

**GENERAL TERMS AND CONDITIONS
FOR GRANT AWARDS TO
FOR-PROFIT ORGANIZATIONS**

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1. 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.

2. Order of Precedence. Any inconsistency or conflict in the terms or conditions specified in this grant shall be resolved according to the following order of precedence:

- a. The DoD Grant and Agreement Regulations (DoD 3210.6-R) and references contained therein.
- b. The Research Grant
- c. These General Terms and Conditions for Grant Awards To For-Profit Organizations.

3. 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. DOD 3210.6-R, "DOD Grant and Agreement Regulations (DODGARs)." (may be accessed electronically at <http://www.dtic.mil/whs/directives/>)
- b. Subpart 31.2 of the Federal Acquisition Regulation (FAR) (48 CFR Subpart 31 and 231). (may be accessed electronically at <http://web2.deskbook.osd.mil>)

4. 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.

5. Revision of Budget and Program Plans. The recipient shall immediately request, in writing, prior approval from the Grants Officer when there is reason to believe that within the next seven calendar days a programmatic or budgetary revision will be necessary for certain reasons, as follows:

- a. Change in the scope or objective of the research project, the methodology or experiment when such is stated in the grant as a specific objective, or the phenomenon or phenomena under study (even if there is no associated budget revision requiring prior written approval).

- b. Need for additional Federal funding.

- c. The continuation of the research work during the absence for more than three months, or a 25 percent reduction in time devoted to the project, by the approved principal investigator (PI) or project director (PD).

- d. Award of a subcontract or subgrant to accomplish substantial programmatic work required in the agreement to be performed by the prime recipient unless the subaward is identified in the approved budget incorporated as part of the grant, exclusive of supplies, material, or general support services.

- e. Expenditures for equipment not specifically identified in the budget incorporated as part of the grant.

- f. Expenditures for foreign travel not specifically identified in the budget incorporated as part of the grant.

- g. A change in principal investigator or project director (PI/PD).

- h. No-cost extension of the performance period. A request to extend the performance period shall be received at least thirty (30) calendar days prior to the end of the current performance period.

- i. Transfer of funds among direct categories, functions and activities for awards in which the Federal share of the project exceeds \$100,000 and the cumulative amount of such transfers exceeds or is expected to exceed 10 percent of the total last approved budget.

- j. Inclusion of pre-award costs. All such costs are incurred at the recipient's risk. The incurring of preaward costs by the recipient does not impose any obligation on the ARO (i) in the absence of appropriations, (ii) if an award is not subsequently made, or (iii) if an award is made for a less amount than the recipient expected.

6. 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.

7. Payments.

- a. Payments to the recipient shall be made on a reimbursement basis.

- b. Recipients 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 Defense Contract Management Agency specified in block 6 of the Standard Form 26 (Page 1 of the grant document).

c. Payments will be made by the Government payment office specified in block 12 of the Standard Form 26 (Page 1 of the grant document).

8. Publications and Acknowledgment of Sponsorship.

a. Publication of results of the research project in appropriate professional journal is encouraged as an important method of recording and reporting scientific information. One copy of each manuscript submitted for publication shall be forwarded to the Army Research Office at the same time it is submitted to the journal in accordance with the reporting instructions in ARO Form 18 (See Article 9). As reprints become available, copies shall be submitted to the Army Research Office in accordance with the reporting instructions in ARO Form 18 (See Article 9).

b. The recipient agrees that in the release of information relating to the grant, such release shall include the following statement, "The project or effort depicted was or is sponsored by the Department of the Army, U.S. Army Research Office. The content of the information does not necessarily reflect the position or the policy of the federal government, and no official endorsement should be inferred." For purposes of this provision, information includes news releases, articles, manuscripts, brochures, advertisements, still and motion pictures, speeches, trade association proceedings, symposia, etc.

c. When issuing statements, press releases, requests for proposals, bid solicitations, and other documents describing projects or programs funded in whole or in part with federal money, all recipients receiving federal funds, shall clearly state: (i) the percentage of total costs of the program or project which will be financed with federal money and (ii) the dollar amount of federal funds for the project or program.

9. Technical Reporting Requirements. For detailed technical reporting requirements and instructions, see ARO Form 18, "Reporting Instructions," located at <http://www.aro.army.mil> under "For the Researcher."

10. Financial Reporting Requirements.

a. The following financial reports are required:

- (1) Report of Federal Cash Transaction (SF 272): Due annually.
- (2) Financial Status Report (SF 269) (Final): Due at completion of grant.

b. All reports shall be submitted to the Defense Contract Management Agency specified in block 6 of the Standard Form 26 (Page 1 of the grant document). Copies of these forms may be found on the Internet at <http://www.gsa.gov/forms/forms.htm>.

11. Foreign Travel Reporting Requirement. Within thirty (30) days after returning to the United States from foreign travel, the Principal Investigator or other authorized traveler shall submit a 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.

12. Delegation of Administration Duties. Certain grant administration duties have been delegated to the Defense Contract Management Agency (DCMA) 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 close-out procedures, which includes the following:

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

- (2) Obtain final payment request.

- (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 Grants Officer.

13. 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 on 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 and performance of the research is deemed satisfactory in the judgment of the ARO Grants Officer's Representative/Technical Monitor.

14. Cost Sharing. Unless specified otherwise in the grant, cost sharing, if any, is included in accordance with DODGARs §34.13.

15. Title to Real Property and Equipment. Unless specified otherwise in the grant, title to real property and equipment purchased in whole or in part with Federal funds shall vest in the recipient upon acquisition subject to the conditions that the recipient (1) use the real property or equipment for the authorized purposes of the project until funding for the project ceases, or until the property is no longer needed for the purposes of the project; (2) not encumber the property without approval of the grants officer; and (3) use and dispose of the property in accordance with paragraphs (d) and (e) of DODGARs §34.21.

16. Program Income. All program income earned during the project period (except proceeds from license fees and royalties received as a result of copyrights or patents produced under the grant) shall be deducted from the total project's allowable costs in determining the net allowable costs on which the Federal share of costs will be based (see DODGARs §34.14).

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

18. Patent Rights.

- a. For small business concerns, 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 in the grant by reference.

- b. For-profit organizations other than small business concerns shall comply with 35 U.S.C. 210(c) and Executive Order 12591 (3 CFR, 1987 Comp., p. 220), which codifies a Presidential Memorandum on Government Patent Policy, dated February 18, 1983 (see DODGARs §34.25(a))

- c. 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.

19. Rights in Technical Data and Computer Software. Rights in technical data and computer software under this grant shall be as described in the DODGARs §34.25(b). ARO does not waive any rights set forth in DODGARs §34.25(b)(2).

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

21. Debarment and Suspension. Recipients shall comply with the nonprocurement debarment and suspension common rule at 32 CFR part 25.

22. Termination and Enforcement. Recipients shall be subject to the termination and enforcement conditions found in DODGARs §34.51 and §34.52.

23. 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.

24. Foreign Access to Technology. Any transfer of technology developed under this grant must be consistent with the U.S. export laws, regulations and policies [e.g., the International Traffic in Arms Regulation (22 CFR parts 120 through 130), the DoD Industrial Security Regulation (DoD 5220.22-R), and the Department of Commerce Export Regulation (15 CFR parts 730 through 774)], as applicable.

25. Representations and Assurances.

a. By accepting funds under this grant, the recipient assures that it will comply with applicable provisions of the following 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.), as implemented by DoD regulations at 32 CFR part 196.

(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.

b. The recipient further assures that it will:

(1) Comply with the requirements regarding debarment and suspension in Subpart C of 32 CFR part 25, which implements E.O. 12549 [3 CFR, 1986 Comp., p. 189]; E.O. 12689 [3 CFR, 1989 Comp., p. 235]; and Sec. 2455 of Federal Acquisition and Streamlining Act of 1994 (Pub. L. 103-355). The recipient also agrees to communicate the requirement to comply with Subpart C to persons at the next lower tier with whom the recipient enters into transactions that are “covered transactions” under Subpart B of 32 CFR part 25.

(2) 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 in performing this award that is on the List of Violating Facilities or that the recipient knows has been recommended to be placed on the List of Violating Facilities.

(3) 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.).

(e) Underground sources of drinking water in areas that have an aquifer that is the sole or principal drinking water source, and provide help the agency may need to comply with the Safe Drinking Water Act (42 U.S.C. 300h-3).

(4) Comply with the requirements regarding drug-free workplace requirements in Subpart B of 32 CFR part 26, which implements sec. 5151-5160 of the Drug-Free Workplace Act of 1988 (Pub. L. 100-690, Title V, Subtitle D; 41 U.S.C. 701, et seq.).

26. 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.

27. Retention and Access to Records. Retention and access to records pertinent to this award are subject to the requirements of DODGARs §34.42.

28. Certification. By signing and submitting the proposal that resulted in the award of this grant, the recipient is providing the certification at Appendix A to 32 CFR Part 28 regarding lobbying.

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," April 2002. The guidelines may be accessed electronically at <http://www4.od.nih.gov/oba/rac/guidelines/guidelines.html>.

30. Prohibition on Use of Human Subjects. Unless otherwise provided for in this grant, the recipient is expressly forbidden to use or subcontract or subgrant for the use of human subjects in any manner whatsoever.

31. Prohibition on Use of Laboratory Animals. Unless otherwise provided for in this grant, the recipient is expressly forbidden to use or subcontract or subgrant for the use of laboratory animals in any manner whatsoever.

32. 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.

33. 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. If any site visit is made by the grantor on the premises of the recipient, a subrecipient, or subcontractor, the recipient shall provide, and shall require its subrecipients and subcontractors 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 evaluations shall be performed in such a manner that will not unduly interfere with or delay the work.

34. Preference for U.S.-Flag Air Carriers. 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.

35. Audits. Recipients are to periodically have independent, financial and compliance audits subject to DODGARs §34.16.

36. Allowable Costs. Allowability of costs is in accordance with DODGARs §34.17.

37. Fee and Profit. This agreement does not provide for the payment of fee or profit to the recipient.

38. Procurement Standards. Recipients shall comply with the standards set forth in DODGARs §34.30 and §34.31 and applicable Federal statutes and Executive Orders when expending Federal funds for supplies, equipment, and real property.

39. Subawards. Recipients shall flow down requirements to subawards in accordance with DODGARs §34.1(b)(2).

40. After-the-Award Requirements. Closeout, subsequent adjustments, continuing responsibilities, and collection of amounts due are subject to requirements found in DODGARs §34.61-§34.63.

41. 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.

42. Contract Provisions. All contracts awarded by a recipient, including those for amounts less than the simplified acquisition threshold, shall contain the provisions described at Appendix A to Part 34 of the DODGARs, as applicable.