

February 2005

**U. S. ARMY RESEARCH OFFICE  
GENERAL TERMS AND CONDITIONS  
FOR GRANT AWARDS TO EDUCATIONAL  
INSTITUTIONS AND OTHER NONPROFIT ORGANIZATIONS**

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**1. Acceptance of Grant.** The recipient is not required to countersign the grant document; however, the recipient agrees to the conditions specified in the Research Grant and the Articles contained herein unless notice of disagreement is furnished to the Grants Officer within fifteen (15) calendar days after the date of the Grants Officer's signature. In case of disagreement, the recipient shall not assess the grant any costs of the research unless and until such disagreement(s) is resolved.

**2. Recipient Responsibility.**

- a. The recipient will bear primary responsibility for the conduct of the research and will exercise judgment towards attaining the stated research objectives within the limits of the grant's terms and conditions.
- b. The principal investigator(s) specified in the grant award will be continuously responsible for the conduct of the research project and will be closely involved with the research effort. The principal investigator, operating within the policies of the recipient, is in the best position to determine the means by which the research may be conducted most effectively.
- c. The recipient is the responsible authority, without recourse to the ARO regarding the settlement and satisfaction of all contractual and administrative issues arising out of procurements entered into in support of an award or other agreement.
- d. Recipients are responsible for monitoring each project, program, sub award, function or activity supporting the award. Recipients shall monitor sub awards to

ensure sub recipients have met the audit requirements as delineated in DODGARs §32.26.

**3. Order of Precedence.** The terms and conditions specified in the Research Grant shall take precedence over these General Terms and Conditions in resolving any inconsistencies or conflicts.

**4. Administration and Cost Principles.** The following documents and attachments thereto, effective the earlier of (i) the start date of this grant or (ii) the date on which the recipient incurs costs to be assessed the grant, are incorporated by reference as part of this grant:

- a. 2 CFR Part 215 "Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals, and Other Nonprofit Organizations."
- b. OMB Circular A-21, "Cost Principles for Educational Institutions."
- c. OMB Circular A-122, "Cost Principles for Nonprofit Organizations."
- d. OMB Circular A-133, "Audits of States, Local Governments, and Nonprofit Organizations."
- e. DOD 3210.6-R, "DoD Grant and Agreement Regulations (DODGARs)."

Note: For those nonprofit organizations specifically exempted from the provisions of OMB Circular A-122, Subpart 31.2 of the Federal Acquisition Regulation (FAR) (48 CFR Subpart 31.2) shall apply.

The above OMB documents may be obtained from:

Executive Office of the President, telephone: (202) 395-3080 or 7250

Office of Management and Budget  
725 17th Street, N.W.  
Washington, DC 20503

Or <http://www.whitehouse.gov/omb/circulars>

The DODGARs may be obtained from:

<http://www.dtic.mil/whs/directives/corres/html/32106r.htm>

**5. Standards for Financial Management Systems:**

a. Recipient's financial management systems shall provide for the following:

1. Accurate, current and complete disclosure of the financial results of each federally-sponsored project or program in accordance with the reporting requirements set forth in DODGARs §32.52.
2. Records that identify adequately the source and application of funds for federally sponsored activities. These records shall contain information pertaining to Federal awards, authorizations, obligations, unobligated balances, assets, outlays, income and interest.
3. Effective control over and accountability for all funds, property and other assets. Recipients shall adequately safeguard all such assets and assure they are used solely for authorized purposes.
4. Comparison of outlays with budget amounts for each award.
5. Written procedures to minimize the time elapsing between the transfer of funds to the recipient from the U.S. Treasury and the issuance or redemption of checks, warrants or payments by other means for program purposes by the recipient.
6. Written procedures for determining the reasonableness, allocability and allowability of costs in accordance with the provisions of the applicable Federal cost principles (see DODGARs §32.27) and the terms and conditions of the award.
7. Accounting records including cost accounting records that are supported by source documentation.

b. Where the Federal Government guarantees or insures the repayment of money borrowed by the recipient, the ARO, at its discretion, may require adequate bonding and insurance if the bonding and insurance requirements of the recipient are not deemed adequate to protect the interest of the Federal Government.

c. The ARO may require adequate fidelity bond coverage where the recipient lacks sufficient coverage to protect the Federal Government's interest.

d. Where bonds are required in the situations described above, the bonds shall be obtained from companies holding certificates of authority as acceptable sureties, as prescribed in 31 CFR part 223, "Surety Companies Doing Business with the United States."

**6. Amendment of the Grant.** The only method by which this grant may be amended is by a formal, written amendment signed by the Grants Officer. No other communications, whether oral or in writing, are valid.

**7. Waivers of OMB Circular Prior Approvals and Other Authorizations.**

a. All prior approvals required by OMB Circular A-21 and A-110 are waived except for the following:

1. Change in the scope or objectives of the research project, the methodology or experiment when such is stated in the grant as a specific objective.
2. Any request for additional funding.
3. Expenditures for equipment costing \$5,000 or more not specifically identified in the budget incorporated as part of the grant.
4. Expenditures for foreign travel not specifically identified in the budget incorporated as part of the grant.
5. A change in principal investigator or project director (PI/PD).
6. The continuation of the research work during the absence for more than three (3) months, or a twenty-five (25) percent reduction in time devoted to the project, by the approved PI/PD.
7. Unless described in the application and funded in the approved awards, the sub award, transfer or contracting out of any work under an award. This provision does not apply to the purchase of supplies, material, equipment or general support services.

b. Prior approval is not required to transfer amounts budgeted for indirect costs to absorb increases in direct costs, or vice versa.

c. Prior approval must be requested to initiate a one-time, no-cost extension.

**8. Preaward Costs.** The recipient may incur Preaward costs in accordance with the DODGARs §32.25(d)(2)(i). Incurring pre-award costs more than 90 calendar days prior to award requires the prior approval of the ARO.

**9. Unobligated Balances.** In the absence of any specific notice to the contrary, the recipient is authorized to carry forward unobligated balances to subsequent

funding periods of this grant agreement in accordance with DODGARs §32.25(d)(2)(ii).

**10. Approval of Change in Performance Period.** Extensions of performance periods must be based on a request in writing to the Grants Officer and must be received at least thirty (30) calendar days prior to the end of the current performance period.

**11. Payments.**

a. Payments to the recipient shall be by the use of a predetermined schedule of payments or reimbursement.

b. Recipients not receiving predetermined scheduled payments shall submit requests for payment using the SF 270, Request for Advance or Reimbursement, no more frequently than monthly. The request shall be submitted to the Office of Naval Research identified in the Research Grant.

c. Payments will be made by the following Government payment office unless specified in the special terms and conditions article of the Research Grant.

Defense Finance and Accounting Service (1-888-332-7742)  
Rock Island Operating Location  
Building 68  
DFAS-RI-FPV  
Rock Island, IL 61299-8301

d. Information regarding submission of payment vouchers via the Department of Defense Wide Area Work Flow system will be specified in the special terms and conditions article of the Research Grant.

**12. Funding Increments and/or Options.** The recipient is advised that the grantor's obligation to provide funding for increments and/or options included in the grant is contingent upon satisfactory performance and the availability of funds. Accordingly, no legal liability on the part of the grantor exists unless or until funds are made available to the grantor and notice of such availability is confirmed in writing to the recipient. Performance of the research must be deemed satisfactory in the judgment of the ARO Scientific Officer/Technical Monitor.

**13. Cost Sharing.** Unless specified otherwise in the Special Terms and Conditions paragraph of the Research Grant, cost sharing, if any, is included in accordance with 2 CFR Part 215, and DODGARs §32.23.

**14. Allowable Costs.**

- a. The allowability of costs incurred by non-profit organizations that may be recipients or sub recipients of awards subject to this part, or contractors under such awards, is determined in accordance with the provisions of OMB Circular A-122, "Cost Principles for Non-Profit Organizations."
- b. The allowability of costs incurred by institutions of higher education that may be recipients, sub recipients, or contractors is determined in accordance with the provisions of OMB Circular A-21, "Cost Principles for Educational Institutions."
- c. Where a funding period is specified, a recipient may charge to the award only allowable costs resulting from obligations incurred during the funding period and any pre-award costs authorized by ARO.

**15. Program Income.**

- a. All program income earned during the project period (except proceeds from the sale of real and personal property and license fees and royalties received as a result of copyrights or patents produced under the grant) shall be retained by the recipient and, deducted from the total project's allowable costs in determining the net allowable costs on which the Federal share of costs will be based.
- b. Unless program regulations or the terms and conditions of the award provide otherwise, recipients shall have no obligation to the Federal Government regarding program income earned after the end of the project period.
- c. Costs incident to the generation of program income may be deducted from gross income to determine program income, provided these costs have not been charged to the award. (See DODGARs §32.24).

**16. Interest Earned.** Interest earned will be subject to guidelines as specified in DODGARs §32.22

**17. Debt Collection.** The establishment of debts owed by recipients of grants and transferring them to payment offices for collection shall be dealt with in accordance with DODGARs §22.820.

**18. Audits.** Recipients are to periodically have independent, financial and compliance audits subject to DODGARs §32.26.

**19. Subawards.** Recipients shall flow down requirements to subawards in accordance with DODGARs §32.5.

**20. Procurement Standards.** Recipients shall comply with the standards set forth in DODGARs §32.40 through .49 and applicable Federal statutes and Executive Orders when expending Federal funds for supplies, equipment, real property, and expendable property. Upon request, recipients shall make available for the ARO's pre-award review, procurement documents such as requests for proposals or invitations for bids, independent cost estimates, etc. in accordance with DODGARs §32.44 (e).

**21. Title to Expendable and Nonexpendable Property.** Unless specified otherwise in the Special Terms and Conditions paragraph of the Research Grant, title to all expendable and nonexpendable tangible personal property purchased with grant funds shall be vested in the recipient after acquisition without further obligation to the government to enhance the university infrastructure for future performance of defense research and related, science and engineering education. The ARO shall not reserve the right to transfer title. Such property is considered exempt property and subject to the conditions established in 2 CFR 215 and the DODGARs §32.33. Recipients are to manage property in accordance with DODGARs §32.30 through 32.37.

**22. Patent Rights.** The clause, "Rights to Inventions Made by Nonprofit Organizations and Small Business Firms Under Government Grants, Contracts and Cooperative Agreements," (37 CFR Part 401), is incorporated as part of the grant by reference. Invention reports shall be filed at least annually and at the end of the grant's performance period. Annual reports are due sixty (60) days after the anniversary date of the grant and final reports are due ninety (90) days after the expiration of the final research period. The recipient shall use DD Form 882, Report of Inventions and Subcontracts, to file the invention reports. Negative reports are required. The grant shall not be closed out until all invention reporting requirements are met.

**23. Rights in Technical Data and Computer Software.** Rights in technical data and computer software under this grant shall be as described in the DODGARs §32.36.

**24. Publication and Acknowledgment.** Publication, acknowledgement and disclosure of federal funding under this grant shall be as described in the DODGARs §32.36.

**25. Technical Reporting Requirements.** For detailed technical reporting requirements and instructions, see ARO Form 18, "Reporting Instructions," found on ARO's website at <http://www.aro.army.mil>

**26. Financial Reporting Requirements.**

- a. The following financial reports are required for recipients receiving funds through a predetermined payment schedule:



1. Report of Federal Cash Transaction (SF 272) (Quarterly): Due within 15 working days following the end of each quarter.

2. Financial Status Report (SF 269) (Final): Due at completion of grant.

b. The following financial reports are required for recipients receiving funds by reimbursement:

1. Report of Federal Cash Transaction (SF 272): Due annually.

2. Financial Status Report (SF 269) (Final): Due at completion of grant.

c. All reports shall be submitted to the Office of Naval Research Office identified in the Research Grant.

d. Copies of these forms may be found on the internet at

<http://www.whitehouse.gov/omb/grants/sf269.pdf>

<http://www.whitehouse.gov/omb/grants/sf269a.pdf>

<http://www.whitehouse.gov/omb/grants/sf272.pdf>

<http://www.whitehouse.gov/omb/grants/sf272a.pdf>

**27. After-the-Award Requirements.** Closeout, subsequent adjustments, continuing responsibilities, and collection of amounts due are subject to requirements found in DODGARs §32.71 through 73.

**28. Foreign Travel Reporting Requirement.** Within thirty (30) days after returning to the United States from foreign travel, the Principal Investigator shall submit an acceptable trip report to the Grants Officer summarizing the highlights of the trip. Reimbursement for travel is contingent upon receipt of an acceptable trip report. If the trip report is not received by the required date, reimbursement will not be authorized.

**29. Delegation of Administration Duties.** Certain grant administration duties have been delegated to the Office of Naval Research (ONR) identified in the Research Grant. These duties are as follows:

a. Provisionally approve all Requests for Advance or Reimbursement (SF 270).

b. Perform all property administration services except the approval of recipient's requests to purchase equipment with grant funds. Such approvals must be granted by the ARO Grants Officer.

c. Perform all plant clearance functions.

d. Approve requests for Registration of Scientific and Technical Information Services (DD Form 1540).

e. Obtain the interim (if required) and final financial report(s).

f. Obtain the interim patent report(s).

g. Execute administrative closeout procedures, which includes the following:

1. Obtain the final Report of Inventions and Subcontracts (DD Form 882).

2. Obtain final payment request, if any.

3. Obtain final property report and dispose of purchased property and government furnished equipment (GFE) in accordance with the DODGARs Part 22, Subpart G.

4. Perform a review of final incurred costs and assist the Grants Officer in resolving exceptions, if any, resulting from questioned costs.

5. Assure that all refunds due the Government are received by the grantor.

NOTE: This term and condition is **not applicable** to instrumentation and equipment grant awards.

**30. Claims, Disputes and Appeals.** Claims, disputes, and appeals shall be processed in accordance with the procedures in DODGARs §22.815.

**31. Debarment and Suspension.** The ARO and grant recipients shall comply with DODGARs Part 25 which restricts sub awards and contracts with certain parties that are debarred, suspended or otherwise excluded from or ineligible for participation in Federal assistance programs or activities.

**32. Termination and Enforcement.** Recipients shall be subject to the termination and enforcement conditions found in DODGARs §32.61 and §32.62.

**33. Security.** As a general rule, principal investigators will not need access to classified security information in the conduct of research supported under this grant. Should it appear that access to such information is desirable, the recipient shall advise the grantor and request clearance for the investigator. Should information be developed under the course of work under this grant that, in the judgment of the principal investigator or the recipient, should be classified, the Grants Officer shall be notified immediately.

**34. Representations and Assurances.** By accepting funds under this grant, the recipient assures that it will comply with applicable provisions of the following national policies:

a. National policies prohibiting discrimination:

1. On the basis of race, color, or national origin, in Title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d, et seq.), as implemented by DoD regulations at 32 CFR Part 195.
2. On the basis of sex or blindness, in Title IX of the Education Amendments of 1972 (20 U.S.C. 1681, et seq.).
3. On the basis of age, in the Age Discrimination Act of 1975 (42 U.S.C. 6101, et seq.), as implemented by Department of Health and Human Services regulations at 45 CFR Part 90.
4. On the basis of handicap, in: Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794), as implemented by Department of Justice regulations at 28 CFR Part 41 and DOD regulations at 32 CFR Part 56 and the Architectural Barriers Act of 1968 (42 U.S.C. 4151, et seq.).

b. Environmental Standards:

1. Comply with applicable provisions of the Clean Air Act (42 U.S.C. 7401, et seq.) and Clean Water Act (33 U.S.C. 1251 et seq.), as implemented by Executive Order 11738 [3 CFR, 1971-1975 Comp., p. 799] and Environmental Protection Agency (EPA) rules at 40 CFR Part 15. In accordance with the EPA rules, the recipient further agrees that it will:
  - (a) Not use any facility on the EPA's List of Violating Facilities in performing any award that is nonexempt under 40 CFR 15.5, as long as the facility remains on the list.

(b) Notify the awarding agency if it intends to use a facility that is on the List or has been recommended for placement on the List of Violating Facilities.

2. Identify to the awarding agency any impact this award may have on:

(a). The quality of the human environment, and provide help the agency may need to comply with the National Environmental Policy Act (NEPA, at 42 U.S.C. 4321, et seq.) and to prepare Environmental Impact Statements or other required environmental documentation. In such cases, the recipient agrees to take no action that will have an adverse environmental impact (e.g., physical disturbance of a site such as breaking of ground) until the agency provides written notification of compliance with the environmental impact analysis process.

(b) Coastal zones, and provide help the agency may need to comply with the Coastal Zone Management Act of 1972 (16 U.S.C. 1451, et seq.), concerning protection of U.S. coastal resources.

(c) Coastal barriers, and provide help the agency may need to comply with the Coastal Barriers Resources Act (16 U.S.C. 3501 et seq.), concerning preservation of barrier resources.

(d) Any existing or proposed component of the National Wild and Scenic Rivers system, and provide help the agency may need to comply with the wild and Scenic Rivers Act of 1968 (16 U.S.C. 1271, et seq.).

c. Live Organisms:

1. For human subjects, the Common Federal Policy for the Protection of Human Subjects, codified by the Department of Health and Human Services at 45 CFR part 46 and implemented by the Department of Defense at 32 CFR part 219.

2. For animals:

(a) Rules on animal acquisition, transport, care, handling, and use in: (i) 9 CFR parts 1-4, Department of Agriculture rules that implement the Laboratory Animal Welfare Act of 1966 (7 U.S.C. 2131-2156); and (ii)

the "Guide for the Care and Use of Laboratory Animals," National Institutes of Health Publication No. 86-23.

(b). Rules of the Departments of Interior (50 CFR parts 10-24) and Commerce (50 CFR parts 217-227) implementing laws and conventions on the taking, possession, transport, purchase, sale, export, or import of wildlife and plants, including the: Endangered Species Act of 1973 (16 U.S.C. 1531-1543); Marine Mammal Protection Act (16 U.S.C. 1361-1384); Lacey Act (18 U.S.C. 42); and Convention on International Trade in Endangered Species of Wild Fauna and Flora.

**35. Prohibition on Use of Human Subjects.** Notwithstanding any other provisions contained in this grant or incorporated by reference herein, the recipient is expressly forbidden to use or subcontract or subgrant for the use of human subjects in any manner whatsoever without the express written approval from the Grants Officer.

**36. Prohibition on Use of Laboratory Animals.** Notwithstanding any other provisions contained in this grant or incorporated by reference herein, the recipient is expressly forbidden to use or subcontract or subgrant for the use of laboratory animals in any manner whatsoever without the express written approval of the Grants Officer.

**37. 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," July 5, 1994 (59 FR34496) amended August 5, 1994 (59 FR40170) amended April 27, 1995 (60 FR 20726), or such later revision of those guidelines as may be published in the Federal Register.

**38. Officials Not to Benefit.** No member of or delegate to Congress, or resident commissioner, shall be admitted to any share or part of this agreement, or to any benefit arising from it, in accordance with 41 U.S.C. 22.

**39. Retention and Access to Records.** Retention and access to records pertinent to this award are subject to the requirements of DODGARs §32.53.

**40. Certifications.** By accepting funds under this agreement, the recipient acknowledges the following:

- a. 32 CFR Part 25 regarding debarment, suspension, and other responsibility matters.
- b. 32 CFR Part 26 regarding drug-free workplace requirements.

c. Certification at appendix A to 32 CFR Part 28 regarding lobbying.

**41. Data Collection.** Data collection activities, if any, performed under this grant are the responsibility of the recipient. Awarding agency support of the project does not constitute approval of the 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. However, this requirement is not intended to preclude mention of the awarding agency support of the project in response to an inquiry or acknowledgment of such support in any publication of this data.

**42. Site Visits.** The grantor, 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. The recipient shall provide, and shall require its sub recipients and subcontractors to provide all reasonable facilities and assistance for the safety and convenience of the government representatives in the performance of site visits. All site visits and evaluations shall be performed in a manner that does not unduly interfere with or delay the work.

**43. International Air Travel.** Travel supported by U.S. Government funds under this agreement shall use U.S.-flag air carriers (air carriers holding certificates under 49 U.S.C. 41102) for international air transportation of people and property to the extent that such service is available, in accordance with the International Air Transportation Fair Competitive Practices Act of 1974 (49 U.S.C. 40118) and the interpretative guidelines issued by the Comptroller General of the United States in the March 31, 1981, amendment to Comptroller General Decision B138942.

**44. Cargo Preference.** The recipient agrees that it will comply with the Cargo Preference Act of 1954 (46 U.S.C. 1241), as implemented by Department of Transportation regulations at 46 CFR 381.7, which requires that at least 50 percent of equipment, materials or commodities procured or otherwise obtained with U.S. Government funds under this agreement, and which may be transported by ocean vessel, shall be transported on privately owned U.S.-flag commercial vessels, if available.

**45. Military Recruiting on Campus.** Military recruiting on campus under this award shall be as specified in the DODGARs §22.520, Military Recruiting and Reserve Officer Training Corps Program Access to Institutions of Higher Education, which is incorporated by reference.