

February 17, 2012

NSF Notice of Intent to Limit Expenditure Period for Cooperative Agreements Funded under the American Recovery and Reinvestment Act (ARRA) to Ensure Project Completion by September 30, 2013

Dear Colleagues:

This notice applies to all NSF awardees with active cooperative agreements that have been supported in whole or in part with ARRA funds.

The purposes of this notice are to:

1. Notify awardee organizations, Principal Investigators (PIs), and co-PIs of the Foundation's implementation of the Office of Management and Budget (OMB) Memorandum [M-11-34](#), "*Accelerating Spending of Remaining Funds from the American Recovery and Reinvestment Act for Discretionary Grant Programs*". This memo specifically directs federal agencies to take steps to ensure that **awardees complete ARRA-funded projects by September 30, 2013**.
2. Inform awardees that NSF will not have the authority to approve the extension of any cooperative agreement supported solely by ARRA funds or to allow for any costs to be incurred on ARRA-funded activities of a cooperative agreement partially supported with ARRA funds beyond September 30, 2013, without a waiver from OMB. Agencies have been directed to request waivers sparingly. Any such waiver requests must be based on the criteria outlined in the [OMB memo](#) and will only be granted due to compelling legal, policy, or operational challenges.
3. Encourage awardees to **responsibly** accelerate expenditures for all active ARRA-funded activities in accordance with the cooperative agreement terms and conditions and consistent with institutional policies. Awardees are reminded that all expenditures must be allowable pursuant to applicable cost principles and that requested payments must be necessary to meet current needs.
4. Establish procedures for PIs/co-PIs with their authorized organizational representative's concurrence to request that NSF seek a waiver from OMB for any ARRA-funded activities or projects to continue beyond September 30, 2013. NSF will evaluate all requests to determine whether they will be included in the Foundation's waiver request package to be submitted to OMB.
5. Advise awardees that any cooperative agreement fully supported with ARRA funds and currently expiring after September 30, 2013, will be amended by NSF to change the expiration to not exceed this date unless a waiver from OMB is approved.
6. Advise awardees that any cooperative agreement partially supported with ARRA funds (i.e., ARRA funding provided through a supplement to an NSF-funded award) will be amended by NSF to limit the period in which costs can be incurred for ARRA-supported activities unless a waiver from OMB is approved.

I. **Process for Requesting NSF to Consider Submitting Waiver Request to OMB**

A. **Cooperative Agreement Expires on or before September 30, 2013:**

If it is anticipated that it will be vital for the completion of any ARRA-supported project or activity beyond September 30, 2013, **awardees must contact the cognizant NSF Program Officer in writing by March 9, 2012**, to request that a waiver be sought by NSF to allow the award to be extended. The request must be consistent with the [OMB memo](#) and include a compelling, defensible rationale based on one or more of the following criteria:

- The project is long-term by design and acceleration would compromise core programmatic goals;
- The project must undergo complex environmental review that cannot be completed within this timeframe;
- Contractual commitments between the awardee and vendors/subrecipients legally prevent adjusting the timeline for spending; and/or
- Special circumstances exist where acceleration may cause unnecessary harm or unreasonable risk to vertebrate animals or human subjects involved in the research.

If the cooperative agreement is split-funded with NSF and ARRA funds, a request should only be submitted to NSF if the ARRA-supported activities will have to extend beyond September 30, 2013. Extensions for activities supported with NSF (non-ARRA) funds fall under the existing terms and conditions of the award and will not require an OMB waiver.

B. **Cooperative Agreement Expires after September 30, 2013:**

Awardees must contact the cognizant NSF Program Officer in writing by March 9, 2012, with either a plan to accelerate completion of ARRA-funded activities by September 30, 2013, or to request that a waiver be sought by NSF to allow the award to continue past this date. If the cooperative agreement is split-funded with NSF and ARRA funds, a request to seek a waiver should only be submitted to NSF if the ARRA-supported activities will have to extend beyond September 30, 2013. Otherwise, an explanation to accelerate ARRA-funded activities by this date is needed.

All requests to seek a waiver must be consistent with the [OMB memo](#) and include a compelling, defensible rationale based on one or more of the criteria listed above.

II. **Potential Amendment to Limit Award Expiration or Period of Incurred Costs for ARRA-supported Projects and Activities**

A. **Cooperative Agreements Fully Funded by ARRA**

If a waiver to continue work beyond September 30, 2013, is not requested by NSF or granted by OMB, then the cooperative agreement expiration date will be modified, if

appropriate, to ensure that no costs can be incurred beyond September 30, 2013. If the cooperative agreement currently expires before this date, the awardee may only request an extension up to and not exceeding this date in accordance with the general financial and administrative terms and conditions of the award – i.e., submit the request through FastLane. NSF will not recognize any extensions beyond September 30, 2013, without an OMB-approved waiver.

B. Cooperative Agreements Partially Funded by ARRA (split-funded by NSF)

If a waiver to continue ARRA-funded activities beyond September 30, 2013, is not requested by NSF or granted by OMB, then the cooperative agreement will be amended to incorporate a special award condition to prohibit use of ARRA funds for any costs incurred after September 30, 2013. Only the NSF (non-ARRA) funded tasks and activities may be continued beyond this date in accordance with the general financial and administrative terms and conditions of the award.

III. Implementation Plan

Due to the potential volume of awards to be considered, awardee requests to seek a waiver are to be submitted by March 9, 2012. NSF will review the requests and determine what awards will be included in the Foundation's waiver package. The OMB directive for acceleration instructs the head of the agency to submit any waiver requests for review and approval by OMB by no later than September 30, 2012. NSF plans to submit its waiver package in June, however, OMB has provided no information on when responses to waiver requests will be issued.

Cooperative agreements not included in the Foundation's waiver request to OMB will be amended as outlined above. Upon receiving a decision by OMB on NSF's waiver requests, awardees will be notified accordingly. In the interim, awardees are encouraged to periodically check NSF's Recovery Act website at <http://www.nsf.gov/recovery/> for answers to Frequently Asked Questions and related notices.

For general inquires regarding this notice, please contact:

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