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## 1. Recipient Responsibilities and Federal Requirements

a. The recipient institution (recipient) has full responsibility for the conduct of the project or activity supported by this award, in accordance with the requirements of this award, and for the results.

(1) The requirements of this award are contained in:

(a) The Federal statute that authorized this award;

(b) These general terms and conditions;

(c) The supplemental agency-specific requirements of the awarding agency that are incorporated in the Demonstration Agreement (hereafter referred to as agency-specific requirements); and

(d) Any special conditions attached to this award.

b. If the requirements of this award conflict, the following order of precedence shall apply:

(1) The Federal statute that authorized this award;

(2) Any special conditions attached to this award;

(3) The agency-specific requirements; and

(4) These general terms and conditions.

c. The requirements of this award identified in subparagraph a(1) of this Article are the entire body of requirements of this award. Codified Federal regulations, OMB Circulars, such as A-21 and A-110, and other uncodified Federal policy or procedural requirements apply to this award only as specified in these general terms and conditions, the agency specific requirements, or a special condition of this award.

d. Any request by the recipient for waiver or deviation from any provision of either these general terms and conditions or the agency-specific requirements shall be submitted to the awarding agency's Designated Representative identified on the signature page of the Demonstration Agreement. Any request by the recipient for a waiver or deviation from any special condition attached to this award shall be submitted to the cognizant awarding agency official for this particular award (usually the Grants Officer or Contracting Officer who signed the award on behalf of the awarding agency).

e. (1) For purposes of these general terms and conditions, the following terms shall have the following meanings:

(a) Recipient means the university which receives an award directly from a participating awarding agency.

(b) Subrecipient means any entity that is receiving funds under the prime award on any permissible basis other than the purchase of goods or services.

(c) Subaward means any award of funds under the prime award for purposes contemplated by paragraph e(2) or for the purchase of goods or services.

(d) Subawardee means any entity that receives a subaward.

(2) In any subaward (except a contract for the purchase of goods or services) under this award, the recipient shall apply the following:

(a) If the subrecipient is a party to the Demonstration Agreement, then the requirements that apply to the subrecipient shall be the same as those that apply to the prime recipient of this award.

(b) If the subrecipient is not a party to the Demonstration Agreement, then the requirements that apply to the subrecipient shall be those that would apply if the prime recipient were not covered by the Demonstration Agreement.

(3) Attachment O of OMB Circular A-110 shall apply to any contract for the purchase of goods or services under this award if the purchaser is the recipient or a subrecipient that is a public or private nonprofit university or hospital or any other private nonprofit organization. Section         .36 Procurement of the Common Rule on UNIFORM ADMINISTRATIVE REQUIREMENTS FOR GRANTS AND COOPERATIVE AGREEMENTS TO STATE AND LOCAL GOVERNMENTS (along with any agency-specific additions), published in the Federal Register on March 11, 1988 (53 FR 8087-8103), shall apply to any such contract if the purchaser is a subrecipient that is a State, local, or Indian tribal government, as those terms are defined in the Common Rule. (See also Article 20 of these general terms and conditions.)

f. To the extent not otherwise treated in these general terms and conditions or the agency-specific requirements, the awarding agency shall be bound by any of its published rules applicable to this award (whether or not in the form of codified regulations) which:

(1) Limit the awarding agency's right to take unilateral actions,

(2) Establish a right for the recipient, and/or

(3) Establish due process requirements (including, but not limited to, any rules providing an administrative process for hearing appeals by the recipient from decisions of the awarding agency).

## 2. Allowable Costs and Prior Approvals

a. The allowability of costs under this award shall be determined in accordance with the requirements of this award and the applicable Federal cost principles in effect on the effective date of this award.

b. OMB Circular A-21 contains applicable Federal cost principles for this award.

c. The only prior Federal approvals required to be obtained by the recipient under this award shall be those specified in any of the requirements listed in Article 1. above, including those specified in these general terms and conditions. All other Federal prior approval requirements, including those in OMB Circulars A-21 and A-110, are waived. The recipient may maintain such internal prior approval systems as it considers necessary.

d. Indirect costs shall be reimbursed as indicated in the agency-specific requirements.

e. The applicable Federal cost principles for subawards and contracts/subcontracts under the award shall be those otherwise applicable to the type of organization receiving the subaward, contract or subcontract. In addition to OMB Circular A-21, the other applicable cost principles are:

(1) OMB Circular A-122 applicable to other nonprofit organizations (as specified in the Circular) except those organizations specifically exempted by the Circular.

(2) Subpart 31.2 of the FAR (48 CFR Subpart 31.2) applicable to commercial firms and those nonprofit organizations specifically exempted from the provisions of OMB Circular A-122.

(3) OMB Circular A-87 (codified in the Code of Federal Regulations as 34 CFR Part 255) for state and local governments.

(4) 45 CFR 74, Appendix E, for hospitals.

f. If this award includes a cost-sharing requirement, the award shall also be subject to the provisions of Attachment E of OMB Circular A-110.

g. Any subaward (including any cost-type contract or subcontract) under this award shall address whether and how the subawardee obtains any requisite prior approvals. If the subawardee is a party to the Demonstration Agreement, then the prior approval requirements that apply to the subawardee shall be the same as those that apply to the recipient. If the subawardee is not a party to the Demonstration Agreement, the prior approval requirements that apply to the subawardee shall be those that would apply if this award were not covered by the Demonstration Agreement. In either case, the recipient, not the Federal

warding agency, shall grant or deny the subawardee's requests for prior approval.

### 3. Programs of Related Projects

#### a. General.

(1) Often, when the same person serves as the Principal Investigator/ Project Director (PI/PD) under two or more Federal awards, the ostensibly discrete projects supported by those awards actually comprise a single program of related projects. In some cases, even awards with different PIs/PDs may support projects that comprise such a program. (2) This Article provides a special rule on allocating costs to a program of related projects. It also provides criteria and procedures for determining whether two or more projects supported by separate awards comprise such a program.

#### b. Allocation of Costs.

(1) If the project supported by this award is determined to be part of a program of related projects, in accordance with paragraphs c. and d., below, then the recipient may treat the entire program of related projects as a single cost objective for purposes of paragraph C.4. "Allocable costs" of OMB Circular A-21. A cost that is allocable to the program may be charged by the recipient to any one or more of the constituent projects/awards that make up the program, in any proportion.

(2) For purposes of this paragraph b., the terms "particular sponsored agreement" and "the sponsored agreement" in subparagraph C.4.b. of OMB Circular A-21 shall be understood as referring to the program of related projects, and the term "other sponsored agreements" in that paragraph shall be understood as referring to any project/award that is not part of the program of related projects.

#### c. Criteria.

The following criteria shall be used to determine whether two or more separate awards comprise a program of related projects:

(1) Either (a) the theoretical approaches are interrelated; (b) studies of the same phenomena are conducted by the same or different techniques; or (c) studies of different phenomena are conducted by the same technique; and

(2) All or most of the costs of each project would also be legally permissible for support under the Federal appropriations from which the other projects are funded. (This criterion is intended to preserve the integrity of the Federal appropriations process. It is noted that Federal appropriation law does not preclude two or more awards from participating in a pool of costs some of which are not eligible under

one or more of the awards. This is permissible so long as none of the awards is charged, in total, more than the allowable costs which are eligible under its appropriation. If that principle is observed, the question of which costs are assigned to which award is moot); and

(3) All of the projects/awards involved are covered by the Demonstration Agreement.

d. Procedures.

(1) The recipient may request a determination that two or more projects comprise a program of related projects. To be considered as part of a program of related projects, at the time the request is submitted, a project must have at least 30 days of active status remaining in the project period. The request must:

(a) Be in writing (a Project Relatedness Request Form is available for this purpose), and be sent to the lead agency's designated representative (as specified in the Demonstration Agreement) and a copy sent to the designated representative (or Grants Policy Office, NIH) of each of the other agencies (if any) involved;

(b) Be signed by the PI/PD (or by each PI/PD, if more than one) and countersigned by another authorized official of the recipient;

(c) Identify the appropriate relatedness criterion (under paragraph c. of this Article) and include a brief statement of why the recipient believes the projects meet that criterion.

(2) For purposes of this paragraph, "lead agency" is the participating agency which provides the preponderance of dollar support to the projects to be related. If all of the projects to be related are National Science Foundation (NSF) projects, the procedure in paragraph d(1)(a) above need not be followed. If the request is to relate an NSF project(s) and a project(s) of one or more of the other participating agencies, the lead agency will be other than NSF regardless of the NSF dollar support.

(3) The lead agency shall consult with the other affected Federal awarding agency or agencies, and shall grant the request, in writing (by means of the Project Relatedness Request Form) within 30 days of receipt, if it concludes that the criteria in paragraph c., above, are met. The lead agency will rely on the opinion of the other affected Federal agency or agencies concerning their statutory authority(ies).

(4) No project may be included in a program of related projects unless the awarding agency for that project agrees.

#### 4. Payment

- a. Unless otherwise specified in the special conditions of this award, the recipient shall receive advance payments under this award. Such payments shall be made pursuant to Treasury Circular No. 1075, revised. The specific payment method to be used will be specified by the awarding agency.
- b. Interest earned on advances pending disbursement shall be reported to the awarding agency on the Federal Cash Transactions Report (SF-272). Unless otherwise instructed by the Federal agency, the amount shall be remitted by check made payable to the awarding agency.

#### 5. Changes in Objectives or Scope

Neither the phenomenon or phenomena under study nor the objectives of the project stated in the approved application or approved modifications thereto shall be changed without prior written awarding agency approval. To obtain that approval, the change must be proposed, in writing, to the cognizant awarding agency official by the PI/PD and the request must be countersigned by an authorized official of the recipient organization. Agency approval of such changes will be transmitted by the cognizant awarding agency official.

#### 6. Absence or Change of Principal Investigator

Support for the project under this award may not continue without the active direction of a PI/PD approved by the cognizant awarding agency. If the approved PI/PD will (1) sever his or her connection with the recipient, or (2) otherwise relinquish active direction of the project (either permanently or for a significant length of time) then the recipient must either:

(a) Appoint a replacement PI/PD with the approval of the awarding agency, or

(b) Relinquish the award (in which case the award shall be terminated by mutual agreement in accordance with Article 26. below).

#### 7. Progress Reports

a. Content of Progress Reports. Unless otherwise specified in the agency-specific requirements or in the special conditions of this award, progress reports shall include:

(1) A summary of overall progress, including results obtained to date, and their relationship to the general goals of the award;

(2) An indication of any current problems or favorable or unusual developments;

(3) A summary of work to be performed during the succeeding funding period; and

(4) Other information pertinent to the type of project being supported.

b. **Timing of Annual Progress Reports.** An original and two copies of progress reports shall be submitted by the recipient to the cognizant awarding agency official in the following frequency:

(1) If the budget period (or other funding period) exceeds 18 months, a progress report shall be submitted no later than 90 days after the anniversary date of the beginning date of the budget period (or other funding period), with succeeding reports submitted annually thereafter, or within 90 days of the end of the budget period (or other funding period), whichever is sooner.

(2) For multiple-year projects funded in annual increments, the progress report shall be submitted to the awarding agency as part of the continuation application.

(3) If a request for renewed support is submitted during the final year of the project, that year's progress report should accompany such request.

## 8. Financial Reports

### a. Financial Status Report.

(1) If the budget period (or other funding period) exceeds 18 months, an original and two copies of the Financial Status Report (FSR) (SF-269 or SF-269A, as appropriate) shall be submitted to the cognizant awarding agency official by the recipient in the same frequency and with the same due dates as progress reports under Article 7b(1).

(2) For multiple-year projects funded in annual increments, an original and two copies of the FSR must be submitted to the cognizant awarding agency official by the recipient within 90 days of the end of each budget period.

### b. Federal Cash Transactions Report.

For awards receiving advance funding, an original and two copies of a Federal Cash Transactions Report (SF-272) shall be submitted within 15 days following the end of each funding quarter.



## 9. Final Report Requirements

Within 90 days following the expiration or termination of the project, the recipient must furnish the cognizant awarding agency official with:

- (1) An original and two copies of a final performance report which covers the entire period of support;
- (2) Final expenditure and disbursement information on the Financial Status Report and/or Federal Cash Transactions Report, as required by the awarding agency; and
- (3) Any other reports required under this award, including invention reports.

## 10. Dissemination of Project Results

- a. The recipient is expected to publish or otherwise make publicly available the results of the work conducted under this award.
- b. At such time as any article resulting from work under this award is published in a scientific, technical or professional journal or publication, two reprints of the publication should be sent to the cognizant awarding agency official, clearly labeled with the award number and other appropriate identifying information.

## 11. Acknowledgment of Support and Disclaimer

- a. An acknowledgment of awarding agency support and a disclaimer must appear in the publication of any material, whether copyrighted or not, based on or developed under this project, in the following terms:

"This material is based upon work supported by the [name of awarding agency(ies)] under Award No. [Recipient should enter the awarding agency(ies) award number(s)]."

- b. All materials, except scientific articles or papers published in scientific journals, must also contain the following:

"Any opinions, findings, and conclusions or recommendations expressed in this publication are those of the author(s) and do not necessarily reflect the views of the [name of awarding agency(ies)]."

## 12. Data Collection

Data collection activities, if any, performed under this project are the responsibility of the recipient, and awarding agency support of the project does not constitute approval of any survey design, questionnaire

content, or data collection procedures. The recipient shall not represent to respondents that such data are being collected for or in association with the awarding agency without the specific written approval of the cognizant awarding agency official of such data collection plan or instrument. However, this requirement is not intended to preclude mention of awarding agency support of the project in response to an inquiry or acknowledgment of such support in any publication of this data.

### 13. Site Visits

The awarding agency, through authorized representatives, has the right, at all reasonable times, to make site visits to review project accomplishments and to provide such technical assistance as may be required. If any site visit is made by the awarding agency on the premises of the recipient, a subrecipient, or contractor, the recipient shall provide, and shall require its subrecipients and contractors to provide, all reasonable facilities and assistance for the safety and convenience of the Government representatives in the performance of their duties. All site visits and evaluation shall be performed in such a manner as will not unduly interfere with or delay the work.

### 14. Preaward Costs

a. Recipients may approve preaward costs of up to ninety (90) days prior to the effective date of an award. Requests for preaward costs for periods exceeding 90 days shall be submitted in writing to the cognizant awarding agency official. Preaward expenditures prior to funding of an increment within a multiple-year project are not subject to this limitation or approval requirement but are subject to Article 14c. below.

b. Preaward costs must be necessary for the effective and economical conduct of the project, and the costs must be otherwise allowable in accordance with Article 2. above.

c. Any preaward expenditures are made at the recipient's risk. Approval of preaward costs by the recipient does not impose any obligation on the awarding agency in the absence of appropriations, if an award is not subsequently made, or if an award is made for a lesser amount than the recipient expected.

### 15. Extensions Without Additional Funds

Recipients may extend the expiration date of the project 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. A single extension, which shall not exceed

twelve (12) months, may be made for this purpose, and must be made prior to the originally established expiration date. The recipient must notify the cognizant awarding agency official in writing within ten (10) days of the extension.

## 16. Equipment and Real Property

a. Expenditures for general purpose equipment which would be treated as direct costs for the project or program are unallowable unless the equipment is primarily used in the actual conduct of the research.

b. The recipient shall maintain a property management system which, at a minimum, meets the requirements of OMB Circular A-110, Attachment N and which, in its essential elements, remains as approved by the Office of Naval Research (ONR). ONR shall be notified of any major change(s) to the approved system.

c. Title to equipment purchased or fabricated with awarding agency or cost sharing funds, as direct costs of the project or program, shall vest in the recipient upon acquisition. The recipient shall specify in any subaward (including cost-type contracts only) whether title to equipment purchased or fabricated under the subaward vests in the recipient, the subrecipient or the contractor, as applicable. The recipient shall also require the subrecipient to specify, in any cost-type contract awarded by the subrecipient, whether title to equipment purchased or fabricated by the contractor vests in the contractor or in the subrecipient.

d. In accordance with the exemption provided by Public Law 95-224, as amended by Public Law 97-258 (31 U.S.C. 6306), the recipient (and the subrecipient or contractor, if applicable) shall be exempt from accountability to the Federal Government for equipment acquired under this award. For any item of equipment with an original acquisition cost of \$1,000 or more, the Federal Government may require that title be transferred to the Federal Government or a third party if the project or program for which the equipment was purchased is transferred to another recipient. In any such case, the awarding agency(ies) will notify the recipient of the intent to transfer title within 120 days following the expiration or termination of the project(s).

e. No real property may be acquired or constructed under this award.

f. Nothing in this Article requires the recipient or subrecipient to maintain any records that would not otherwise be required for equipment acquired under this award.

## 17. Alteration and Renovation

a. Work required to change the interior arrangements or other physical characteristics of an existing facility or installed equipment so that it may be more effectively used for its currently designated purpose or adapted to an alternative use to meet a programmatic requirement is allowable subject to the following:

(1) The building to be altered or renovated must have a useful life consistent with research purposes and be architecturally and structurally suitable for conversion to the type of space required;

(2) The alteration and renovation must be essential to the project supported;

(3) The space involved must actually be occupied by the project or program;

(4) The space must be suitable for human occupancy before alteration and renovation work is started, except where the purpose of the alteration or renovation is to make the space suitable for some purpose other than human occupancy (e.g., storage); and

(5) If the space is rented, evidence must be provided that the terms of the lease are compatible with the alteration and renovation proposed.

b. The recipient and the awarding agency shall comply with the applicable requirements of the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.); the Flood Disaster Protection Act of 1973 (42 U.S.C. 4001-4128); the Architectural Barriers Act of 1968, as amended (42 U.S.C. 4151 et seq.); Section 502 of the Rehabilitation Act of 1973, as amended (29 U.S.C. Sec. 792), and the standards contained in "Specifications for Making Buildings and Facilities Accessible to and Usable by the Physically Handicapped" (American National Standards Institute, Inc., A-117.1 1961; reaffirmed 1971).

## 18. Use of U.S. Flag Air Carriers.

a. The Comptroller General of the United States, 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.

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 this award, must be performed on a U.S.-flag carrier if service provided by such carrier is "available."

The following rules apply unless the result would be use of a foreign air carrier ("foreign carrier") for the first or last leg of travel from or to the U.S.:

(1) A U.S.-flag carrier ("U.S. carrier") shall be used to destination or, in the absence of through service, to farthest interchange point.

(2) If a U.S. carrier does not serve an origin or interchange point, a foreign carrier shall be used to the nearest interchange point to connect with a U.S. carrier.

(3) If a U.S. carrier involuntarily reroutes the traveler via a foreign carrier, the foreign carrier may be used.

d. Exceptions. In the following situations, use of a foreign carrier is permissible :

(1) Travel to and from the U.S. Use of a foreign carrier is permissible if:

(a) The airport abroad is the origin or destination airport, and use of a U.S. carrier would extend the total travel time 24 hours or more than would travel by foreign carrier; or

(b) The airport abroad is an interchange point, and use of a U.S. carrier would require the traveler to wait six (6) hours or more to make connection or would extend the total travel time six (6) hours or more than would travel by foreign carrier.

(2) Travel Between Points Outside the U.S. Use of a foreign carrier is permissible if:

(a) Travel by foreign carrier would eliminate two (2) or more aircraft changes en route; or

(b) Travel by U.S. carrier would extend the total travel time six (6) hours or more than would travel by foreign carrier.

(3) Short Distance Travel. For all short distance travel, regardless of origin and destination, use of a foreign carrier is permissible if the elapsed travel time on a scheduled flight from origin to destination airport by foreign carrier is three (3) hours or less and service by U.S. carrier would double the travel time.

## 19. Financial Management System

The recipient shall maintain a financial management system which, at a minimum, meets the requirements of Attachment F to OMB Circular A-110.

## 20. Procurement System

The recipient shall maintain a procurement system which, at a minimum, meets the requirements of Attachment O to OMB Circular A-110, and which, in its essential elements, remains as approved by the Office of Naval Research (ONR). ONR shall be notified of any major change(s) to the approved system.

## 21. Income

a. Royalty Income. The recipient may retain royalties received during or after the term of this project as a result of copyrights produced under this award with no accountability to the awarding agency.

b. Interest Income. The recipient shall remit or credit to the awarding agency any interest or other investment income earned on advances of funds under this award.

c. Other Income. Income received as a result of inventions, as specified in Article 23., shall be disposed of as specified in that Article. All other income earned or received as a result of the federally sponsored project or program shall be used for research purposes at the discretion of the recipient.

(1) If the income is used on a federally assisted project, the use of such income must be reported on the Financial Status Report(s) for that project for the applicable period.

(2) Records of the earning and/or receipt and use of such income shall be maintained as specified in Article 24. below.

## 22. Unobligated Balances and Limit of Federal Liability

a. Any unobligated balance of funds which remains at the end of any funding period, except the final funding period of the project period (competitive segment), shall be carried over to the next funding period, and may be used to defray costs of any funding period of the project. Since the carryover of unobligated balances is automatic, no separate or specific awarding agency prior approval shall be required to authorize use of the funds. Costs of a period into which funds are carried over shall be assigned on a "first funds awarded - first funds used" basis; i.e., the carryover from the prior period shall be used in full before the current period's funding is used. As a corollary, any carryover balance will be presumed to be derived from the most recently awarded funds.

. The recipient shall notify the awarding agency by means of the Financial Status Report of the amount of unobligated balance as of the end of each funding period.

c. The maximum obligation of the awarding agency to the recipient is the amount indicated in the award as obligated by that agency. Nothing in this Article or in the other requirements of this award requires the awarding agency to make any additional award of funds or limits its discretion with respect to the amount of funding to be provided for the same or any other purpose.

### 23. Patents and Inventions

a. This award, as performed by the recipient, shall be subject to the Patents Rights (Small Business Firms and Nonprofit Organizations) clause at 37 CFR 401.14 (51 FR 25517, et seq., July 14, 1986, or any subsequent amendment in effect as of the beginning date of this award) and the following:

(1) In each instance where the term "contract" or "contractor" is used in the clause, those terms shall be read as "award" and "recipient," respectively.

(2) In each instance where the term "Federal Agency," "agency," or "funding Federal agency" is used in the clause, the term shall be read to mean the awarding agency for the instant award.

(3) Under paragraph (g) of the clause, the title shall read "Contracts and Subawards under the Award," and, in that paragraph "subcontract" and "subcontractor" shall be read as "contract or subaward" and "contractor or subrecipient," respectively.

(4) Under paragraph (g)(2) of the clause, if a contract or subaward is to be made to any organization other than a nonprofit organization or small business firm, as defined in paragraph (a) of the clause, the recipient shall contact the cognizant awarding agency official to ascertain the appropriate patent clause.

(5) See the agency-specific requirements of the awarding agency for the point of contact for communications on matters relating to the clause.

b. A copy of the clause has been provided to each recipient institution as an attachment to the Demonstration Agreement.

## 24. Audit and Records

- a. Financial records, supporting documents, statistical records, and other records pertinent to each year of this project shall be retained by the recipient for a period of 3 years from submission of the annual Financial Status Report specified in Article 8. or, for indirect cost computation supporting records, three years from the date of submission of the indirect cost rate computation or proposal to the cognizant Federal agency. Records that are the subject matter of audits, appeals, litigation, or the settlement of claims arising out of the performance of the project shall be retained until such audits, appeals, litigation, or claims have been disposed of, or until the end of the regular three-year retention period, whichever is later.
- b. Unless court actions or audit proceedings have been initiated, the recipient may substitute copies made by microfilming, photocopying, or similar methods for the original records.
- c. The head of the awarding agency 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 recipient organization, and the performing organization, if different, to make audits, examinations, excerpts and transcripts. Further, any negotiated contract in excess of \$10,000 made by the recipient shall include a provision to the effect that the recipient, the awarding agency, the Comptroller General, or any of their duly authorized representatives, shall have access to pertinent records for similar purposes. The rights of access to records in this paragraph shall not be limited to the required retention period, but shall last as long as the records are retained.
- d. In order to avoid duplicate recordkeeping, the awarding agency may make special arrangements with recipients to retain any records that are needed for joint use. The awarding agency may request transfer to its custody of records not needed by the recipient when it determines that the records possess long-term retention value. When the records are transferred to or maintained by the awarding agency, the 3-year retention requirement is not applicable to the recipient. In the event that records are transferred to the awarding agency, the awarding agency will negotiate a mutually agreeable arrangement with the recipient regarding reimbursement of costs associated with the transfer.
- e. The recipient shall conduct or arrange for the conduct of audits as required by Attachment F of OMB Circular A-110. The recipient shall provide copies of the reports of these audits to the cognizant Federal audit agency under OMB Circular A-88. Any Federal audit of this project deemed necessary by the cognizant awarding agency official shall build upon the results of the audit under OMB Circular A-110.



## 25. Suspension or Termination

a. The awarding agency may suspend or terminate this award, in whole or in part, (1) when the awarding agency believes that the recipient has materially failed to comply with the terms and conditions of the award, (2) for any reason by mutual agreement between the awarding agency and the recipient upon the request of either party, or (3) when the parties cannot mutually agree to the extent of a termination.

b. Normally, action by the awarding agency to suspend or terminate an award for cause will be taken only after the recipient has been informed by the awarding agency and informed of any deficiency on its part and given an opportunity to correct it. However, the awarding agency may immediately suspend or terminate the award without prior notice when it believes such action is necessary 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 the awarding agency, the recipient 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 award and the applicable Federal cost principles cited in Article 2.

Final allowable costs under a termination settlement shall be in accordance with the terms of this award, including this Article, and the appropriate Federal cost principles. In no event will the total of payments under a terminated award exceed the amount obligated by the awarding agency or the awarding agency pro rata share when cost-sharing was required, whichever is less.

## 26. National Security

a. The awarding agency does not expect that results of supported research projects will be classifiable, except in very rare instances.

b. Executive Order 12356 (47 Federal Register, 14,874 (1982)) states that basic scientific research information not clearly related to the national security may not be classified (section 1.6(b)). Nevertheless, some information concerning (among other things) scientific, technological, or economic matters relating to the national security or cryptology may require classification (section 1.3(a)).

c. There may, therefore, be cases when a recipient originates information during the course of a supported project that the recipient believes requires classification under Executive Order 12356 (section 1.2(e)).

In such a case, the recipient has the responsibility promptly to:

(1) Submit the information directly to the awarding agency or other U.S. Government agency with appropriate subject matter interest and classification authority as specified in the agency-specific requirements under the Demonstration Agreement, or if uncertain which agency should receive the information, to the Director of the Information Security Oversight Office, General Services Administration;

(2) Protect the information as though it were classified until the recipient is informed that the information does not require classification, but no longer than thirty (30) days after receipt by the agency under paragraph d(1); and

(3) Notify the cognizant awarding agency official.

e. The Executive Order requires the Federal agency with appropriate subject matter interest and classification authority to decide within thirty (30) days whether to classify the material. If the agency determines the information requires classification, the recipient shall cooperate with that agency 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, in which case the award shall be terminated by mutual agreement.

g. If the award is to be terminated, all material deemed to be classified shall be forwarded to the awarding agency, in a manner specified by the awarding agency, for proper disposition.

h. If the recipient and the awarding agency wish to continue the project, the recipient shall obtain appropriate security clearances as specified by the awarding agency. Costs associated with handling and protecting any such classified information shall be negotiated at the time the determination to proceed is made.

i. If the agency identified in d(1) does not respond within 30 days, the recipient is under no further obligation to treat the information as classified.

## 27. Nondiscrimination

a. To the extent provided by law and any applicable agency regulations, this award and any program assisted thereby are subject to the provisions of Title VI of the Civil Rights Act of 1964 (PL 88-352), Title IX of the Education Amendments of 1972 (PL 92-318, 20 USC 1681 et seq.), Section 504 of the Rehabilitation Act of 1973 (29 USC 794), the Age Discrimination Act of 1975 (PL 94-135), the implementing regulations issued pursuant thereto by the awarding agency as specified in the agency-specific requirements incorporated in the Demonstration

agreement, and the assurance of compliance which the recipient has filed with the awarding agency.

b. The recipient shall obtain from each organization that applies to be, or serves as a subrecipient, contractor or subcontract or under this award (for other than the provision of commercially available supplies, materials, equipment, or general support services) an assurance of compliance as required by awarding agency regulations.

## 28. Animal Welfare

a. Any recipient performing research on vertebrate animals shall comply with the Laboratory Animal Welfare Act of 1966, as amended (7 USC 2131 et seq.), and the regulations promulgated thereunder by the Secretary of Agriculture (9 CFR 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 awards. The recipient is expected to ensure that the guidelines described in DHHS Publication No. (NIH) 85-23, "Guide for the Care and Use of Laboratory Animals," 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).

The recipient is also responsible for complying with the Public Health Service Policy on the Care and Use of Laboratory Animals (PHS Policy) and such other requirements as are established by the awarding agency.

NOTE -- The recipient 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), USDA, for the region in which its 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 Senior Staff Officer, Animal Care Staff, USDA/APHIS, Federal Center Building, Hyattsville, Md. 20782.

## 29. Research Involving Recombinant DNA Molecules

Any recipient performing research involving recombinant DNA molecules and/or organisms and viruses containing recombinant DNA molecules agrees by acceptance of this award to comply with the National Institutes of Health "Guidelines for Research Involving Recombinant DNA Molecules," Nov. 1984 (49 FR 46266-46291), or such later revision of those guidelines as may be published in the Federal Register.

### 30. Clean Air and Water

(Applicable only if the award exceeds \$100,000, or a facility to be used has been the subject of a conviction under the Clean Air Act (42 USC 1857c-8(c)(1)) or the Federal Water Pollution Control Act (33 USC 1319(c)), and is listed by EPA, or if the award is not otherwise exempt.)

The recipient agrees as follows:

(1) To comply with all the requirements of section 114 of the Clean Air Act, as amended (42 USC 1857, et seq., as amended by Pub.L. 91-604) and section 308 of the Federal Water Pollution Control Act (33 USC 1251 et seq., as amended by Pub.L. 92-500), respectively, relating to inspection, monitoring, entry, reports and information, as well as other requirements specified in section 114 and section 308 of the Clean Air Act and the Water Act, respectively, and all regulations and guidelines issued thereunder prior to this award.

(2) That no portion of the work under this award will be performed in a facility listed on the Environmental Protection Agency (EPA) List of Violating Facilities on the date that this award was effective unless and until the EPA eliminates the name of such facility or facilities from such listings.

(3) To use its best efforts to comply with clean air standards and clean water standards at the facility in which the award is being performed.

(4) To insert the substance of the provisions of this clause into any nonexempt subaward or contract under the award.

### 31. Human Subjects

The recipient is responsible for the protection of the rights and welfare of any human subjects involved in research, development and related activities supported by this award. The recipient agrees to comply with the Department of Health and Human Services regulations on protection of human subjects published in 45 CFR Part 46, and such other requirements as are established by the awarding agency. For purposes of these general terms and conditions, the footnotes appearing in 45 CFR 46 do not apply.

### 32. Activities Abroad

The recipient should assure that project activities carried on outside the United States are coordinated as necessary with appropriate Government authorities and that appropriate licenses, permits or approvals are obtained prior to undertaking proposed activities. The

( awarding agency does not assume responsibility for recipient compliance with the laws and regulations of the country in which the activity(ies) is (are) to be conducted.

### 33. Debarred or Suspended Parties

This award is subject to any regulations of the awarding agency that provide for debarring or suspending organizations or individuals from eligibility to participate under financial assistance programs (provided those regulations would apply to this award if it were not covered by the Demonstration Agreement).

### 34. Closeout

( This award may be closed out without an award-specific (transactional) audit or without an organization-wide or single audit covering the entire period of Federal support. The closeout of this award shall not affect the retention period for, or Federal right of access to, project records (See Article 24). After closeout, the awarding agency may nevertheless disallow and recover from the recipient an appropriate amount, on the basis of a subsequently received audit report or any other available information.