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NIH GUIDE

for GRANTS and CONTRACTS

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

No. 16, January 14, 1972

APPLICABILITY OF POLICIES AND PROCEDURES PUBLISHED IN THE GUIDE

ANNOUNCEMENT

1. Policies, procedures, and other official materials published in the *NIH GUIDE FOR GRANTS AND CONTRACTS* are applicable only to programs of the NIH and do not apply to other components of the Department of Health, Education, and Welfare.
2. For information concerning programs of the Health Services and Mental Health Administration (including the National Institute of Mental Health), Food and Drug Administration, Social and Rehabilitation Service, write direct to the organization concerned.

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.

MANAGEMENT OF AND ACCOUNTABILITY FOR
EQUIPMENT ACQUIRED UNDER NIH GRANTS (NIH 5602)

POLICY

1. PURPOSE This issuance prescribes the policies and procedures for accountability and property management of equipment purchased with NIH grant funds when the project period of the grant terminates July 1, 1972, or later. It implements DHEW Grants Administration Manual Chapter 1-410, and supersedes NIH Guide for Grants and Contracts Nos. 9 and 14, subject as above, dated July 29, 1971, and November 29, 1971, respectively. Specifically, it reflects the change in effective date announced in Guide No. 14, restates the applicable provisions of Guide No. 9, with minor modifications, and changes the reporting requirement from items of equipment with acquisition cost of \$300 or more to items costing \$1,000 or more.

2. APPLICABILITY This policy is applicable to all grants awarded by the National Institutes of Health to the extent not inconsistent with governing statutes or program legislations, e.g. NIH construction program. It is not applicable to NIH contracts or to grants made to other Federal agencies, such as PHS and Veterans Administration hospitals.

3. BACKGROUND Under authority of the PHS Act, NIH makes funds available through grants for the support of approved research, training, and demonstration projects. Such funds may be used for the purchase of equipment necessary to the successful prosecution of the activities being supported. Title to equipment is vested in the grantee institution or organization, subject to accountability to the Federal government at the completion of the project for which the grant was made.

Public Law 85-934, 42 USC § 1891 et. seq. authorizes the waiver of accountability for equipment purchased with funds from research grants awarded to nonprofit institutions of higher education and nonprofit organizations whose primary purpose is the conduct of scientific research.

Certain equipment is sufficiently general in nature that it can be utilized by the grantee institution in connection with other grant-supported or grant-eligible activities. Therefore continued retention by the grantee of such equipment, where statutory authority exists, serves the collateral purpose of the creation or enhancement of the research and training capability of the grantee institution and furtherance of the objectives of the National Institutes of Health.

4. DEFINITIONS

- a. Equipment: For the purposes of this issuance, an item of equipment is an article of property procured or fabricated, which is complete in itself, is of a durable nature, and has an expected service life of more than one year.
- b. Supplies: Items which are consumed or expended when put to use, or which have an expected service of less than one year. (The provisions of this issuance do not apply to supplies.)
- c. Budget Period: That portion of a project period (usually 12 months) so designated for budgeting and accounting purposes.

- d. Project Period: The interval of time for which the support of a project has been approved by the NIH as specified in the grant award document. (In some programs, e.g., General Research Support Grants, each yearly award is a new grant and awarded for a single budget period. In such programs the term "project period" is not used.)
- e. Grantee: The university, college, hospital, public agency, other nonprofit research organization, or an individual receiving a grant for support of such activities as are prescribed by the PHS Act.
- f. Title: As used herein, "title" indicates or designates the right to ownership.
- g. Accountability: The obligation of a grantee to return to the National Institutes of Health the residue or residual value of equipment purchased with grant funds in accordance with the law and applicable Federal regulations. Such residue includes as much of the equipment, or a fair market value thereof, as is represented by the proportion of the initial cost of the equipment charged to the grant account. (See 6 b. and 6 c. for retention of equipment by grantees.)

5. POLICY Equipment may be acquired with grant funds to facilitate the successful execution of a research, training, or demonstration project. Title to equipment so acquired is vested in the grantee institution unless specifically stated otherwise on the Notice of Grant Awarded. Grantees are expected to apply to equipment acquired with grant funds the same policies, procedures, and controls normally applied to all of their other equipment, provided that the minimum management standards contained in this issuance are met.

Under authority of Public Law 85-934, nonprofit institutions of higher education and nonprofit organizations whose primary purpose is the conduct of scientific research may be exempted, in whole or in part, by NIH from further obligation to the Federal government for the residual value of equipment remaining at the termination of a grant-supported research project. Accountability may not be waived for equipment purchased with funds from research grants awarded to other types of institutions. The NIH awarding unit will grant by waiver exemptions from further accountability upon request by an eligible institution except in those instances where the awarding unit sees a specific need to claim or transfer certain items of equipment after the project period is concluded. The reservation to claim equipment by the NIH may be exercised at any time up to twelve (12) months following the end of the project period but not later than such date as a formal waiver of accountability has been made by the awarding unit and only on items with an acquisition cost of \$1,000 or more.

No institution may be relieved of accountability for equipment purchased with training grant funds or with funds from other nonresearch project grants. (The requirement for continued accountability for these grants is treated in 6 c. of this issuance.)

In those instances where an individual is the grantee, no waiver of the obligation for a final accounting may be made.

6. IMPLEMENTATION BY GRANTEE INSTITUTION

a. Inventory: Each grantee institution shall treat the inventory of the residual value of equipment purchased with grant funds from each NIH grant as follows:

- (1) The NIH will not require the submission of an inventory for equipment until the termination of the project period during which the item was purchased in whole or in part as a direct charge to grant funds. In the event that funds from more than one NIH grant have been used to purchase an item of equipment, that item of equipment will be inventoried to the grant which provided the largest amount of funds for its purchase.
- (2) On a quarterly basis, the Division of Research Grants (DRG) will routinely provide grantee institutions a list of all grants whose project periods are scheduled to terminate in that quarter. An adequate supply of equipment reporting form NIH 1754 (see attached exhibit) titled "Equipment Acquired With NIH Grant Funds, Accountability and Disposition" will accompany the listing. A copy of the listing will be sent to the awarding units.
- (3) Within 120 days of the completion of a project period, for each grant, the grantee institution shall, over the signature of an authorized individual, submit to the Division of Research Grants two (2) copies of form NIH 1754 following the instructions printed at the top of the form. DRG will send the completed form to the appropriate awarding unit.
- (4) Grantees shall list on the equipment reporting form all equipment purchased in whole or in part from NIH grant funds where the initial acquisition cost of the equipment was \$1,000 or more, unless:
 - (a) the grantee has formally determined that the equipment is no longer useful; or
 - (b) the equipment has a residual or scrap value of less than \$100; or
 - (c) the equipment has otherwise been reported in accordance with paragraph 6 a. (1) above.
- (5) If no equipment was purchased or there is no equipment to be reported, grantee shall complete those portions of form NIH 1754 that identify the institution and project and indicate "None" under "Remarks."
- (6) The grantee institution must make the determination and certify on form NIH 1754 whether or not it is an institution eligible under P.L. 85-934 to request waiver of accountability of equipment.

(7) The grantee institution will, on the equipment reporting form, select a proposed method for satisfying accountability for each item of equipment listed. The disposition option for waiver is available only to those institutions certifying eligibility under P.L. 85-934.

b. Waiver of Accountability (Accountability Requirements for Grants Governed by P.L. 85-934) - Where the grantee is a nonprofit institution of higher education or a nonprofit organization whose primary purpose is the conduct of scientific research, the obligation for further accountability for the residual value of equipment purchased with research grant funds may be waived as follows:

- (1) The NIH awarding unit will determine whether or not the full authority available under P.L. 85-934 will be utilized for the reported items.
- (2) When waiver of accountability is not approved by the awarding unit, the options listed under 6 c. below will be available for proposed use by the grantee, subject to approval of the awarding unit.
- (3) Further accountability to the Federal government is waived for all items of equipment with acquisition cost of less than \$1,000.

c. Accountability Requirements for Grants Other Than Those Governed by P.L. 85-934 - The requirement for accountability for equipment purchased with grant funds, regardless of the acquisition cost, may not be waived for those institutions and grants not eligible for exemption under the provisions of P.L. 85-934. Accountability for the residual value of equipment purchased with training grant funds, nonresearch grant funds, and research grants made to institutions other than those governed by P.L. 85-934, may be satisfied by using one of the following options:

- (1) Refund to the NIH 1/ an amount equivalent to the fair market value of the equipment.
- (2) Return the equipment to the NIH. 2/
- (3) Transfer the equipment (with prior approval of the NIH awarding unit) to another grantee institution.
- (4) Retain the equipment for use on biomedical and health-related research, training, or education projects of the grantee institution which are within the scope of the PHS Act.

If option (4) is authorized on the reported items, it must be carried out under the conditions that during the period of use, no use charge for depreciation, amortization, or charge for other use of the equipment may be made against any Federal grant or contract. 3/ Also,

1/ Checks should be made payable to the DHEW, NIH, and forwarded to the Director, Office of Financial Management, NIH, Bethesda, Maryland 20014. Checks must identify the relevant grant number and the reason for payment.

2/ This option is to be followed only after receiving instructions from the NIH awarding unit.

3/ The only exception is included in the Principles of Reimbursement for Provider Costs that allows hospitals and nursing homes providing Medicare services to depreciate Government-provided assets.

if within the useful life of the equipment it is sold or not continued to be used in health-related research or training, the fair market value at the time of disposition, provided it exceeds \$100, is payable to the NIH.

Although reporting is not required on items of equipment with acquisition cost of less than \$1,000, the grantee institution must remain accountable for such equipment during its useable lifetime under one or more of the options listed above.

7. IMPLEMENTATION BY THE NIH AWARDING UNIT

- a. The awarding unit will review the information reported on the equipment form and the grantee's proposed disposition of the equipment and make a determination as to the disposition of each item listed. The method most appropriate to the circumstances should be selected by taking into consideration such factors as the nature and purpose of the grant; the existence of other health-related projects at the institution; the condition and remaining estimated life of the equipment; the cost of transfer or shipment; and the potential for effective utilization at the NIH or on other research or training projects.
- b. The awarding unit will authorize a method of disposition for each item listed and indicate such disposition on the equipment form. If the awarding unit agrees with the disposition proposed by the grantee, "concurrence" will be indicated in the space provided.

8. GRANTS AWARDED TO INDIVIDUALS Determination as to the appropriate method of disposition of equipment purchased with grant funds awarded to an individual will be made by the NIH awarding unit upon termination of support of the project.

9. GRANTEE MANAGEMENT REQUIREMENTS

- a. Acquisition: Grantees are required to be prudent in the acquisition and management of equipment acquired with grant funds. A review should take place to assure that equipment is needed and that the need cannot be met with equipment already in the possession of the institution. A grantee may be reimbursed for an item of equipment already owned by the institution only when such equipment is in the institution's central purchasing department and held in a central stock room for issuance and sale to a using activity.

For purposes of charging NIH grants, the cost of a single item or piece of equipment includes necessary accessories, duty, excise, and sales taxes. If the institution's policy provides that charges for transportation, protective in-transit insurance, and installation are a part of the cost of equipment, such charges must be included in the equipment cost as direct costs on NIH grant accounts.

- b. Sale or Trade: When equipment is sold by a grantee during the project period in which it was purchased, the net proceeds of the sale must be credited to the grant account for project use. Equipment for which accountability has not been waived may be disposed of by the grantee after termination of the project period provided the grant account is credited with the fair market value as of the date of disposition of such equipment. To the extent equipment purchased with grant funds and for which accountability has not been waived

has been used for credit or "trade-in" on the purchase of new or used equipment, the accounting obligation shall apply to the same extent to the residual value of the equipment which was traded in. This is not applicable to equipment which has a residual value of less than \$100.

- c. Lost, Damaged, or Destroyed Equipment: When accountability has not been waived, the grantee will be responsible, using other than NIH grant funds, for replacing, repairing, or compensating the grant account for equipment that is lost, damaged, or destroyed due to negligence on the part of the grantee.
- d. Depreciation and Use Charges: Depreciation or use charges for any equipment, or portion of such equipment, which has been acquired with Federal funds may not be charged against NIH funds either as a direct or indirect cost. The records of grantee institutions must therefore identify equipment purchased with NIH funds to assure exclusion of such equipment from depreciation or use charges claimed for Federal participation. The only exception to this policy is included in the Principles of Reimbursement for Provider Costs that allows hospitals and nursing homes providing Medicare services to depreciate Government-provided assets.

10. TERMS AND CONDITIONS OF AWARDS

- a. All grants shall be made under the condition that equipment acquired with grant funds will be made available for transfer upon request of the awarding unit in those cases where the principal investigator transfers to another institution and a grant is made to the new institution to continue the same project. NIH awarding units, however, will not require the transfer of equipment for which accountability has previously been waived, and will limit requests for transfer to items with an acquisition cost of \$1,000 or more.
- b. The citations concerning "accountability for equipment" will be marked on PHS Form 1533, "Notification of Grant Awarded," and other similar statements used to notify a grantee of an NIH grant award, to indicate that accountability for equipment is not waived at the time of award.

11. EFFECTIVE DATE The policy stated in this issuance is effective July 1, 1972.

References

- (1) DHEW Grants Administration Manual Chapter 1-410, Management of Equipment and Supplies Acquired under Project Grants.
- (2) Code of Federal Regulations, Title 42-Public Health, Part 52, Sec. 52.42.
- (3) Public Law 85-934, 42 USC § 1891 et. seq. (Vesting of title to equipment without further obligation to the Government.)
- (4) PHS General Circular No. 8, April 18, 1961. Vesting Title to Equipment Acquired under Research Contracts and Grants.
- (5) OMB Circular A-101, January 9, 1971, Standard Policies and Practices for Administration of Research Projects at Educational Institutions in the United States.

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE PUBLIC HEALTH SERVICE - NATIONAL INSTITUTES OF HEALTH EQUIPMENT ACQUIRED WITH NIH GRANT FUNDS ACCOUNTABILITY AND DISPOSITION	NAME AND ADDRESS OF GRANTEE INSTITUTION	GRANT NUMBER PROJECT PERIOD (Total period of support recommended) PRINCIPAL INVESTIGATOR OR EQUIVALENT
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NIH policy requires, at the termination of each project period, an inventory of equipment acquired in whole or in part from NIH grant funds, which had an acquisition cost of \$1,000 or more, is still useful, and has a residual or scrap value of more than \$100. For each grant, complete the form, and submit the original and one copy to the Division of Research Grants, NIH, Bethesda, MD 20014, within 120 days following termination of the project period. If additional pages are required, enter grant number on each page. If no equipment was purchased, or if equipment purchased does not fall within the above requirements, enter "none," sign, and return.

FOR USE OF GRANTEE INSTITUTION	DATE OF PURCHASE	ACQUISITION COST CHARGED TO GRANT	CONDITION (Check one)				DISPOSITION PROPOSED BY GRANTEE (Check one)						LEAVE BLANK (Authorized Disposition By National Institutes of Health Awarding Unit)
DESCRIPTION Item- (Grantee identification code)			Good - Excellent	Needs Repair	Scrap Only	Waive	Accountability	Refund Fair	Market Value	Return to NIH	Retain for Health-Related Research and Education	Other (Explain under Remarks)	
EXHIBIT													

REMARKS

NOTE: Public Law 85-934 authorizes Federal agencies to waive accountability for equipment purchased under RESEARCH GRANTS, provided the grantee is a nonprofit institution of higher education or a nonprofit organization whose primary purpose is the conduct of scientific research. For ALL OTHER TYPES OF GRANTS and GRANTEE INSTITUTIONS, the grantee remains accountable for equipment purchased with grant funds.

This is to certify that the above named institution is eligible under Public Law 85-934 (see NOTE above), to request a waiver of further accountability for equipment purchased.
 (Check one) Yes No

NAME AND TITLE OF AUTHORIZED INSTITUTION OFFICIAL	NIH AWARDING UNIT APPROVING OFFICIAL
SIGNATURE	SIGNATURE
DATE	DATE

NIH 1754
1-72

Form Approved Office of Management and Budget No. 68-R-1205

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MANAGEMENT OF AND ACCOUNTABILITY FOR EQUIPMENT
ACQUIRED UNDER NIH GRANTS IN PROJECT PERIODS
WHICH TERMINATED PRIOR TO JULY 1, 1972 (NIH 5602-1)

POLICY

1. PURPOSE This issuance prescribes the policy and procedures for accountability, reporting, and management of equipment purchased with NIH grant funds when the project period during which the equipment was purchased ended prior to July 1, 1972.

2. APPLICABILITY This policy is applicable to all grants awarded by the National Institutes of Health to the extent not inconsistent with governing statutes or program legislation, e.g. NIH construction programs. It is not applicable to NIH contracts or to grants made to other Federal agencies, such as PHS and Veterans Administration hospitals.

3. BACKGROUND On July 1, 1971, the NIH issued a policy for the accountability and management of equipment acquired with NIH grant funds. Re-evaluation of that policy has resulted in certain revisions and the decision to move the effective date forward to July 1, 1972. A description of the revised policy begins on page 3 of this issue of the GUIDE. In order to effect, where possible, a retroactive waiver of accountability for equipment and to instruct grantee institutions as to the treatment of accountability for equipment purchased during project periods which terminated prior to July 1, 1972, the following policy and procedures will obtain.

4. DEFINITIONS

- a. Equipment: For the purposes of this issuance, an item of equipment is an article of property procured or fabricated, which is complete in itself, is of a durable nature, and has an expected service life of more than one year.
- b. Supplies: Items which are consumed or expended when put to use, or which have an expected service of less than one year. (The provisions of this issuance do not apply to supplies.)
- c. Budget Period: That portion of a project period (usually 12 months) so designated for budgeting and accounting purposes.
- d. Project Period: The interval of time for which the support of a project has been approved by the NIH as specified in the grant award document. (In some programs, e.g., General Research Support Grants, each yearly award is a new grant and awarded for a single budget period. In such programs the term "project period" is not used.)
- e. Grantee: The university, college, hospital, public agency, other non-profit research organization, or an individual who receives a grant for support of such activities as are prescribed by the PHS Act.
- f. Title: As used herein, "title" indicates or designates the right to ownership.

- g. Accountability: The obligation of a grantee to return to the National Institutes of Health the residue or residual value of equipment purchased with grant funds in accordance with the law and applicable Federal regulations. Such residue includes as much of the equipment, or a fair market value thereof, as is represented by the proportion of the initial cost of the equipment charged to the grant account. (See 5 a (1) and 5 b (1) (a) below, for retention of equipment by grantees.)

5. POLICY AND IMPLEMENTING PROCEDURES Under authority of Public Law 85-934, nonprofit institutions of higher education and nonprofit organizations whose primary purpose is the conduct of scientific research may be exempted, in whole or in part, by NIH from further obligation to the Federal government for the residual value of equipment purchased with funds from research grants which remains at the termination of a grant-supported research project. No institution may be relieved of accountability for equipment purchased with training grant funds or with funds from other nonresearch grants.

a. Satisfying Accountability for Equipment Purchased from Research Grants Made to Institutions Eligible for Exemption Under P.L. 85-934 When the Project Period of the Grant Terminated Prior to July 1, 1972

- (1) Accountability Requirements - On this one-time-only basis and not establishing any precedent for future action, such institutions are hereby exempted, upon termination of the project period, from the obligation for further accountability to the Federal government for equipment purchased with funds from research grants whose project period terminated prior to July 1, 1972. The only exception to this will be when the NIH awarding unit, as a condition of award, has identified specific items of equipment for which transfer or other disposition may be required. If there are no instructions to the grantee for transfer or other disposition by the awarding unit within 12 months following the termination of the project period (in any case, no later than January 1, 1973), these items also are exempted from the obligation for further accountability to the Federal government.
- (2) Reporting Requirements - No reporting is required by the NIH from grantee institutions.

b. Satisfying Accountability, Reporting, and Management for Equipment Purchased from Grants Other than Research Grants or from Any Grant Made to an Institution NOT ELIGIBLE for Exemption Under P.L. 85-934 When the Project Period Terminates Prior to July 1, 1972

- (1) TERMINATED PRIOR TO JULY 1, 1971
 - (a) Accountability Requirements - The accountability requirements for equipment purchased with funds from such grants may not be waived by the NIH under P.L. 85-934 but will be satisfied if the institution:

- [1] refunds to the NIH 1/ an amount equivalent to the fair market value of the equipment;
 - [2] returns the equipment to the NIH;
 - [3] transfers the equipment (with prior approval of the NIH awarding unit) to another grantee institution; or
 - [4] retains the equipment for use on biomedical and health-related research, training, or educational projects of the grantee institution which are within the scope of the PHS Act.
- (b) Reporting Requirements - No reporting is required by the NIH from grantee institutions.
- (c) Management Requirements - If the grantee institution proposes to retain the equipment under option b (1) (a) [4] above, it must be done under the conditions that during the period of use, no use charge for depreciation, amortization, or charge for other use of the equipment shall be made against any Federal grant or contract. 3/ Also, if within the useful life of the equipment it is sold or not continued to be used in health-related research or training, the fair market value at the time of disposition, provided it exceeds \$100, shall be payable to the NIH. The records of grantee institutions must, therefore, identify equipment purchased with NIH funds to assure exclusion of such equipment from depreciation or use charge claimed for Federal participation.
- (2) TERMINATED BETWEEN JULY 1, 1971, AND JULY 1, 1972

- (a) Accountability Requirements - Same as b (1) (a) above.
- (b) Reporting Requirements - The grantee institution will submit to the NIH awarding unit two copies of NIH Form 1754, Equipment Acquired with NIH Grant Funds-Accountability and Disposition, listing only those items of equipment whose acquisition cost was \$1,000 or more AND which is still useful or with a residual value of more than \$100. Grantees will propose disposition of each item of equipment listed, indicating on Form 1754 one of the available options shown under b (1) (a) above.

Although no formal reporting is required by the NIH for items of equipment with acquisition cost of less than \$1,000, the grantee institution must remain accountable for such equipment during its useable lifetime under one or more of the options listed above.

1/ Checks should be made payable to the DHEW, NIH, and forwarded to the Director, Office of Financial Management, NIH, Bethesda, Maryland 20014. Checks must identify the relevant grant number and reason for payment.

2/ NIH approval and instructions must be secured in advance.

3/ The only exception to this policy is included in the Principles of Reimbursement for Provider Costs that allows hospitals and nursing homes providing Medicare services to depreciate Government-provided assets.

- (3) Management Requirements - The management requirements prescribed under b (1) (c) above will apply to all equipment purchased with grant funds.
6. EFFECTIVE DATE This policy is effective on date of release.

References

- (1) DHEW Grants Administration Manual, Chapter 1-410, Management of Equipment and Supplies Acquired Under Project Grants.
- (2) Code of Federal REgulations, Title-42- Public Health, Part 52, Section 52.42.
- (3) Public Law 85-934, 42 USC § 1891 et.seq. Vesting of title to equipment without further obligation to the Government).
- (4) PHS General Circular No. 8, April 18, 1961. Vesting Title to Equipment Acquired Under Research Contracts and Grants.
- (5) OMB Circular No. A-101, January 9, 1971, Standard Policies and Practices for Administration of Research Projects at Educational Institutions in the United States.

TRANSFER OF EQUIPMENT ACQUIRED UNDER NIH GRANTS (NIH 5603)

POLICY

1. PURPOSE This issuance states the NIH policy and procedures to be followed for the transfer from one to another grantee institution of title and accountability for equipment purchased with NIH grant funds. It deals only with transfer of equipment and not with other options for disposition found in issuances 5602 and 5602-1 and serves to implement, in part, DHEW Grants Administration Manual Chapter 1-410.
2. APPLICABILITY Subject to such legal limitations as may be prescribed by program legislation (e.g. NIH construction grants), this policy is applicable to all grants awarded by the National Institutes of Health.
3. BACKGROUND The principal circumstance necessitating a consideration for the transfer of equipment occurs when a principal investigator on an NIH-supported research project moves to a new institution and an NIH grant is made to the new institution for continued support of the project. NIH policy has stated that the awarding unit reserves the right to request transfer of title to equipment purchased with NIH grant funds in certain cases to another grantee institution. Although this issuance does not change the basic NIH policy, it does modify that policy in order to implement current DHEW regulations and Office of Management and Budget Circulars A-21 and A-101.
4. DEFINITION
Accountability: The obligation of a grantee to return to the NIH the residue or residual value of equipment purchased with NIH grant funds in accordance with the law and applicable Federal regulations. Such residue includes as much of the equipment or a fair market value thereof as represented by the proportion of the initial cost of the equipment charged to the grant account.
5. POLICY NIH grants are made under the provision that equipment acquired with grant funds will be made available for transfer upon request by the NIH awarding unit. The following conditions must be met:
 - a. Transfer of equipment to another institution will be made pursuant to a grant which includes the authority on the part of the new institution to assume title and establish accountability for equipment.
 - b. The equipment is no longer required by the original grantee institution for use on the continuing grant-supported activity for which it was purchased.
 - c. The equipment is needed for an NIH grant-supported activity at another institution and similar equipment for use on the activity is not available.

6. IMPLEMENTATION

a. Transfer Conditions

- (1) A grantee institution with prior approval of the awarding unit may initiate transfer of any or all of the equipment purchased with grant funds when the equipment is no longer needed at the original institution and will be used for an activity being supported by the NIH at the new institution.
- (2) NIH awarding units will not require the transfer of equipment for which accountability has previously been waived by the NIH.
- (3) NIH awarding units will limit their requests for transfer of equipment to items with acquisition cost of \$1,000 or more.
- (4) In general, transfers will not be made where the cost of transferring equipment will exceed the value of the equipment to be transferred.
- (5) Items of equipment which are built in or affixed to real property, in general, become part of the real property and their transfer will not be requested by NIH (e.g., wall cabinets, sinks, laboratory benches, and cold rooms).

b. The following documents will be required for transfer of equipment when a principal investigator moves to a new institution and is to receive continuation of NIH grant support. (See NIH 5201 for complete instruction):

- (1) From the original grantee institution:
 - (a) PHS Form 3734, Official Statement Relinquishing Interests and Rights in a PHS Research Grant.
 - (b) NIH Form 1754, Equipment Acquired with NIH Grant Funds Accountability and Disposition.

All equipment purchased in whole or in part with grant funds and for which reporting is required will be listed on Form 1754. Equipment to be transferred to the new institution will be listed with disposition shown under "Other" with explanation under "Remarks" concerning the transfer. Form 1754 is required as soon as possible following the grant termination.

- (2) From the new (receiving) institution:
 - (a) New Grant Application. This application shall contain all the information requested in the instructions supplied with the application. There should be included in the application a list of all equipment items to be transferred with the project which were purchased in whole or in part with grant funds and which had an acquisition cost of \$1,000 or more.

- (b) The official signature on the application represents the new institution's immediate acceptance of title and responsibility for accountability and reporting in relation to the newly established project period.
- (c) Cost of transportation of equipment may be paid from funds remaining in the grant at the original institution or, if there are no available funds, may be paid from the grant to the new institution.

c. Transfer of Under-Utilized Equipment

- (1) When NIH awarding unit staff believes that there is under-utilization by a grantee institution of an item of equipment having an acquisition cost of \$1,000 or more and the accountability for the equipment has not previously been waived, NIH may request that the equipment be transferred to another institution, provided:
 - (a) The equipment will be used pursuant to an NIH grant-supported activity at the receiving institution.
 - (b) The receiving institution accepts title and responsibility for accountability and reporting in relation to the project period of the grant on which the equipment is to be used.
 - (c) Except in unusual circumstances, the receiving institution will pay the relocation costs from grant funds or institutional funds.
 - (d) The request is approved in advance by the Associate Director for Extramural Research and Training, NIH.
- (2) When a grantee institution determines that it has equipment in excess of its needs for which the accountability has not been previously waived by the NIH and for which there is need on an NIH grant-supported activity at another grantee institution, the NIH may be requested to approve transfer of the equipment (see 6 a. (1) above). Cost of transportation may be paid by either institution using either institutional funds or grant funds from the appropriate active grant. Transfer will be reported on NIH form 1754. The receiving institution must agree to accept title and responsibility for accountability for the equipment being transferred.

7. EFFECTIVE DATE This policy is effective on date of release.

References

- (1) DHEW Grants Administration Manual, Chapter 1-410, Management of Equipment and Supplies Acquired Under Project Grants.
- (2) DHEW Grants Administration Manual, Chapter 2-65, Research Cost Principles for Educational Institutions.
- (3) OMB Circular A-21, Principles for determining costs applicable to research and development under grants and contracts with educational institutions.
- (4) OMB Circular A-101, Standard policies and practices for administration of research projects at educational institutions in the United States.

CONTINUED SUPPORT OF A RESEARCH PROJECT WHEN THE PRINCIPAL INVESTIGATOR DEPARTS FROM THE GRANTEE INSTITUTION (NIH 5201)**POLICY**

1. PURPOSE This issuance states the policy for continued support of a research project previously approved by the NIH when the principal investigator departs from the grantee institution or leaves the project for any reason. It supersedes page 3, Guide No. 6.

2. APPLICABILITY This policy is applicable to NIH research project grants identified by number code prefixes R01, R02, and R22. Use of this procedure for other NIH grants may be requested on a case-by-case basis from the Associate Director for Extramural Research and Training, NIH.

3. BACKGROUND The policy statement on grants for research projects contained in PHS Publication No. 1301, July 1, 1967, stated that, when a principal investigator transferred from the institution awarded the grant to another institution, the previously approved project grant might be relocated at the new institution for a period of no more than one year in an amount not to exceed that recommended for the next continuation year. Alternatively, the new institution could make application for a new grant. On May 1, 1970, the policy was revised to permit the same investigator to be supported at the new institution for the remainder of the previously approved project period in an amount not to exceed that previously recommended for the remaining period provided that (1) the project was no longer supported at the original institution, (2) the new institution submitted a short form PHS-2590 for the support of the project, and (3) no significant changes in objectives or level of expenditures were contemplated. A complete new application (Form PHS-398) was required if any of the above conditions were not met. The policy contained in this issuance provides for extended support at the new institution and specifies the procedures for submission of applications and their review.

4. POLICY When the principal investigator of an NIH-supported research project expects to leave the grantee institution or the project for any reason (except for a temporary absence), the project may be continued with support from NIH under one of the following two options:

- a. The original grantee institution may request that the project be retained at the institution under the direction of another principal investigator to be approved by the NIH; OR
- b. The remainder of the project period may be supported at the new institution in behalf of the same investigator provided the first option is not used. In this case, the new institution must submit an application (Form PHS-398) for support of the project, with no significant change in research objectives or level of expenditures.

If neither option is proposed, support of the project will be terminated.

5. IMPLEMENTATION

- a. WHEN A PRINCIPAL INVESTIGATOR DEPARTS AND THE GRANTEE INSTITUTION REQUESTS CONTINUATION OF THE PROJECT UNDER THE DIRECTION OF ANOTHER PRINCIPAL INVESTIGATOR

When the principal investigator of an on-going project expects to leave the grantee institution or the project for any reason, the awarding unit should be notified at the earliest practicable time. The grantee institution may request that the project be continued at the institution

under the direction of another principal investigator for the remainder of the project period and at the level previously recommended. The request will be made in writing explaining the reason for the proposed change and should include a biographical sketch of the proposed new investigator. If the grant is to be continued, the individual proposed by the grantee institution as the new principal investigator must be found acceptable by the NIH awarding unit following review of his qualifications and reevaluation of the project in the light of the proposed change. National Advisory Council, Board, or Committee review is not required for such change of principal investigator.

b. WHEN A PRINCIPAL INVESTIGATOR DEPARTS FROM AN INSTITUTION WHEN THERE IS AN NIH APPROVED BUT NOT YET AWARDED OR ACTIVATED GRANT

When a principal investigator leaves an institution which has been recommended by Council or Board for a grant, but prior to the award or activation of the grant, the original applicant institution may request that the project be supported at that institution on behalf of another principal investigator. (See 5 a. above.) Alternatively, the project may, upon request, be supported at the new institution to which the principal investigator moves. This will require (a) formal withdrawal of the application from the original applicant institution, and (b) submission of an application (Form PHS-398) from the new institution. This application, if it proposes no significant change in the project or level of expenditure, may be acted upon administratively by the NIH awarding unit and does not require Council, Board, or Committee action.

c. WHEN THE PRINCIPAL INVESTIGATOR MOVES AND REQUESTS THAT THE PROJECT BE SUPPORTED AT ANOTHER INSTITUTION

When the principal investigator moves to an institution other than that which was awarded the grant, 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 and in an amount not to exceed that previously recommended for the remaining period. National Advisory Council, Board, or Committee review and recommendation is not required. Support may be continued at the new institution without competitive review provided that:

- (1) the project is no longer supported at the original institution;
- (2) the investigator plans no significant change in the research objectives and level of expenditures from those described in the previously approved project; and
- (3) the new institution submits an application for support of the project.

If the investigator wishes to depart from the previously recommended project, or if any other condition above is not met, the application will be reviewed as a new application and will compete for available funds along with other new applications.

For continued support at a new institution of a currently on-going research project, the following must be submitted:

(1) From the Original Grantee Institution

- (a) PHS-3734. Official Statement Relinquishing Interests and Rights in a PHS Research Grant. (See Illustration No. 1.)

A relocation application will not be processed until this form, signed by the proper institution official, has been received by the NIH awarding unit. The form provides for a statement of general intent concerning the transfer of items of equipment.

- (b) Following the termination of the grant, the original grantee institution will submit to the awarding unit:

- [1] A final Expenditure Report, Form HEW-489
- [2] A final Invention Statement, Form OS-489
- [3] Equipment Acquired with NIH Grant Funds - Accountability and Disposition, Form NIH-1754.

All equipment purchased in whole or in part from grant funds for which reporting is required and for which accountability has not previously been waived will be listed on Form NIH-1754. Equipment transferred to the new institution will be listed with disposition shown under "Other" with explanation under "Remarks" concerning the transfer.

NOTE: No terminal progress report will be required. The progress report required in the PHS-398 application from the new institution will serve in lieu of a final progress report for the project at the original institution and will be treated as restricted interim information.

(2) From the New Institution

- (a) Request for years of support previously approved

- [1] The new institution should submit a completed research grant application, Form PHS-398, with "CHANGE OF GRANTEE INSTITUTION" typed in capital letters across the top of the face page and budget page. This application should contain all the information requested in the instructions. (The comprehensive progress report will serve in lieu of a final progress report from the original institution and will be treated by the NIH as an interim report.) The application must include a description of the research plan, facilities at the new institution, probable effects of the move on the project, and biographical sketches of all professional personnel to be associated with the project.

[2] Include a list of all equipment to be transferred by the original grantee institution to the project which was purchased in whole or in part with grant funds, and which had an acquisition cost of \$1,000 or more. Such a listing in the application represents the new institution's acceptance of title and responsibility for accountability at the end of the newly established project period.

NOTE: This application will receive administrative review by the awarding unit as a Type 7 (change of institution) application.

(b) Request for additional years beyond those previously approved

If support is to be requested for additional years beyond those of the previously approved project period, a separate application face page and budget page for the additional years may be included with the Type 7 so that the same presentation (main body of the application) can be utilized for both the administrative review (above) and a competitive review for the additional years. The total number of years requested, however, may not exceed five. The face page and budget pages for the previously approved years [see (2) (a) above] should be attached to the extra copies of the application and will receive administrative review by the awarding unit. The face page and budget pages for additional years will be attached to the original copy of the application and will be assigned as a Type 2 (renewal application) to compete for additional funds.

(c) Emergency interim support to prevent a lapse in the project

If in the preliminary review of a Type 7 request it is found there is a significant change in the proposed project or level of expenditure, a new application for competitive review will be required for continued support. However, should this requirement for competitive review cause an undesirable interruption in continuity of research support, the NIH awarding unit may give administrative approval for the award of interim emergency support at the new institution while the Type 2 application is being reviewed. This may only be done (a) if there are remaining years in the previously approved project period, (b) at a pro-rated level no greater than that previously recommended, and (c) for only enough time to complete the competitive review and, if approved, make an award. In no case may the interim award be made for a period longer than 12 months.

d. CHANGES INVOLVING A FOREIGN INSTITUTION

Administrative approval may not be given for changes involving a foreign institution. Investigators transferring to, from, or between foreign institutions are required to submit a new application from the new institution. This application will be reviewed as any new application and will compete for available funds.

e. OTHER CHANGES IN LOCATION OR INSTITUTIONAL SPONSORSHIP

(1) Relocation in the Same University System

If moving a research project from one "campus" to another in the same university system results in a major geographic change (e.g., from Dallas to Galveston, or from Berkeley to San Diego), the move should be considered a change of institution and be subject to the procedures outlined in 5 c. above.

(2) Change of Institutional Sponsorship at Same Geographic Location

If there is a request for change of grantee institution on a project which does not, however, affect the geographic location, facilities, resources, or objectives of the project, this is still considered a change of institution and subject to the procedures outlined in 5 c. above.

EFFECTIVE DATE This policy is effective on date of release.

References

Code of Federal Regulations, Title 42-Public Health, Part 52.
NIH Guide for Grants and Contracts, No. 6, Page 3, April 26, 1971.

REQUEST FOR PROPOSALS

ANNOUNCEMENT

DEVELOPMENT AND FABRICATION OF THIRTY PORTABLE AUTOMATIC
ELECTROCARDIOGRAPH AND BLOOD PRESSURE APPARATUSES AND
FOR THREE CENTRAL DATA ANALYSIS SYSTEMS

1. The National Heart and Lung Institute is soliciting proposals for the referenced apparatuses and systems in connection with their research program leading to the reduction of death and disability from heart attack and sudden cardiac death.
2. RFP No. NHLI-72-18 is available upon request from the Myocardial Infarction Branch, National Heart and Lung Institute, Building 31, National Institutes of Health, Bethesda, Maryland 20014. Telephone requests for the RFP should be directed to Mr. J. Gardner, (301)--496-1081.
3. Proposals are due by February 22, 1972.