

Two essential questions must be asked to ensure that a grant or cooperative agreement is the appropriate instrument. The first question is: Will NASA be directly harmed in furthering a specific NASA mission requirement if the effort is not accomplished? The answer to this question must be “no.” The second question is: Is the work being performed by the recipient primarily for its own purposes, which NASA is merely supporting with financial or other assistance? The answer to this question must be “yes.” If these criteria are met, then the effort is not a NASA requirement, and can then be considered as to whether it supports or stimulates a public purpose.

(2) In applying the principal purpose test, it must be determined whether the Government is the direct beneficiary or user of the activity. If NASA provides the specifications for the project; or is having the project completed based on its own identified needs; or will directly use the report or result of the project for a scheduled NASA mission, then, in most cases, the principal purpose is to acquire property or services for the direct benefit or use of NASA, and thus, a contractual relationship exists. However, there may be cases where NASA expects to derive some incidental use or benefit from funded activities. In fact, any extramural expenditure that furthers the Agency’s goals or mission can be said to be of benefit or use to the Government. But not every expenditure produces for the Government a benefit or use that is direct; *i.e.*, immediate, uninterrupted, or specific. Where an expenditure will produce a benefit or use that is only indirect in nature, a grant or cooperative agreement may be used.

(3) The status of the entity involved is not a primary factor in determining the appropriate award instrument. For example, an entity that operates on a non-profit basis may receive funding through a contract, and is not limited to receiving grants or cooperative agreements. Similarly, a profit-making firm may receive funding through grants, cooperative agreements, or contracts.

(4) NASA offices may be mandated through their missions to support specific scientific, educational, or training

programs. The office may be accountable to NASA management, the Administration, or Congress for oversight and proper implementation of the program, may require direct oversight, may be directly accountable for the results of the program and that the work be successfully completed. Whenever the office requesting the grant or cooperative agreement would be directly harmed in performing its mission if an award was not made, a grant or cooperative agreement is not appropriate. Specific examples of situations requiring special scrutiny include—

(i) Education grants that for the administration of a program for which the education office is directly responsible;

(ii) Research or education grants to establish and support university laboratories on a non-competitive basis, with the resulting work of direct benefit to NASA; or

(iii) Training grants that hire university students, on a non-competitive basis, to perform work at a NASA Center in direct support of NASA personnel, and perform work which is required in support of a NASA mission.

(5) A grant may be used to provide funding to an association to hold a conference (among its members and NASA officials) where the benefits flow primarily to the association and its members, not to NASA. The principal purpose will be to advance research or other purposes of the association. Thus, NASA may not direct an association in arranging the conference or in providing other services for NASA’s benefit. The conference should be run by the association, not by NASA. Conferences sponsored or initiated by NASA primarily to meet a specific NASA need or obtain information for the direct benefit of NASA must be supported by means of a contract.

[65 FR 62900, Oct. 19, 2000, as amended at 71 FR 62209, Oct. 24, 2006]

§ 1260.13 Award procedures.

(a) Award instruments are classified as follows:

(1) Annual grants are grants awarded for a short term (*e.g.*, on an annual basis).

(2) Multiple year grants support research projects that may span several

§ 1260.13

years. NASA policy is to make maximum use of multiple year grants. A Multiple Year Grant is generally selected for a period of three years in keeping with NASA's policy calling for research to be peer reviewed at least every three years. Grants with periods of performance in excess of three years may be appropriate when the NASA technical office determines at the inception of the grant that a period of performance in excess of three years is necessary to complete a discrete research effort. However, grants that will exceed \$5 million and have a period of performance in excess of 5 years shall require the approval of the Assistant Administrator for Procurement (Code HS) prior to award. Requests for approval shall include a justification for exceeding 5 years and evidence that the extended years can be reasonably estimated. Requests for approval are not required when the 5-year limitation is exceeded due to a no cost extension.

(i) If the decision to provide multiple year funding to a research proposal is made, the special condition at §1260.52, Multiple Year Grant or Cooperative Agreement, will be included in the award.

(ii) Periods approved under the Multiple Year Grant or Cooperative Agreement special condition at §1260.52, and funded at the levels specified in the special condition, are not considered to be new awards. Therefore, new proposals, new proposal-related certifications (such as Disclosure of Lobbying Activities, and Debarment and Suspension), new technical evaluations, and new budget proposals are not required, as long as this information for the multiple year period was reviewed and approved as part of the original proposal.

(iii) If NASA program constraints or developments within the research project dictate a reduction in the funding level specified under a Multiple Year Grant period, research may continue at the reduced level under the terms of the provisions; however, the recipient may rebudget under the grant provisions to keep the project within the funding actually provided.

(3) An augmentation to a grant may be issued as a supplement at any time when work is introduced which is outside the scope of the approved proposal

14 CFR Ch. V (1-1-08 Edition)

or when there is a need for substantial unanticipated funding. The grant officer must first determine whether the augmentation requires a separate approval as a non-competitive addition to the work to be performed under the grant. Augmentations require the submission of revised budget proposals and technical evaluations covering the additional work. Since augmentations will be performed within the existing period of performance, certifications will not normally be required.

(4) A grant extension may be placed to extend the grant beyond the expiration date, in accordance with the provision at §1260.23, Extensions, if additional time beyond the established period of performance is required to assure adequate completion of the original scope of work within the available funding.

(5) Grant renewals provide for continuation of research beyond the original scope, period of performance and funding levels; therefore, new proposals, certifications and technical evaluations are required prior to the execution of a grant renewal. Grant renewals will be awarded as new grants. Continued performance within a period specified under the Multiple Year Grant provision does not constitute a renewal. For research originally awarded through a competitive NRA, CAN, or other competitive announcement that has completed its period of performance, peer review of a proposal to continue the research should be accomplished prior to selecting the research grant for renewal. If the effort was originally awarded through an unsolicited proposal, a new justification to accept the unsolicited proposal would be required (however, also see §1260.12(f)(1)). Multiple year grant special conditions may be incorporated into renewals.

(b) While NASA normally provides full funding support for research grants, alternate methods of grant funding are as follows:

(1) Since NASA grant recipients usually gain no measurable commercial or economic benefit from grants, other than conducting research, cost sharing for research grants is not generally required. NASA may, however, accept cost sharing when voluntarily offered.

Additionally, in instances when the grant officer determines that the recipient will benefit from the research results through sales to non-Federal entities, cost sharing based upon this mutuality of interest will apply. See § 1260.123. When cost sharing is used, the grant officer shall insert a Special Condition substantially as shown in § 1260.54, Cost Sharing. (See 14 CFR part 1274 for grants and cooperative agreements with commercial organizations involving cost sharing.)

(2) NASA may provide partial support for a research project or conference where additional funding is being provided by other Federal agencies. If the grant also involves cost sharing by the recipient, the grant officer will ensure that the recipient's share does not include any Federal funds.

[65 FR 62900, Oct. 19, 2000, as amended at 68 FR 14535, Mar. 26, 2003]

§ 1260.14 Limitations.

(a) NASA does not award grants merely to provide donative assistance no matter how worthy the purpose, but to the extent that appropriations are available to carry out authorized Agency programs. Research in any academic discipline related to NASA interests normally will qualify. However, advice of legal counsel should be sought in unusual situations, or when unusual project activities or organizational attributes are evident.

(b) It is NASA's policy that non-monetary (zero dollar) grants or cooperative agreements shall not be used, except for no-cost extensions.

(c) Loans of Government personal property not associated with a contract, grant, or cooperative agreement under 31 U.S.C. 6301 to 6308, and made under the Space Act of 1958, should be consummated as loan agreements. Also, excess Government research property may be donated to educational institutions and nonprofit organizations pursuant to 15 U.S.C. 3710(I). See § 1260.133(a)(2).

(d) Neither grants nor cooperative agreements shall be used as legal instruments for consulting service arrangements.

§ 1260.15 Format and numbering.

(a) A grant shall be brief, containing only those provisions and special conditions necessary to protect the interests of the Government.

(b) Cover page formats shown in Exhibit B to subpart A of this Part 1260 shall be used for all NASA grant and cooperative agreement award documents. Provisions for grants with U.S. organizations shall be incorporated by reference, and preprinted checklists may be used (Exhibit C to subpart A of this part 1260). Both special conditions and provisions for grants with foreign organizations will be printed in full text. An acceptance block may be added when the grant officer finds it necessary to require bilateral execution of the grant. Program budgets are not generally attached to the award document. When it is necessary to attach the budget due to revisions to the original proposed budget or other reasons, this information should be suitably marked as confidential, and is not be disclosed outside of the Government without the consent of the grantee.

(c) Grants and cooperative agreements will be sequentially numbered. The Identification Numbering System to be used for all types of NASA grants and cooperative agreements will be applied as follows:

(1) *Agency prefix.* NASA's agency prefix shall be represented by the characters "NN".

(2) *Center.* The Center Identification Number shall conform to NASA FAR Supplement (NFS) 48 CFR 1804.7102(a).

(3) *Fiscal year.* The fiscal year shall be represented as two digits.

(4) *Action number.* The action number shall be identified using a two digit alpha and two digit numerical character from AA01 through ZZ99.

(5) *Procurement code.* Cooperative Agreements will be identified using "A" as the procurement code. Grants (other than training grants) will be identified using "G" as the procurement code. Training Grants will be identified using "H" as the procurement code.

(6) As an example of the above set forth methodology, the first two training grants awarded by Glenn Research Center in Fiscal Year 2004 would be NNC04AA01H and NNC04AA02H.