

**OFFICE OF NAVAL RESEARCH
FOREIGN EDUCATIONAL AND NONPROFIT INSTITUTIONS
RESEARCH GRANT TERMS AND CONDITIONS
(FEBRUARY 2011)**

Office of Naval Research Home Page www.onr.navy.mil
Forms <http://www.onr.navy.mil/02/024/forms>
Administering Grant Offices <http://www.onr.navy.mil/02/024/offices.htm>
Office of Management and Budget: Open Government Directive
<http://www.whitehouse.gov/omb/open>

ARTICLES

1. Allowable Costs
2. Research Responsibility
3. Modification of Grant
4. Prior Approvals
5. Preaward Costs
6. Unexpended Balance
7. Payments
8. Overpayment and Earned Interest
9. Future Funding
10. Option to Renew
11. Performance Results
12. Financial Records and Reports
13. Copyrights
14. Publications and Acknowledgment of Sponsorship
15. Patent Rights
16. Grantee-Acquired Property
17. Officials Not to Benefit
18. New Restrictions on Lobbying
19. Live Organisms
20. Research Involving Recombinant DNA Molecules
21. Environmental Standards
22. Nondiscrimination
23. Activities Abroad
24. Cargo Preference
25. Preference for U. S. Flag Air Carriers
26. Rights in Technical Data and Computer Software
27. Identification of Technical Data
28. Drug Free Workplace
29. Trafficking in Persons
30. Reporting Requirements for Subaward and Executive Compensation

31. Financial Assistance Use of Universal Identifier and Central Contractor Registration

1. Allowable Costs

Unless noted otherwise in the terms and conditions of this grant, only those costs specifically set forth in the recipient's cost proposal(s) shall be deemed allowable costs in performance under this grant. Any deviation from the recipient's proposed cost estimates must be approved in writing by the Administrative Grants Officer (AGO) at the Administrative Office in Block 23a of the Award/Modification document in order for such costs to be deemed allowable charges under this grant.

2. Research Responsibility

The Grantee has full responsibility for the conduct of the research activity supported by this Grant, in accordance with the Grantee's proposal, and the terms and conditions specified in this Grant.

Grantees are encouraged to suggest or propose to discontinue or modify unpromising lines of investigation or to explore interesting leads, which may appear during the development of the research. However, they must consult the Program Officer in Block 21 of the Award/Modification document through the AGO at the Administrative Office in Block 23a of the Award/Modification document before deviating from the objectives or overall program of the research originally proposed.

3. Modification of Grant

The only method by which this Grant can be modified is by a formal, written modification signed by the AGO at the Administrative Office in Block 23a or the Awarding Office in Block 22 of the Award/Modification document. No other communications, whether oral or in writing, shall modify this Grant.

4. Prior Approvals

Prior approval of the following deviations from budget and program plans is required:

- (a) The Grantee must consult the Program Officer in Block 21 of the Award/Modification document through the AGO at the Administrative Office in Block 23a of the Award/Modification document before deviating from the research objectives defined in the grant proposal.
- (b) Support for the project may not continue without the active direction of the Principal Investigator approved for, and identified in, this Grant. If the approved Principal Investigator severs his or her connection with the Grantee or otherwise

relinquishes active direction of the project, either permanently or for a significant length of time (three months or more), the Grantee must either:

- (1) Appoint a replacement Principal Investigator with the approval of the Program Officer in Block 21 of the Award/Modification document through the AGO at the Administrative Office in Block 23a of the Award/Modification document, or
 - (2) Relinquish the Grant, in which case the Grant shall be terminated.
- (c) Extension of the expiration period of this Grant – The AGO at the Administrative Office in Block 23a of the Award/Modification document has authority to approve no funds extension requests meeting all of the following parameters:
- (1) a one-time basis only; and
 - (2) for a period not to exceed 90 days; and
 - (3) where \$50,000.00 or less of obligated funds remain to be expended.

In other cases, where a request is outside of one or more of the parameters, a no funds extension can only be approved with the concurrence of the ONR Program Officer in Block 21 of the Award/Modification document. For any no funds extension to be effective, a written grant modification must be issued and signed by the AGO at the Administrative Office in Block 23a or the Awarding Office in Block 22 of the Award/Modification document.

- (d) The need for additional Federal funding.

5. Preaward Costs

- (a) Grantees may incur preaward costs for up to ninety (90) days prior to the effective date of the Grant award.
- (b) Preaward costs as incurred by the Grantee must be necessary for the effective and economical conduct of the project, and the costs must be otherwise allowable in accordance with the appropriate cost principles.
- (c) Any preaward costs are incurred at the Grantee's risk. The incurring of preaward costs by the Grantee does not impose any obligation on the Office of Naval Research (1) in the absence of appropriations, (2) if an award is not subsequently made, or (3) if an award is made for a lesser amount than the Grantee expected.

6. Unexpended Balance

In the absence of any specific notice to the contrary, Grantees are authorized to carry forward unexpended balances of funds received to subsequent funding periods.

7. Payments

- (a) In order to receive electronic payments, the foreign Grantee must have a U.S. Bank Account and sign up for electronic payments at the Central Contractor Registry (CCR), <http://www.ccr.gov>. The Grantee agrees to maintain its registration in the CCR including information necessary to facilitate payment via EFT. Should a change in registry or other incident necessitate the payment to an account other than that maintained in CCR, it is the Grantee's responsibility to notify the Administrative Grants Officer (AGO) Officer and obtain a modification to this Grant reflecting the change. The Government shall not be held responsible for any misdirection or loss of payment which occurs as the result of a Grantee's failure to maintain correct/current EFT information within its CCR registration.
- (b) Any request for advance payments must be approved by the Administrative Grants Officer (AGO) at the Administrative Office shown in Block 23a of the award.
- (c) If the foreign Grantee is registered in CCR, with awards administered by the Office of Naval Research (ONR) Regional Offices, DoD has established the ONR Electronic Payment System (PayWeb) (<https://services2.onr.navy.mil/http/sysm.onr.navy.mil:7777/payweb/PayWeb.jsp>), as an initial entry point for electronic invoice submission. Participation in the PayWeb system requires the Grantee to register the appropriate CAGE Code in Wide Area Work Flow (WAWF) and to obtain an External Certificate Authority (ECA) certificate from an approved Certificate Authority for access. Operational Research Consultants (ORC) (<http://www.eca.orc.com>) and Verisign (<http://www.verisign.com/gov/ieca>) are approved ECA Authorities. If you have questions or require technical assistance in implementing your certificate, contact the Navy PKI Help Desk at 1-800-304-4636. The Grantee shall Contact the AGO at the Administrative Office in Block 23a of the award for instructions on how to register and use WAWF and PayWeb.
- (d) If the foreign Grantee is registered in CCR, but does not participate in the ONR PayWeb System or cannot obtain an ECA certificate, the Grantee shall submit payment requests electronically via Wide Area Work Flow (WAWF). The Grantee shall Contact the AGO at the Administrative Office in Block 23a of the award for instructions on how to register and use WAWF.
- (e) If the foreign Grantee does not have a U. S. Bank Account, payment requests shall be submitted by the Grantee using the SF 270. The signed SF 270 shall be faxed to the AGO at the Administrative Office in Block 23a of the award for certification and transmittal to the disbursing office. Payments will be sent by U. S. Treasury check to the address cited on the Standard Form (SF) 270.

(Forms and instructions available at <http://www.onr.navy.mil/02/024/forms>)

8. Overpayment and Earned Interest

Overpayment. Within ninety (90) days after the end date of the Grant, any overpayment of grant funds shall be remitted to the AGO at the Administrative Office in Block 23a of the Award/Modification document, by check made payable to the US Treasury. An overpayment represents the difference between allowable actual expenditures and total disbursements received by the grantee.

Earned Interest. Any interest earned by grant funds on deposit shall be remitted annually (30 September of each year) to the Department of Health and Human Services, Payment Management System, P.O. Box 6021, Rockville, MD 20852, by check made payable to the Treasury of the United States.

9. Future Funding

The U. S. Government's legal obligation is limited to the amount shown as "Total Obligated on Award," in Block 16 of the Award/Modification document.

10. Option to Renew

If an option is indicated in Block 30 of the Award/Modification document, the U. S. Government may require the continuation of the research as detailed in Block 15 of the Award/Modification document. The option may be exercised by a modification to the Grant.

11. Performance Results

- (a) If reports are requested in Block 31 of the Award/Modification document, the Grantee shall submit the performance results within ninety (90) days after the end date of the Grant.
- (b) The Grantee shall include a completed "Report Documentation Page" (SF 298) as the last page of the performance results prepared under this Grant. The form and instructions are available on the Office of Naval Research Home Page at <http://www.onr.navy.mil/02/024/forms>. However, Block 12a of the SF 298 should be completed with the following distribution/ availability statement: APPROVED FOR PUBLIC RELEASE. If the Grantee does not agree with that distribution/availability, the Grantee should contact the cognizant AGO at the Administrative Office in Block 23a of the Award/Modification document.

12. Financial Records and Reports

The Grantee shall maintain adequate records to account for all program income, and all expenditures, including cost sharing, made under this Grant. The Grantee's financial records are

subject to audit and shall be maintained for three years after the completion date of this grant. Upon completion or revocation of this Grant, whichever occurs earlier, the Grantee shall furnish to the AGO at the Administrative Office in Block 23a of the Award/Modification document, within 90 days, a copy of the Federal Financial Report (FFR) SF - 425 indicating actual expenditures broken down by the same cost categories proposed in the Grant cost proposal, or as amended by grant modification, and the appropriate FFR portions if advance payments were received. (The Federal Financial Form SF 425 and instructions for its use are available at http://www.whitehouse.gov/omb/grants/grants_forms.html)

13. Copyrights

The Grantee hereby grants to the U. S. Government a nonexclusive, paid-up license throughout the world under any copyright owned by the Grantee, in any work of authorship prepared for or acquired by the U. S. Government under this grant, to reproduce copies, distribute copies or display the work publicly and to have others do so for U. S. Government purposes.

14. Publications and Acknowledgment of Sponsorship

- (a) Publication of results of the research project in appropriate professional journals is encouraged as an important method of recording and reporting scientific information. One copy of each paper planned for publication will be submitted to the Program Officer in Block 21 of the Award/Modification document simultaneously with its submission for publication. Following publication, copies of published papers shall be submitted to the Program Officer.
- (b) The Grantee agrees that when releasing information relating to this Grant, the release shall include a statement to the effect that the project or effort undertaken was or is sponsored by the Department of the Navy, Office of Naval Research.
- (c) Disclaimer: The Grantee is responsible for assuring that every publication of material (including World Wide Web pages) based on or developed under this award, except scientific articles or papers appearing in scientific, technical or professional journals, contains the following disclaimer: “Any opinions, findings, and conclusions or recommendations expressed in this material are those of the author(s) and do not necessarily reflect the views of the Office of Naval Research.”
- (d) For the purpose of this clause, information includes news releases, articles, manuscripts, brochures, advertisements, still and motion pictures, speeches, trade association proceedings, symposia, etc.

15. Patent Rights

“Report of Inventions and Subcontracts” (DD882) is to be submitted to the Associate Counsel/Senior Patent Attorney at the address cited in Block 26 of the Award/Modification

document. That individual will represent the AGO in Block 23a of the Award/Modification document with regard to invention reporting matters arising under this Grant. Recipients are subject to applicable regulations governing patents and inventions, including governmentwide regulations issued by the Department of Commerce at 37 CFR Part 401, "Rights to Inventions Made by Nonprofit Organizations and Small Business Firms under Government Grants, Contracts and Cooperative Agreements."

16. Grantee-Acquired Property

Title to all nonexpendable tangible personal property purchased by the Grantee with grant funds shall be deemed to have vested in the Grantee upon purchase, unless stated otherwise in this Grant, without further obligation to the U. S. Government. No cost associated with the acquisition of property under this grant is allowable under any future award.

17. Officials Not to Benefit

No member of or delegate to Congress, or resident commissioner, shall be admitted to any share or part of this Grant, or to any benefit arising from it, in accordance with 41 U.S.C 22.

18. New Restrictions on Lobbying

New Restrictions on Lobbying (32 CFR Part 28) apply only if the total amount of the Grant exceeds \$100,000.00. In such cases, the lobbying regulations are incorporated herein by reference.

19. Live Organisms

By accepting funds under this Grant, the recipient assures that it will comply with applicable provisions of the following national policies concerning live organisms:

- (a) 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.
- (b) For animals:
 - (1) 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. 2131-2159, as amended); and (ii) the "Guide for the Care and Use of Laboratory Animals," National Institutes of Health Publication No. 86-23.
 - (2) Prohibitions on the purchase or use of dogs and cats for certain medical training purposes, in Section 8019 (10 U.S.C. 2241 note) of the Department of Defense Appropriations Act, 1991 (Pub. Law 101-511).

- (3) 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.

20. 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", of July 5, 1994 (59 FR 34496), amended August 5, 1994 (59 FR 40170), amended April 27, 1995 (60 FR 20726), and such later revision of those guidelines as may be published in the Federal Register.

21. Environmental Standards

By accepting funds under this Grant, the recipient assures that it will, to the extent required by U. S. law:

- (a) 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:
 - Not use any facility on the EPA's List of Violating Facilities in performing any award that is nonexempt under 40 CFR 15.5 (awards of less than \$100,000, and certain other awards, exempt from the EPA regulations), as long as the facility remains on the list.
 - 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.
- (b) Identify to the awarding agency any impact this award may have on:
 - (1) The quality of the human environment, and provide any 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.
- (2) Coastal barriers, and provide any help the agency may need to comply with the Coastal Barriers Resource Act (16 U.S.C. 3501, et seq.), concerning preservation of barrier resources.
 - (3) Any existing or proposed component of the National Wild and Scenic Rivers system, and provide any help the agency may need to comply with the Wild and Scenic Rivers Act of 1968 (16 U.S.C. 1271, et seq.).

22. Nondiscrimination

By accepting funds under this Grant, the recipient assures that it will comply with applicable provisions of the following national policies prohibiting discrimination:

- (a) 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.
- (b) 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.

23. Activities Abroad

The Grantee shall assure that project activities carried on outside the United States are coordinated as necessary with appropriate U. S. Government authorities and that appropriate licenses, permits, or approvals are obtained prior to undertaking proposed activities. The awarding agency does not assume responsibility for Grantee compliance with the laws and regulations of the country in which the activities are to be conducted.

24. 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 require that at least 50 percent of equipment, materials or commodities procured or otherwise obtained with U.S. Government funds under this Grant, and which may be transported by ocean vessel, shall be transported on privately owned U.S.-flag commercial vessels, if available.

25. Preference for U.S. Flag Air Carriers

U.S flag air carriers shall be used for international air travel, to the extent that such service is available. Written documentation must be provided to the AGO at the Administrative Office in Block 23a of the Award/Modification document for each incident of international air travel on a non-U.S. airline.

26. Rights in Technical Data and Computer Software

The U. S. may duplicate, use and disclose in any manner for any purposes whatsoever, including delivery to other governments for the furtherance of mutual defense of the U. S. Government and other governments, all technical data including reports, drawings and blueprints, and all computer software, specified to be delivered by the Grantee to the U. S. Government under this grant.

27. Identification of Technical Data

Technical Data (as defined in Article 26 above) shall be marked with the number of this grant, name of Grantee, and name of any subgrantee who generated the data.

28. Drug Free Workplace

By accepting funds under this Grant, the recipient agrees to comply with the “Government –Wide Drug-Free Workplace (Grants)” requirements specified by DoDGARS Part 26, Subpart B (or Subpart C, if the recipient is an individual) of 32 CFR Part 26 (2004), which implements sec.5151-5160 of Drug-Free Workplace Act of 1988 (41 U.S.C. 701,et seq.).

29. Trafficking In Persons

- (a) Provisions applicable to a recipient that is a private entity.
 - (1) You as the recipient, your employees, subrecipients under this award, and subrecipients’ employees may not—
 - i. Engage in severe form of trafficking in persons during the period of time that the award is in effect;
 - ii. Procure a commercial sex act during the period of time that the award is in effect; or
 - iii. Use forced labor in the performance of the award or sub-awards under the award.
 - (2) We as the Federal awarding agency may unilaterally terminate this award, without penalty, if you or a subrecipient that is a private entity-
 - i. Is determined to have violated a prohibition in paragraph a.1 of this award term; or
 - ii. Has an employee who is determined by the agency official authorized to terminate the award to have violated a prohibition in paragraph a.1 of this award term through conduct that is either-

- A. Associated with the performance under this award; or
 - B. Imputed to you or the subrecipient using the standards and due process for imputing the conduct of an individual to an organization that are provided in 2 CFR part 180, “OMB Guidelines to Agencies on Government wide Debarment and Suspension (Nonprocurement),” as implemented by our agency at 2 CFR 1125.
- (b) Provision applicable to a recipient other than a private entity. We as the Federal awarding agency may unilaterally terminate this award, without penalty if a subrecipient that is a private entity-
- (1) Is determined to have violated an applicable prohibition in paragraph a. 1 of this award term; or
 - (2) Has an employee who is determined by the agency official authorized to terminate the award to have violated an applicable prohibition in paragraph a.1 of this award term through conduct that is either-
 - i. Associated with the performance under this award; or
 - ii. Imputed to the sub-receipt using standards and due process for imputing the conduct of an individual to an organization that are provided in 2 CFR part 180, “OMB Guidelines to Agencies on Government Debarment and Suspension (Non-procurement)”, as implemented by our agency at 2 CFR part 1125.
- (c) Provisions applicable to any recipient.
- (1) You must inform us immediately of any information you receive from any source alleging a violation of a prohibition in paragraph a.1 of this award term
 - (2) Our right to terminate unilaterally that is described in paragraph a.2 or b of this section:
 - i. Implements section 106(g) of the Trafficking Victims Protection Act of 2000 (TVPA), as amended (22 U.S.C. 7104 (g)), and
 - ii. Is in addition to all other remedies for non-compliance that are available to us under this award.
3. You must include the requirements of paragraph a.1 of this award term in any sub-award you make to a private entity.

- (d) Definitions. For purposes of this award term:
- (1) “Employee” means either:
 - i. An individual employed by you or a subrecipient who is engaged in the performance of the project or program under this award; or
 - ii. Another person engaged in the performance of the project or program under this award and not compensated by you including, but not limited to, a volunteer or individual whose services are contributed by a third party as an in-kind contribution toward cost sharing or matching requirements.
 - (2) “Forced labor” means labor obtained by any of the following methods: the recruitment, harboring, transportation, provision, or obtaining of a person for labor or services, through the use of force, fraud, or coercion for the purpose of subjection to involuntary servitude, peonage, debt bondage, or slavery.
 - (3) “Private entity”
 - i. Means any entity other than a State, local government, Indian tribe, or foreign public entity, as those terms are defined in 2 CFR 175.25.
 - ii. Includes:
 - A. A nonprofit organization, including any nonprofit institution of higher education, hospital, or tribal organization other than one included in the definition of Indian tribe at 2 CFR 175.25(b)
 - B. A for-profit organization.
 - (4) “Severe forms of trafficking in persons,” “commercial sex act,” and “coercion” have the meanings given at section 103 of the TVPA, as amended (22 U.S.C. 7102).

30. Reporting Requirements for Subaward and Executive Compensation

The Grantee shall report on first-tier subawards and executive compensation in accordance with the Federal Funding Accountability and Transparency Act (FFATA) of 2006 and associated 2008 amendments. Reporting is required for grants equal to or over \$25,000. If the initial award is below \$25,000 but subsequent grant modifications result in a total award equal to or over

\$25,000, the award will be subject to the reporting requirements, as of the date the award exceeds \$25,000. If the initial award equals or exceeds \$25,000 but funding is subsequently deobligated such that the total award amount falls below \$25,000, the award continues to be subject to the reporting requirements of the Transparency Act.

31. Financial Assistance Use of Universal Identifier and Central Contractor Registration

Grantee and first-tier subrecipients shall have Dun and Bradstreet Data Universal Numbering System (DUNS) numbers and maintain current registrations in the Central Contractor Registration (CCR) data base.