



University of California
Office of the President

Office of the
Associate Vice President —
Business and Finance

Contracts and Grants Office

Memo

Operating Guidance

No. 88-14
July 1, 1988

VICE CHANCELLORS — BUSINESS AND FINANCE/ADMINISTRATION*
CONTRACTS AND GRANTS OFFICERS (NON-LAB)
OFFICE OF THE PRESIDENT FUNCTIONAL MANAGERS

Subject: NSF Important Notice No. 103, Funding of Annual
Increments of Continuing Grants

Effective immediately, NSF will no longer require grantees to submit noncompeting continuation applications for incrementally funded grants, provided an acceptable annual progress report has been submitted to the cognizant NSF program officer at least 3 months prior to the expiration of the current support period. NSF Important Notice No. 103, which explains this new policy, is enclosed. (Enclosure 1) The Important Notice also contains a related revision in Section 253 of the NSF Grants Policy Manual. Enclosure 2 transmits copies of two questions that have been asked over the NSF Bulletin Board, with Bill Kirby's replies.

Campus Contracts and Grants Offices should alert Principal Investigators on NSF grants about this change. Procedures for monitoring submission of progress reports should be reviewed and strengthened as needed to ensure that such reports will be submitted in a timely manner to prevent funding delays. Although noncompeting continuation applications are no longer required in most cases, please note that these may occasionally be needed or desirable, as described in paragraphs c.1-3. of the revised Section 253.

Refer: Bill Sellers
ATSS 8-582-3045
(415) 642-3045

Subject Index: 02, 19
Organization Index: F-711

David F. Mears
University Contracts and
Grants Coordinator

Enclosure

*Note: The addressees above represent the standard distribution of Contract and Grant Memos. Additional addressees, if any, may be added based on the subject of the Memo. See cc's.

NATIONAL SCIENCE FOUNDATION
Office of the Director
Washington, D.C. 20550

Notice No. 103

DATE: June 2, 1988

IMPORTANT NOTICE
TO
PRESIDENTS OF UNIVERSITIES AND COLLEGES
AND HEADS OF OTHER NATIONAL SCIENCE
FOUNDATION GRANTEE ORGANIZATIONS

Subject: Funding of Annual Increments of Continuing Grants

As part of NSF's continuing efforts to reduce paperwork as well as proposal processing time and requirements, the Foundation will no longer require grantees to submit formal requests and budgets to initiate continued support of grants planned for incremental funding. Provided satisfactory scientific progress is evidenced in the required annual progress report submitted by the Principal Investigator and funds are available, NSF will award the annual increment at the level indicated in the original grant letter without a formal request. This could eliminate up to several thousand annual requests.

The Foundation will continue to require formal requests and budgets if specific incremental amounts are not specified in the grant letter, or where there are other special conditions in the grant.

This Notice transmits a revision to the NSF Grant Policy Manual, Section 253, "Continued Support (Continuing Grants)" which implements this change. Questions concerning Section 253 of the GPM should be directed to the Division of Grants and Contracts, Policy Office, (202) 357-7880.

Erich Bloch
Director

253 Continued Support (Continuing Grants)

a. Funding increments for projects being supported under continuing grants, as defined in GPM 122, receive high priority within NSF and normally are not considered in competition with proposals for new grants or for renewed support of standard grants.

b. Unless otherwise provided for in the original grant letter, each increment of a continuing grant will be funded at the level indicated in that letter without a formal request, provided the required annual progress report has been received and subject to the Foundation's judgement of satisfactory scientific progress and availability of funds. NSF makes every attempt to honor continuing grant commitments. However, in order to adjust to changes in the general level of funds for a particular field of science or to major new scientific opportunities in that field, NSF may reduce continuing grant increments below the levels indicated in original grant letters. This requires full written justification by program staff and approval at higher levels. In the absence of major unanticipated fiscal year constraints reductions are rare.

c. In order to obtain a committed funding increment and ensure continuity of funding, the required progress report (see GPM 673) must be forwarded to the cognizant NSF program officer at least 3 months prior to the expiration of the current support period. Unless the required progress report is submitted, processing of the planned funding increment will not be initiated.

The following information must be submitted by the grantee within the above time limit only if applicable:

1. A proposed budget for the ensuing year, if the original grant letter did not indicate specific increments. In unusual circumstances, where there is a need to cover unanticipated requirements, the Principal Investigator should consult with the cognizant NSF Program Officer.
 2. A statement of funds estimated to remain unobligated at the end of the current support period, if the estimated amount exceeds 20% of the current increment. Any amount in excess of 20% will normally be subtracted from the new amount to be provided by the next increment, unless fully justified and approved by NSF.
 3. Current information about other support of senior personnel, if changed from the previous submission. (See GPM 203 5.d.)
- d. A request for further support beyond the final increment of the continuing grant should be in the form of a new proposal for a new grant.

MESSAGE #1

To: bfnwks@UCCVMA
Date: Wed. 29 Jun 88 08:02:48 -0400
From: Bill Kirby <wkirby@nsf>
Message-ID: <3806290802.aa08779@note.note.nsf.gov>

> Subject: Important Notice No. 103

> If the progress report is submitted on time, about how long should it take
> before the institution receives the award letter for the continuing year?

Receipt of the progress report in NSF doesn't start a clock (like a regular proposal). Most programs plan on continuation award letters around the anniversary date of the original award. In general, I'd say the minimum time between receipt of a progress report and an award letter would be about 3 or 4 weeks.

but since programs don't necessarily begin processing the continuations when reports are received, it may be considerably longer. Our guidelines are the "safe" leadtime to ensure no break in the funding. Our next goal is to de-couple the report from the funding action and work out a system which provides the funding automatically. It "only" took me a year to achieve this last modest change, so it may take a while.--bk

> If the progress report is late, will this mean a cut-off of funding or merely
> a delay in funding?

Delay. However, depending on how late, it could result in a period of time where the project is not covered.--bk

MESSAGE #2

Subject: Questions for the Bulletin Board

In view of recent NSF decision to drop requirement for proposal and budget for continuations where NSF has made a decision on specific funding for future years, where does NSF stand in terms of allowing use of estimated indirect cost rates for those future years in making the initial proposal?

To: grants@nsf
bcc:
Subject: Budgeting for Indirect Costs under Continuing Grants
Date: Wed, 29 Jun 88 10:45:09 -0400
From: Bill Kirby <wkirby@nsf>
Message-ID: <3806291045.aa21295@note.note.nsf.gov>

Reply to question from: Darrell Scattergood, Physics, University of Washington

When budgeting for NSF continuing grant support, proposal budgets may include estimated indirect costs for "out years". However, the grantee may not be reimbursed for indirect costs at rates in excess of those negotiated by the cognizant audit agency and in effect at the time the future year awards are made. This policy is contained in the NSF Grant Policy Manual, section 203.5.