

# Implementation of Research Terms and Conditions 2017

Kristy Stallmann- OSPA

Troy Nichols- SPA

## Research Terms and Conditions

- ▶ Purpose was to develop a revised set of Research Terms and Conditions (RTCs) to implement the Uniform Guidance
  - ▶ The original RTCs were intended to be a model implementation of OMB Circular A-110
- ▶ Applies to research and research-related grants made by participating federal agencies to institutions of higher education and non-profits
  - ▶ This April 3, 2017 implementation includes: NSF/DOE/NIH
  - ▶ Future implementations will include USDA-NIFA (June), DOC/NIST/NOAA (October), Homeland Security (October), DOT-FAA (October), NASA (October), and EPA (December)

## Research Terms and Conditions, continued...

- ▶ Incorporates the entire Uniform Guidance (UG) by reference, clarifying or supplementing select provisions where appropriate and consistent with government-wide research policy
- ▶ Incorporates by reference the OMB UG Frequently Asked Questions (FAQs) in effect at the time the award is made
  - ▶ FAQs meant to provide additional context, background and clarification
- ▶ Applies to an award when included as part of the award or when incorporated in the award by reference
  - ▶ Some agencies applying RTCs to only new awards, some agencies applying RTCs to new awards and funding increments
  - ▶ NSF - RTCs do not apply to Cooperative Agreements and Fellowship Awards to individuals

**Research Terms and Conditions Appendix A  
Prior Approval Matrix  
April 26, 2017**

	Reference	RTC Overlay	NSF	DOE	NIH
<b>Prior Written Approval (prior approval)<sup>1</sup></b>	<b>200.407</b>				
<b>Use of grant agreements (including fixed amount awards), cooperative agreements, and contracts</b>	<b>200.407(a)</b>				
Changes in principal investigator (PI), project leader, project partner, or scope of effort.	200.201(b)(5)	Required	Required	Required	Required
<b>Cost sharing or matching</b>	<b>200.407(b)</b>				
Use of unrecovered indirect costs, including indirect costs on cost sharing or matching.	200.306(c)	Waived	Waived	Waived	Waived
Use of current fair market value to determine the value of non-Federal entity donations of services and property for the purposes of cost sharing or matching.	200.306(d)(2)	Waived	Waived	Waived	Waived
Costs of the fair market value of equipment or other capital assets and fair rental charges for land when the Federal award supports activities that require use of equipment, buildings or land.	200.306(h)(2)	Required	Required	Required	Required
<b>Program Income</b>	<b>200.407(c)</b>				
Use of program income during the period of performance (additive method).	200.307(e)(2)	Waived	Waived	Waived	Waived <sup>2</sup>
<b>Revision of budget and program plans</b>	<b>200.407(d)</b>				
Change in the scope or the objective of the project or program.	200.308(c)(1)(i)	Required	Required	Required	Required
Change in PI/PD specified in the application or Federal award.	200.308(c)(1)(ii)	Required	Required <sup>1*</sup>	Required	Required
Disengagement from the project for more than three months, or a 25 percent reduction in time devoted to the project by the approved PI/PD.	200.308(c)(1)(iii)	Required	Required <sup>1*</sup>	Required	Required <sup>2</sup>
Inclusion, unless waived, of costs that require prior approval in accordance with Subpart E – Cost Principles.	200.308(c)(1)(iv)	Required	Waived <sup>1</sup>	Required	Waived <sup>2</sup>
Transfer of funds budgeted for participant support costs to other categories of expense.	200.308(c)(1)(v)	Required	Required <sup>2</sup>	Required	Waived <sup>2</sup>
Subawarding, transferring or contracting out any work under a Federal award. This provision does not apply to the acquisition of supplies, material, equipment or general purpose services.	200.308(c)(1)(vi)	Required	Required	Required	Waived <sup>2</sup>
Changes in the approved cost-sharing or matching provided by the non-Federal entity.	200.308(c)(1)(vii)	Required	Required	Required	Required
Need for additional Federal funding to complete the project.	200.308(c)(1)(viii)	Required	Required	Required	Required
Incur project costs 90 calendar days before the Federal awarding agency makes the award.	200.308(d)(1)	Waived	Waived	Waived	Waived
Incur project costs more than 90 calendar days pre-award.	200.308(d)(1)	Required	Required	Required	Required
Initiate a one-time extension of the period of performance by up to 12 months.	200.308(d)(2)	Waived	Waived	Waived	Waived
Subsequent no-cost extension or extension of more than 12 months.	200.308(d)(2)	Required	Required	Required	Required
Carry-forward of unexpended balances to subsequent funding periods.	200.308(d)(3)	Waived	Waived	Waived	Waived <sup>2*</sup>
Transfer amounts budgeted for indirect costs to absorb increases in direct costs, or vice versa.	200.308(d)(4)	Waived	Waived	Waived	Waived <sup>2*</sup>
Rebudgeting among direct cost categories for Federal awards in which the cumulative amount of such transfers exceeds or is expected to exceed 10 percent of the approved budget.	200.308(e)	Waived	Waived	Waived	Waived <sup>2*</sup>
Transfer of funds between construction and non-construction activities.	200.308(g)(5)	Required	Required	Required	Required
<b>Real Property</b>	<b>200.407(e)</b>				
Encumber real property acquired with Federal funds.	200.311(b)	Required	Required	Required	Required
Transfer of title to the Federal awarding agency or to a third party.	200.311(c)(3)	Required	Required	Required	Required
Special arrangements and alterations costs incurred specifically for a Federal award.	200.462(a)	Required	Required <sup>2</sup>	Required	Waived <sup>2*</sup>
<b>Equipment</b>	<b>200.407(f)</b>				
Encumber equipment acquired with Federal funds.	200.313(c)(1)	Required	Required	Required	Required
<b>Fixed amount subawards</b>	<b>200.407(g)</b>				
Subawards based on fixed amounts up to the simplified acquisition threshold, provided the subawards meet the requirements for fixed amount awards in 200.201.	200.332	Required	Required	Required	Required
<b>Direct Costs</b>	<b>200.407(h)</b>				
Direct charge the salaries of administrative and clerical staff if all conditions in 200.413 are met, excluding 200.413(c)(3).	200.413(c)	Waived	Required	Waived	Waived

## Prior Approval Matrix

**Research Terms and Conditions Appendix A  
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March 14, 2017**

Project	Reference	RTC Overlay	NSF	DOE	NIH
<b>Compensation – personal services, paragraph (h)</b>					
	200.407(j)				
Directly charge payments of incidental activities for which supplemental compensation is allowable under written institutional policy (at a rate not to exceed institutional base salary).	200.430(h)(1)(i)	Waived	Waived	Waived	Waived
Faculty salary in excess of Institutional Base Salary (IBS).	200.430(h)(2)	Required	Required	Required	Required
Intra-IHE faculty consulting on a Federal award that exceed a faculty member's base salary.	200.430(h)(3)	Waived	Waived	Waived	Waived
<b>Compensation – fringe benefits</b>					
	200.407(j)				
Severance payments to foreign nationals employed by the non-Federal entity outside the US that exceed the amounts customary in the US.	200.431(i)(4)	Required	Required	Required	Required
Severance payments to foreign nationals employed by the non-Federal entity outside the US due to termination of the foreign national as a result of the closing of, or curtailment of activities by, the non-Federal entity in that country.	200.431(i)(5)	Required	Required	Required	Required
<b>Entertainment costs</b>					
	200.407(k)				
Inclusion of costs of entertainment, including amusement, diversion, and social activities and any associated costs that have a programmatic purpose.	200.438	Required	Required	Required	Required
<b>Equipment and other capital expenditures</b>					
	200.407(l)				
Direct charge capital expenditures for general purpose equipment.	200.439(b)(1)	Waived	Waived	Waived	Waived <sup>11</sup>
Direct charge capital expenditures for buildings and land use.	200.439(b)(1)	Required	Required	Required	Required
Direct charge capital expenditures for special purpose equipment over \$5,000.	200.439(b)(2)	Waived	Waived	Waived	Waived <sup>11</sup>
Capital expenditures for improvements to land or buildings which materially increase their value or useful life.	200.439(b)(3)	Required	Required	Required	Required
<b>Exchange rates</b>					
	200.407(m)				
Exchange rate fluctuations that result in the need for additional Federal funding, or a reduction in the scope of the project.	200.440(a)	Required	Required	Required	Required
<b>Fines, penalties, damages and other settlements</b>					
	200.407(n)				
Costs resulting from non-Federal entity violations of, alleged violations of, or failure to comply with, Federal, State, tribal, local or foreign laws and regulations.	200.441	Required	Required	Required	Required
<b>Fund raising and investment management costs</b>					
	200.407(o)				
Costs of organized fund raising for the purposes of meeting the Federal program objectives.	200.442(a)	Required	Required	Required	Required
<b>Goods or services for personal use</b>					
	200.407(p)				
Costs of housing (e.g. depreciation, maintenance, utilities, furnishings, rent), housing allowances and personal living expenses.	200.445(b)	Required	Required	Required	Required
<b>Insurance and indemnification</b>					
	200.407(q)				
Costs of insurance or of contributions to any reserve covering the risk of loss of, or damage to, Federal Government property.	200.447(b)(2)	Required	Required	Required	Required
<b>Memberships, subscriptions, and professional activity costs, paragraph (c)</b>					
	200.407(r)				
Costs of membership in any civic or community organization.	200.454(c)	Required	Required	Required	Required
<b>Organization costs</b>					
	200.407(s)				
Costs such as incorporation fees, brokers' fees, fees to promoters, organizers or management consultants, attorneys, accountants, or investment counselors, whether or not employees of the non-Federal entity in connection with establishment or reorganization.	200.455	Required	Required	Required	Required
<b>Participant support costs</b>					
	200.407(t)				
Transfer of funds into the participant support cost category.	200.456	Waived	Waived <sup>4</sup>	Waived	Required <sup>13</sup>
Transfer of funds budgeted for participant support costs to other categories of expense.	200.308(c)(1)(v)	Required	Required	Required	Waived <sup>3</sup>

Prior Approval Matrix

**Research Terms and Conditions Appendix A  
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March 14, 2017**

Project	Reference	RTC Overlay	NSF	DOE	NIH
<b>Pre-award costs</b>					
	200.407(u)				
Inclusion of allowable pre-award costs.	200.458	Waived	Waived	Waived	Waived
Incur project costs 90 calendar days before the Federal awarding agency makes the award.	200.308(d)(1)	Waived	Waived	Required	Waived
Incur project costs more than 90 calendar days pre-award.	200.308(d)(1)	Required	Required	Required	Required
<b>Rearrangement and reconversion costs</b>					
	200.407(v)				
Direct charge special arrangements and alterations costs incurred specifically for a Federal award.	200.492(a)	Required	Required <sup>5</sup>	Required	Waived <sup>10</sup>
<b>Selling and marketing costs</b>					
	200.407(w)				
Costs of selling and marketing any products or services of the non-Federal entity (unless allowed under §200.421 Advertising and public relations).	200.467	Required	Required	Required	Required
<b>Taxes (including Value Added Tax)</b>					
	200.407(x)				
Use of foreign tax reimbursement for approved activities under the Federal award.	200.470(c)	Required	Required	Required	Required
<b>Travel costs</b>					
	200.407(y)				
Inclusion of travel costs for officials covered by 200.444 General costs of government.	200.474(a)	Required	Required	Required	Required
Travel costs for dependents for travel of duration of six months or more.	200.474(c)(2)	Required	Required	Required	Required
<b>* Any of the authorities may be over-riden by a special term or condition of award.</b>					
<sup>1</sup> Except where specified otherwise in this matrix, the terms and conditions of award, or the applicable program solicitation or award notice.					
<sup>2</sup> This action requires the prior written approval of the cognizant NSF Program Officer.					
<sup>3</sup> Rearrangement and reconversion costs under \$25,000 may be approved by grantees.					
<sup>4</sup> Unless funds are being moved into the "Other" category of participant support.					
<sup>5</sup> Waived, funds added to the amount available for the project.					
<sup>6</sup> Required for the PI and any other individuals specifically named in the Notice of Award.					
<sup>7</sup> Waived, but costs not specifically covered in Subpart F are subject to the NIH Grants Policy Statement (NIHGPS).					
<sup>8</sup> Waived, unless change in scope. For the purposes of Kirschstein-National Research Service Award (NRSA) programs, this term does not apply. NIH will continue to use the terms trainees, trainee-related expenses, and trainee travel in accordance with NRSA Regulations. Participant support costs are only allowable when identified in specific Funding Opportunity Announcements (FOAs).					
<sup>9</sup> Waived unless change in scope and except when subrecipient is foreign.					
<sup>10</sup> Waived except when Notice of Award indicates prior approval is required.					
<sup>11</sup> Waived unless change in scope.					
<sup>12</sup> Waived for alterations and renovations costing up to \$500,000, unless change in scope or rebudgeting into A&R exceeds 25% of budget period total. See Rearrangement and Reconversion Costs within NIH Grants Policy Statement Chapter 7.9.1.					
<sup>13</sup> Required, participant support costs are only allowable when identified in specific Funding Opportunity Announcements (FOAs).					
<sup>14</sup> This also is required for any co-PI/co-PD on the project.					

Prior Approval Matrix

## Highlights from the RTCs (NSF/DOE/NIH)

*May be overridden by individual award terms and conditions*

- ▶ Cost Sharing or Matching Funds may include unrecovered IDC without agency approval
- ▶ Program income is always additive
- ▶ Agency must approve any changes in statement of work (SOW)
- ▶ Disengagement of PI for more than three months or a 25% reduction in time devoted to the project- TAKE ACTION
  - ▶ NIH, NSF now require taking action, rather than passive nature of former guidance
- ▶ Transfer of funds out of Participant Support Costs (PSC) always requires sponsor approval

## Highlights, continued...

(NSF/DOE/NIH)

- ▶ 90 days preaward spending for NSF/NIH does not require sponsor approval
- ▶ Up to 12 months one-time no-cost extension (NCE) does not need sponsor approval unless required by other circumstances
  - ▶ e.g., Request for additional funds, Changes in SOW
  - ▶ Requests need to be at OSPA at least 30 days before end date
- ▶ Carryforward does not require sponsor approval unless stated in the award

## Highlights, continued...

(NSF/DOE/NIH)

- ▶ Approval for direct charging of administrative/clerical salaries not required by DOE/NIH, but must meet all conditions of 2 CFR 200.413(c)(3) and ISU Sponsored Programs Costing Policy
- ▶ Intra-institutional consulting performed in addition to faculty member's regular responsibilities does not require approval for additional compensation in excess of base salary, but must follow ISU approval process
- ▶ Faculty salary in excess of institutional base salary (IBS) requires sponsor approval

## Highlights, continued...

(NSF/DOE/NIH)

- ▶ Direct charging of capital expenditures for buildings and land requires sponsor approval
- ▶ Direct charging of equipment does not require sponsor approval
  - ▶ Rebudget request must be submitted to OSPA for equipment purchases not included in approved budget that cumulatively exceed \$25k, per ISU guidelines
- ▶ Costs of entertainment where there is a programmatic purpose must have prior sponsor approval
- ▶ Exchange rate fluctuations resulting in the need for additional funding or reduces the scope of work must have sponsor approval

## RTCs Wrap-up

- ▶ RTCs Overlay Document - only lists sections of UG that are impacted by RTCs
- ▶ Three RTCs Overlay companion documents
  - ▶ Appendix A - Prior Approval Matrix
    - ▶ Will continue to expand as other federal agencies implement the RTCs
  - ▶ Appendix B - Subaward Requirements
  - ▶ Appendix C - National Policy Matrix Requirements
- ▶ Federal RTC Work Group was told they could not deviate from the intent of the UG (e.g. approval needed for fixed price subawards)

## RTCs Wrap-up

- ▶ Approval for deviations from the RTCs or Agency-Specific Requirements must be requested from the awarding agency official
- ▶ Any individual award terms and conditions take precedence over the UG RTCs
- ▶ Federal regulations and provisions- Any or all of these govern each award
  - ▶ UG
  - ▶ RTCs
  - ▶ Agency-Specific Requirements
  - ▶ Award Terms and Conditions
  - ▶ Proposal/FOA Restrictions
- ▶ May 23 Webinar- 1 pm- 206 Durham