



University of California
Office of the President

Senior Vice President—
Business and Finance

Research Administration Office

Memo

Operating Guidance

No. 00-11
November 21, 2000

CONTRACT AND GRANT OFFICERS

Subject: Revised Federal Demonstration Partnership General Terms and Conditions, dated May 16, 2000, and Agency Implementations, dated July 2000.

The Federal Demonstration Partnership III (FDP) has published a complete revision and reformatting of its General Terms and Conditions. This new document, dated May 16, 2000, is now formatted as a side-by-side comparison of Office of Management and Budget Circular A-110, *Uniform Administrative Requirements for Grants and Agreements With Institutions of Higher Education, Hospitals, and Other Non-Profit Organizations*, and the FDP implementation of this Circular. This side-by-side incorporates A-110 by reference, provides specific FDP implementation differences from A-110 under the applicable A-110 section, and indicates election of awarding agency options.

This side-by-side FDP General Terms and Conditions are available on the FDP Terms and Conditions web page at <http://fdp3.org/tc.html>. This page also provides the following related documents:

Operating Procedures (May 16, 2000) - Background, definitions and guidance for agency implementations and revisions.

Agency Implementations of FDP Terms and Conditions (Revised 11/6/00) - Information on applicable start date of new FDP terms for each FDP member agency.

Crosswalk from between 7/97 and 7/00 FDP Terms and Conditions - Provides a summary of significant changes made in the May 16, 2000 FDP Terms and Conditions from the previous FDP General Terms and Conditions (7/97). Shows where changes and terms are now located in the May 16, 2000 Terms and Conditions

FDP Operating Procedures: Provisions Relating to Subgrants Made Under FDP Awards (Appendix A) (May 16, 2000) – OMB Circular and agency-specific citations for subgrant terms and conditions

FDP Operating Procedures, National Policy Requirements Matrix (Appendix B) (May 16, 2000) - A listing of statutory and regulatory requirements for information purposes.

Ten FDP member *Agency Specific Requirements* (July 2000) - <http://fdp3.org/tc.html>

In a major change from the 7/97 FDP Terms and Conditions, the new Terms and Conditions, Article 25 (c) and Article 27 provides a list of prior approval requirements from OMB Circulars which the FDP specifically waives. Article 25. (a) states that the approved budget sets forth "that portion of the non-Federal share of project costs, if any, that the recipient and the Federal awarding agency formally agree upon as cost sharing."

Attached to this Memo are two tables, "Prior Approval Requirements under the FDP" and "Special Restrictions on Expenditures under the FDP", which replace two similar tables that were distributed with C&G Operating Guidance Memo 98-09, dated November 3, 1998.

Applicability:

The Federal Demonstration Partnership member agencies are: Air Force Office of Scientific Research (AFOSR); Army Research Office (ARO); Army Medical Research (AMR); Department of Energy (DOE); Environmental Protection Agency (EPA); National Aeronautics and Space Administration (NASA); National Science Foundation (NSF); National Institutes of Health (NIH); Office of Naval Research (ONR); and Department of Agriculture Cooperative State Research, Education, and Extension Service (USDA CSREES). While the FDP General Terms and Conditions now state that they apply to grants, the Environmental Protection Agency and Army Medical Research agency-specific terms and conditions specifically apply FDP terms and conditions to their agencies' grants and cooperative agreements. For all other FDP member agencies, FDP terms apply to grants only. The National Institutes of Health provides a specific listing of the types of NIH grants to which its agency-specific terms and conditions apply.

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Subject Index: 02, 19
Organization Index: U-115
Cancel: C&G Memo 98-09



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Attachments

PRIOR APPROVAL REQUIREMENTS UNDER THE FDPIs agency prior approval required if action/cost is not in the approved budget?¹

ITEM	ARTICLE	AGENCY REQUIREMENTS
1. Relatedness	27. (a) (2)	NO – All Agencies
2. Change in Scope	25. (b) (1)	YES – All Agencies
3. Absence or Change of PI	25. (b) (2)	YES – All Agencies
4. Preaward costs up to 90 days	25. (c) (1)	NO – All Agencies
5. No-cost extension up to one year	25. (c) (2)	NO – EPA; NASA; NIH; NSF; AMR; DOE; & USDA. However, EPA requires prior approval if project period would exceed 5 yrs. with extension. DOE requires prior approval for no-cost time extension & carry forward of unobligated balances when award indicates funding is restricted to one year money. YES – AFOSR; ARO; & ONR
6. Equip > \$5,000 threshold	27. (a) (1)	NO – All Agencies except ARO YES – ARO
7. Substantial contracting out of work	25. (b) (4)	YES – All Agencies DOE – Notify CO when transfer represents more than 25% of effort or scope of work. EPA – After award is made, transfer of significant part of research not in approved budget requires written EPA approval. NIH – Notify NIH of transfer of significant part of effort if it represents change of scope, unless it is to a foreign entity. Then NIH assurances required. USDA – requires prior written approval when more than 50% of total dollars is subcontracted.
8. Contracting out to Federal Agency		NO – All Agencies except USDA. YES – USDA. Any subcontract to federal agency must have prior written approval.
9. Foreign Travel		NO – All Agencies except ARO. YES – ARO
10. Alteration/ Renovation > \$25,000	27. (a) (1) (v)	YES – All Agencies ARO requires approval even if source is funds is cost-sharing. NIH > \$300,000. USDA – No funds may be used for renovations.

¹ FDP member agencies are: Air Force Office of Scientific Research (AFOSR); Army Research Office (ARO); Army Medical Research (AMR); Department of Energy (DOE); Environmental Protection Agency (EPA); NASA; National Science Foundation (NSF); National Institutes of Health (NIH); Office of Naval Research (ONR); and Department of Agriculture CSREES (USDA).

11. Budget transfers & carry forwards > 25% of total award	NIH & DOE Agency Specifics	NO – All Agencies except NIH. However, DOE requires prior agency approval if award funds are restricted to one year. YES - NIH - Article 2. Requires agency review.
12. Rebudgeting to patient care costs	NIH Agency Specific	NO – All Agencies except NIH. YES – NIH Article 2. Requires agency notification.
13. Rebudgeting of participant/trainee support allowances	Article 25. (c) (7)	NO - All Agencies except NSF. YES - NSF Article 13. Requires written prior approval for reallocation of any participant/trainee support costs.

SPECIAL RESTRICTIONS ON EXPENDITURES UNDER THE FDP

In addition to costs specifically unallowable under A-21

Is the cost allowable without specific approval of the granting agency if the cost benefits the project?

ITEM	ARTICLE	AGENCY REQUIREMENTS
1. Use of non-U.S. flag air travel.	Appendix B – Page 9	NO – All Agencies unless specific conditions in Appendix B, Page 9 are met.
2. Purchase of real property	Article 32.	NO – All Agencies
3. Interest for late payment to contractor		YES – All Agencies except DOE. NO - DOE
4. Payment of consultant fee > Fed. Exec. Level IV	Appendix B. – Page 9	YES – All Agencies except EPA, NASA, and NSF. NO – EPA, NASA, & NSF
5. Salary payment > salary cap.	NIHGPS – Part II.	YES – All Agencies except NIH. NO – NIH
6. Purchase of dogs/cats for research	Appendix B. p. 14	YES – All Agencies except AMR. NO – AMR Article 13. If restricted in award document.