

NIH GUIDE

for GRANTS and CONTRACTS

U.S. DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

No. 6, April 26, 1971

NIH BIOMEDICAL RESEARCH CONTRACTS (NIH 6000-3-60,4)

POLICY

1. PURPOSE AND APPLICABILITY This issuance states the policy concerning the selection and use of the contract mechanism for the support of biomedical research by the National Institutes of Health.

2. BACKGROUND In addition to support of research and research training through the grants mechanism, with which the biomedical research community is well acquainted, NIH accomplishes its several missions through work conducted in its own facilities and support of mission-related activities in other institutions, Federal and non-Federal. Work supported in other Federal laboratories is arranged by interagency agreements and appropriate transfer of funds. This represents only a small fraction of funds available for contracts, but is nevertheless significant in that it makes available the talents and expertise existent in other Governmental laboratories. The major part of contractual activities are conducted in universities, research foundations, and commercial and industrial organizations across the Nation.

Contracts are identified in NIH reports as "collaborative research and development." This is because NIH seeks collaboration with other organizations and fosters collaboration among a number of other institutions to accomplish certain research goals.

3. BASIC CRITERIA Contracts are used for support of research and development when one or more of the following considerations obtain:

- a. the awarding Institute or Division has identified a need for certain research work to accomplish its mission and has determined that the work must be done outside its own facilities and the initiative for undertaking the activity originates primarily within the awarding unit (Institute or Division) of NIH;
- b. the objective is the acquisition of a specified service or end product;
- c. the collaboration of a number of institutions must be obtained, and work must be coordinated or carried on in a comparable manner by all of these so that the data collected can be combined for statistical analysis; or

The GUIDE is published at irregular intervals to provide policy, program, and administrative information to individuals and organizations who need to be kept informed of requirements and changes in grants and contracts programs administered by the National Institutes of Health.

- d. the NIH awarding unit participates to the degree necessary to accomplish its mission in the direction and control over the manner of performance or timing of the work.

4. COROLLARY CRITERIA used to define the contract as the preferred instrument of support may be:

- a. there is in addition a requirement for extensive participation by the staff of the awarding unit in the program design, direction, methodology, and evaluation:
- b. a need to capitalize immediately on information through directed initiation or changes in particular research and developmental projects.

5. MANDATORY USE OF CONTRACTS When awards are made to commercial or industrial profit-making corporations, or when payments of an amount in excess of actual costs (i.e. profit or fee) is intended, the use of the contract as the instrument of support is required.

6. SELECTION OF CONTRACTORS It is the policy of NIH to advertise its requirements for research and development contract projects as widely as possible. Participation in such projects is sought from all segments of the biomedical scientific research community and from engineering development organizations, where the expertise for the performance of specialized work may reside. Such advertising is conducted through the medium of *COMMERCE BUSINESS DAILY* and notices in general or specialized scientific journals. It is also the policy of NIH to encourage possible contractors to submit statements of competence and interest in regard to contract programs which will be announced in general terms, henceforth, in this publication. Such statements will serve as the basis for the compilation of lists of "sources". These sources may be requested directly to submit proposals on individual projects as they are developed within a specific program.

NIH policy is to assure that awards of contracts are based on scientific and technical ability and judgment, availability of facilities, and other such factors as displayed in the contract proposal, as well as on price. Scientific review of proposals is conducted by scientists which may include members of advisory panels from the scientific community. Contracts proposed for award by such bodies receive further review by a senior staff group of the awarding unit.

7. DESCRIPTIONS OF THE COLLABORATIVE PROGRAMS of the NIH awarding units will be published in future issuances of the *NIH GUIDE FOR GRANTS AND CONTRACTS*. It will be the policy of NIH to assure that all new collaborative programs are announced in this manner, as well as through other media. The *GUIDE* also will provide information on the contract programs of the NIH awarding units as well as furnish information on procedural and administrative policy matters.

8. The *NIH/DRG NEWSLETTER* will publish information on research and development sources sought by NIH contract programs and on requests for proposals following official advertising in *COMMERCE BUSINESS DAILY* and other official media.

References

- (1) DHEW Grants Administration Manual, Chapter 1-10, Considerations in Selecting Award Instrument--Contract or Grant.
- (2) Office of Management and Budget Circular A-101, January 9, 1971.

CHANGE OF GRANTEE INSTITUTION (NIH 5201)**POLICY CHANGE**

1. PURPOSE The revised policy stated below (a) establishes new procedures for the relocation between domestic institutions of research projects previously approved by the NIH, (b) supersedes the procedures as stated in the *NIH GRANTS POLICY GUIDE*, No. 1, April 30, 1970, page two, and (c) reiterates previous policy concerning support of a new project when the principal investigator changes institutions.
2. APPLICABILITY NIH research project grants.
3. EFFECTIVE DATE July 1, 1971.
4. BACKGROUND Since May 1, 1970, the NIH's policy has been that when there is a change of grantee institution, projects in behalf of the same investigator may receive support at the new institution provided that (a) the project is no longer supported at the original institution, (b) the investigator plans no significant change in research objectives and level of expenditures, and (c) the new institution submits a short-form application (Form PHS-2590) for support of the project. If conditions (a) or (b) are not met, a complete application (Form PHS-398) is required, reviewed in the same manner as a new application, and competes for available funds.
5. POLICY (Revised) The project in behalf of the same investigator may be supported at the new institution for a period up to the remainder of the previously approved project period in an amount not to exceed that previously recommended for the remaining period provided that (a) the project is no longer supported at the original institution, (b) the investigator plans no significant changes in research objectives and level of expenditures from those described in the project previously approved, and (c) the new institution submits an application (Form PHS-398) for support of the project. This application will receive administrative review and determination of the level of funding by the NIH awarding unit.

In the case where either proviso (a) or (b) is not met, the application (Form PHS-398) which has been submitted by the new institution, will be subject to the same review as a new application, and will compete for available funds. Investigators transferring to, from, or between foreign institutions will follow this latter procedure.
6. IMPLEMENTATION When a principal investigator expects to transfer from the institution which was awarded the grant to another institution, he should notify the appropriate NIH awarding unit as soon as practicable. At that time, if he proposes to request transfer of the research project, he should also request proper forms and instructions for doing so from the NIH.
7. RESCISSION This issuance supersedes page two, *NIH GRANTS POLICY GUIDE*, No. 1, dated April 30, 1970.

NIH GRANT AND FELLOWSHIP APPLICATION
DEADLINE DATES (NIH 4304)

PROCEDURE NOTICE

1. PURPOSE This issuance states the series of deadline dates which have been established for receipt of applications by the Division of Research Grants, National Institutes of Health.
2. BACKGROUND Applications for NIH grants and fellowships are accepted by the NIH at any time, but they are reviewed on a fixed schedule. Therefore, deadline dates have been established for receipt of applications coordinated with the fixed review schedules. Applicants are urged to submit applications well in advance of the deadline dates in order to receive maximum NIH staff consideration and attention.
3. APPLICABILITY The deadline dates are applicable to NIH's research grant, training grant, research career development award, and fellowship applications. They may coincide with but are not intended to be applicable to:
 - a. applications for the National Institute of Mental Health,
 - b. applications submitted to the Bureau of Health Manpower Education, or
 - c. applications submitted to other bureaus or agencies of the DHEW.

4. DEADLINE DATES

Research grants:			
New applications	(Type 1)	February 1	June 1 October 1
Competing continuation	(Type 2)	January 2	May 1 September 1
Training grants		February 1	June 1 October 1
Research career awards		December 1	May 1 October 1
Fellowships		January 2	<u>June 1</u> * October 1

*Change in deadline effective June 1972.

- (3) No additional funds can be awarded after the termination of the project period.

5. EFFECTIVE DATE Became effective February 1, 1971, as an NIH operating procedure.

References

- (1) Application for Continuation Grant, Form PHS 2590-1 (Rev. 1/70), Section III Fiscal Data for Current Budget Period.
- (2) Report of Research Grant Expenditures (ROE), HEW Form 489, (Rev. 9/67).
- (3) Notice of Disposition of Grant Unexpended Balance, Form NIH 1686, 8/70.
- (4) NIH Grants Policy Guide No. 3, August 14, 1970, p.6.

ANNUAL REPORTS OF TRAINING GRANTS EXPENDITURES
(NIH 5804)

PROCEDURE NOTICE

1. PURPOSE This issuance lists NIH-supported training grant programs and the number of the applicable form to be used in reporting training grant expenditures. It also announces a revised form NIH 1741 (2-71) which supersedes form PHS-2933 (5-58). The new form and instructions are attached.

2. APPLICABILITY

<u>Awarding Units</u>	<u>Identifying code-Prefix</u>	<u>Report Form No.</u>
NIH research Institutes and the National Library of Medicine	All "T" prefixes	NIH 1741*
Bureau of Health Manpower Education	All "A" prefixes D02, D04, D08, D10 E01, E03, E04 E02 D06, D07	PHS-4885-3 PHS 4885-3 PHS-4885-3 NIH 1499-3 NIH 1741*

*Supersedes PHS-2933

3. PROCEDURE

- a. For all training grant programs which receive support from the NIH, unless specifically instructed otherwise, a report of expenditures is required 120 days after the end of each budget period.
- b. The report forms are routinely mailed to the grantee before the end of the budget period with the appropriate instructions and the required date of submission.
- c. The newly revised form (NIH 1741) will be available by May 1, 1971, and will be provided to grantees. It is intended for use in reporting expenditures on all applicable grants with termination dates following receipt of the form in the grantee institution.
- d. Use of the revised form is mandatory for all applicable grants with a termination after June 30, 1971.

References

- (1) DHEW Grants Administration Manual, Chapter 2-120, Research Grant Expenditures Report and Guidelines for Use.
- (2) PHS Grants for Training Projects, Policy Statement, PHS Pub. No. 1302.
- (3) *NIH GRANTS POLICY GUIDE*, No. 3, Notice of Disposition of Grant Unexpended Balance, (NIH 5002).

ANNUAL REPORT OF TRAINING GRANT EXPENDITURES

NIH 1741

The Annual Report of Training Grant Expenditures is required as documentation of the financial status of the project according to the official accounting records of the grantee institution.

A report of expenditures for each budget period (usually 12 months), must be submitted to the granting agency no later than 120 days after the close of the budget period. The report must cover any extension in time of the budget period authorized by the awarding unit. For the final budget period of the project period, the report must have no unliquidated obligations and must indicate the exact balance of unexpended funds.

The original and three copies should be returned to the National Institutes of Health, Office of Financial Management, Grant Expenditures and Reports Section, Bethesda, Maryland, 20014.

INSTRUCTIONS

In order to facilitate completion of the form, explanations of selected items are given below:

PHS Account No. - Insert the PHS account number shown on the award notice.

Institution ID No. - Insert grantee institution identification number.

Grant No. - Include program designation prefix; e.g., T01, T02, etc. Expenditures under a supplemental award should be combined and reported with the parent grant; e.g., 1 T01 AM-11111-01, and 01S1.

Budget Period - Report for that portion of the project period (usually 12 months) supported by the grant.

Project Period - Insert the total time for which support for the project has been recommended.

Item 1. Expenditures of DHEW Funds For This Budget Period - Include in proper categories prior budget period's unliquidated obligations (estimated expenditures) which were liquidated (actual expenditures) during this budget period.

Item 1a. Personnel - Include applicable fringe benefits unless they are charged as an indirect cost under your accounting system.

Item 1b. Consultant Services - Include consultant travel.

Item 1e. and 1f. Travel (Staff) - Include here travel costs incurred only by staff participating in the project.

Item 1g. Patient Care Costs - Include all patient care costs paid to providers of services. Transportation of patients, in-patient and out-patient care, and allowable fees, paid to consulting physicians are to be included.

Item 1j. Trainee Expenses - Include payments from the grant to trainees for (a) stipends; (b) dependency allowances; (c) allowances for travel expenses; and (d) required tuition and fees.

Item 1l. Indirect Costs - Grants to State and local governments are covered by the Office of Management and Budget Circular A-87. For these grants, indirect costs should be based on rate(s) established with the Office of Grant Administration Policy, DHEW.

For other grantees, reimbursement is allowed at the lesser of the institution's actual indirect costs or 8% of the total allowable direct costs. Check appropriate block to indicate whether the base used was salaries and wages or total allowable direct costs, and indicate the rate and the amount of base to which the rate is applied. Indirect costs will not be allowed on direct cost expenditures for (a) alterations and renovations of any type; (b) patient care costs; or (c) tuition or related fees. (See also instructions for Items 6 and 9 below).

Item 2. Expenditures from Prior Periods - Enter amounts reported for all prior years of the project period. This figure must take into consideration all authorized adjustments to previous expenditure reports about which the grantee institution has been notified.

Item 4. Total Amount Awarded - Cumulatively - Show the cumulative total of the amounts awarded for all budget periods from the beginning of the project period through the end of the budget period being reported. The cumulative figure should also reflect the amount of any supplemental or revised award notice, or any change made by the awarding unit, such as a withdrawal of funds or reduction of authorization related to previous budget period(s) to date.

Item 6. Unliquidated Obligations - are: (1) bills received but not paid; and (2) obligations incurred for which there is evidence of a commitment or promise to pay for goods, facilities, trainee stipends, or services in any category of expenditure, whether or not the goods or services have been received or a bill rendered. Enter the amount of such unliquidated obligations including related indirect costs.

Item 8b. Grant Related Income - Other - Report income from royalties, sale of products or services, fees received, etc.

Item 9. Remarks - Use this space as necessary to clarify indirect cost computation; to provide categorical breakdown of unliquidated obligations in Item 6 (indirect cost portion of unliquidated obligations should appear as a separate category); to record any other explanation necessary for full understanding of the report, or to indicate disposition of NIH share of grant related income. Attach additional pages if needed.

Signature - The report should be signed by an authorized official of the grantee institution. His name, title, and phone number should also be typed in the appropriate space. "Per" signatures are not acceptable. If the institution officer who would normally sign such a document is not available to sign for the grantee organization, an official authorized to act in his behalf may sign as "acting for" such official.

READ INSTRUCTIONS BEFORE COMPLETING

NAME AND ADDRESS OF GRANTEE INSTITUTION	TRANSACTION NO.	DATE OF THIS BUDGET PERIOD
	PHS ACCOUNT NO.	FROM _____ TO _____ PROJECT PERIOD
	INSTITUTIONAL ID NO.	FROM _____ TO _____ <input type="checkbox"/> CHECK IF FINAL REPORT

1. EXPENDITURES OF DHEW FUNDS FOR THIS BUDGET PERIOD		j. TRAINEE EXPENSES:	
c. Personnel	\$ _____	1. Stipends	\$ _____
b. Consultant services	_____	2. Dependency Allowance	_____
c. Equipment	_____	3. Travel	_____
d. Supplies	_____	4. Tuition and Fees	_____
e. Travel (Staff), domestic	_____	k. Total direct costs	_____
f. Travel (Staff), foreign	_____	L. INDIRECT COSTS: (See Instructions)	
g. Patient care cost	_____	Rate _____% <input type="checkbox"/> S&W <input type="checkbox"/> TADC	
h. Alterations and renovations	_____	Base \$ _____	
i. Other	_____	m. TOTAL	
2. EXPENDITURES FROM PRIOR PERIODS (previously reported)			
3. CUMULATIVE EXPENDITURES (Item 1m plus Item 2)			
4. TOTAL AMOUNT AWARDED - CUMULATIVELY			
5. UNEXPENDED BALANCE (Item 4 less Item 3)			
6. UNLIQUIDATED OBLIGATIONS (See Instructions 6 and 9)			
7. UNOBLIGATED BALANCE (Item 5 less Item 6)			
8. GRANT RELATED INCOME			
a. INTEREST EARNED (enclose check)			
b. OTHER (indicate disposition and enclose check if refundable)			
9. REMARKS			

EXHIBIT

I hereby certify that this report is true and correct to the best of my knowledge, and that all expenditures reported herein have been made in accordance with grant policies and for the purpose set forth in the application and award document.

TYPED NAME, TITLE AND PHONE NUMBER OF INSTITUTION OFFICER	SIGNATURE	DATE
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ANNUAL REPORT OF TRAINING GRANT EXPENDITURES

NIH Grants Policy Guide

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