

who are U.S. citizens and who also control and operate the business (15 U.S.C. 637(d)).

**§ 1260.4 Applicability.**

(a) Subparts A and B of this part 1260 establish policies and procedures for grants and cooperative agreements awarded by NASA to institutions of higher education, hospitals, and other non-profit organizations.

(b) Subject to the special considerations in this paragraph, subparts A and B of this part 1260 are also applicable to NASA grants and cooperative agreements awarded to commercial firms which do not involve cost sharing. (This does not prohibit voluntary cost sharing.) When the commercial firm is expected to receive substantial compensating benefits for performance of the work, resource contributions are required for the award of a grant or cooperative agreement. For policies on cooperative agreements with commercial organizations requiring resource contributions by the Recipient, see 14 CFR part 1274.

(1) The allowability of costs incurred by commercial firms is determined in accordance with the provisions of the Federal Acquisition Regulation (FAR) at 48 CFR part 31.

(2) NASA does not allow for payment of profit or fee to commercial firms under grant awards.

(3) When applying the policies set forth under §1260.74, the grant officer shall vest title to any equipment purchased under the grant with the Government. The special condition at §1260.67, Equipment and Other Property Under Grants With Commercial Firms, shall be incorporated into all grants with commercial firms in place of the provision at §1260.27, Equipment and Other Property.

(4) Due to differing NASA patent policies applicable to large businesses, special conditions at §1260.57, New Technology, and §1260.58, Designation of New Technology Representative and Patent Representative, shall be incorporated into all grants with commercial firms other than those with small businesses, in place of the provision at §1260.28, Patent Rights. Grants with small businesses should retain the §1260.28 provision.

(5) Payments under grants with commercial firms will be made based on incurred costs. NASA Form 272 is not required. Commercial firms will be required to submit invoices on a no more than quarterly basis. Payments to be made on a more than quarterly basis require the written approval of the grant officer. The center finance office should also be informed when payments are to be made on other than a quarterly basis. The special condition at §1260.68, Invoices and Payments Under Grants With Commercial Firms, shall be incorporated into all grants with commercial firms in place of the provision at §1260.26, Financial Management.

(6) Payments will be made to commercial firms via electronic funds transfer. The special condition at §1260.69, Electronic Funds Transfer Payment Method, shall be incorporated into all grants with commercial firms.

(7) Delegation of grant administration functions consistent with the policies set forth at §1260.70 (*i.e.*, property administration and closeout are to be delegated) will be made to the cognizant field office of the Defense Contract Management Agency instead of to the Office of Naval Research. Delegations will be made using NASA Form 1674, Letter of Delegation, for the Administration of Grants and Cooperative Agreements (Exhibit F to subpart A of this part 1260, available at the address given in Exhibit F). Cognizant offices for performing administration under individual grants are set forth in the "DoD Directory of Contract Administration Services Components," which is available on the internet at: <http://www.dcmc.hq.dla.mil/casbook/casbook.htm>.

**§ 1260.5 Amendment.**

This part 1260 will be amended by publication of changes in the FEDERAL REGISTER. Changes will be issued as Grant Notices and incorporated into the official version of the handbook located at the internet web site.

**§ 1260.6 Publication.**

The official site for accessing the NASA Grant and Cooperative Agreement Handbook, including current