDERAL CASH TRANSACTIONS REPORT (FCTR)

(Not available here. May be accessed in the Word version or in the paper copy.) per copy.)

ADDRESS PAGE

Enter address corrections as needed so that the Federal Cash Transactions Report will be mailed directly to the office responsible for the preparation of the FCTR. This page need not be returned to NSF unless corrections are made.

FCTR PART I: SF 272 - STATUS OF FEDERAL CASH

1. Enter the total amount of NSF cash on hand at the beginning of the reporting period. This line should agree with line 8 of the previous FCTR.

2. Enter the total amount of payments received during the reporting quarter. See part III of the FCTR for a listing of payments made by NSF.

3. Enter the sum of lines 1 and 2.

4. Enter the total NSF cash disbursements made during the reporting period including disbursements from NSF's share of project income which has been designated for credit to award costs. Disbursements as used here also

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include the amount of advances and payments less refunds to subgrantees or subcontractors, the gross amount of direct salaries and wages, including the employee's share of benefits if treated as a direct cost, inter-departmental charges for supplies and services, and the amount to which the recipient is entitled for indirect costs.

5. Enter the NSF share of project income which has been designated for credit to awards costs.

6. Enter the difference between the amount on line 4 and the amount on line 5. The amount should be the same as the total of the "Net Disbursements Reporting Quarter" column on SF 272A. This amount is also reported on optional line 15.

7. Enter the amount of all prior period adjustments which affect the ending balance but have not been included in any lines above. Identify each financially closed award for which an adjustment was made, and enter an explanation for each adjustment on line 18, "Remarks".

8. Enter the total amount of NSF cash on hand at the end of the reporting period. This amount should include all funds on deposit, imprest funds, and undeposited funds (line 3 less line 6, plus or minus line 7).

9. Enter the total number of Request for Funds for which payments were received during the reporting quarter.

10. Enter the estimated number of days until the cash on hand (line 8) will be expended. An explanation is required if the number of days cash on hand is greater than three.

11. Enter the unremitted amount of interest earned on NSF advances. OMB circular A-110 requires that interest earned be remitted to HHS at least annually.

12. Enter the amount of advances to secondary recipients included in line 6. NOTE: Completion of lines 137 through h 1721 is optional.

13. Enter the total of the "Net Award" column from SF 272A.

14. Enter the total of the "Cum. Net Disb. thru Prior Qtr." column from SF 272A.

15. Enter the total of the "Net Disbursements Reporting Quarter" column from SF 272A.

16. Subtract the amount on lines 14 and 15 from the amount on line 13 and enter the remainder.

17. Subtract the amount on line 8 (add if line 8 is a deficit) from the amount on line 16 and enter the remainder. This amount represents the

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balance of unadvanced award authority. If the amount on line 8 is positive and is greater than the amount on line 16, the amount on this line should be negative. A negative balance on this line represents an over advance which must be returned by check to NSF. Make check payable to the National Science Foundation.

18. Enter the award identification of amount reported on line 7 explanation of excess cash on hand reported on line 10 grant number(s) pertaining to line 7 and/or other remarks deemed appropriate.

## FCTR PART II: SF 272A - FEDERAL SHARE OF NET DISBURSEMENTS

1. The "Final Unoblig. Bal" (Final Unobligated Balance) will be preprinted by NSF. Amounts reported in this column represent the award amount (including amendments) less total final disbursements as reported in columns 3 and 4. Once a grant has been financially closed, changes for amounts less than \$300 (plus or minus) will not be accepted.

2. The "Net Award" column will be preprinted by NSF: the amounts represent the total award less the "Final Unoblig. Bal". If the option of completing lines 137 through 1721 on SF 272 is exercised, insert the total of this column on line 17.

3. The "Cum. Net Disb. Thru Prior Qtr." (Cumulative Net Disbursements Thru Prior Quarter) will be preprinted by NSF. This amount represents the total of amounts previously reported by the recipient in the "Net Disb. Reporting QTR." column. Please note corrections by drawing a line through the erroneous amount and inserting the correct amount. Late submissions of this report may result in this column not being updated. If such corrections are required for more than 10 awards, please insert "Prior quarter expenditures are not included," and correct the column total only. If 10 or less amounts are incorrect, delete the incorrect amount and insert the correct amount. If the option of completing lines 13 through 17 on SF 272 is exercised, insert the total of this column on line 14.

4. Enter net disbursements (gross disbursements less project income which has been designated for credit to award costs) made during the reporting quarter in the "Net Disb. Reporting Qtr" column. See GPM 670 for reporting final disbursements. The total of this column must agree with line 6 on SF 272. Corrections for prior quarter NSF data entry errors or omissions should not be reflected in this column (see item 3, above). If the option to complete lines 13 through 17 on SF 272 is exercised, insert the total of this column on line 15. After final disbursements have been reported, NSF will compute and report the Final Unobligated Balance in column 1 and print "financially closed" in this column.

5. "Award #"- NSF award numbers are preprinted by NSF. If an award number is incorrect, please line through the incorrect number and insert the correct, please line through the incorrect number and insert the correct number. "Eff-Date-Exp"- (Effective date-Expiration date). These dates will be

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preprinted by NSF. The first five characters represent the effective month and year, and the last five characters represent the expiration month and year.

6. "Recipient's #- Recipients may insert and reference code up to 15 characters in this column. NSF will print the reference code on subsequent reports.

7. "Final Proj. Report": (Final Project Report, NSF Form 98A) - "Due" will be printed in this column by NSF if the grant expired prior to the beginning of the quarter covered by the FCTR and the Final Project Report has not been received. The receipt date will be printed by NSF if the Final Project Report has been received.

8. "Recipient's Remarks" column is provided for the recipients to comment on the status of Final Project Reports due, but not received by NSF; to defer final disbursement reporting by inserting "unpaid obligations" (this notation may only be used for one quarter); and to note no cost extensions. Please limit response to the space provided.

Complete the certification and contact data, requested at the end, before submitting the report.

## FCTR PART IV: SCHEDULE OF AWARDS PURGED AND & SUBSEQUENT ADJUSTMENTS DURING THE QUARTER

This page lists all awards purged from SF 272A and awards previously purged for which adjustments have been authorized. This page need not be returned to NSF unless corrections are noted.

Exhibit IV-4

## E-MAIL - FCTR INSTRUCTIONS

The National Science Foundation provides grantees with the option to electronically process quarterly Federal Cash Transaction Report data. In addition to the paper copy of the FCTR, NSF will send to each participating institution, via electronic mail (e-mail), a message which contains grant data to the FCTR. The e-mail message will be constructed in two sections, the first will contain basic instructions and the second will be the data that is to be updated and returned to NSF.

The institution may process the data in any manner as long as the data returned to NSF follows the formats listed below and is returned as an e-mail message. The data must be incorporated as part of the e-mail message and not as an attached file.

Headings may NOT be deleted when the data is transmitted back to NSF. There are six record types in the second part of the message: "CSH", "PAY", "EXPN", "NET", "ADJ", and "CASH". The format and general description of what each record type represents follows:

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"CSH" is the amount of cash on hand at the beginning of the quarter. This corresponds to line 1 of the FCTR. There is one record per submission.

1-15: Amount of Cash on Hand. This figure is provided by NSF.

Make no changes to the amount shown, unless an explanation accompanies the FCTR.

16-18: Transaction Code = CSH.

19-80: Blank.

"PAY" is the current quarter cash payments and refunds for your institution. This corresponds to line 2 of the FCTR. There is one record per submission.

1-15: Net amount of payments and refunds. This figure is calculated by NSF. Make no changes to the amount shown, unless an explanation accompanies the FCTR.

16-18: Transaction Code = PAY

19-80: Blank.

"EXPN" is the current quarter disbursements net any prior disbursement adjustments required. There is one record per award.

1-15: Amount of disbursement. May include punctuation. Should include a decimal point. If no decimal point is included, two position decimal will be assumed. Examples of acceptable input to represent a positive or negative amount equal to one dollar are: 1.00, \$1.00, 100, 000000000000100 (all positive), -1.00, 1.00-, (1.00), -100, 100-, -\$1.00 (all negative).

16-19: Transaction Code = EXPN.

20-20: Blank.

21-27: NSF Award number - seven character numeric award number provided by NSF.

28-28: Blank.

29-43: Grantee Award Number -15 character alphanumeric recipient's award number. To be entered or corrected by institution.

44-44: Blank.

45-54: Award Effective Date. Format is yymmdd.

55-55: Blank.

56-65: Award Expire Date. Format is yymmdd.

66-80: Blank.

"NET" is the sum of the disbursements for the quarter. There is one record per submission.

1-15: Amount of Net disbursements for this submission. May include punctuation. Should include a decimal point. If no decimal point is included, two position decimal will be assumed.

16-18: Transaction Code = NET.

19-80: Blank.

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"ADJ" is the net amount of all adjustments to financially closed awards. This corresponds to line 7 of the FCTR. A brief explanation, including award number, should be entered in the "REMARKS" section.

1-15: Net amount of adjustments. May include punctuation.

Should include a decimal point. If no decimal point is included, two position decimal will be assumed.

16-18: Transaction Code = ADJ.

19-80: Blank.

"CASH" is the amount of cash on hand at the end of the quarter. This corresponds to line 8 of the FCTR. There is one record per submission.

1-15: Amount of Cash on Hand. May include punctuation.

Should include a decimal point. If no decimal point is included, two position decimal will be assumed.

16-19: Transaction Code = CASH.

20-80: Blank.

The "NAME" and "PHONE" of the person who completed the FCTR is required data.

The "REMARKS" section may be used for adjustment explanation and other information the grantee wishes to convey to NSF.

This updated transmission should be sent, via e-mail to [fctr%taotnn@main.nsf.gov](mailto:fctr%taotnn@main.nsf.gov)

By electing to return this report electronically you are certifying to its truthfulness as stated in the certification at the end of the paper copy of SF 272A. Under penalties of perjury a willful false certification is a criminal offense, 18 USC 1001.

## GRANTEE STANDARDS

This chapter discusses various grantee management standards with which recipients are expected to comply. It consists of the following topics:

- 500 BACKGROUND
- 510 CONFLICT OF INTEREST POLICIES
- 520 FINANCIAL MANAGEMENT SYSTEMS STANDARDS
- 530 PROCUREMENT STANDARDS
- 540 PROPERTY MANAGEMENT STANDARDS

## 500 BACKGROUND

a. NSF requires prospective grantees to furnish, upon request by DGA, basic organization and management information to assist the NSF Grants Officer in assessing their financial and managerial responsibility. GPM 501 describes

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NSF requirements for the furnishing of organization and management information.

b. NSF encourages the increased involvement of academic researchers and educators with industry and private entrepreneurial ventures, but recognizes that such interactions carry with them an increased risk of conflict of interests. GPM 510 contains NSF's policy on conflict of interest.

c. OMB Circular A-110 prescribes three sets of standards for academic and other non-profit recipients of Federal grants. These govern financial management systems, procurement policies and procedures and property management. GPM sections 520-540 implement the OMB standards, and extend their applicability to all types of recipients of NSF grants, including commercial firms.

## 501 Prospective Grantee Organization and Management Data

### 501.1 General

Each proposing organization that has not received an NSF grant within the previous two years should be prepared to submit basic organization and management information and certifications, when requested, to DGA.

### 501.2 Definitions

a. COLLEGE OR UNIVERSITY is a public or private institution of post secondary education which, if a U.S. college or university, is listed in the current edition of the Directory of Post-secondary Institutions, published in two volumes by the Center for Education Statistics, U.S. Department of Education, and for sale by the Superintendent of Documents, U.S. GPO.

b. HOSPITAL is an organization which is a member of the American Hospital Association, whether or not it is subject to the control of Federal, State or local governments.

c. OTHER NON-PROFIT ORGANIZATION is any corporation, trust, association, cooperative or other organization which:

1. is operated primarily for scientific, educational, service, charitable or similar purposes in the public interest;

2. is not organized primarily for profit; and

3. uses all income exceeding costs to maintain, improve and/or expand its operations. For this purpose the term "non-profit organization" excludes colleges and universities, hospitals and State, local and Indian tribal governments. An organization which has tax exemption as a non-profit organization from the U.S. Internal Revenue Service (IRS) shall be considered to have met the criteria of this definition.

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d. SMALL BUSINESS is a concern, including its affiliates, which is independently owned and operated, is not a "non-profit organization," is not dominant in the field of operation in which it is proposing, and can further qualify under the criteria concerning the number of employees, average annual receipts or other criteria, currently prescribed by the Small Business Administration (SBA) for the purpose (e.g., eligibility for SBIR program) for which the small business classification is claimed. (See 13 CFR §121.)

e. OTHER COMMERCIAL FIRM is any corporation, trust or other organization which is organized primarily for profit and does not meet the SBA criteria for being a "small business."

f. STATE is any of the States of the United States, the District of Columbia, the Commonwealth of Puerto Rico, any territory or possession of the United States or any agency or instrumentality of a State exclusive of State institutions of higher education and hospitals.

g. LOCAL GOVERNMENT is a unit of government including a county, municipality, city, town, township, local public authority, school district, special district, intrastate district, council of governments, other regional or interstate government entity, Indian tribal government or any agency or instrumentality of a local government exclusive of institutions of higher education and hospitals.

## 501.3 Required Information

Upon request, the following information will be submitted to DGA.

a. Organization Name. The commonly used name of the organization, together with the legal (registered) name, if different, and mailing address.

b. Organization Type. The appropriate organizational type defined in GPM 501.2, or, if some other type, so indicate. If a U.S. college or university, show the Federal Interagency Committee on Education code, and category of control or affiliation as shown in the most recent Directory of Post-secondary Institutions.

c. Federal Employer Identification Number. The employer identification number as assigned by the IRS (applicable to U.S. organizations only).

d. Congressional District. The congressional district in which the organization is located (applicable to U.S. organizations only).

e. Organizational Affiliations. The relationship of the organization to any parent organization or to subsidiaries or other affiliates. If the organization is a successor in interest to a predecessor or if changes in organizational affiliation are anticipated, describe briefly.

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f. Statement of Purposes and Powers. An official or published statement of the major purposes of the organization and the powers which have been granted to it to enter into contractual relationships and/or to accept grants (e.g., articles of incorporation, terms of reference or by-laws).

g. Key Officials. The name, title, address and telephone number of the following officials and their alternates (if applicable):

1. Chief Executive Officer. (NSF grant letters normally are addressed to the Chief Executive Officer unless another appropriate addressee, such as the Authorized Organizational Representative, is so designated.);

2. Authorized Organizational Representative; and

3. Business Officer.

h. Affiliations of Key Officials. If the organization is other than a college or university, a State or local government or an international organization, indicate whether or not each official listed in g, above, is affiliated with any international, Federal, State or local agency, or with any college or university. If so, describe such affiliation. NSF reserves the right to consult with such affiliated organizations.

i. Federal Grants. A representative listing of current or recent Federal grants to the organization indicating agency, grant number, grant amount and title of project.

j. Indirect Cost Agreement. A copy of the most recent indirect cost agreement negotiated between the organization and some Federal agency or, if lacking such an agreement, an indirect cost rate proposal. (See GPM 632.1, "Basic Policy," and 634.2, "NSF Calculation of Indirect Cost Amount.")

k. Grantee Standards. A statement that the organization will or will not comply with the following standards:

1. Financial Management Systems (GPM 520);

2. Procurement Standards (GPM 530); and

3. Property Management Standards (GPM 540).

l. Other. If other than a college or university, or a State or local government, also submit the following:

1. a certified statement of financial condition covering at least the preceding two years; and

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2. bank or other references.

## 510 CONFLICT OF INTEREST POLICIES

The following policies on conflict of interest are effective October 1, 1995.

a. NSF requires each grantee institution<sup>3</sup> employing more than fifty persons to maintain an appropriate written and enforced policy on conflict of interest. Guidance for such policies has been issued by university associations and scientific societies.<sup>4</sup>

b. An institutional conflict of interest policy should require that each investigator disclose to a responsible representative of the institution all significant financial interests of the investigator (including those of the investigator's spouse and dependent children) (i) that would reasonably appear to be affected by the research or educational activities funded or proposed for funding by NSF; or (ii) in entities whose financial interests would reasonably appear to be affected by such activities. The term "investigator" means the principal investigator, co-principal investigators, and any other person at the institution who is responsible for the design, conduct, or reporting of research or educational activities funded or proposed for funding by NSF. The term "significant financial interest" means anything of monetary value, including, but not limited to, salary or other payments for services (e.g., consulting fees or honoraria); equity interest (e.g., stocks, stock options or other ownership interests); and intellectual property rights (e.g., patents, copyrights and royalties from such rights). The term does not include:

1. salary, royalties or other remuneration from the applicant institution;

2. any ownership interests in the institution, if the institution is an applicant under the Small Business Innovation Research Program or Small Business Technology Transfer Program;

3. income from seminars, lectures, or teaching engagements sponsored by public or non-profit entities;

4. income from service on advisory committees or review panels for public or nonprofit entities;

5. an equity interest that, when aggregated for the investigator and the investigator's spouse and dependent children, meets both of the following tests: does not exceed \$10,000 in value as determined through reference to public prices or other reasonable measures of fair market value, and does not represent or represent more than a 5% ownership interest in any single entity; or

6. salary, royalties or other payments that, when aggregated

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for the investigator and the investigator's spouse and dependent children, are not expected to exceed \$10,000 during the twelve month period.

c. An institutional policy must ensure that investigators have provided all required financial disclosures at the time the proposal is submitted to NSF. It must also require that those financial disclosures are updated during the period of the award, either on an annual basis, or as new reportable significant financial interests are obtained.

d. An institutional policy must designate one or more persons to review financial disclosures, determine whether a conflict of interest exists, and determine what conditions or restrictions, if any, should be imposed by the institution to manage, reduce or eliminate such conflict of interest. A conflict of interest exists when the reviewer(s) reasonably determines that a significant financial interest could directly and significantly affect the design, conduct, or reporting of NSF-funded research or educational activities. Examples of conditions or restrictions that might be imposed to manage, reduce or eliminate conflicts of interest include, but are not limited to:

1. public disclosure of significant financial interests;
2. monitoring of research by independent reviewers;
3. modification of the research plan;
4. disqualification from participation in the portion of the NSF-funded research that would be affected by significant financial interests;
5. divestiture of significant financial interests; or
6. severance of relationships that create conflicts. If the reviewer(s) determines that imposing conditions or restrictions would be either ineffective or inequitable, and that the potential negative impacts that may arise from a significant financial interest are outweighed by interests of scientific progress, technology transfer, or the public health and welfare, then the reviewer(s) may allow the research to go forward without imposing such conditions or restrictions.

e. The institutional policy must include adequate enforcement mechanisms, and provide for sanctions where appropriate.

f. The institutional policy must include arrangements for keeping NSF's Office of the General Counsel appropriately informed if the institution finds that it is unable to satisfactorily manage a conflict of interest.

g. Institutions must maintain records of all financial disclosures and of all actions taken to resolve conflicts of interest for at least three

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years beyond the termination or completion of the grant to which they relate, or until the resolution of any NSF action involving those records, whichever is longer.

## 520 FINANCIAL MANAGEMENT SYSTEMS STANDARDS

NSF grantees are required to have financial management systems which meet the requirements of Section .21 of OMB Circular A-110.

## 530 PROCUREMENT STANDARDS

NSF grantees shall adhere to the requirements of Sections .41 through .48 of OMB Circular A-110 which prescribe standards for use by recipients in establishing procedures for the procurement of supplies and other expendable property, equipment, real property and other services with Federal funds.

## 540 PROPERTY MANAGEMENT STANDARDS 541 Background

a. Sections .31 through .37 of OMB Circular A-110 prescribe standards governing the management and disposition of property furnished by the Federal government or whose cost was charged to a project supported by a Federal grant.

b. In the rare instances where NSF grants might involve the acquisition of real property and unless otherwise specified in the grant document, the real property standards of OMB Circular A-110 are applicable to such NSF grants.

c. NSF implementation of the OMB standards on intellectual property is contained in GPM 730, "Intellectual Property."

d. Title to materials developed and supplies purchased under an NSF grant will vest in the grantee.

e. Section .33(b) of OMB Circular A-110 contains a special category of "exempt property." Under that provision, any Federal agency which has statutory authority (such as NSF) may vest title in an institution of higher education, hospital or other non-profit organization without further obligation to the Federal Government and under conditions the agency considers appropriate.

## 542 Title to Equipment

### 542.1 Title to Equipment - Non-Profit Organizations

a. Normal Situations. Unless otherwise specified in the grant document, title to equipment purchased or fabricated with NSF grant funds by a college or university or other non-profit organization will vest in the grantee organization upon acquisition. Such equipment is considered "exempt property" (see GPM 541, "Background") and subject to the conditions of GPM

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543, "Conditions for Acquisition and Use of Equipment."

b. Special Situations. In special situations the grant document may require that title to equipment purchased, acquired or fabricated by the grantee with NSF funds pass directly to the government from the vendor.

c. Excess Government Personal Property. See GPM 546.

## 542.2 Title to Equipment - Commercial Organizations

Unless otherwise specified in the grant document, title to equipment purchased or fabricated with NSF grant funds by a small business or other commercial firm (as defined in GPM 501.2) will vest in the government. Such equipment will be acquired and used in accordance with GPM 543, "Conditions for Acquisition and Use of Equipment," and managed in accordance with GPM 545, "Property Management Standards When Title Retained by NSF."

## 543 Conditions for Acquisition and Use of Equipment

a. Grantee Assurance. The grantee will assure that for each purchase of equipment, it is:

1. necessary for the research or activity supported by the grant;
2. not otherwise reasonably available and accessible;
3. of the type normally charged as a direct cost to sponsored agreements; and
4. acquired in accordance with organizational practice.

b. General Purpose Equipment. Expenditures for general purpose equipment (see GPM 612.2c, "Definitions") are unallowable unless the equipment is primarily or exclusively used in the actual conduct of research.

c. Equipment Usage. The equipment must remain in use for the specific project for which it was obtained in accordance with OMB Circular Section .34c., unless the provision in Section .34e. applies.

d. Equipment Sharing. The equipment must be shared on other projects or programs in accordance with OMB Circular A-110 Section .34d.

e. Property Management Standards. The grantee shall maintain a property management system which, at a minimum, meets the requirements of OMB Circular A-110 Section .34f.

f. Competition. Grantees shall not use equipment acquired with Federal funds to provide services to non-Federal outside organizations for a

fee that is less than private companies charge for equivalent services, unless specifically authorized by statute, for as long as the Federal Government retains an interest in the equipment.

g. Right to Transfer Title.

1. NSF may identify items of equipment having a unit acquisition cost of \$5,000 or more where NSF reserves the right to transfer the title to the Federal government or to a third party named by the Federal government.

2. In such cases where NSF elects to transfer the title, disposition instructions will be issued no later than 120 calendar days after the expiration date of the NSF-supported project for which it was acquired.

## 544 Use of NSF-Supported Research Instrumentation and Facilities Guidelines

In March 1983, the National Science Board adopted Principles Related to NSF-Supported Research Instrumentation and Facilities (Important Notice 91) and approved guidelines to aid grantees in their implementation. (See Exhibit V-1.) Those principles and guidelines address the use of NSF-supported research instrumentation and facilities in providing services for a fee in direct competition with private companies that provide equivalent services. Grantees should implement those principles and guidelines in a reasonable manner and provide fair and adequate consideration of any complaints about use of instrumentation and facilities.

## 545 Property Management Standards When Title Retained by NSF

In the event that title to equipment or property is vested in the Federal Government, such property shall be marked, tagged or segregated in such a manner as to indicate clearly its ownership by the government. Unless otherwise provided in the grant instrument, such government property shall be used only for the performance of the project. The grantee shall submit an annual inventory report by NSF grant number of such property having an original acquisition cost of \$5,000 or more, to the NSF Property Administrator, Division of Administrative Services (DAS). A physical inventory of Government-Owned Equipment (GOE) shall be conducted every two years pursuant to Section .34f of OMB Circular A-110. Upon expiration of the grant, the grantee shall report the property to the Property Section for further agency utilization. (See GPM 546, "Excess Government Personal Property.")

## 546 Excess Government Personal Property

### 546.1 Policy

a. As a means of expanding the ability of grantees to accomplish NSF

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objectives while conserving supply and equipment funds, NSF will continue to sponsor the transfer of excess government personal property to NSF grantees.

b. Excess government personal property includes all types of personal equipment and materials (except consumable items such as drugs, paint, etc.), new or used, owned by the Federal Government and no longer needed by the holding agency, but having additional useful life. Under regulations established by the General Services Administration (GSA), the agency charged with operating this program, excess government personal property may be reported to, or requested from, GSA by other Federal agencies, including NSF.

c. NSF will sponsor the transfer of excess government personal property to eligible organizations under one of the following conditions:

1. the use of the property significantly furthers a NSF grant-supported activity;

2. the property is such that it would have been procured under the grant for which property is being requested if additional grant funds had been available;

3. the property is used as part of the grant activity and subsequently for research or science education purposes; or

4. the property is classified by GSA as scientific equipment and has a unit acquisition cost of \$1,000 or more. (See GPM 546.6, "Restrictions".)

## 546.2 Eligibility

Eligible organizations are NSF project grantees which are public or private institutions of higher education or non-profit organizations whose primary purpose is the conduct of research or science education activities. State and municipal governments, public health units, hospitals, profit-making firms and individual PI/PDs are not eligible for excess government personal property under NSF sponsorship.

## 546.3 Procedures

a. To receive information concerning the availability of property, an eligible grantee should contact the Property Administrator, DAS. The Foundation will place the grantee on the list of eligible NSF grantees with the GSA and will provide the grantee with the names, addresses and telephone numbers of GSA Area Utilization Officers (AUO) located near the organization. The grantee should contact an AUO to set up a "needs" list of the scientific equipment required for the NSF project grant. It is important that the NSF grant number and the name of the PI/PD be communicated in all conversations and correspondence regarding excess property acquisitions, transfers and disposals.

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b. When GSA information on available excess government personal property is received, the grantee should ascertain whether any items which are necessary to accomplish the supported project are included.

c. Materials and equipment so selected should be inspected whenever possible (see GPM 546.4, "Visiting Holding Agency Facilities"), or the holding Federal agency should be contacted by the grantee to verify the condition of the items, because interpretation of condition codes varies among agencies.

d. If the condition of the item is acceptable, the grantee should freeze (reserve) items by calling the GSA office identified in the catalog. The verbal reservation should then be followed up by a letter. Items are usually allocated on a first come, first served basis. Since GSA may have several freezes on a piece of equipment, first come, first served is interpreted as the first approved written request received by the GSA office. However, preference will be given by GSA to agencies which do not grant title to equipment.

e. The grantee should next prepare and submit to the Property Administrator, DAS, a property request in six copies. A property request consists of SF 122, Transfer Order Excess Personal Property, (Exhibit V-2), and a separate written justification statement. The justification will explain why the property is needed to reduce the cost or enhance the performance under the specific grant for which the property is requested.

f. The SF 122 should be signed by both the PI/PD and the Authorized Organizational Representative. The following information should also be provided on each SF 122:

1. name of grantee organization;

2. grant number;

3. expiration date;

4. the statement "The above equipment is requested for use by the project grantee in support of research or education as outlined in the grant"; and

5. the statement "Transfer is in accordance with the provisions of 41 CFR §101.43." The transfer order should also identify the automatic release date (from the GSA catalog) to preclude loss of property before the transaction is processed.

g. The written justification should detail the scientific need for the equipment as it relates to the particular grant project under which the equipment is to be used, and should cite the conditions of this section as being binding upon the grantee, should the property be acquired.

h. Upon receipt by NSF, the property request will be reviewed. As confirmation of approval, the grantee will receive copies of the SF 122 from NSF and, subsequently, from the GSA. If the request is disapproved, it will be returned to the grantee with an appropriate explanation.

i. Upon receipt of the requested property, the grantee should immediately return a copy of the SF 122 to NSF as evidence of delivery. Cancellations by GSA, or nonreceipt within a reasonable period of time, should also be reported to NSF after follow-up inquiries have been made to GSA.

## 546.4 Visiting Holding Agency Facilities

a. Under current GSA regulations all non-Federal grantee representatives wishing to visit holding agency facilities to screen or freeze government excess personal property must receive prior certification from GSA. This certification is not required for those grantees who do their selecting from GSA catalogs and who freeze property only via telephone requests.

b. The number of screeners on a grant should be limited to no more than two persons. The primary screener should be the PI/PD. However, if the PI/PD finds it impossible to screen, he/she may designate, in writing, a substitute.

c. Normally, certification will be on a regional basis; however, NSF will, under certain circumstances, sponsor grantee representatives who need to make interregional visits in order to secure equipment not readily available within their region. Each person who plans to visit holding agency facilities must submit to NSF a completed GSA Form 2946, Authorization Certificate to Select/Freeze Excess Personal Property. This form may be obtained from the Property Administrator, DAS. The GSA Regional Office in which the grantee or organization is located will authorize all regional certifications and serve as principal coordinator on interregional requests. The authorization will be forwarded to the grantee via NSF.

## 546.5 Dollar Limitation

To ensure equitable distribution of excess government personal property, grantees may be authorized to acquire property under each NSF project grant up to a total acquisition cost equal to the dollar value of that particular grant. Any request for excess property which causes the total to exceed the value of the grant will require additional justification beyond that requested in GPM 546.3. A higher percentage of excess property requested under a particular grant by a grantee must be approved by an administrative level in NSF which is higher than the Program Officer who normally administers the grant. NSF will give full consideration to all factors in determining whether to approve transfers of excess property above the dollar value of a given grant. Grantees are therefore urged to be selective in

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their requests for excess government personal property to limit quantities of each item where possible and to avoid stockpiling items for future use.

## 546.6 Restrictions

a. NSF will sponsor the transfer of excess government personal equipment to eligible organizations only under "project grants." As defined in the GSA regulations, "project grants" refers to grants made for specific purposes with established termination dates, e.g., grants made to specific organizations to perform specific tasks within set time frames and costs. No excess property may be acquired on behalf of conference grants, publication-support grants or travel grants. In addition, on "summer-type training grants," no property may be acquired after the training period has terminated. Further, grantees should exercise careful judgment on the appropriateness of requesting excess personal property when only a short period of time exists between the date of the property request and the completion or successful accomplishment of the NSF-supported project activity. GSA will consider items of personal property as scientific equipment for transfer without reimbursement to NSF for use by a project grantee when the property requested has a unit acquisition cost of \$1,000 or more and is within Federal Supply Classification Groups:

1. 14 (Guided Missiles);
2. 43 (Pumps and Compressors);
3. 48 (Valves);
4. 58 (Communication, Detection and Coherent Radiation Equipment);
5. 59 (Electrical and Electronic Equipment Components);
6. 66 (Instruments and Laboratory Equipment);
7. 67 (Photographic Equipment);
8. 70 (General Purpose Automatic Data Processing Equipment, Software, Supplies and Support Equipment); or
9. 74 (Office Machines and Visible Record Equipment).

Automatic data processing equipment must be acquired under the provisions in 41 CFR §201.23.

b. GSA will give consideration to the transfer without reimbursement of items of excess property in other Federal supply classification groups and items with a unit acquisition cost of less than \$1,000, when NSF certifies that the item requested is a component part of or related to a piece of scientific equipment or is an otherwise difficult to acquire item needed for scientific or engineering research. Items of property determined

by GSA to be common-use or general purpose property, regardless of classification or unit acquisition cost, shall not be transferred to a project grantee for the purpose of cannibalization, unless the granting agency sends with the transfer request a supporting statement which clearly indicates that disassembly of the requested item for secondary use of its component parts, or for repair and maintenance of a similar item, has greater potential benefit than utilization of the item in its existing form and that a clear cost savings to the government will result, subject to final determination by GSA.

## 546.7 Costs

Excess government personal property is usually secured without cost. However, the recipient grantee should specify the method of shipment (see Exhibit V-2) and must pay all costs of packing, transportation and subsequent installation, rehabilitation and maintenance if required. Grant funds may be used to pay such costs.

## 546.8 Title

Title to excess government personal property obtained by academic and other non-profit grantees through NSF sponsorship remains with the government until the property is delivered to the grantee organization. Upon delivery, the grantee should forward to NSF a receipted SF 122 which clearly lists the items of property actually obtained by the grantee. Unless NSF informs the grantee to the contrary, when this SF 122 is received at NSF, title to all property acquired will automatically pass to and be vested in the grantee organization, subject to the understanding that the property will be used for research or for science education purposes as long as it has a useful life. At such time as the property is no longer useful for such purposes, it may be disposed of in accordance with organizational practices, but any proceeds therefrom shall be used by the grantee solely for research or science education purposes. Under certain conditions, such as when highly specialized equipment is involved, NSF may retain title to excess property. When such a condition exists, NSF will inform the grantee. Excess government personal property may not be transferred to a foreign country without the express written approval of DGA.

## 546.9 Accountability and Recordkeeping

a. While no particular type of classification of accounts or inventory system is required, NSF expects that the responsible officials of the grantee organization will exercise careful stewardship of excess government personal property acquired in support of projects undertaken with NSF's financial assistance. In accordance with GPM 546.5, "Dollar Limitation," relating to the dollar limitation on the amount of excess government personal property provided by NSF, grantees should maintain appropriate inventory procedures which will enable them to identify those requests which require more extensive administrative and scientific justification. In those cases where title to excess government personal

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property remains with the government, the grantee must maintain suitable records to identify its location, description, utilization and value. The use of excess government personal property under an NSF grant is subject to inspection and audit by representatives of NSF at all reasonable times during the life of the grant under which the property was acquired.

b. Further details may be obtained from the Property Administrator, Division of Administrative Services, National Science Foundation, 4201 Wilson Boulevard, Arlington, VA 22230. \_\_\_\_\_

3 For consistency with the DHHS conflict of interest policy, in lieu of "organization", NSF is using the term "institution" which includes all categories of proposers.

4 See On Preventing Conflicts of Interest in Government-Sponsored Research at Universities, a Joint Statement of the Council of the American Association of University Professors and the American Council on Education (1964); Managing Externally Funded Programs at Colleges and Universities, especially "Principle X. Research Ethics and Conflicts", issued by the Council on Government Relations (1989); Guidelines for Dealing with Faculty Conflicts of Commitment and Conflicts of Interest in Research, issued by the Association of American Medical Colleges (1990); and Framework Document for Managing Financial Conflicts of Interest, issued by the Association of American Universities (1993).

(4 pages)

PRINCIPLES RELATED TO THE USE AND OPERATION OF NATIONAL  
SCIENCE FOUNDATION-SUPPORTED RESEARCH INSTRUMENTATION AND  
FACILITIES (IMPORTANT NOTICE 91)

PAGE 1 - DIRECTOR'S NOTICE TO PRESIDENTS OF UNIVERSITIES AND  
COLLEGES AND HEADS OF OTHER NSF GRANTEE ORGANIZATIONS  
PAGE 2-4 - GUIDELINES RELATED TO THE USE AND OPERATION OF  
NSF-SUPPORTED RESEARCH INSTRUMENTATION AND FACILITIES

(Not available here. Copies may be accessed on STIS or paper copy.)

PREPARATION OF TRANSFER ORDER

(Not available here. May only be accessed in paper copy.)

ALLOWABILITY OF COSTS

This chapter covers the general applicability of Federal cost principles to NSF cost reimbursement grants, including a discussion of selected items of

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cost and description of NSF prior approval requirements. It consists of the following topics:

600 BASIC CONSIDERATIONS  
 610 DIRECT COSTS  
 620 OTHER DIRECT COSTS  
 630 INDIRECT COSTS  
 640 FEE PAYMENTS UNDER NSF GRANTS

600 BASIC CONSIDERATIONS  
 601 Federal Cost Principles

## 601.1 Applicability to Grantees

Expenditures under NSF cost reimbursement grants are governed by the Federal cost principles applicable to specific types of grantees as follows:

a. INSTITUTIONS OF HIGHER EDUCATION. The government-wide principles for determining the costs applicable to research and development and to training and other educational services performed by colleges and universities under Federal government grants and contracts are contained in OMB Circular A-21. This circular is applicable to all NSF awards to both public and private institutions of higher education. Also see Federal Acquisition Regulations (FAR) at 48 CFR §31.3.

b. OTHER NON-PROFIT ORGANIZATIONS. The government-wide cost principles and procedures applicable to grants, contracts and other agreements with non-profit organizations are contained in OMB Circular A-122.

c. COMMERCIAL FIRMS. The government-wide cost principles and procedures for use in cost reimbursement type supply and research contracts with commercial organizations applicable to NSF grants to commercial organizations are contained in the FAR at 48 CFR §31.2.

d. STATE AND LOCAL GOVERNMENTS. The government-wide principles and standards for determining costs applicable to grants and contracts with State, local and Federally recognized Indian tribal government entities (excluding publicly financed colleges and universities and hospitals) are contained in OMB Circular A-87 and the FAR at 48 CFR §31.6.

e. HOSPITALS. For NSF purposes, the principles and procedures applicable to grants, contracts and other agreements with hospitals are contained in DHHS publication Guide for Hospitals, OASC-345 CFR Part 74, Appendix E, "Principles for Determining Costs Applicable to Research and Development Under Grants and Contracts with Hospitals."

## 601.2 Applicability to Contracts Under Grants

Grantees are responsible for assuring that costs of all subawards under NSF

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grants are subject to those cost principles and procedures appropriate to the subaward type and contractor organization or institution involved. For example, if the subaward is a cost reimbursement type with a commercial concern, FAR Subpart 31.2 would apply.

## 601.3 Conflicting Guidelines

In the event of any discrepancy between the summary information contained in this chapter and any specific provision of the applicable Federal cost principles, the cost principles in effect as of the effective date of the NSF grant will govern. In case of a discrepancy between the special provisions of an NSF grant and the standards of the applicable cost principles, the special provisions of the grant will govern.

## 602 Other Considerations

### 602.1 Maximum Obligation

The maximum obligation of NSF for support of the project will not exceed the amount specified in the grant instrument, as amended. NSF does not amend grants to provide additional funds for such purposes as reimbursement for unrecovered indirect costs resulting from the establishment of final negotiated rates or for increases in salaries, fringe benefits and other costs.

### 602.2 Pre-Award Costs

a. Grantees may incur pre-award costs within the 90 day period immediately preceding the effective date of the grant providing:

1. the approval of pre-award spending is made and documented in accordance with the grantee's procedures;

2. the advanced funding is necessary for the effective and economical conduct of the project; and

3. the costs are otherwise allowable.

b. Pre-award expenditures are made at the grantee's risk. Grantee authority to approve pre-award costs does not impose any obligation on NSF prior to the availability of appropriations.

c. Requests for pre-award costs for periods exceeding 90 calendar days must be submitted in writing to the cognizant Grants Officer. Pre-award expenditures prior to funding of an increment within a continuing grant are not subject to this limitation or approval requirement, but are subject to paragraph b. above.

### 602.3 Post-Expiration Costs

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NSF funds may not be expended subsequent to the expiration date of the grant except to liquidate valid commitments which were made on or before the expiration date. (See GPM 452, "Final Disbursement Reporting," and GPM 617, "Publication, Documentation and Dissemination".) For example, commitment of project funds is valid when made prior to the expiration date for specialized (research) equipment ordered well in advance of the expiration date but where, due to unusual or unforeseen circumstances, receipt of such equipment is delayed beyond the expiration date. The costs of equipment ordered after the expiration date may not, in any case, be charged to the project.

## 603 Prior Approval

### 603.1 OMB Directive

Consistent with OMB Circular A-110, NSF has waived most cost related and administrative prior approvals required by OMB Circulars A-21 and A-110.

### 603.2 NSF Prior Approval Policy

a. If an expenditure item is proposed in the budget and justified in the narrative, and unless otherwise specified in the grant, provision for it in the grant constitutes NSF authorization to charge these costs, if otherwise allowable under the cost principles.

b. Types of grantee requests for NSF approval for certain categories of expenditures are highlighted in Exhibit III-1.

## 604 Advance Understandings

a. The allowability of the selected items of cost covered in the various cost principles applies broadly to many accounting systems in varying situations. In some cases (e.g., professional and consultant services costs) the various cost principles prescribe specific factors or conditions to be considered in determining the allowability of such costs in specific situations. In such cases, it is important that the stated conditions or factors be adhered to and documented in order to avoid possible subsequent disallowance.

b. In the event a grantee anticipates charging the NSF grant for an item of direct cost which, in light of the above, might subsequently be disputed, the Authorized Organizational Representative should discuss the matter with the cognizant NSF Grants Officer.

## 610 DIRECT COSTS

The following subsections summarize the allowability of frequently encountered direct cost items in the order in which they appear in the grant budget.

### 611 Salaries, Wages and Fringe Benefits

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## 611.1 Salaries and Wages

a. All Grantees. All remuneration paid currently or accrued by the organization for employees working on the NSF-supported project during the grant period is allowable to the extent that:

1. total compensation to individual employees is reasonable for the work performed and conforms to the established policy of the organization consistently applied to both government and non-government activities; and

2. the charges for work performed directly under NSF grants and for other work allocable as indirect costs are determined and documented as provided in the applicable Federal cost principles.

b. Colleges and Universities. Section J.8 of OMB Circular A-21 establishes special criteria for work performed on government projects by faculty members during and outside the academic year. In summary these are:

1. Academic Year Salaries. To be based on the individual faculty member's regular compensation for the continuous period which, under the policy of the institution concerned, constitutes the basis of his/her salary. Except as provided in GPM 616.2, "Intra-University Consulting," charges to Federal grants, irrespective of the basis of computation, will not exceed the proportionate share of the base salary for that period.

2. Periods Outside the Academic Year. During the summer months or other periods not included in the period for which the base salary is paid, salary is to be at a monthly rate not in excess of the base salary divided by the number of months in the period for which the base salary is paid. NSF policy on funding of summer salaries (known as NSF's two-ninths rule) remains unchanged: proposal budgets submitted should not request, and NSF-approved budgets will not include, funding for an individual investigator which exceeds two-ninths of the academic year salary.

3. Extra Compensation Above Base Salary. Requests may be included in proposals for salary payments for extra compensation only for science and engineering education projects when the particular program guide for preparation of proposals specifically provides that extra compensation for the Project Director (or staff members) may be requested and approved by NSF for situations such as teaching evening or weekend classes, or for administrative work done as overload prior to or following a project; and provided further that the extra compensation is computed at a rate not in excess of the monthly rate of the base academic year salary, and is consistent with institutional policy.

4. Sabbatical Leave. Unless there are special conditions in an applicable NSF program guide or in the grant instrument, charges to an NSF grant for services rendered to the project by an individual during his/her

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sabbatical period are allowable provided that such compensation is:

- (a) proportional to the service rendered;
- (b) in accordance with established institutional sabbatical policies regardless of source of funds (Section .40 of OMB Circular A-21); and
- (c) at a rate which, when added to the individual's sabbatical salary rate, does not exceed the individual's base salary rate for the individual's most recent academic year or equivalent prior period. Thus , NSF salary support during sabbatical periods is only intended to make up the difference between sabbatical rate of pay and the individual's base salary rate for periods during which the individual is performing work on an NSF-sponsored project.

## 611.2 Fringe Benefits

Fringe benefits are allowable as a direct cost (if not included as an indirect cost) in proportion to the salary charged to the grant, to the extent that such payments are made under formally established and consistently applied organizational policies.

## 612 Equipment

### 612.1 Related Equipment Guidelines

Additional NSF guidelines on equipment are found in GPM 540, "Property Management Standards."

### 612.2 Definitions

The following definitions, derived from OMB Circulars A-110 and A-21, apply to all NSF grants (or amendments thereto):

a. ACQUISITION COST OF EQUIPMENT means the net invoice price of the equipment, including the cost of modifications, attachments, accessories or auxiliary apparatus necessary to make the property usable for the purpose for which it was acquired. Other charges, such as the cost of installation, transportation, taxes, duty or protective in-transit insurance, shall be included or excluded from the unit acquisition cost in accordance with the recipient's regular accounting practices.

b. EQUIPMENT means tangible nonexpendable personal property including exempt property charged directly to the grant having a useful life of more than one year and an acquisition cost of \$5,000 or more per unit. However, consistent with recipient policy, lower limits may be established.

c. GENERAL PURPOSE EQUIPMENT means permanent equipment (as defined in b., above) which is usable for other than research, medical, scientific or

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technical activities, whether or not special modifications are needed to make it suitable for a particular purpose. Examples of general purpose equipment include office equipment and furnishings, air conditioning equipment, reproduction and printing equipment, motor vehicles and automatic data processing equipment.

d. SPECIAL PURPOSE EQUIPMENT means permanent equipment (as defined in b., above) which is usable only for research, medical, scientific or technical activities. Examples of special purpose equipment include microscopes, x-ray machines, surgical instruments and spectrometers, and may include diamond knives.

## 612.3 Special Purpose Equipment

Expenditures for special purpose equipment are allowable as direct costs provided the acquisition of items with a unit cost of \$5,000 or more is:

- a. necessary for the research or activity supported by the grant;
- b. not otherwise reasonably available and accessible;
- c. of the type normally charged as a direct cost to sponsored agreements; and
- d. acquired in accordance with organizational practice. Authority to review and approve acquisition of equipment is not extended to small business or other commercial organizations (as defined in GPM 501.2). NSF review and approval is required for all equipment purchases by such organizations.

## 612.4 General Purpose Equipment

Expenditures for general purpose equipment are normally unallowable unless the equipment is primarily or exclusively used in the actual conduct of research. Authority to review and approve acquisition of equipment is not extended to small business or other commercial organizations. NSF review and approval is required for all equipment purchases by such organizations.

## 613 Materials and Supplies

The costs of materials and supplies (tangible personal property other than equipment), costing less than \$5,000 (or other lower threshold consistent with grantee policy), necessary to carry out the project are allowable as prescribed in the governing cost principles.

## 614 Travel Costs

- a. Expenses for transportation, lodging, subsistence and related items incurred by project personnel and by outside consultants employed on the project (GPM 616.1, "Outside Consultants") who are in travel status on

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business related to an NSF-supported project are allowable as prescribed in the governing costs principles. The requirements for prior approval detailed in the governing cost principles are waived.

b. Except as provided in the governing cost principles, the difference in cost between first-class air accommodations and less than first-class air accommodations is unallowable. A train, bus or other surface carrier may be used in lieu of or as a supplement to air travel at the lowest first-class rate by the transportation facility used. However, if such travel could have been performed by air, the allowance will not normally exceed that for jet economy air fare.

c. Foreign travel costs of dependents of key project personnel is allowable provided:

1. the individual is a key person who is essential to the research on a full-time basis;

2. the individual's residence away from home and in a foreign country is for a continuous period of six months or more and is essential to the effective performance of the project; and

3. the dependent's travel allowance is consistent with the policies of the organization administering the grant.

## 615 Computer Costs

### 615.1 Automatic Data Processing Equipment (ADPE) Leasing Costs

The costs of leasing ADPE are allowable, up to the amount that the grantee would be allowed had it purchased the ADPE, and to the extent that the rates are reasonable in light of factors such as those described in FAR Subpart 31.205-36.

### 615.2 Grantee-Owned ADPE Facilities

The costs of services involving the use of highly complex or specialized facilities operated by the organization, such as computing facilities, are allowable provided the charges meet the conditions of the governing cost principles.

## 616 Consultant Services

### 616.1 Outside Consultants

a. Grantees normally are expected to utilize the services of their own officers or employees to the maximum extent in managing and performing the activities supported by NSF grants. Where it is necessary for a grantee to enter into a subaward for the services of persons who are not its officers or employees, it is expected to do so in accordance with written

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organizational standards which provide for consideration of the factors outlined in the governing cost principles.

b. If the need for consultant services is anticipated, the proposal narrative should provide appropriate rationale, and the summary proposal budget should estimate the amount of funds which may be required for this purpose. To the extent possible, consultant rates should show separate amounts for actual services and each of the components of the rate.

c. Costs of professional and consultant services rendered by persons who are members of a particular profession or possess a special skill and who are not officers or employees of the performing organization are allowable when reasonable in relation to the services rendered and when not contingent upon recovery of the costs from the government. However, payment for a consultant's services may not exceed the daily equivalent of the then current maximum rate paid to an Executive Schedule Level IV Federal employee (exclusive of indirect cost, travel, per diem, clerical services, fringe benefits and supplies), unless specifically authorized by law.

d. In determining the allowability of costs in a particular case, no single factor or any special combination of factors is necessarily determinative. However, the following factors, among others, are relevant:

1. the nature and scope of the service rendered in relation to the service required;
2. the necessity of issuing a subaward for the service considering the organization's capability in the particular area;
3. the past pattern of such costs, particularly in the years prior to the award of government contracts and grants;
4. the impact of government contracts and grants on the organization's total activity (e.g., what new problems have arisen);
5. whether the proportion of government work to the organization's total activity is such as to influence the organization in favor of incurring the cost, particularly where the services rendered are not of a continuing nature and have little relationship to work under government contracts and grants;
6. whether the service can be performed more economically by employment rather than by consulting;
7. the qualifications of the individual or concern rendering the service and the normal/customary fees charged and received by the individual for comparable services, especially on non-government contracts and grants; and
8. adequacy of the contractual agreement for the service

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(e.g., description of the service, estimate of time required, rate of compensation and termination provisions).

e. In addition, retainer fees to be allowable must be supported by evidence of bona fide services available or rendered.

f. Costs of legal, accounting and consulting services and related costs incurred in connection with organization and reorganization, defense of antitrust suits and the prosecution of claims against the government are unallowable. Costs of legal, accounting and consulting services and related costs incurred in connection with patent infringement litigation are unallowable unless otherwise provided for in the grant.

g. Grantees may hire consultants not identified in the grant proposal or award, provided:

1. it is in accordance with written organizational standards;
2. grant funds are reallocated in accordance with the grantee's policies which are consistent with the governing cost principles; and
3. it is within the limits of the grant funding.

## 616.2 Intra-University Consulting

Since intra-university consulting is assumed to be undertaken as a university obligation requiring no compensation in addition to full-time salary, the principles summarized in GPM 611.1, "Salaries, Wages and Fringe Benefits," also apply to those who function as consultants or otherwise contribute to a project conducted by another faculty member of the same institution. However, in unusual cases where consultation is across departmental lines or involves a separate or remote operation, and the work performed by the consultant is in addition to his/her regular appointment, any charges for such work representing extra compensation above the salary are allowable if consistent with the applicable cost principles.

## 616.3 Federal Employees

Employees of the Federal government (other than NSF) may be utilized as lecturers or staff members on a project and may receive compensation and/or expenses if they obtain prior approval from their agencies to participate, and if services to the project are performed outside their regular working hours or while they are on leave status from official duties. Under no circumstances may NSF employees receive compensation from an NSF-supported project.

## 617 Publication, Documentation and Dissemination

- a. Costs of documenting, preparing, publishing, disseminating and

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sharing research findings and supporting material are allowable charges against the grant.

b. Page charges for scientific journal publication are allowable as a necessary part of research costs, where:

1. the research papers report work supported by NSF; and

2. the charges are levied impartially on all research papers published by the journal, whether by non-government or by government authors.

c. GPM 452, "Final Disbursement Reporting," permits a grantee to transfer from the grant account to an institutional account an amount equal to commitments for other types of costs, including publication and sharing. Therefore, in the event that valid commitments for publication or sharing have been incurred and it is not possible to effect an actual payment for such charges by the time the final disbursements are due and obligations must be charged against the NSF cash advance and reported on the SF 272, the grantee may transfer from the grant account to an institutional account an amount equal to the commitment and retain such funds for payment of publication charges and sharing expenses. If actual publication charges and sharing expenses are less than the commitment, the excess funds should be returned to NSF. However, if the excess is less than \$300, it may be used by the grantee for general research. If actual publication charges and sharing expenses are more than the commitment, any excess will not be reimbursed by NSF. See GPM 734, "Dissemination and Sharing of Research Results," and GPM 740, "Publication/Distribution of Grant Materials".

## 618 Participant Support Costs

### 618.1 General

a. Participant support costs are direct costs for items such as stipends or subsistence allowances, travel allowances and registration fees paid to or on behalf of participants or trainees (but not employees) in connection with meetings, conferences, symposia or training projects.

b. Funds provided for participant support may not be used by grantees for other categories of expense without the specific prior approval of the cognizant NSF Program Officer.

c. Participant support allowances may not be paid to trainees who are receiving compensation, either directly or indirectly, from other Federal government sources while participating in the project. Recipients of educational benefits from the Veterans Administration and retirement or disability compensation are exempt from this restriction. A non-NSF Federal employee may receive participant support allowances from grant funds provided there is no duplication of funding of items and provided no single

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item of participant cost is divided between his/her parent agency and NSF grant funds.

## 618.2 Stipends or Subsistence Allowances

To help defray the costs of personal maintenance while participating in a conference or training activity, participants may be paid a stipend, per diem or subsistence allowance, based on the type and duration of the activity, as outlined in the pertinent program announcement and in the grant instrument. Such allowances must be reasonable, in conformance with the usual policy of the grantee organization and limited to the days of attendance at the conference plus the actual travel time required to reach the conference location by the most direct route available. Where meals or lodgings are furnished without charge or at a nominal cost (e.g., as part of the registration fee), the per diem or subsistence allowance will be correspondingly reduced. Although local participants may participate in conference meals and coffee breaks as provided for in GPM 625, "Meetings and Conferences," grant funds may not be used to pay per diem or similar expenses for local participants in the conference.

## 618.3 Travel Allowances

a. Travel costs of participants may be allowable as outlined in the pertinent program announcement and in the grant instrument. If so, the restrictions regarding class of accommodations (see GPM 614, "Travel Costs") and use of U.S.-flag air carriers (see GPM 761, "Travel to Foreign Countries") are applicable.

b. In training activities which involve field trips, costs of transportation of participants are allowable.

## 620 OTHER DIRECT COSTS

### 621 Rearrangements and Alterations

a. Except under certain programs, NSF does not normally make grants for construction or facility improvements. However, rearrangement and alteration costs that do not constitute construction (i.e., rearrangements and alterations aggregating less than \$10,000) may be allowable under NSF grants to adapt space or utilities within a completed structure to accomplish the objective of the NSF-supported activity, provided that:

1. the grantee is not an individual or a foreign institution;
2. the building has a usable life consistent with project purposes and is architecturally suitable for conversion;
3. the rearrangement and alteration are essential to the project supported by the grant; and

4. the space involved will actually be occupied by the project. In situations where the space is rented, in order for the costs of the rearrangement and alteration to be allowable, the grantee must secure a lease for the length of the project. (See GPM 623, "Rental or Lease of Facilities or Special Purpose Equipment".)

b. Rearrangements and alterations under \$10,000 may be approved by grantees. For expenditures exceeding \$10,000, written prior approval must be obtained from the NSF Grants Officer. Otherwise, any plans for such rearrangement or alteration should be clearly set forth in the proposal. If approved by NSF, such approval will be indicated in the grant instrument. Note that Appendix A, Contract Provisions, of OMB Circular A-110 contains various requirements concerning contracts for construction or repair in excess of \$2,000.

## 622 News Release Costs

In amplification of the provisions of the various cost principles regarding public information service costs, the cost of news releases announcing the results of an NSF-supported project is allowable. In the event the performing organization wishes to join with NSF in a simultaneous news release, arrangements may be made through the NSF's Office of Legislative and Public Affairs, Public Affairs Group, telephone (703) 306-1070 (see GPM 812.2, "Press Releases").

## 623 Rental or Lease of Facilities or Special Purpose Equipment

a. Normally the grantee is expected to make appropriate facilities available without direct charge to grant funds. However, on occasion, it is necessary to use facilities not under the control of the grantee. Rental of space off-site may be allowed, for example, for a research project if laboratory facilities or other work areas of a type or coverage not normally available to the grantee are required. Rental charges may be made in conformance with the organization's policies and in the same manner that similar charges are made to any account, provided that such rental costs are reasonable and otherwise conform to the governing cost principles.

b. Rental of special purpose equipment is allowable. See also GPM 615.1, "Automatic Data Processing Equipment (ADPE) Leasing Costs."

## 624 Relocation Costs

a. Relocation costs may be charged to an NSF grant as an other direct cost in accordance with the applicable governing cost principles provided that:

1. a proposal for NSF support specifically indicates that the grantee intends to hire a named individual for full-time work on the project;

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2. such recruitment action is not disapproved by the grant terms; and

3. the prospective employee or visiting staff member:

(a) is essential to the project on a full-time basis for a continuous period of at least twelve months; and

(b) is regularly located at a place sufficiently removed from the project site that his/her employment necessitates the change.

b. The amount of actual reimbursement should be in accordance with grantee's established policy or practice which:

1. is in conformance with the applicable governing cost principles;

2. has been approved by the cognizant governing audit agency; and

3. is consistently applied.

## 625 Meetings and Conferences

Because of the frequency with which questions are raised regarding the phrase "facilities for meetings and costs incidental thereto," contained in the various sets of governing cost principles, the points below summarize the allowability of various items of cost associated with conferences, symposia, workshops or other meetings supported as the principal purpose of an NSF grant. Any costs charged to an NSF grant would also need to be reasonable and directly allocable to the supported activity.

a. Conference Facilities. Rental of facilities and necessary equipment is allowable. (See GPM 623, "Rental or Lease of Facilities or Special Purpose Equipment".)

b. Supplies. Purchase of expendable materials and supplies necessary for the meeting is allowable.

c. Conference Services. Costs of translation services and of recording and transcribing the proceedings are allowable.

d. Publication Costs. Costs of publishing the proceedings are allowable only if approved in the grant instrument or otherwise specifically approved in writing by the NSF Grants Officer.

e. Salaries. Salaries of professional personnel, editorial and clerical assistants and other staff members are allowable in accordance with GPM 611, "Salaries, Wages and Fringe Benefits," in proportion to the time or

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effort devoted to the preparation and conduct of the conference and summarizing its results.

f. Consultant Services and Speaker Fees. Reasonable fees and travel allowances and per diem (or meals provided in lieu of per diem) are allowable as prescribed in GPM 614, "Travel Costs," and GPM 616, "Consultant Services."

g. Meals and Coffee Breaks. When certain meals are an integral and necessary part of a conference (e.g., working meals where business is transacted), grant funds may be used for such meals. Grant funds may also be used for furnishing a reasonable amount of hot beverages or soft drinks to conference participants and attendees during periodic coffee breaks.

h. Participant Support Costs. Allowable as prescribed in GPM 618, "Participant Support Costs." (See also GPM 632.2, "Exceptions to Basic Policy.")

i. Entertainment. Costs of entertainment, amusement, diversion and social activities and any costs directly associated with such costs (such as tickets to shows or sports events, meals, lodging, rentals, transportation and gratuities) are unallowable. Expenses of awardee employees who are not on travel status, serving as hosts, or otherwise participating at meals that are primarily social occasions involving speakers or consultants are not allowable, even if the costs of the speaker or consultant are allowable under paragraph f, above. Costs of employees on travel status are limited to those allowed under the governing cost principles for travel expenses (see GPM 614, "Travel Costs").

j. Alcoholic Beverages. No federal funds may be spent on alcoholic beverages. Special Note: Costs, such as those allowable costs identified above, are only allowable for meetings or conferences specifically and clearly identified in the proposed scope of work and budget, as modified and approved by NSF. NSF funds are not otherwise to be spent for meals or coffee breaks for intramural meetings of an organization or any of its components, including, but not limited to, laboratories, departments and centers.

630 INDIRECT COSTS

631 Background

As authorized by statute (41 USC §254a) and Comptroller General decision (B-157584) and recommended by governing cost principles, NSF has elected to use predetermined fixed overhead rates with all grantees in most situations. When NSF elects not to use such rates, the grant letter will indicate the type of indirect cost rate to be used. (See GPM 634.2, "NSF Calculation of Indirect Cost Amount.")

632 NSF Funding Policy

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## 632.1 Basic Policy

a. It is NSF policy that grantees are entitled to reimbursement from grant funds for indirect costs through the application of Federally negotiated indirect cost rates except where specifically excluded by GPM 632.2, "Exceptions to Basic Policy," or when the grantee waives entitlement to full reimbursement of indirect costs voluntarily.

b. If the grantee organization has executed an indirect cost negotiation agreement with a cognizant Federal negotiating agency, or otherwise agreed to an indirect cost rate and base with some Federal department or agency, NSF will generally use that negotiated agreement as the basis for determining an NSF-approved rate for use in funding NSF grants. In situations, where the cognizant Federal negotiating agency has issued "provisional" rates, it is NSF policy to treat provisional rates as predetermined rates for funding purposes. These rates will not be subject to later funding adjustment.

c. Delays in applying new rates to proposals is minimized since NSF staff obtain the latest rates from NSF's computer-based management information system prior to grant award. Organizations are encouraged to advise the Cost Analysis and Audit Resolution Branch of CPO, newly negotiated changes in indirect cost rates to help assure that the latest rates are used for grants being processed.

d. NSF will not amend a grant solely to provide additional funds for changes in indirect cost rates. Further, indirect costs will only be finalized on a post-audit basis for grants which contain maximum provisional rates, and then at a final rate that does not exceed the maximum provisional rate.

e. NSF provides funding for indirect costs under NSF cost reimbursement grants by:

1. application of the predetermined fixed rate principle in grants to universities and colleges and to those other organizations where the cost experience and other pertinent facts available are deemed sufficient to determine the probable level of indirect costs during the ensuing accounting period; or

2. use of the latest available approved rate based on actual past cost experience or, when appropriate, on cost projections, as a maximum provisional rate (subject to finalization and downward adjustment only), in some grants to other non-profit organizations and profit-making firms; or

3. use of other specific provisions relating to indirect costs such as a fixed lump sum amount for indirect costs or a fixed amount award with indirect cost rates used only to develop the total sum awarded.

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Such specific provisions will be set forth in the NSF grant document.

f. Any negotiations with respect to business and financial matters on specific grants, including the amount of indirect cost reimbursement, are conducted by the cognizant Grants Officer in DGA with the grantee's Authorized Organizational Representative.

g. NSF program staff may not negotiate indirect costs as a discrete item of a proposal budget since only the duly authorized Grants Officer has authority to negotiate indirect costs. NSF program staff are not authorized to suggest or request that PI/PDs seek reductions or waivers of indirect costs except as explicitly specified in applicable NSF program solicitations, announcements or brochures.

## 632.2 Exceptions to Basic Policy

a. No Indirect or Limited Reimbursement. NSF generally provides no amounts for indirect costs for the following:

1. grants to individuals;

2. grants solely for the support of travel, equipment, construction of facilities, or doctoral dissertation research (see GPM 333.1, "Unsolicited Research Projects");

3. grants in which NSF support is exclusively in the form of fellowships, traineeships or other fixed amounts such as cost-of-education allowances;

4. foreign grantees; or

5. participant support costs. However, an allowance for indirect costs associated with participant support costs may be established or negotiated in advance when circumstances indicate that the grantee could be expected to incur significant expenses in administering participant payments (other than salary or other direct expenses being reimbursed under the award). In addition, in some circumstances or as may be indicated in the applicable program announcement/ solicitation, NSF may not provide full amounts for indirect costs. Also, in certain instances NSF may provide a fixed lump sum amount for indirect costs. In these situations, NSF grant letters will contain or reference appropriate provisions indicating the basis for indirect costs provided in the grant amount.

b. Independent Research and Development (IR&D). NSF does not typically fund IR&D as part of an indirect cost rate under its grants. IR&D, as defined at FAR 31.205-18(a), includes cost of effort that is not sponsored by a grant or required in performance of a contract and that consists of projects falling within the four following areas:

1. basic research;

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2. applied research;

3. development; and

4. systems and other concept formulation studies. NSF's primary purpose is to support and advance independent research within the scientific community. NSF does not generally fund development. NSF has well recognized and established procedures for stimulating and supporting this independent research through competitive selections based on merit review of proposed research projects that are deemed most worthy of support, within the constraints of its appropriations. Reimbursement through the indirect cost mechanism of independent research costs could circumvent this competitive process. To ensure that all research projects receive similar and equal consideration, eligible organizations may compete for direct funding of independent research projects they consider worthy of support by submitting proposals for those projects to NSF. Since proposals for these projects may be submitted for direct funding, costs for independent research projects are not typically allowable as indirect costs under NSF grants.

c. Facilities Capital Cost of Money (FCCOM). NSF does not typically fund facilities capital cost of money under its grants. FCCOM is defined for commercial organizations at FAR 31.205-10 as "an imputed cost determined by applying a cost-of-money rate to facilities capital employed in contract performance."

## 633 Indirect Costs in Proposals for NSF Support

### 633.1 Proposal Budget

Each proposal for NSF support of a project should include a budget indicating the total amount requested from NSF with subtotals for direct and indirect costs. The amounts shown opposite the various line items should be the amounts requested from NSF. The amount shown for indirect costs should be calculated by applying the approved indirect cost rate to the approved base. When a submitting organization does not have a Federally approved indirect cost base and rate(s), its business officer should be prepared to submit an indirect cost proposal as required in GPG Section II. The contents and financial data included in indirect cost proposals vary according to the make-up of the proposing organization. Appropriate guidance on the financial material to be submitted to NSF may be obtained by writing to the Cost Analysis and Audit Resolution Branch, CPO. Small business organizations especially, and other organizations regardless of size, submitting a grant proposal to NSF for the first time should request guidance from the Cost Analysis and Audit Resolution Branch prior to the submission of an indirect cost rate proposal to NSF.

### 633.2 Off-Campus (Off-Site) Activities

If the proposed grant project contemplates work to be performed in an

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environment or in a manner which would generate a significantly different level of indirect costs than the normal work of the organization, such as off-campus (off-site) projects, the proposed budget should calculate the indirect cost portion of the grant on the basis of the organization's on-campus/off-campus policy, as reflected in the published negotiation agreement. Organizations lacking such a policy are encouraged to establish one, in coordination with their cognizant Federal agency. Responsibility for coordinating the establishment of indirect cost rates and auditing of Federal grants for most colleges and universities is assigned by relevant OMB guidance to the DHHS and to the Office of Naval Research (ONR).

## 634 Indirect Costs in NSF Cost Reimbursement Grants

### 634.1 General

Each grant letter specifies NSF's maximum obligation for its share of the total costs of a project. (See GPM 602.1, "Maximum Obligation.") The NSF budget reflects the categories of costs itemized in the final proposal budget on which NSF bases its level of support. The amount included in the budget for indirect costs will be based on the provisions included above in GPM 632.1, "Basic Policy."

### 634.2 NSF Calculation of Indirect Cost Amount

a. Organizations with established rates. In accordance with GPM 632.1, "Basic Policy," NSF generally implements its indirect cost policy for universities, colleges and other appropriate organizations by application of the predetermined fixed rate principle to the indirect cost rate(s) contained in the current indirect cost negotiation agreement. Such "Federally negotiated" rate(s) will be applied to the support period of each grant and extended through the expiration date as follows:

1. If the negotiation agreement specifies: (a) a "final" rate as the latest available rate; or (b) a single "predetermined", "fixed" or "provisional" rate, such rate will be the "predetermined fixed rate" used by NSF in calculating the indirect cost amount included in the NSF grant budget.

2. If the negotiation agreement provides two or more "predetermined", "fixed", or "provisional" rates for two or more successive time frames within the NSF grant period, each such rate (used as a "predetermined fixed rate") generally will be applied to appropriate direct cost expenditures anticipated to be made during each time frame. If the effective period of the negotiation agreement ends prior to the expiration date of the grant, NSF will extend the last of the two or more rates through the expiration date of the grant under preparation.

b. Organizations without established rates. Each NSF cost reimbursement grant to an organization which does not have an established indirect cost rate agreement with NSF or another Federal agency generally

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will:

1. contain a maximum provisional indirect cost rate which is subject to finalization and downward adjustment only;
2. include a fixed dollar amount or percentage for indirect costs; or
3. utilize other special indirect cost provisions (e.g., specific NSF program limitations). The grant letter will contain the appropriate clause indicating the method of providing the indirect cost amount in the grant budget and the basis for final payment of indirect costs under the grant. Grantees should submit to the Cost Analysis and Audit Resolution Branch updated indirect cost rate information on an annual basis.

## 634.3 Off-Campus (Off-Site) Indirect Cost Rates

When a project involves off-campus (off-site) activities, NSF normally will compute the indirect cost amount on the basis of the off-campus rate. When a project involves both on- and off-campus activities, NSF normally will compute the indirect cost amount on the basis of the on-campus/off-campus policy reflected in the most recent agreement between the organization and the cognizant Federal agency. In the absence of such an agreed policy, NSF normally will compute the indirect cost amount by applying the on-campus rate to the on-campus base costs and the off-campus rate to the off-campus base costs.

## 634.4 Amendment for Additional Funding Support

As indicated in GPM 260, "Additional Funding Support," NSF may grant additional funding support either during the originally contemplated support period or for a subsequent support period. An amendment for "supplemental support" to provide funds for unforeseen expenditures during the originally contemplated support period, will contain the same indirect cost rate(s) as the grant being amended. NSF will not amend grants solely to provide additional funding for indirect costs. Continuing grant increments funded after the initial grant period will include funding for indirect costs at the approved rate(s) included in the proposal budget submission approved at the time of the initial award. Subsequent changes in rates will not be reflected in continuing grant increments but grantees are authorized to charge indirect costs in accordance with GPM 635, "Grantee Reimbursement for Indirect Costs."

## 635 Grantee Reimbursement for Indirect Costs

### 635.1 Approved Rates (other than Maximum Provisional)

Grantees may charge NSF grants at the rate(s) stipulated in the grant or amendment budget unless the grant letter states that the indirect cost amount is based on a maximum provisional rate. However, should negotiations between the organization and the cognizant Federal agency result in changes in the

approved indirect cost rate not reflected in the NSF grant, the organization may charge NSF projects at the newly negotiated rate in effect at the time direct cost expenditures are made, provided that this method of charging indirect costs is consistently applied and meets generally accepted accounting principles; and provided further that to do so would not:

1. reduce or adversely affect the scope of the project;
2. result in increased costs over the NSF grant amount during the grant period;
3. decrease the period of support as contemplated in the grant instrument; or
4. be inconsistent with any special indirect cost provisions of the grant.

## 635.2 Maximum Provisional Rate

Organizations whose grants specify a maximum provisional rate, must charge NSF grants at the lesser of: (a) the maximum provisional rate stated in the approved grant budget; or (b) the actual rate. Final rates under such grants will be the maximum provisional rate or the actual rate, whichever is less.

## 635.3 Underrecovery of Indirect Costs

NSF recognizes that any inability to obtain "full reimbursement" for indirect costs means the grantee must absorb the underrecovery. Any such underrecovery may be allocated as part of the organization's required cost sharing. (See GPM 330, "Cost Sharing and Matching.")

## 635.4 Rebudgeting of Indirect Cost Funds Provided Under NSF Grants

Should the actual allowable indirect costs chargeable to a grant prove less than those funded by NSF under the grant, the grantee may use the difference to pay additional allowable direct costs under the grant. In addition, grantees may elect to charge less than the full amount of allowable indirect costs to grants in order to pay for additional allowable direct costs.

## 640 FEE PAYMENTS UNDER NSF GRANTS

It is NSF policy to permit payment of fees under grants which result from formally solicited proposals (i.e., program solicitations) where so indicated in the solicitation, and only to such organizations as may legitimately and normally request and receive fees for performance of government-supported work. The amount of the fee is negotiable depending on the circumstances (grantee's level of risk, grantee's opportunity costs, type of work involved, deliverables, etc.).

## OTHER GRANT REQUIREMENTS

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This chapter discusses other grant requirements not addressed in the preceding chapters. Topics covered are:

- 700 NON-DISCRIMINATION STATUTES
- 710 PROTECTION OF LIVING ORGANISMS
- 720 CONSTRUCTION, REARRANGEMENTS AND ALTERATIONS INCLUDING: DAVIS-BACON ACT, BONDING AND INSURANCE, FLOOD INSURANCE, AND SEISMIC SAFETY OF BUILDINGS)
- 730 INTELLECTUAL PROPERTY (INCLUDING: PATENTS AND INVENTIONS, AND COPYRIGHTS)
- 740 PUBLICATION/DISTRIBUTION OF GRANT MATERIALS
- 750 PROGRAM INCOME
- 760 INTERNATIONAL CONSIDERATIONS (INCLUDING: TRAVEL GRANTS AND USE OF U.S. FLAG CARRIERS)

700 NON-DISCRIMINATION STATUTES

701 General

a. A number of statutes bar recipients of Federal financial assistance from excluding persons, because of their race, sex, color, age or national origin, from participation in Federally supported activities. These include: Title VI of the Civil Rights Act of 1964 (barring discrimination on grounds of race, color, or national origin); Section 504 of the Rehabilitation Act (barring discrimination against individuals with disabilities); and the Age Discrimination Act. Title IX of the Educational Amendments of 1972 bars sex discrimination in Federally assisted education programs or activities. In addition to statutory prohibitions, E.O. 11246 bars various types of discriminatory employment practices under grants for construction. The following sections discuss the application of each of these Acts and E.O. 11246 to NSF grantees.

b. When a recipient of an NSF grant receives an Equal Opportunity Complaint, the original complaint should be sent to the Director, Office of Equal Opportunity Programs, National Science Foundation, 4201 Wilson Boulevard, Arlington, VA 22230.

702 Civil Rights Act of 1964

702.1 Background

Section 602 of the Civil Rights Act of 1964 (42 USC §§2000d et seq.) provides that no person in the U.S. shall, on the grounds of race, color or national origin, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under any program or activity receiving Federal financial assistance. Section 602 requires that each

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Government agency which is empowered to extend such financial assistance issue rules or regulations implementing Title VI of the Act with respect to such programs or activities administered by the agency.

## 702.2 NSF Regulations

NSF regulations implementing Title VI of the Civil Rights Act are found at 45 CFR §611. These regulations apply to the grantee and to any subrecipients such as subawardees, contractors and subcontractors of a grantee, and successors in interest, other than subrecipients for commercially available supplies, materials, equipment or general support services. The regulations require that as a condition of approval of an application for assistance, the applicant must execute the Assurance of Compliance form (see Exhibit VII-1), whether or not a similar assurance form has been filed with another Federal agency.

## 702.3 Assurance of Compliance

Prospective grantees may either reproduce the Assurance of Compliance form or request copies from DGA. The signed original should be mailed to DGA. Once a properly executed form has been filed with NSF, it will cover all future applications to NSF. Acceptance of a subsequent grant constitutes affirmation that the Assurance of Compliance will be fully applicable to the grant.

## 702.4 Civil Rights Assurance-Subrecipients

Before any organization serves as a subrecipient on an NSF grant (for other than the provision of commercially available supplies, materials, equipment or general support services), it must first file an Assurance of Compliance form with either the grantee or NSF.

## 702.5 Grant Provisions

Each NSF grant contains as part of the standard grant conditions an article implementing Title VI.

## 703 Rehabilitation Act

### 703.1 Background

Section 504 of the Rehabilitation Act of 1973, as amended (29 USC §794) provides that "no otherwise qualified individual with a disability in the United States...shall, solely by reason of her or his disability, be excluded from the participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving Federal financial assistance...."

### 703.2 NSF Regulations

NSF regulations implementing section 504 are found at 45 CFR §605. With a

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few changes, these regulations follow closely the regulations issued by the DHHS at 45 CFR §84. These regulations also apply to subrecipients such as subawardees, contractors and subcontractors of a grantee, and successors in interest (other than subrecipients for the provision of commercially available supplies, materials, equipment or general support services).

## 703.3 Assurance of Compliance

In lieu of requiring submission of separate assurances or certifications, each NSF grant contains as part of the standard grant conditions a provision stating that acceptance of the grant constitutes assurance that the grantee will comply with Section 504 and NSF's implementing regulation.

## 703.4 Section 504 Assurance-Subrecipients

In lieu of requiring grantees to obtain separate assurances or certification from subrecipients receiving financial assistance under an NSF grant, grantees will include in all subawards (for other than the provision of commercially available supplies, materials, equipment or general support services), an assurance of compliance comparable to that included in NSF grants.

## 703.5 Grant Conditions

Each NSF grant contains as part of the standard grant conditions an article implementing Section 504 and the NSF regulations. The assurance requirement of those conditions will be satisfied as indicated in GPM 703.3 and 703.4.

## 704 Title IX - Sex Discrimination

Subject to certain exceptions regarding admission policies at certain religious and military organizations, Title IX of the Education Amendments of 1972 (20 USC §§1681-1686) prohibits the exclusion of persons on the basis of sex from any education program or activity receiving Federal financial assistance. NSF has not issued any rules or regulations further implementing these statutory provisions with respect to its programs. All NSF grantees are expected to comply with Title IX.

## 705 Age Discrimination Act

### 705.1 Background

The Age Discrimination Act of 1975, as amended (42 USC §§6101 et seq.), provides that pursuant to regulations issued by DHHS "no person in the United States shall, on the basis of age, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under, any program or activity receiving Federal financial assistance."

### 705.2 NSF Regulations

NSF regulations implementing the Age Discrimination Act are found at 45 CFR

§617.

## 705.3 Grant Conditions

Each NSF grant contains as part of the standard grant conditions an article implementing the Age Discrimination Act.

## 706 Equal Employment Opportunity Under E.O. 11246

### 706.1 Background

E.O. 11246, as amended, requires contractors and subcontractors performing Federally assisted construction projects to provide equal opportunity, without regard to race, color, religion, sex or national origin, to persons employed or seeking employment with them. This E.O. may apply to some NSF grants for construction.

### 706.2 Grant Conditions

In instances when E.O. 11246 is applicable, the grant instrument will include an equal opportunity clause in conformance with regulations issued by the Secretary of Labor at 41 CFR §60.

## 710 PROTECTION OF LIVING ORGANISMS

### 711 Human Subjects

#### 711.1 Background

The grantee is responsible for the protection of the rights and welfare of human subjects involved in activities supported by NSF. All research involving human subjects supported or otherwise subject to regulation by any Federal agency is covered by a policy set forth in a Common Rule, Protection of Human Subjects.

#### 711.2 NSF Regulation

NSF's Common Rule on Protection of Human Subjects is found at 45 CFR §690.

#### 711.3 Certification of Compliance

Before a research project involving the use of human subjects can be supported, a prospective grantee must certify that the research has been approved and will be subject to continuing review by the appropriate Institutional Review Board (IRB) in accordance with the regulations in the common rule. An approved assurance of compliance with the Common Rule that is filed with any Federal agency participating in the Common Rule is normally acceptable as validation of the IRB. Such assurances are most commonly filed with the Office for Protection from Research Risks of DHHS, National Institutes of Health (NIH) or with NSF. Categories of research that are

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exempt from this requirement are described at 45 CFR §690.101(b). Required contents and procedures for approval of assurances are set forth at 45 CFR §690.103. Prospective grantees should contact the relevant program officer for more information.

## 712 Research Involving Recombinant DNA Molecules

### 712.1 Applicability

This section applies to all research, for which NSF research grant funds are used, that falls within the scope of the Guidelines for Research Involving Recombinant DNA Molecules (NIH Guidelines) (Federal Register/Vol. 59, No. 127, July 5, 1994, 34495-34547), as amended, hereafter referred to as the "Guidelines".

### 712.2 Policy

NSF grantees performing research within the U.S. that falls within the scope of the Guidelines shall comply with the Guidelines, including the procedural requirements and any subsequent revisions as they are published in the Federal Register. Grantee responsibilities include: a. Each organization involved in the conduct of NSF-supported recombinant DNA research subject to the Guidelines must have a standing Institutional Biosafety Committee (IBC) as specified in Section IV of the Guidelines. b. Recombinant DNA research subject to the Guidelines must be registered with the IBC indicating compliance with the containment requirements specified in Part III of the Guidelines. IBCs are required to keep records of recombinant DNA research conducted at their organization in a form that is available to NSF upon request.

### 712.3 Research Requiring Prior Approval of the Director, NIH

In certain instances research should not be initiated or registered with IBC's prior to approval and determination of containment level by the Director, NIH. Normally such experiments are reviewed by the Recombinant DNA Advisory Committee before a decision is made by the Director, NIH. Such instances are:

a. research for which containment levels are not explicitly specified by the Guidelines;

b. research involving experiments prohibited by the Guidelines; i.e., requests for exceptions to the Guidelines; and

c. requests to perform experiments without regard to the containment specified in the Guidelines; i.e. exemptions from the Guidelines.

### 712.4 Recombinant DNA Research Outside the U.S.

Recombinant DNA research within the scope of the Guidelines that is

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performed outside of the U.S. using funds provided by NSF for transportation, salaries or direct research expenses must comply with the U.S. or host country standards. If the research is to be carried out in a country that has adopted guidelines comparable to those of the U.S., a document with information and endorsements assuring compliance to the host organization standards must be submitted to NSF. NSF funds may not be used to carry out research using recombinant DNA in a country that has not adopted national guidelines unless the research is in full compliance with the Guidelines and the procedures required for NSF-supported research within the U.S.

## 712.5 Reporting

PI/PDs must report the following to NSF and their IBCs:

- a. new technical information relating to risks and safety procedures;
- b. serious laboratory accidents involving recombinant DNA material;
- c. serious laboratory-related illness of a laboratory worker; and
- d. safety problems.

## 712.6 Additional Information

Inquiries concerning NSF policy on recombinant DNA research and its implementation should be addressed to: Division of Molecular and Cellular Biosciences National Science Foundation 4201 Wilson Boulevard Arlington, VA 22230

## 713 Animal Welfare Requirements

a. The grantee is responsible for the humane care and treatment of vertebrate animals used or intended for use in such activities as field or laboratory research, development, training, education or biological testing or for related purposes supported by NSF grants.

b. Any grantee performing activities that use vertebrate animals will comply with the Animal Welfare Act (7 USC §§2131-59) and the regulations promulgated thereunder by the Secretary of Agriculture (CFR, Title 9, Subchapter A, Parts 1, 2, 3, and 4) pertaining to the care, handling and treatment of vertebrate animals held or used for research, teaching or other activities supported by Federal grants. The grantee is to ensure that the guidelines described in NIH publication No. 90-23, Guide for the Care and Use of Laboratory Animals, (Revised 1990) are followed and to comply with the U.S. Government Principles for the Utilization and Care of Vertebrate Animals Used in Testing, Research, and Training (included as an appendix to the NIH Guide).

c. Before a grant involving the use of vertebrate animals in either field or laboratory activities can be made, NSF must receive a statement

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that the proposed activity has been reviewed and approved by the appropriate Institutional Animal Care and Use Committee (IACUC) at the grantee organization, and that the grantee has an approved Animal Welfare assurance with the Public Health Service (PHS) that assures NSF that it will comply with the PHS Policy on Humane Care and Use of Laboratory Animals (September 1986, revision). If at all possible, this statement should be included in the proposal at the time it is submitted to NSF. If a delay in providing the statement is necessary, the statement should be submitted to the NSF program processing the proposal as soon as possible. No grants involving vertebrate animals can be made without this statement. For continuing grants, this statement must be provided before the first year of the grant can be activated. For subsequent annual increments of continuing grants, no further statement is necessary unless the protocols for use of vertebrate animals have been changed substantively from those originally proposed and approved. Applications from organizations not having a general assurance on file with the PHS will be reviewed first for scientific merit. If a decision to support the proposal is reached, NSF will make every effort to arrange for a special assurance to be negotiated.

d. The grantee may request registration of its facility and a current listing of licensed dealers from the Regional Office of the Animal and Plant Health Inspection Service (APHIS), U.S. Department of Agriculture, for the region in which the research facility is located. The location of the appropriate APHIS Regional Office, as well as information concerning this program, may be obtained by contacting the Chief Staff Officer, Animal Care Staff, USDA/APHIS, REAC, Room 558, 6505 Belcrest Road, Hyattsville, MD 20782.

e. Single copies of the NIH Guide and the PHS Policy on Humane Care and Use of Laboratory Animals are available from the Office for Protection from Research Risks, Building 31, Room 4B09, National Institutes of Health, 9000 Rockville Pike, Bethesda, MD 20892.

## 714 Marine Mammal Protection Act

The protection of marine mammals in research activities supported by NSF grants is the responsibility of the grantee. Proposals submitted to NSF in support of marine research activities must include a statement that the grantee will comply with the Marine Mammal Protection Act of 1972, (16 USC §§1361-1421h).

## 720 CONSTRUCTION, REARRANGEMENTS AND ALTERATIONS 721 Davis-Bacon Act

The Davis-Bacon Act (40 USC §§276a et seq.) establishes minimum wages to be paid to laborers and mechanics on construction contracts to which the U.S. is a party involving public buildings or public works within the U.S. A number of other statutes have extended this provision to specific Federal grant programs involving construction. However, unless specifically stated in the grant instrument, the Davis-Bacon Act does not normally apply to NSF grants since grantees normally retain title to property acquired under the

grant and the construction, if any, is normally on non-Government land.

## 722 Bonding and Insurance

The NSF Act (42 USC §1870c) provides NSF with authority to enter into grants, contracts or other agreements without performance or other bonds. Therefore, unless the grant instrument specifically provides otherwise, NSF does not require performance or other bonds or insurance.

## 723 Flood Insurance

a. Two sections of the National Flood Insurance Act of 1968 (42 USC §4012a and §4106) bar Federal agencies from giving financial assistance for acquisition or construction purposes in any area identified by the Federal Emergency Management Agency (FEMA) as having special flood hazards unless:

1. the community in which that area is located participates in the national flood insurance program; and
2. the building and any related equipment is covered by adequate flood insurance.

b. Prospective grantees located in FEMA-designated special flood hazard areas must certify in their proposals that adequate flood insurance has been or will be obtained:

1. for NSF grants for the construction of a building or facility, regardless of the dollar amount of the grant; and
2. for other NSF grants when more than \$10,000 has been budgeted in the proposal for repair, alteration or improvement of a building or facility.

c. Prospective grantees should contact their local government or a federally-insured financial institution to determine what areas are identified as having special flood hazards and the availability of flood insurance in their community.

## 724 Seismic Safety of Buildings

E.O. 12699 Seismic Safety of Federal and Federally-assisted or Regulated New Building Construction dated January 5, 1990, requires that consideration be given to seismic hazards in the design of buildings. Very seldom are NSF grantees involved with federally-assisted construction and rarely are new buildings involved. NSF ensures compliance with the Order through its grantees and grantee organizations by inclusion of a specific grant condition in any appropriate grant.

## 730 INTELLECTUAL PROPERTY

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## 731 Patents and Inventions

### 731.1 Background

a. The disposition of rights to inventions made by small business firms and non-profit organizations, including universities and other institutions of higher education, during NSF-assisted research is governed by Chapter 18 of title 35 of the USC, commonly called the Bayh-Dole Act. In accordance with a Presidential Memorandum entitled Government Patent Policy issued on February 18, 1983 and under the authority of section 12 of the National Science Foundation Act of 1950, as amended (42 USC §1871), NSF applies the policies of that Act to all its grantees. The Department of Commerce (DOC) is the lead agency for implementing the Bayh-Dole Act and has published guidance to Federal agencies in 37 CFR §401. NSF's implementing rules are published in 45 CFR §650.

b. NSF's standard Patent Rights clause, published at 45 CFR §650.4(a) and below at GPM 731.3, is identical to that prescribed in the DOC guidance (37 CFR §401.14(a)) except that:

1. NSF has tailored the clause to apply to grants and to identify NSF;

2. pursuant to section 401.5(d) of the DOC guidance (37 CFR §401.5(d)), NSF has added to paragraph b. of the clause a stipulation that NSF reserves the right to direct a grantee to transfer to a foreign government or research performer such rights to any subject invention as are required to comply with any international treaty or agreement identified when the grant is made as being applicable to the assisted research;

3. as permitted by section 401.5(f) of the DOC guidance (37 CFR §401.5(f)), NSF has added two subparagraphs to the end of paragraph f. of the clause to require grantees or their representatives to send NSF confirmations of the Government licenses for and copies of any U.S. patents on subject inventions; and

4. since NSF normally uses the same clause for all subcontractors, the first two subparagraphs of paragraph g. of the clause specified in the DOC guidance have been reduced to one.

### 731.2 National Science Foundation Patent Policy

As authorized by the National Science Board (NSB), the Director of the NSF has adopted the following NSF patent policy.

- a. In accordance with the Bayh-Dole Act and the Presidential Memorandum entitled Government Patent Policy issued February 18, 1983, NSF will use the Patent Rights clause prescribed by DOC in all its funding agreements for the performance of experimental, developmental or research

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work, including grants made to foreign entities, unless NSF determines that some other provision would better serve the purposes of that Act or the interests of the U.S. and the general public.

b. In funding agreements covered by a treaty or agreement that provide that an international organization or foreign government, research institute or inventor will own or share patent rights, NSF will acquire such patent rights as are necessary to comply with the applicable treaty or agreement.

c. If a grantee elects not to retain rights to an invention, NSF will allow the inventor to retain the principal patent rights unless the grantee, or the inventor's employer if other than the grantee, shows that it would be harmed by that action.

d. NSF will normally allow any patent rights not wanted by the grantee or inventor to be dedicated to the public through publication in scientific journals or as a statutory invention registration. However, if another Federal agency is known to be interested in the relevant technology, NSF may give it an opportunity to review and patent the invention so long as that does not inhibit the dissemination of the research results to the scientific community.

## 731.3 Standard Patent Rights Clause

The following Patent Rights clause will be used in every funding agreement awarded by NSF that relates to scientific or engineering research unless a special patent clause has been negotiated (see GPM 733.1, "Special Grant Provisions"). When the clause is used in a funding agreement other than a grant, "grant" and "grantee" may be replaced by "contract" and "contractor" or other appropriate terms.

## PATENT RIGHTS (APRIL, 1992)

### a. Definitions.

1. INVENTION means any invention or discovery which is or may be patentable or otherwise protectable under title 35 of the USC, to any novel variety of plant which is or may be protected under the Plant Variety Protection Act (7 USC §§2321 et seq.).

2. SUBJECT INVENTION means any invention of the grantee conceived or first actually reduced to practice in the performance of work under this grant, provided that in the case of a variety of plant, the date of determination (as defined in section 41(d)) must also occur during the period of grant performance.

3. PRACTICAL APPLICATION means to manufacture in the case of a composition or product, to practice in the case of a process or method, or to operate in the case of a machine or system; and, in each case, under such conditions as to establish that the invention is being utilized and that

its benefits are to the extent permitted by law or Government regulations available to the public on reasonable terms.

4. MADE when used in relation to any invention means the conception or first actual reduction to practice of such invention.

5. NON-PROFIT ORGANIZATION means a domestic university or other institution of higher education or an organization of the type described in section 501(c)(3) of the Internal Revenue Code of 1954 (26 USC §501(c)) and exempt from taxation under section 501(a) of the Internal Revenue Code (26 USC §501(a)) or any domestic non-profit scientific or educational organization qualified under a State non-profit organization statute.

b. Allocation of Principal Rights. The grantee may retain the entire right, title, and interest throughout the world to each subject invention subject to the provisions of this Patent Rights clause and 35 USC §203. With respect to any subject invention in which the grantee retains title, the Federal Government shall have a non-exclusive, nontransferable, irrevocable, paid-up license to practice or have practiced for or on behalf of the U.S. the subject invention throughout the world. If the grant indicates it is subject to an identified international agreement or treaty, the National Science Foundation (NSF) also has the right to direct the grantee to convey to any foreign participant such patent rights to subject inventions as are required to comply with that agreement or treaty.

c. Invention Disclosure, Election of Title and Filing of Patent Applications by Grantee.

1. The grantee will disclose each subject invention to NSF within two months after the inventor discloses it in writing to grantee personnel responsible for the administration of patent matters. The disclosure to NSF shall be in the form of a written report and shall identify the grant under which the invention was made and the inventor(s). It shall be sufficiently complete in technical detail to convey a clear understanding of the nature, purpose, operation, and, to the extent known, the physical, chemical, biological or electrical characteristics of the invention. The disclosure shall also identify any publication, on sale or public use of the invention and whether a manuscript describing the invention has been submitted for publication and, if so, whether it has been accepted for publication at the time of disclosure. In addition, after disclosure to NSF, the grantee will promptly notify NSF of the acceptance of any manuscript describing the invention for publication or of any on sale or public use planned by the grantee.

2. The grantee will elect in writing whether or not to retain title to any such invention by notifying NSF within two years of disclosure to NSF. However, in any case where publication, on sale, or public use has initiated the one-year statutory period wherein valid patent protection can still be obtained in the U.S., the period for election of title may be shortened by NSF to a date that is no more than 60 days prior to the

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end of the statutory period.

3. The grantee will file its initial patent application on an invention to which it elects to retain title within one year after election of title or, if earlier, prior to the end of any statutory period wherein valid patent protection can be obtained in the U.S. after a publication, on sale, or public use. The grantee will file patent applications in additional countries or international patent offices within either ten months of the corresponding initial patent application, or six months from the date when permission is granted by the Commissioner of Patents and Trademarks to file foreign patent applications when such filing has been prohibited by a Secrecy Order.

4. Requests for extension of the time for disclosure to NSF, election, and filing under subparagraphs 1., 2., and 3. may, at the discretion of NSF, be granted.

d. Conditions When the Government May Obtain Title. The grantee will convey to NSF, upon written request, title to any subject invention:

1. if the grantee fails to disclose or elect the subject invention within the times specified in paragraph c. above, or elects not to retain title; provided that NSF may only request title within 60 days after learning of the failure of the grantee to disclose or elect within the specified times;

2. in those countries in which the grantee fails to file patent applications within the times specified in paragraph c. above, but prior to its receipt of the written request of NSF, the grantee shall continue to retain title in that country; or

3. in any country in which the grantee decides not to continue the prosecution of any application for, to pay the maintenance fees on, or defend in a reexamination or opposition proceeding on, a patent on a subject invention.

e. Minimum Rights to Grantee.

1. The grantee will retain a non-exclusive royalty-free license throughout the world in each subject invention to which the Government obtains title, except if the grantee fails to disclose the subject invention within the times specified in paragraph c. above. The grantee's license extends to its domestic subsidiaries and affiliates, if any, within the corporate structure of which the grantee is a party and includes the right to grant sublicenses of the same scope to the extent the grantee was legally obligated to do so at the time the grant was awarded. The license is transferable only with the approval of NSF except when transferred to the successor of that part of the grantee's business to which the invention pertains.

2. The grantee's domestic license may be revoked or modified by NSF to the extent necessary to achieve expeditious practical application of the subject invention pursuant to an application for an exclusive license submitted in accordance with applicable provisions at 37 CFR §404. This license will not be revoked in that field of use or the geographical areas in which the grantee has achieved practical application and continues to make the benefits of the invention reasonably accessible to the public. The license in any foreign country may be revoked or modified at discretion of NSF to the extent the grantee, its licensees, or its domestic subsidiaries or affiliates have failed to achieve practical application in that foreign country.

3. Before revocation or modification of the license, NSF will furnish the grantee a written notice of its intention to revoke or modify the license, and the grantee will be allowed thirty days (or such other time as may be authorized by NSF for good cause shown by the grantee) after the notice to show cause why the license should not be revoked or modified. The grantee has the right to appeal, in accordance with applicable regulations in 37 CFR §404 concerning the licensing of Government-owned inventions, any decision concerning the revocation or modification of its license.

f. Grantee Action to Protect Government's Interest.

1. The grantee agrees to execute or to have executed and promptly deliver to NSF all instruments necessary to: (i) establish or confirm the rights the Government has throughout the world in those subject inventions for which the grantee retains title; and (ii) convey title to NSF when requested under paragraph d. above, and to enable the Government to obtain patent protection throughout the world in that subject invention.

2. The grantee agrees to require, by written agreement, its employees, other than clerical and non-technical employees, to disclose promptly in writing to personnel identified as responsible for the administration of patent matters and in a format suggested by the grantee each subject invention made under this grant in order that the grantee can comply with the disclosure provisions of paragraph c. above, and to execute all papers necessary to file patent applications on subject inventions and to establish the Government's rights in the subject inventions. The disclosure format should require, as a minimum, the information requested by paragraph c.1. above. The grantee shall instruct such employees through the employee agreements or other suitable educational programs on the importance of reporting inventions in sufficient time to permit the filing of patent applications prior to U.S. or foreign statutory bars.

3. The grantee will notify NSF of any decision not to continue prosecution of a patent application, pay maintenance fees, or defend in a reexamination or opposition proceeding on a patent, in any country, not less than 30 days before the expiration of the response period required by the relevant patent office. 4. The grantee agrees to include, within the specification of any U.S. patent application and any patent

issuing thereon covering a subject invention, the following statement: "This invention was made with Government support under (identify the grant) awarded by the National Science Foundation. The Government has certain rights in this invention."

5. The grantee or its representative will complete, execute and forward to NSF a confirmation of a License to the U.S. Government within two months of filing any domestic or foreign patent application.

6. The grantee or its representative will forward to NSF a copy of any U.S. patent covering a subject invention within two months after it is issued.

## g. Subcontracts

1. The grantee will include this Patent Rights clause, suitably modified to identify the parties, in all subcontracts, regardless of tier, for experimental, developmental or research work. The subcontractor will retain all rights provided for the grantee in this Patent Rights clause, and the grantee will not, as part of the consideration for awarding the subcontract, obtain rights in the subcontractors' subject inventions.

2. In the case of subcontracts, at any tier, when the prime award by NSF was a contract (but not a grant or cooperative agreement), NSF, subcontractor, and contractor agree that the mutual obligations of the parties created by this Patent Rights clause constitute a contract between the subcontractor and the Foundation with respect to those matters covered by this Patent Rights clause.

h. Reporting on Utilization of Subject Inventions. The grantee agrees to submit on request periodic reports no more frequently than annually on the utilization of a subject invention or on efforts at obtaining such utilization that are being made by the grantee or its licensees or assignees. Such reports shall include information regarding the status of development, date of first commercial sale or use, gross royalties received by the grantee and such other data and information as NSF may reasonably specify. The grantee also agrees to provide additional reports in connection with any march-in proceeding undertaken by NSF in accordance with paragraph j. of this Patent Rights clause. As required by 35 USC §202(c)(5), NSF agrees it will not disclose such information to persons outside the Government without the permission of the grantee.

i. Preference for United States Industry. Notwithstanding any other provision of this Patent Rights clause, the grantee agrees that neither it nor any assignee will grant to any person the exclusive right to use or sell any subject invention in the U.S. unless such person agrees that any products embodying the subject invention or produced through the use of the subject invention will be manufactured substantially in the U.S. However, in individual cases, the requirement for such an agreement may be waived by NSF upon a showing by the grantee or its assignee that reasonable but unsuccessful efforts have been made to grant licenses on similar terms to potential licensees that would be likely to manufacture substantially in the U.S. or that under the circumstances domestic manufacture is not commercially feasible.

j. March-in Rights. The grantee agrees that with respect to any subject invention in which it has acquired title, NSF has the right in accordance with procedures at 37 CFR §401.6 and NSF regulations at 45 CFR §650.13 to require the grantee, an assignee or exclusive licensee of a subject invention to grant a non-exclusive, partially exclusive, or exclusive license in any field of use to a responsible applicant or applicants, upon terms that are reasonable under the circumstances and if the grantee, assignee, or exclusive licensee refuses such a request, NSF has the right to grant such a license itself if NSF determines that:

1. such action is necessary because the grantee or assignee has not taken or is not expected to take within a reasonable time, effective steps to achieve practical application of the subject invention in such field of use;

2. such action is necessary to alleviate health or safety needs which are not reasonably satisfied by the grantee, assignee, or their licensees;

3. such action is necessary to meet requirements for public use specified by Federal regulations and such requirements are not reasonably satisfied by the grantee, assignee, or licensee; or

4. such action is necessary because the agreement required by paragraph i. of this Patent Rights clause has not been obtained or waived or because a licensee of the exclusive right to use or sell any subject invention in the U.S. is in breach of such agreement.

k. Special Provisions for Grants with Non-profit Organizations. If the grantee is a non-profit organization, it agrees that:

1. rights to a subject invention in the U.S. may not be assigned without the approval of NSF, except where such assignment is made to an organization which has as one of its primary functions the management of inventions, provided that such assignee will be subject to the same provisions

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as the grantee;

2. the grantee will share royalties collected on a subject invention with the inventor, including Federal employee co-inventors (when NSF deems it appropriate) when the subject invention is assigned in accordance with 35 USC §202(e) and 37 CFR §401.10;

3. the balance of any royalties or income earned by the grantee with respect to subject inventions, after payment of expenses (including payments to inventors) incidental to the administration of subject inventions, will be utilized for the support of scientific or engineering research or education; and

4. it will make efforts that are reasonable under the circumstances to attract licensees of subject inventions that are small business firms and that it will give preference to a small business firm if the grantee determines that the small business firm has a plan or proposal for marketing the invention which, if executed, is equally likely to bring the invention to practical application as any plans or proposals from applicants that are not small business firms; provided that the grantee is also satisfied that the small business firm has the capability and resources to carry out its plan or proposal. The decision whether to give a preference in any specific case will be at the discretion of the grantee. However, the grantee agrees that the Secretary of Commerce may review the grantee's licensing program and decisions regarding small business applicants, and the grantee will negotiate changes to its licensing policies, procedures or practices with the Secretary when the Secretary's review discloses that the grantee could take reasonable steps to implement more effectively the requirements of this paragraph k.4.

1. Communications. All communications required by this Patent Rights clause should be sent to:

Patent Assistant Office of the General Counsel National Science Foundation  
4201 Wilson Boulevard Arlington, VA 22230

[END OF CLAUSE]

732 Copyright

732.1 Rights to Copyrightable Material

The following principles governing the treatment of copyrightable material produced under NSF grants were adopted by the NSB.

a. NSF normally will acquire only such rights to copyrightable material as are needed to achieve its purposes or to comply with the requirements of any applicable government-wide policy or international agreement.

b. To preserve incentives for private dissemination and development,

NSF normally will not restrict or take any part of income earned from copyrightable material except as necessary to comply with the requirements of any applicable government-wide policy or international agreement.

c. In exceptional circumstances, NSF may restrict or eliminate an awardee's control of NSF-supported copyrightable material and of income earned from it, if NSF determines that this would best serve the purposes of a particular program or grant.

## 732.2 Standard Copyrightable Material Clause

The following copyrightable material clause will be used in every funding agreement awarded by NSF that relates to scientific or engineering research unless a special copyrightable material clause has been negotiated. (See GPM 733.1, "Special Grant Provisions," and GPM 733.2, "Grants Not Primarily for Research.") When the clause is used in a funding agreement other than a grant, "grant" and "grantee" may be replaced by "contract" and "contractor" or other appropriate terms.

### COPYRIGHTABLE MATERIAL

a. SUBJECT WRITING means any material that:

1. is or may be copyrightable under Title 17 of the United States Code; and

2. is produced by the grantee or its employees in the performance of work under this grant. "Subject writings" include such items as reports, books, journal articles, software, sound recordings, video tapes and video discs.

b. Copyright Ownership, Government License. Except as otherwise specified in the grant or by this paragraph, the grantee may own or permit others to own copyright in all subject writings. The grantee agrees that if it or anyone else does own copyright in a subject writing, the Federal government will have a non-exclusive, nontransferable, irrevocable, royalty-free license to exercise or have exercised for or on behalf of the U.S. throughout the world all the exclusive rights provided by copyright. Such license, however, will not include the right to sell copies or photorecords of the copyrighted works to the public.

c. Grants Affected by International Agreements. If the grant indicates it is subject to an identified international agreement or treaty, NSF can direct the grantee to convey to any foreign participant or otherwise dispose of such rights to subject writings as are required to comply with that agreement or treaty.

d. Grantee Action to Protect Government Interests. The grantee agrees to acquire, through written agreement or an employee relationship, the

ability to comply with the requirements of the preceding paragraphs and, in particular, to acquire the ability to convey rights in a subject writing to a foreign participant if directed by NSF under the previous paragraph. The grantee further agrees that any transfer of copyright or any other rights to a subject writing, by it or anyone whom it has allowed to own such rights, will be made subject to the requirements of this article.

[END OF CLAUSE]

## 733 Special Patent and Copyright Situations

### 733.1 Special Grant Provisions

At the request of the prospective grantee or on recommendation from NSF staff, a Grants Officer, with the concurrence of the cognizant Program Manager, may negotiate special patent or copyright provisions when he/she determines that exceptional circumstances require restriction or elimination of the right of a prospective grantee to control principal rights to subject inventions or writings in order to better achieve the objectives of the program, the National Science Foundation Act, or (in the case of inventions) Chapter 18 of title 35 of the USC. Every special copyright or patent provision will allow the grantee, after an invention has been made or copyrightable material created, to request that it be allowed to retain principal rights to that invention or material, unless doing so would be inconsistent with an obligation imposed on NSF by statute, international agreement or pact with other participants in or supporters of the research.

### 733.2 Grants Not Primarily for Research

a. Grants not primarily intended to support scientific or engineering research generally do not contain patent or copyrightable material provisions. Examples of such grants are travel, conference and equipment grants.

b. NSF Fellowships and Traineeships. In accordance with section 212 of title 35 of the USC, NSF claims no rights to inventions made by fellows or trainees. The following provision will be included in each fellowship or traineeship program announcement and made part of the grant:

## INTELLECTUAL PROPERTY RIGHTS

The National Science Foundation claims no rights to any inventions or writings that might result from its fellowship or traineeship grants. However, fellows and trainees should be aware that the NSF, another Federal agency, or some private party may acquire such rights through other support for particular research. Also, fellows and trainees should note their obligation to include an Acknowledgment and Disclaimer in any publication.

[END OF PROVISION]

### 733.3 Grants Affected by International Agreements

a. Many of the bilateral and multilateral treaties and agreements underlying NSF's international cooperative research programs contain provisions on allocation of rights to inventions or writings. These sometimes require an allocation of rights different from that provided by the standard Copyrightable Material or Patent Rights clauses. In those cases, the standard clauses will be modified through the addition of the following to the grant letter: "This project is supported under the cooperative program listed below. Your rights in inventions, writings, and data may be affected." The applicable agreement or treaty will be identified immediately beneath that sentence.

b. After an invention is disclosed to the Patent Assistant, the recipient of a grant subject to an international agreement will be informed as to what rights, if any, it must transfer to foreign participants. Recipients may also ask the NSF Program Officer for copies of the identified international agreement before or after accepting a grant.

## 734 Dissemination and Sharing of Research Results

a. Investigators are expected to promptly prepare and submit for publication, with authorship that accurately reflects the contributions of those involved, all significant findings from work conducted under NSF grants. Grantees are expected to permit and encourage such publication by those actually performing that work, unless a grantee intends to publish or disseminate such findings itself.

b. Investigators are expected to share with other researchers, at no more than incremental cost and within a reasonable time, the primary data, samples, physical collections and other supporting materials created or gathered in the course of work under NSF grants. Grantees are expected to encourage and facilitate such sharing. Privileged or confidential information should be released only in a form that protects the privacy of individuals and subjects involved. General adjustments and, where essential, exceptions to this sharing expectation may be specified by the funding NSF Program or Division for a particular field or discipline to safeguard the rights of individuals and subjects, the validity of results, or the integrity of collections or to accommodate legitimate interest of investigators. A grantee or investigator may also request a particular adjustment or exception from the cognizant NSF Program Officer.

c. Investigators and grantees are encouraged to share software and inventions created under the grant or otherwise make them or their products widely available and usable.

d. The NSF normally allows grantees to retain principal legal rights to intellectual property developed under NSF grants to provide incentives for development and dissemination of inventions, software and publications that can enhance their usefulness, accessibility and upkeep. Such incentives do not, however, reduce the responsibility that investigators and

organizations have as members of the scientific and engineering community to make results, data and collections available to other researchers.

## 735 Tangible Property

### 735.1 Background

Some NSF grants support collection or creation of tangible property, such as insects, marine life, drilling core samples and genetically-altered microorganisms. As used in this section "tangible property" means any personal property other than equipment (see GPM 612, "Equipment"), and intellectual property.

### 735.2 Legal Rights to Tangible Property

Unless otherwise provided in the grant letter, all legal rights to tangible property collected or created during NSF-assisted research remain with the grantee or investigators as determined by the policies of the organization. As members of the scientific and engineering community, both grantees and investigators are responsible for making such tangible property appropriately available to other researchers.

## 740 PUBLICATION / DISTRIBUTION OF GRANT MATERIAL

### 741 NSF Policy

NSF advocates and encourages open scientific and engineering communication. NSF expects significant findings from research it supports to be promptly submitted for publication, with authorship that accurately reflects the contributions of those involved.

### 742 Costs

Cost of documenting, preparing, publishing, disseminating and sharing research findings and supporting material are allowable charges against the grant. (See GPM 617 "Publication, Documentation, and Dissemination".)

### 743 Responsibilities

Unless otherwise provided in the grant letter, preparation, content, editing, identification of authorship and submission for publication of significant research findings are the responsibilities of the investigators, consistent with such policies and procedures as the grantee may prescribe.

### 744 Grantee Obligations

a. Unless otherwise provided in the grant letter, the grantee is required to assure that:

1. an acknowledgment of NSF support appears in every

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publication of material based on or developed under the grant, in the following terms: "This material is based on work supported by the National Science Foundation under Grant No. (Grantee should enter NSF grant number)."

2. every publication of material based on or developed under the grant, except scientific articles or papers appearing in scientific, technical or professional journals, contains the following disclaimer: "Any opinions, findings and conclusions or recommendations expressed in this material are those of the author(s) and do not necessarily reflect those of the National Science Foundation."

3. up to two copies of every publication of material based on or developed under the grant are provided, as requested by NSF.

b. Grantees should also note their obligations in regard to copyrights (see GPM 732, "Copyright") and their responsibilities as members of the scientific and engineering community to disseminate and share research results (see GPM 734, "Dissemination and Sharing of Research Results").

750 PROGRAM INCOME

751 Background

The following provisions implement the applicable portions of OMB Circular A-110 on program income as well as the principle on income from copyrightable material adopted by the NSB (GPM 732.1, "Rights to Copyrightable Material").

752 Definition

PROGRAM INCOME means gross income earned by the grantee that is directly generated by a supported activity or earned as a result of the grant. Program income includes, but is not limited to, income from fees for services performed, the use or rental of real or personal property acquired under the grant, the sale of commodities or items fabricated under the grant, license fees for and royalties on and copyrights and interest on loans made with grant funds. Interest earned on advances of Federal funds is not program income. Program income does not include the receipt of principal on loans, rebates, credits, discounts, etc., or interest earned on any of them.

753 NSF Policy

a. Standard Treatment. Unless otherwise specified in the grant, program income received or accruing to the grantee during the period of the grant is to be retained by the grantee, added to the funds committed to the project by NSF, and thus used to further project objectives. The grantee has no obligation to NSF with respect to: 1) license fees and royalties for copyrighted material, patents, patent applications, trademarks and inventions; or 2) program income received beyond the period of the grant.

b. Special Treatment. In exceptional circumstances, the NSF Grants

Officer, in collaboration with Program Officers and other appropriate NSF offices, may approve use of a special grant provision to restrict or eliminate a grantee's control of income earned through NSF-supported activities if it determines that this would best serve the purposes of a particular program or grant. The special provisions may require the Federal share of program income be kept in a separate account, reported on and/or remitted for such periods as may be reasonable under the circumstances.

## 760 INTERNATIONAL CONSIDERATIONS

### 761 Travel to Foreign Countries

#### 761.1 Policy

a. Expenses for transportation, lodging, subsistence and related items incurred by project personnel and by outside consultants employed on the project (GPM 614, "Travel Costs") who are in travel status on business related to an NSF-supported project are allowable as prescribed in the governing cost principles. The requirements for prior approval detailed in the governing cost principles are waived.

b. Support for the foreign travel of an investigator's dependents is allowable only under the conditions identified in GPM 614c, "Travel Costs".

#### 761.2 Use of U.S.-Flag Air Carriers

a. The Comptroller General of the U.S., by Decision B-138942 of June 17, 1975, as amended March 31, 1981, provided guidelines for implementation of Section 5 of the International Air Transportation Fair Competitive Practices Act of 1974 (49 USC §1517).

b. Any air transportation to, from, between or within a country other than the U.S. of persons or property, the expense of which will be assisted by NSF funding, must be performed by a U.S.-flag air carrier if service provided by such a carrier is "available".

c. For the purposes of this requirement, U.S.-flag air carrier service is considered "available" even though:

1. comparable or a different kind of service can be provided at less cost by a foreign-flag air carrier;

2. foreign-flag air carrier service is preferred by or is more convenient for NSF or traveler; or

3. service by a foreign-flag air carrier can be paid for in excess foreign currency.

d. The following rules apply unless their application would result in

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the first or last leg of travel from or to the U.S. being performed by a foreign- flag air carrier:

1. A U.S.-flag air carrier shall be used to destination or, in the absence of direct or through service, to the farthest interchange point on a usually traveled route;

2. If a U.S.-flag air carrier does not serve an origin or interchange point, a foreign-flag air carrier shall be used only to the nearest interchange point on a usually traveled route to connect with a U.S.-flag air carrier; or.

3. If a U.S.-flag air carrier involuntarily reroutes the traveler via a foreign-flag carrier, the foreign-flag air carrier may be used notwithstanding the availability of alternative U.S.-flag air carrier service.

## 761.3 Use of Foreign-Flag Air Carriers

a. Travel To and From the U.S. Use of a foreign-flag air carrier is permissible if the airport abroad is:

1. the traveler's origin or destination airport, and use of U.S.-flag air carrier service would extend the time in a travel status by at least 24 hours more than travel by a foreign-flag carrier; or

2. an interchange point, and use of U.S.-flag air carrier service would require the traveler to wait six hours or more to make connections at that point, or would extend the time in a travel status by at least six hours more than travel by a foreign-flag air carrier.

b. Travel Between Points Outside the U.S. Use of a foreign-flag air carrier is permissible if travel by a:

1. foreign-flag air carrier would eliminate two or more aircraft changes en route;

2. U.S.-flag air carrier would extend the time in a travel status by at least six hours more than travel by a foreign-flag air carrier.

c. Short Distance Travel. For all short distance travel, regardless of origin and destination, use of a foreign-flag air carrier is permissible if the elapsed travel time on a scheduled flight from origin to destination airport by a foreign-flag air carrier is three hours or less and service by a U.S.-flag air carrier would double the travel time.

## 762 Charter Flights

Because of the risk of catastrophic loss, NSF does not encourage the use of charter flights as a means of mass transportation for groups of scientists nor does it make arrangements for purchase of charter flight airline tickets.

## 763 Projects in a Foreign Country

a. General. Prior to undertaking any projects outside the U.S., the grantee should ensure that any permits or licenses required by the host country or the political subdivision in which the project will be performed have been obtained and that the researcher(s) will abide by the appropriate ordinances of such foreign countries. NSF funds may not be used in support of a project which is prohibited by law in the country in which it is undertaken.

b. NSF-Supported Activities in Greenland. All research projects in Greenland must be approved in advance by the Government of Denmark. Applications for projects in which U.S. citizens and U.S. nationals are involved in any way (logistical, operational and/or financial support) shall be submitted to the Danish Government through diplomatic channels (i.e., through the U.S. Department of State and the American Embassy, Copenhagen) to the Danish Ministry of Foreign Affairs. Application forms, deadline dates and instructions are available from the Director, Office of Polar Programs, National Science Foundation, 4201 Wilson Boulevard, Arlington, VA 22230.

## 764 Passports and Visas

NSF assumes no responsibility for securing passports or visas required by any person because of participation in an NSF-supported project. It should be noted that some countries that normally do not require visas for tourists do require special visas for scientists engaged in research or studies.

## 765 International Travel Grants

Funding Limitations. Funds for international travel grants will normally not exceed the cost of a round-trip, economy class airline ticket between the approved points of origin and destination. Group travel grants awarded to a university, professional society or other non-profit organization to enable it to coordinate U.S. participation in one or more scientific meetings held abroad may include a flat rate of \$50 per traveler for the general administration of this type of project. NSF international travel grants may not be supplemented by funds from any other NSF grant or fellowship.

## ASSURANCE OF COMPLIANCE

(Not available here. May be accessed in the Word version or paper copy.)

## OTHER PROPOSAL AND AWARD CONSIDERATIONS

The chapter discusses other proposal and award considerations not addressed in the preceding chapters. Topics covered are:

## 800 INTERGOVERNMENTAL REVIEW OF FEDERAL PROGRAMS

810 HANDLING OF INFORMATION  
820 TAX STATUS  
830 ENVIRONMENTAL IMPACT  
840 PROTECTION OF PROPERTIES IN THE NATIONAL REGISTER OF HISTORIC PLACES  
850 NATIONAL SECURITY  
860 MISCELLANEOUS (INCLUDING: LIABILITIES AND LOSSES, PRE-COLLEGE STUDENTS AND EXPERIMENTAL CURRICULUM DEVELOPMENT PROJECTS AND USE OF METRIC MEASUREMENTS)

## 800 INTERGOVERNMENTAL REVIEW OF FEDERAL PROGRAMS

a. The Foundation's regulation on Intergovernmental Review of National Science Foundation Programs and Activities is published in 45 CFR §660.

b. NSF publishes, at least annually, in the Federal Register and by direct mailing to State Points of Contact (SPOC), notice of any amendments to NSF-eligible programs for review under E.O. 12372, Intergovernmental Review of Federal Programs. Such notices also include a listing of those States that have elected to review discrete eligible programs under their State process review system.

c. The Federal Assistance Award Data System (FAADS) notifies the States of Federal assistance awards. FAADS is a computer-based management information system that provides information on assistance awards, including NSF grants, on a quarterly basis. These reports are distributed to the States, and meet the objective of section 201 of 31 USC §6502.

## 810 HANDLING OF INFORMATION

### 811 Questionnaires: Data Collection Under NSF Grants

#### 811.1 Paperwork Control

Under the OMB regulation, Controlling Paperwork Burdens on the Public (5 CFR §1320), a grantee's obtaining of information from ten or more persons by means of identical questions is considered to be "sponsored" by NSF only if:

a. the grantee is collecting the information at the specific request of NSF; or

b. the terms of the grant require specific approval by NSF of the collection or its procedures. If either of these conditions is met, OMB approval of the data collection is generally required and grantees should obtain the necessary control number from the cognizant NSF Program Officer.

#### 811.2 NSF Policy

Data collection activities of NSF grantees are the responsibility of

grantees, and NSF support of a project does not constitute NSF approval of the survey design, questionnaire content or data collection procedures. No representation may be made to respondents that such data are being collected for or in association with NSF or the government. However, this requirement is not intended to preclude mention of NSF support of the project in response to an inquiry or acknowledgment of such support in any publication of this data (see GPM 744, "Grantee Obligations").

## 812 Release of Information by NSF

### 812.1 Routine Information Releases

NSF publishes annually a numbered volume, National Science Foundation FY Awards by State and Institution. This document contains a list of all grants made the previous fiscal year arranged alphabetically by state and organization and can be obtained from the Forms and Publications Unit, Room P15, National Science Foundation, 4201 Wilson Boulevard, Arlington, VA 22230. Requests for publications may also be sent via e-mail to [pubs@nsf.gov](mailto:pubs@nsf.gov) (Internet).

### 812.2 Press Releases

Grants for projects which appear to be of special interest to the general public may be made the subject of an NSF or joint NSF/grantee organization press release to the news media. (See GPM 622, "News Release Costs".)

### 812.3 Open Government Legislation

a. Pursuant to the Freedom of Information Act of 1974 (FOIA) (5 USC §552), NSF will provide agency records, with certain exceptions, if the request is in writing and if the records sought are described with sufficient specificity to permit identification. The requester must also agree to pay fees that are chargeable under the NSF regulations. Detailed procedures are contained in 45 CFR §612.

b. Pursuant to the Government in the Sunshine Act of 1977 (5 USC §552b) and the FOIA cited above, NSF may be required to release to the public information, correspondence and documents received by NSF from grantees, with limited exceptions. The Sunshine Act requires that all meetings of the National Science Board be open to public observation unless the subject falls within one of ten exemptions. NSF regulations are contained in 45 CFR §614.

### 812.4 Release of Project Reports

a. NSF expects significant findings from research it supports to be promptly submitted for publication. To the extent of the law, NSF will honor requests from grantees that release of Annual Progress and Final Project Reports be delayed to permit orderly dissemination of significant findings through refereed channels. Unless such a request is received or material is marked as proprietary, such reports will be made available to others without

notice to the grantee. Privacy information will be redacted before release.

b. Sometimes normal channels are unable to provide for adequate dissemination of project reports submitted by grantees. For certain types of reports (e.g., those reporting results of new scientific or engineering research, policy research or applied research), NSF will arrange for dissemination through the National Technical Information Service (NTIS) of DOC.

## 820 TAX STATUS

Determination of the tax status of an organization or person receiving compensation in any form as a result of an NSF grant is the responsibility of the IRS, State and local tax authorities and the courts.

## 830 ENVIRONMENTAL IMPACT

a. The National Environmental Policy Act of 1969 (NEPA) (42 USC §4332) requires that Federal agencies add environmental considerations to those criteria which are traditionally used to decide on:

1. new (proposed) actions to be taken; and
2. the continued funding of ongoing actions.

b. If a proposed project might have an environmental impact, the proposal should furnish sufficient information to assist Foundation officials in assessing the environmental consequences of supporting the project. NSF will determine:

1. the adequacy of the information submitted;
2. whether or not additional information is needed; and
3. whether or not an environmental statement will be necessary.

c. NSF regulations governing compliance with NEPA are found at 45 CFR §640. NSF regulations supplement the Council on Environmental Quality's regulations, published at 40 CFR §§1500-1508. Categories of activities for which an NSF Program Officer may be required to prepare an environmental assessment are set forth at 45 CFR §640.3(b).

## 840 PROTECTION OF PROPERTIES IN THE NATIONAL REGISTER OF HISTORIC PLACES

NSF is required by 16 USC §470f to take into account the effect of grant activities on properties included in the National Register of Historic Places. Occasionally, an NSF grant may involve activities that require mitigation or other actions under the National Historic Preservation Act and implementing regulations of the Advisory Council on Historic Preservation (36 CFR §800).

In such cases, as deemed appropriate by NSF, conditions executing the goals of the National Historic Preservation Act may be included in the grant and grantees or prospective grantees may be required to coordinate with State or local historical preservation officers.

## 850 NATIONAL SECURITY

a. NSF does not have original classification authority and does not normally support classified projects. It therefore does not expect that results of NSF-supported research projects will be classifiable, except in very rare instances.

b. E.O. 12356 (3 CFR §1982) states that basic scientific research information not clearly related to the national security may not be classified. Nevertheless, some information concerning, among other things, scientific, technological or economic matters relating to the national security or cryptology may require classification.

c. There may, therefore, be cases when an NSF grantee originates information during the course of an NSF-supported project that the grantee believes requires classification under E.O. 12356.

d. In such a case, the grantee has the responsibility to promptly:

1. submit the information directly to the government agency with appropriate subject matter interest and classification authority or, if uncertain as to which agency should receive the information, to the Director of the Information Security Oversight Office, GSA;

2. protect the information as though it were classified until the grantee is informed that the information does not require classification, but not longer than 30 days after receipt by the agency with subject matter interest or by the GSA; and

3. notify the appropriate NSF Program Officer.

e. The Executive Order requires the agency with appropriate subject matter interest and classification authority to decide within 30 days whether to classify the material. If it determines the information to require classification, the grantee shall cooperate with that agency, NSF or other appropriate agencies in securing all related project notes and papers.

f. If the information is determined to require classification, the performing organization may wish or need to discontinue the project. (See GPM 913, "Termination by Mutual Agreement.")

## 860 MISCELLANEOUS

861 Liabilities and Losses

NSF assumes no liability with respect to accidents, bodily injury, illness, breach of contract, any other damages or loss or with respect to any claims arising out of any activities undertaken with the financial support of an NSF grant, whether with respect to persons or property of the grantee or third parties. The grantee is advised to insure or otherwise protect itself or others as it may deem desirable.

## 862 Pre-College Students and Experimental Curriculum Development Projects

As required by 42 USC §1869 a and b, grantees of projects which involve pre-college students in research or development, or pilot-testing, evaluation or revision of, experimental or innovative curriculum development projects will:

a. provide to the school board, or comparable authority responsible for the schools considering participation in the project, information concerning the need for and purposes of the particular education project, the proposed content of the material to be used, the expected benefits to be derived and other information to assist the jurisdiction in arriving at a decision on participation;

b. obtain written approval for participation in the project activities after the responsible authority has carried out its procedures;

c. provide information and materials to the responsible school authority to assist it in carrying out its own established procedures regarding the participation of students in project activities;

d. provide information to NSF describing compliance with the above provisions; and

e. provide in every publication, testing or distribution agreement involving instructional material developed under a grant (including but not limited to teacher's manuals, textbooks, films, tapes or other supplementary material) that such material will be made available within the school district using such material, for inspection by parents or guardians of children engaged in educational programs or projects of that school district.

## 863 Use of Metric Measurements

The Metric Conversion Act of 1975 (15 USC §§205a-k) and E.O. 12770 (3 CFR, 1991 comp.) encourage Federal agencies to use the Metric System in procurement, grants and other business-related activities. The General Conditions of each NSF grant will contain a provision encouraging PI/PDs to submit progress reports, final reports, other reports and publications produced under grants that employ the metric system of measurements. Prospective PI/PDs are encouraged to submit proposals using the Metric System of weights and measures.

## RECONSIDERATION / SUSPENSION AND TERMINATION /DISPUTES / MISCONDUCT IN SCIENCE

This chapter provides basic information regarding the NSF reconsideration process, resolution of problems arising from the performance of a grant and misconduct in science and engineering. Topics covered are:

- 900 RECONSIDERATION OF PROPOSALS DECLINED OR RETURNED BY THE FOUNDATION
- 910 SUSPENSION AND TERMINATION PROCEDURES
- 920 INFORMAL RESOLUTION OF GRANT ADMINISTRATION DISPUTES
- 930 MISCONDUCT IN SCIENCE

### 900 RECONSIDERATION OF PROPOSALS DECLINED OR RETURNED BY THE FOUNDATION

#### 901 General

This section describes the types of reconsideration which NSF makes available to individuals and organizations concerning proposals for grants. It does not apply to:

a. procurements governed by the Federal Property and Administrative Services Act or the Federal Acquisition Regulations; or

b. applications for:

1. fellowships;
2. travel grants;
3. Small Grants for Exploratory Research (SGER); or
4. Phase I proposals submitted under the SBIR program.

#### 902 Policy

a. An applicant for NSF assistance whose proposal has been declined may ask the cognizant NSF Program Officer or the cognizant Division Director for information over and above the explanatory materials received with the declination notice. If the PI/PD is not satisfied that the proposal was fairly handled and reasonably reviewed, he/she may request reconsideration by the responsible Assistant Director (AD) or Office Head. An organization (or an unaffiliated PI/PD) still not satisfied after reconsideration by the responsible AD/Office Head may request further reconsideration by the Deputy Director of the Foundation. If a proposal has been declined after review by the NSB, only an explanation will be available.

b. When a proposal has been returned by the Foundation as being inappropriate for NSF consideration, the PI/PD may also request reconsideration of such a determination.

c. The aim of any reconsideration is to ensure that NSF's review has been fair and reasonable, both substantively and procedurally. The scientific and technical merits may be examined within the context of budget availability and program priorities. Reconsideration may also address any procedural errors in peer review or other aspects of proposal review, including unaccounted-for conflict of interests or inappropriate consideration of records, information or rumor.

d. Award of NSF assistance is discretionary, reconsideration is not an adversarial process; a formal hearing is not provided. Because factors such as program budget and priorities factor into the decision on a proposal, NSF cannot ensure applicants that reconsideration will result in the award of a grant even if error is established in connection with the initial review.

e. No revisions made to the proposal after declination will be considered in connection with the original proposal. However, a substantially revised proposal may be submitted for review as a new proposal under the usual procedures.

f. NSF reserves the right to return without review a proposal that is substantially the same as one that was previously reviewed and declined whether or not a request for reconsideration was made.

903 Explanations by the NSF Program Officer or Division Director When a proposal is declined, the PI/PD receives verbatim but unattributed copies of the ad hoc reviews and the panel summary (if applicable), a description of how the proposal was reviewed, and, if not otherwise provided in the panel summary, an explanation (written or telephoned) of the basis for the declination. A returned proposal will also be accompanied by an explanation. A PI/PD who is considering asking for reconsideration should first contact the cognizant NSF Program Officer or Division Director, who will afford the PI/PD an opportunity to present his/her point of view, provide additional information if any exists, and take any further action that seems appropriate.

904 Reconsideration by the Assistant Director

a. If dissatisfied with the explanation provided by the NSF Program Officer or Division Director, the PI/PD may request in writing that NSF reconsider its action. Such a request will be considered only if the PI/PD has first sought and obtained an explanation from the cognizant NSF Program Officer or Division Director and only if the request is received by the Foundation within 90 days after the declination or the return. The request should be addressed to the AD/Office Head for the directorate or office that handled the proposal and should explain why the PI/PD believes that the declination or return was unwarranted.

b. The AD/Office Head will reconsider the record to determine whether NSF's review of the declined proposal was fair and reasonable, substantively and

procedurally, taking into account availability of funds and the policies and priorities of the program and NSF. In the case of a returned proposal, the record will be reviewed to determine whether the proposed project was inappropriate for NSF consideration. The AD/Office Head may request additional information from the PI/PD and may obtain additional reviews. The AD/Office Head may conduct the reconsideration personally or may designate another NSF official who had no part in the initial review to do so. As used here, "AD/Office Head" includes such a designated official.

c. Within 30 days after the date of the request, the AD/Office Head will furnish the results of the reconsideration, in writing, to the PI/PD. If results cannot be furnished within 30 days, the AD/Office Head will send the PI/PD a written explanation of the need for more time, indicating the date when the results can be expected. If the AD/Office Head reaffirms the declination or return, he/she will inform the PI/PD that the PI/PD's organization may obtain further reconsideration by the Deputy Director of NSF as provided.

## 905 Further Reconsideration by the Deputy Director

a. Within 60 days after the AD/Office Head has notified the PI/PD of the results of the reconsideration, the applicant organization or an unaffiliated PI/PD may request further reconsideration by the Deputy Director of NSF.

b. A request for further reconsideration need not be in any particular format, but it must be in writing, and must be signed by the organization's president or other chief executive officer and by the PI/PD. For declinations, it should explain why the organization believes that an error may have occurred in the initial evaluation and why it is not entirely satisfied with the reconsideration by the responsible AD/Office Head. For returned proposals, it should explain why the organization believes that an error may have occurred in the initial determination that the proposal was inappropriate for consideration by NSF.

c. The Deputy Director will review the request for further reconsideration and the record of earlier NSF actions, including the original review and the reconsideration by the AD/Office Head, to determine whether NSF's review of the declined proposal was fair and reasonable, or, in the case of a returned proposal, whether the proposed project was inappropriate for NSF consideration. The Deputy Director may request additional information from the PI/PD or the applicant organization and may obtain additional reviews.

d. The Deputy Director may conduct the further reconsideration personally or may designate another NSF official who had no part in the initial evaluation of the proposal or the earlier reconsideration to do so. As used here, "Deputy Director" includes such a designated official.

e. Within 30 days after a request for further reconsideration is received at NSF, the Deputy Director will furnish the results of the further reconsideration, in writing, to the organization. If results cannot be furnished within 30 days, the Deputy Director will send the organization a written explanation of the need for more time, indicating the date when the results can be expected.

f. The decision made by the Deputy Director is final.

## 910 SUSPENSION AND TERMINATION PROCEDURES

### 911 Definitions

a. SUSPENSION is an action by NSF that temporarily withholds Federal support of a project pending corrective action by the grantee or a decision by NSF to terminate the grant.

b. TERMINATION is the cancellation of a grant, in whole or in part, at any time prior to its expiration.

### 912 Suspension and Termination

#### 912.1 NSF Policy

a. A grant may be suspended or terminated in whole or in part in any of the following situations:

1. by NSF when the grantee has materially failed to comply with the terms and conditions of the grant;

2. by NSF when the Foundation has other reasonable cause;

3. by NSF when ordered by the Deputy Director under NSF's Regulation on Misconduct in Science and Engineering (45 CFR §689);

4. by NSF and the grantee by mutual agreement (if NSF and the grantee cannot reach an agreement, NSF reserves the right to unilaterally terminate the grant); or

5. by the grantee on written notice to NSF setting forth the reasons for such action, the effective date, and, in the case of partial termination, the portion to be terminated or suspended (with the understanding that if NSF determines that the unterminated portion will not accomplish the purposes of the grant it may suspend or terminate the entire grant).

b. Normally, action by NSF to suspend or terminate a grant will be taken only after the grantee has been informed by NSF of the proposed action, or informed of any deficiency on its part and given an opportunity to correct it. However, NSF may immediately suspend or terminate a grant without notice when it believes such action is reasonable to protect the interests of the

government.

c. No costs incurred during a suspension period or after the effective date of a termination will be allowable, except those costs which, in the opinion of NSF, the grantee could not reasonably avoid or eliminate, or which were otherwise authorized by the suspension or termination notice, provided such costs would otherwise be allowable under the terms of the grant and the governing cost principles.

d. Within 30 days of the termination date the grantee will furnish a summary of progress under the grant and an itemized accounting of costs incurred prior to the termination date or pursuant to c, above. Final allowable costs under a termination settlement shall be in accordance with the terms of the grant, including this section, and the governing cost principles, giving due consideration to the progress under the grant. In no event will the total of NSF payments under a terminated grant exceed the grant amount or the NSF pro rata share when cost sharing was anticipated, whichever is less.

e. A notice of termination other than by mutual agreement and/or the final settlement amount may be subject to review pursuant to GPM 920, "Informal Resolution of Grant Administration Disputes."

## 912.2 Procedures for Suspension or Termination by NSF

a. When it is believed that a grantee has failed to comply with one or more of the terms and conditions of a grant, the NSF Grants Officer will normally advise the grantee in writing of the nature of the problem and that failure to correct the deficiency may result in suspension or termination of the grant. The grantee will be requested to respond in writing within 30 calendar days of the date of such letter, describing the action taken or the plan designed to correct the deficiency. Copies of such correspondence will be furnished to the PI/PD and to the NSF Program Officer. However, NSF may immediately suspend or terminate a grant without notice when it believes such action is reasonable to protect the interests of the government.

b. If a satisfactory response is not received within the above period, the NSF Grants Officer may issue a notice immediately suspending authority to further obligate grant funds, in whole or in part. Notice of suspension is sent by certified mail (return receipt requested) to the Authorized Organizational Representative, with a copy to the PI/PD. Within NSF, copies are furnished to DFM and to the NSF Program Officer. The notice will set forth the terms of the suspension and its effective date.

c. Normally, the suspension will remain in effect for a maximum of 60 days to allow the grantee to take corrective action. In the event that the deficiency is not corrected to the satisfaction of NSF, the NSF Grants Officer may issue a notice of termination, addressed as in b., above. The notice will set forth the reasons for the action and its effective date.

d. The remedies described in GPM 920, "Informal Resolution of Grant Administration Disputes," do not preclude a grantee being subject to Debarment and Suspension under the Government-wide Non-procurement Procedures published at 45 CFR §620.

e. Suspension or termination due to misconduct in science and engineering will be imposed as provided in that regulation.

## 913 Termination by Mutual Agreement

### 913.1 NSF Policy

Circumstances may arise in which either NSF or the grantee wishes to terminate a project. If both parties agree that continuation of the project would not produce results commensurate with the further expenditure of funds, or if there arises any other reason, the grant may be terminated by mutual agreement.

### 913.2 Procedures

a. If the grantee wishes to terminate the project, the Authorized Organizational Representative should advise the NSF Grants Officer in writing and send a copy to the NSF Program Officer.

b. If NSF wishes to terminate the project, the NSF Grants Officer will advise the grantee's Authorized Organizational Representative in writing and send copies to the PI/PD and the NSF Program Officer.

c. Within 30 days after receipt of request from either party for termination by mutual agreement, the other party will provide an appropriate written response. In the event of disagreement between the parties, the NSF Grants Officer will make a final decision, subject to the review procedures prescribed by GPM 920 "Informal Resolution of Grant Administration Disputes."

d. Following termination, grant closeout procedures will be initiated.

## 914 NSF Suspension or Termination Review Procedure

Grantees should refer to GPM 923, "Procedures," for procedures to request review of a suspension or termination notice. Pending resolution of the request for review, a notice of termination shall remain in effect.

## 920 INFORMAL RESOLUTION OF GRANT ADMINISTRATION DISPUTES

### 921 Background

Consistent with the Recommendation on Grant Disputes by the Administrative Conference of the U.S., and with the intent of the provisions of Alternative Dispute Resolution, the Foundation provides the informal resolution

processes described below concerning disputes or disagreements that may arise over Grants Officer post-award decisions under an NSF grant.

## 922 Scope of Post-Award Disputes Covered

a. The disputes below are covered under the process described in GPM 923, "Procedures":

1. cost disallowances pursuant to a Grants Officer's decision, e.g., specific disallowances under an individual grant or as a result of an audit report;

2. suspensions over 60 days;

3. termination orders; and

4. the final settlement amount under a termination.

b. Requests for reconsideration of a declined proposal or a proposal returned as inappropriate for NSF consideration are covered in GPM 900, "Reconsideration of Proposals Declined or Returned by the Foundation."

## 923 Procedures

a. The grantee should submit a certified letter to the Director, Division of Grants and Agreements, National Science Foundation, 4201 Wilson Boulevard, Arlington, VA 22230, noting the grantee's disagreement or dispute and identifying the NSF Grants Officer's decision in question, giving reasons for the request for review and providing any other material pertinent to the request.

b. The letter to the Director, DGA, must be postmarked no later than 30 days after the date of the letter notifying the grantee of the decision in question. The time for filing a request for review is strictly enforced and no extensions for the purpose of preparing it will be granted.

c. The request for review need not follow a prescribed format; however, it must contain a full statement of the grantee's position with respect to the disputed matter and the facts and reasons in support of the grantee's position. Requests will be reviewed if the grantee submits new information (which was unavailable at the time of the original decision); if an error in fact or application of NSF policy is noted in the original decision; or improper procedures were followed in the original decision.

d. The Director, DGA, will review or designate one or more individuals to review the matter. One reviewing official will be at least at a management level equivalent to the official who made the decision which is being reviewed. In no case, will the review be undertaken by any individual

involved with the decision or involved in recommending and/or monitoring the scientific and engineering aspects of the project or responsible for negotiating and/or administrating its business aspects.

e. The designated individual(s) will review and consider all relevant information available. A report which identifies the conclusion and recommendation will be completed and in disputes covered under:

1. GPM 922.a.1 and 4, the report will be completed within 30 days and forwarded to the Director, DGA or his/her designee for a final and unappealable written decision for the agency. The Director, DGA or his/her designee will communicate the decision in writing to the grantee, normally within 15 days of receipt of the report, unless otherwise specified by NSF.

2. GPM 922a.2 and 3, the report will be completed within 90 days and forwarded to the NSF Deputy Director or his/her designee. The NSF Director or his/her designee will make the final and unappealable decision for the agency and will communicate the decision in writing to the grantee within 15 days of receipt of the report unless otherwise specified by NSF.

## 930 MISCONDUCT IN SCIENCE

### 931 NSF Policies and Responsibilities

a. MISCONDUCT means: 1) fabrication, falsification, plagiarism or other serious deviation from accepted practices in proposing, carrying out or reporting results from activities funded by NSF; or 2) retaliation of any kind against a person who has reported or provided information about suspected or alleged misconduct and who has not acted in bad faith.

b. The NSF will take appropriate action against individuals or organizations upon a determination that misconduct has occurred in proposing, carrying out or reporting results from activities funded by NSF. It may also take interim action during an investigation. Possible actions include sending a letter of reprimand to the individual or organization, requiring prior NSF approval of particular activities by an individual or organization, requiring special assurances of compliance with particular policies, restricting designated activities or expenditures under particular grants, suspending or terminating grants, debarring or suspending an individual or organization and prohibiting participation by an individual as an NSF reviewer, advisor or consultant.

c. NSF will find misconduct only after careful inquiry and investigation by a grantee organization, by another Federal agency or by NSF. An "inquiry" consists of information-gathering and preliminary fact-finding to determine whether an allegation or apparent instance of misconduct has substance. An investigation must be undertaken if the inquiry determines the allegation or apparent instance of misconduct has substance. An "investigation" is a formal examination and evaluation of relevant facts to determine whether

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misconduct has taken place or, if misconduct has already been confirmed, to assess its extent and consequences or determine appropriate action.

d. Before NSF makes any final finding of misconduct or takes any final action on such a finding, NSF will normally afford the accused individual or organization notice, a chance to provide comments and rebuttal and a chance to appeal. In structuring procedures in individual cases, NSF may take into account procedures already followed by other entities investigating the same allegation of misconduct.

e. Debarment or suspension for misconduct will be imposed only after further procedures described in applicable debarment and suspension regulations (45 CFR §620). Severe misconduct is an independent cause for debarment or suspension.

f. The OIG (GPM 118, "Office of Inspector General") oversees and coordinates NSF activities related to misconduct, conducts any NSF inquiries and investigations into suspected or alleged misconduct in science and engineering, and except where otherwise provided, speaks and acts for NSF with affected individuals and organizations.

g. After receiving an investigation report, the subject's rebuttal and recommendations of the OIG, the NSF Deputy Director may initiate further investigation or hearings or order interim or final actions. A written disposition specifying actions to be taken will be sent to affected individuals or organizations and will include instructions on how to pursue an appeal to the Director of the Foundation.

## 932 Role of Grantees

a. Grantees bear primary responsibility for prevention and detection of misconduct. In most instances, NSF will rely on grantees to promptly:

1. initiate an inquiry into any suspected or alleged misconduct;
2. conduct a subsequent investigation, if the inquiry finds substance;  
and
3. take action necessary to ensure the integrity of research, the rights and interests of research subjects and the public and the observance of legal requirements or responsibilities.

b. If a grantee wishes NSF to defer independent inquiry or investigation, NSF expects it to:

1. inform NSF immediately if an initial inquiry finds substance;
2. keep NSF informed during such an investigation;
3. notify NSF even before deciding to initiate an investigation or as

required during an investigation:

- (a) if the seriousness of apparent misconduct warrants;
- (b) if immediate health hazards are involved;
- (c) if NSF's resources, reputation, or other interests need protecting;
- (d) if Federal action may be needed to protect the interests of a subject of the investigation or of others potentially affected; or
- (e) if the scientific and engineering community or the public should be informed; and

4. provide NSF with the final report from any investigation.

c. If a grantee wishes NSF to defer independent inquiry or investigation, it should complete any inquiry and decide whether an investigation is warranted within 90 days. It should similarly complete any investigation and reach a disposition within 180 days. If completion of an inquiry or investigation is delayed, but the grantee wishes NSF deferral to continue, NSF may require submission of periodic status reports.

d. Grantees should maintain and effectively communicate to their staffs appropriate policies and procedures relating to misconduct, which should indicate when NSF must or should be notified.

## 933 Reporting Possible Misconduct

Possible misconduct in activities funded by NSF should be reported to the Office of Inspector General, National Science Foundation, 4201 Wilson Boulevard, Arlington, VA 22230, (703) 306-2006 or e-mail at [oig@nsf.gov](mailto:oig@nsf.gov).

July, 1995

## CHAPTER X

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ABR	Accomplishment-Based Renewal
ACH	Automated Clearing House (U.S. Treasury)
AD	Assistant Director
ADPE	Automatic Data Processing Equipment
AUO	Area Utilization Officer (GSA)
CFR	Code of Federal Regulations
CMIA	Cash Management Improvement Act
CPO	Division of Contracts, Policy and Oversight
DAS	Division of Administrative Services
DFM	Division of Financial Management
DGA	Division of Grants and Agreements
DHHS	Department of Health and Human Services
DOC	Department of Commerce
EFT	Electronic Funds Transfer
E.O.	Executive Order
FAADS	Federal Assistance Award Data System
FAR	Federal Acquisition Regulations
FCCOM	Facilities Capital Cost of Money
FCTR	Federal Cash Transactions Report
FDP-II	Federal Demonstration Project - Grant General Conditions
FEMA	Federal Emergency Management Agency
FOIA	Freedom of Information Act
GBB	Grants Bulletin Board
GC-1	Grant General Conditions
GOE	Government-Owned Equipment
GPG	Grant Proposal Guide
GPM	Grant Policy Manual
GPO	Government Printing Office
GSA	General Services Administration
IACUC	Institutional Animal Care and Use Committee
IBC	Institutional Biosafety Committee
ILS	Institutional Ledger Section
IRB	Institutional Review Board
IRS	Internal Revenue Service
IR&D	Independent Research and Development
NEPA	National Environmental Policy Act
NIH	National Institutes of Health

NSB National Science Board  
NSF National Science Foundation  
NTIS National Technical Information Service  
OEO Office of Equal Opportunity Programs  
OGC Office of the General Counsel  
OIG Office of Inspector General  
OMB Office of Management and Budget  
ONR Office of Naval Research  
PD Project Director  
PI Principal Investigator  
SBA Small Business Administration  
SBIR Small Business Innovation Research  
SF Standard Form  
SGER Small Grants for Exploratory Research  
STIS Science and Technology Information System  
USC United States Code  
USDA U. S. Department of Agriculture  
GSA Form 2946 Authority. Certificate to Select/Freeze Excess  
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NSF Form 98A Final Project Report  
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