

## Brief History of the FDP

In 1985, the Government-University-Industry Research Roundtable (GUIRR) convened pre-FDP hearings on "Reducing Bureaucratic Accretion" in government and university sponsored research systems.

In 1986, the FDP (**Florida Demonstration Project**) was created to develop and test new grants management procedures. Founding members were five major federal research and development agencies (NSF, NIH, ONR, DOE, and USDA), the Florida State University System, and the University of Miami.

In 1988, the FDP was expanded through a competitive process to include 45 institutions in 14 states and 10 federal agencies and renamed the **Federal Demonstration Project, Phase II**.

### Highlights of FDP Phases I and II

- Implemented mostly common, streamlined terms and conditions for research grants
- Increased budget flexibility
- No cost time extensions
- Pre-award costs
- Carry-forward across continuation years
- Technical progress reports/minimal continuation proposals
- Revised OMB A-110

In 1996, the FDP was designated the **Federal Demonstration Partnership, Phase III** and membership was broadened to include an additional 20 institutions, one federal agency, and seven professional associations. During this time faculty participation was increased dramatically.

### Highlights of FDP Phase III

- Renewing the Government-University Partnership
- Introduction of Faculty and Program Officers as FDP members
- Electronic Research Administration
- Cost Sharing and Effort Reporting
- Award Terms and Conditions
- Sub awards

In 2002, the **Federal Demonstration Partnership, Phase IV** was initiated and includes 90 institutional recipients of federal funds (many with multiple campuses), 7 emerging research universities, 10 federal agencies, and a number of affiliate members and associations. Efforts are being undertaken to increase the participation of minority serving institutions and emerging research institutions. During the past few years, the activities of the faculty representatives have become more focused and more closely interwoven into the efforts of the FDP. In addition, more federal auditors and costing officials are involved in task forces and committees working to reduce administrative burdens.

### Highlights of FDP Phase IV (to date)

- Illustrating the relationship and trade-offs among regulatory burden, research productivity, and administrative support

- Monitoring compliance issues including visa processing for foreign scholars and students, “sensitive but unclassified” information dissemination, and streamlining processes involving select agents
- Supporting the goals of the National Science and Technology Council’s (NSTC) Research Business Models (RBM) Subcommittee activities to address important policy implications arising from the changing nature of scientific research, and examine the effects of these changes on business models for the conduct of scientific research sponsored by the Federal government
- Supporting the President’s Management Agenda, specifically e-Government initiatives
- Identifying ways to broaden the participation of underrepresented populations in sponsored research, including outreach to minority serving institutions
- Recommending ways to streamline the audit requirements for universities working with other universities as sub recipients

#### **FDP’s Current Focus**

- Exploring ways to change the focus from accounting processes to accountability by making administrative requirements simpler and less costly
- Bringing research grants into the age of electronic commerce by providing input and supporting the development of a single electronic interface between government and the research community
- Increasing the focus on faculty initiated initiatives, primarily principal investigator administrative burden issues

FDP Prior Approval and Other Requirements Matrix  
April 2004

★ Phase IV: 10/1/02 - 9/30/08

AFOSS ARO AMRMC DOE EPA NASA NIH NSF ONR USDA

General Requirements	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
Change in Scope																
Absence or Change of PI																
Need for Additional Funding																
Subaward of "significant part" of programmatic effort	R	R	R	R	R	R	R	R	R	R	R	R	R	R	R	R
Pre-award costs (90 days)																
Pre-award costs (more than 90 days)																
Initial no-cost extension of up to 12 months (per competitive segment)																
Subsequent no-cost extension or extension of more than 12 months	R	R	R	R	R	R	R	R	R	R	R	R	R	R	R	R
Carry-forward of unexpended balances to subsequent funding periods	W	W	W	W	W	W	W	W	W	W	W	W	W	W	W	W
Cost-related Requirements																
Rebudgeting among budget categories	W	W	W	W	W	W	W	W	W	W	W	W	W	W	W	W
Rebudgeting between direct and F&A costs	W	W	W	W	W	W	W	W	W	W	W	W	W	W	W	W
Rebudgeting of funds allotted for training allowances (direct payment to trainees) to other categories of expense.	W	W	W	W	W	W	W	W	W	W	W	W	W	W	W	W
Equipment not in approved budget	W	R	W	W	W	W	W	W	W	W	W	W	W	W	W	W
Capital expenditures for improvement of equipment not in the approved budget																
Alterations and Renovations costing less than \$25,000	W	10	W	W	W	W	W	W	W	W	W	W	W	W	W	W
Foreign Travel	W	R	W	W	W	W	W	W	W	W	W	W	W	W	W	W
Inclusion of costs requiring prior approval in Cost Principles	W	W	W	W	W	W	W	W	W	W	W	W	W	W	W	W
Faculty consulting compensation that exceeds base salary																
Restrictions on costs not explicitly unallowable under Cost Principles	none	none	none	none	none	none	none	none	none	none	none	none	none	none	none	none

R Prior approval required. "Prior approval" means prior written approval from the sponsor. Prior approval can take the form of the sponsor's acceptance of the proposal and/or proposal budget and subsequent incorporation into the award, or written approval of a separate request submitted by the recipient.

- W Prior approval requirement waived
- 1 Waived except when subaward would be more than 25% of the total dollars of the award
- 2 Waived unless change in scope and except when subaward is foreign
- 3 Waived except when subaward(s) would be more than 50% of the total dollars of the award; required for any subaward to federal agencies
- 4 Waived except for extensions that would result in a project period in excess of five years
- 5 Waived only for first-time requests for extensions of 12 months or less
- 6 Uncommitted carryforward funds are to be included in the continuation proposal if they are "substantial."
- 7 Waived except when award indicates prior approval is required
- 8 Waived unless change in scope
- 9 Waived except for Kirschstein-NSRA grants
- 10 Waived, but is required for A&R in excess of \$25K, even if the A&R is accomplished with institutional funds designated as cost sharing
- 11 Waived for alterations and renovations costing up to \$300,000, unless change in scope
- 12 Waived, but costs not specifically covered in the Circulars are subject to NIHGPS.
- 13 Interest penalties for late payment are not allowable
- 14 Prior approval required for patient care costs if change in scope
- 15 Prior approval required to modify the amount of cost sharing reflected on Line M of the award budget.
- 16 Non-working meals and compensation for harm to persons or property are unallowable; also unallowable for awards made under statutory authority cited in Article 3 of the ASR are: **graduate assistant tuition remission, F&A in excess of statutory amount, and fixed and real property**

# FDP Prior Approval and Other Requirements Matrix April 2004

AFOSR ARO AMRMC DOE EPA NASA NIH NSF ONR USDA

	R	R	R	W	W	W	W	W	R	R	W
<b>Cost-related Requirements (cont.)</b>											
Inclusion of unrecovered F&A costs as cost sharing	Permitted										
Transfer of funds between construction and non-construction	Prior approval required										
Use of program income earned during the project period	Funds added to the amount available for the project										
Use of program income earned after the project period	No obligation to the federal government										
<b>Property-related requirements</b>											
Title to supplies with value of more than \$5,000 at the end of a project	Permitted										
Acquire real property	Prior approval required										
Encumber real property acquired with federal funds	Prior approval required										
Use real property acquired with federal funds for other non-federal projects rather than compensating the federal government for its fair market value	Prior approval required										
Encumber equipment acquired with federal funds	Prior approval required										
Trade in equipment purchased with project funds to buy replacement equipment	Permitted										
Own equipment upon acquisition without conditions or without obligation to the sponsor at termination of project	Permitted										
Funding agencies' rights in data	Not waived										
Use of valuation methods other than the lesser of book value or fair market value for contributed capital assets	Permitted										
Procurement requirements associated with the simplified acquisition threshold	Wherever FDP Terms and Conditions incorporate A-110 provisions referring to the "Small Purchase Threshold," the term "Simplified Acquisition Threshold" is substituted.										
Equipment threshold	Even if institutions establish a threshold for equipment lower than \$5,000, the FDP provisions relating to equipment apply only to those terms costing \$5,000 or more.										
<b>Project Management Requirements</b>											
Monthly submission of Cash Transaction Reports when advances exceed \$1 million/year	Not required										
Up-front specification of interrelationship among projects	Not required										
Publication acknowledgment and disclaimers	Required										
Additional requirements for use of human subjects beyond those imposed by federal law	none	none	17	none	none	none	none	none	none	none	none
Additional requirements for use of anatomical substances beyond those imposed by federal law	none	none	17	none	none	none	none	none	none	none	none
Use of sponsor budget forms for budget revisions	18	18	18	18	18	18	18	18	18	18	18
Use of electronic records to meet record retention requirements	Permitted										

17 Army Surgeon General approval also required

18 Not required, but budget should be in same general format as original

19 Not required for SNAP awards; but others use "Next Period Budget" form page from PHS2590.

20 Must be submitted electronically via the NSF FastLane system at <https://www.fastlane.nsf.gov>