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PART I. GENERAL

Article 1. Administrative Information and Order of Precedence

(a). This agreement will be administered in accordance with and recipients shall comply with the requirements of the *DoD Grants and Agreement Regulations*, DoDGARs, (DoD 3210.6-R), that implements OMB Circular A-110, *Uniform Administrative Requirements for Grants and Other Agreements with Institutions of Higher Education, Hospitals, and other Non-profit Organizations* as of the effective date of this award.

(b) In the event of a conflict between the terms of this agreement and other governing documents, the conflict shall be resolved by giving precedence in descending order as follows:

- (1) The DoDGARs;
- (2) The Award;
- (3) The articles contained in the agreement.

PART II. FINANCIAL AND PROGRAM MANAGEMENT

Article 2. Standards for Financial Management Systems

The recipient's financial management system shall comply with the standards identified in DoDGARs 32.21(b).

Article 3. Payment

The appropriate method will be stated in the Award.

(a) Scheduled Payments: Payment will be made in advance of performance based upon a spending profile that was negotiated and stated in the Award. Submission of invoices, SF 270s, Request for Advance or Reimbursement, are not required. The U.S Government may unilaterally adjust the schedule of payments and/or reduce the total amount of the agreement, or take other actions permitted by DoDGARs Part 32 if the recipient's balance of cash on hand becomes excessive as determined by U.S. Government monitoring of the Federal Financial Report (SF 425).

(b) Advances shall be deposited and maintained in interest bearing accounts, unless the conditions of DoDGARs 32.22(k) apply. Interest earned from advances shall be remitted annually to:

Department of Health and Human Services (HHS)
Payment Management System
P.O. Box 6021
Rockville MD 20852

(c) Overpayment: Within ninety (90) days after the end date of the Grant, any overpayment of grant funds shall be remitted to the AFOSR Grants Officer by check in US Dollars made payable to the United States Air Force. An overpayment represents the difference between allowable actual expenditures and total disbursements received by the grantee.

Article 4. Cost Sharing and Matching

(a) The recipient's contributions may count as cost sharing or matching only to the extent that they comply with the criteria identified in DoDGARs 32.23(a).

(b) Unrecovered indirect costs may be included as cost sharing or matching.

(c) Failure of either party to provide its respective total contribution may result in the grants officer issuing a unilateral modification to the agreement to reflect a proportional reduction in funding for the other party.

(d) In accordance with DoDGARs 32.23(a)(1), the recipient shall be required to document only those cost sharing contributions included in the budget that are formally agreed to by the recipient and the U.S. Government and therefore considered the approved budget.

Article 5. Program Income

(a) All program income earned during the project period shall be added to funds committed to the project by the U.S. Government and recipient organization and be used to further eligible program objectives.

(b) The recipient may deduct costs associated with generating program income from gross income to determine program income, provided these costs are not charged to the agreement.

(c) The recipient has no obligation to the U.S. Government for program income earned after the end of the project period.

(d) The recipient will have no obligation to the U.S. Government for program income earned from license fees and royalties for copyrighted material, patents, patent applications, trademarks and inventions produced under the agreement.

Article 6. Revision of Budget and Program Plans

(a) The budget plan is the financial expression of the program as approved during the award process.

(b) The recipient shall obtain Grant Officer's prior written approval before making any of the following project changes:

(1) A change in scope or objectives of the project as stated in the approved application or approved modifications thereto, such as a change in the phenomenon under study, even if there is no associated budget revision.

(2) The absence or change of the Principal Investigator/Project Director (PI/PD). If the approved PI/PD severs connection with the recipient or otherwise relinquishes active direction of the project (either permanently or for a continuous period of more than 3 months or a 25 percent reduction in time devoted to the project), then the recipient shall either:

(i) Appoint a replacement PI/PD with U.S. Government approval;

(ii) Obtain approval for a reduction of time devoted to the project; or

(iii) Relinquish the award by mutual agreement in accordance with the article entitled *Termination*.

(3) The need for additional Federal funding. The maximum obligation of the U.S. Government to the recipient is the amount indicated in the Award as obligated by that agency. Nothing in this article or other articles of this agreement requires the awarding agency to make available any additional funds or limits its discretion with respect to the amount of funding to be provided for the same or any other purpose.

(4) The transfer, by contract or other means, of a significant part of the research or substantive programmatic effort, unless described in the approved application or approved modifications to the agreement. With its request for approval, the recipient shall submit a justification, a description of the scientific/technical impact on the project, and a budget estimate.

(5) Any extensions to this agreement.

(c) The recipient is authorized to do any one or more of the following:

(1) Incur pre-agreement costs 90 days prior to award. All pre-award costs are incurred at the recipient's risk (i.e., the U.S. Government is under no obligation to reimburse such costs if for any reason the recipient does not receive an award or if the amount of the agreement is less than anticipated and inadequate to cover such costs).

(2) Carry forward unobligated balances to subsequent funding periods. Any unobligated balance of funds which remains at the end of any funding period, except the final funding period of the project, shall be carried over to the next funding period, and may be used to defray costs of any funding period of the project in addition to the current year's funding. No separate or specific awarding agency prior approval is required to authorize use of the funds since the carryover of unobligated balances is automatic.

(d) The recipient shall provide revised budget information to the U.S. Government if there are any significant changes in the size or scope of the project or in the originally negotiated total estimated cost for the project period.

Article 8. 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 Grants Officer in order for such costs to be deemed allowable charges under this grant.

Article 9. Incremental Funding

If the agreement is incrementally funded the following article applies.

(a) In no event is the U.S. Government obligated to reimburse the recipient for expenditures in excess of the total funds allotted by the U.S. Government to this agreement. The U.S. Government anticipates that from time to time additional amounts will be allotted to this agreement by unilateral modification, until the total U.S. Government share is fully funded.

(b) If additional funds are not made available, this agreement may be terminated pursuant to the article entitled *Termination*. The recipient is not obligated to continue performance or otherwise incur costs in excess of (i) the amount then allotted to the agreement by the U.S. Government or, (ii) if this is a cost-sharing agreement, the amount then allotted by the U.S. Government to the agreement plus the recipient's corresponding share, until the grants officer notifies the recipient in writing that the amount allotted by the U.S. Government has been increased and specifies an increased amount, which shall then constitute the total amount allotted by the U.S. Government to this agreement. When and to the extent that the amount allotted by the U.S. Government to the agreement is increased, any costs the recipient incurs before the increase that are in excess of (i) the amount previously allotted by the U.S. Government or (ii) if this is a cost-sharing agreement, the amount previously allotted by the U.S. Government to the agreement plus the recipient's corresponding share, shall be allowable to the same extent as if incurred afterward, unless the grants officer issues a termination or other notice and directs that the increase is solely to cover termination or other specified expenses.

Article 10. Options

If the agreement contains option(s) the following article applies.

The U.S. Government reserves the right to exercise the Option(s) unilaterally

PART III. PROPERTY STANDARDS

Article 11. Property System

The recipient's property system shall comply with the standards set forth in DoDGARs 32.30 through 32.37.

Article 12. Title to Personal Property

Unless otherwise stated in the Award, title to personal property identified in the approved budget and acquired with agreement funds shall vest in the recipient upon acquisition, except that supplies shall be managed in accordance with DoDGARs 32.35.

Article 13. Inventions

(a) The clause entitled *Patent Rights (Small Business Firms and Nonprofit Organizations)*, (37 CFR 401.14(a)) is hereby incorporated by reference and is modified as follows: replace the word "contractor" with "recipient"; replace the words "agency," "Federal Agency" and "funding Federal Agency" with "U.S. Government"; replace the word "contract" with "agreement"; delete paragraphs (g)(2), (g)(3) and the words "to be performed by a small business firm or domestic nonprofit organization" from paragraph (g)(1). Paragraph (l), *Communications*, point of contact on matters relating to this article will be the servicing Staff Judge Advocate's office.

(b) The recipient shall document invention reporting in annual Performance Report(s). The recipient shall file an Invention (Patent) Report on the DD Form 882, Report of Inventions and Subcontracts, within 90 days of completion or termination of this agreement. The recipient shall submit the original and one copy to the servicing Staff Judge Advocate's office.

Article 14. Data Rights

(a) All rights and title to data, as defined in 48 CFR 27.401, generated under this agreement shall vest in the recipient.

(b) The recipient hereby grants to the U.S. Government a royalty free, worldwide, nonexclusive, irrevocable license to use, modify, reproduce, release, perform, display or disclose any data for U.S. Government purposes.

(c) The recipient is responsible for affixing appropriate markings indicating the rights of the U.S. Government on all data delivered under the agreement. The U.S. Government will have unlimited rights in all data delivered without markings.

(d) The recipient shall include this article, suitably modified to identify the parties, in all lower tier contracts and awards, regardless of tier, for experimental, developmental, or research work.

PART IV. PROCUREMENT STANDARDS

Article 15. Procurement System

The recipient's procurement system shall comply with the standards identified in DoDGARs 32.41 through 32.48.

Article 16. Administrative Requirements for Subawards and Contracts

(a) The recipients shall apply to each subaward the administrative requirements of the DoDGARs applicable to the type of subrecipient. DoDGARs Part 32 shall be applied to awards to universities or other nonprofit organizations, DoDGARs Part 33 shall be applied to awards to state and local governments, and DoDGARs Part 34 shall be applied to for-profit entities.

(b) Recipients awarding contracts under this agreement shall assure that contracts awarded contain, as a minimum, the provisions in Appendix A to DoDGARs Part 32.

PART V. REPORTS AND RECORDS

Article 17. Publishing Project Results

(a) Publications. The recipient is expected to publish or otherwise make publicly available the results of the work conducted under this agreement. One copy of all publications resulting from the project shall be forwarded to the AFRL program manager as it becomes available.

(b) An acknowledgment of awarding agency's support shall appear in the publication of any material, whether copyrighted or not. The acknowledgement shall read:

"This material is based on research sponsored by the Air Force Research Laboratory, under agreement number FXXXXX-XX-X-XXXX. The U.S. Government is authorized to reproduce and distribute reprints for Governmental purposes notwithstanding any copyright notation thereon."

(c) The recipient is responsible for assuring that every publication of material based on or developed under this project contains the following disclaimer:

"The views and conclusions contained herein are those of the authors and should not be interpreted as necessarily representing the official policies or endorsements, either expressed or implied, of the Air Force Research Laboratory or the U.S. Government."

Article 18. Performance Reports

(a) Recipients shall monitor the program and submit performance reports in accordance with this article and DoDGARs 32.51. The recipient may submit reports in computer or electronic form. These reports shall be submitted to the program manager identified on the Award.

(b) The recipient shall submit Performance Report(s) on 1 September each year the agreement is active. The format and content of Performance report(s) will be specified in the Award.

(c) The recipient shall submit an original and two copies of the Final Performance Report, or one copy if submitted electronically, within 90 days after expiration or termination of the agreement in the format specified in the Award.

(d) Mark all data delivered with the following statement:

"Approved for public release; distribution is unlimited."

Article 19. Financial Reports

The recipient shall submit one copy of the Federal Financial Report (SF 425) to the administrative grants officer within 90 days following completion of the agreement. For payments made by advances or a predetermined payment schedule, the recipient shall submit one copy of the Federal Financial Report (SF 425) within 15 days following the end of each funding quarter.

Article 20. Retention and Access Requirements for Records

Recipient's financial records, supporting documents, statistical records, and all other records pertinent to an award shall be retained and access to them permitted in accordance with DoDGARs 32.53. Copies in either electronic or computer format may be substituted for original records.

PART V. TERMINATION AND ENFORCEMENT

Article 21. Termination.

The DoDGARs 32.61 stipulates conditions when the recipient or U.S. Government may terminate this agreement before the completion date. If this agreement is terminated, the U.S. Government has the rights identified in and the recipient shall comply with the article entitled *Closeout, Adjustment, Continuing Responsibilities and Collection*.

Article 22. Enforcement.

In addition to the remedies identified in the article entitled *Termination*, the U.S. Government may use any of the remedies identified in DoDGARs 32.62 when determined appropriate.

PART VI. MISCELLANEOUS PERFORMANCE ISSUES

Article 23. Modifications

(a) Recipients shall submit requests to modify the agreement to the grants officer before the desired effective date. The grants officer may issue a modification unilaterally approving the request.

(b) The grants officer and the administrative grants officer may unilaterally make minor or administrative modifications (e.g., changes in the paying office or appropriation data, changes to U.S. Government personnel identified in the agreement, etc.).

Article 24. Claims, Disputes, and Appeals

Recipient claims, disputes and appeals of grants officer's decisions shall be processed in accordance with the procedures of DoDGARs 22.815.

Article 25. Using Technical Information Resources

To the extent practical, the recipient shall use the technical information resources of the Defense Technical Information Center (DTIC) and other U.S. Government or private facilities to investigate recent and on-going research and avoid needless duplication of scientific and engineering effort.

Article 26. Closeout, Adjustment, Continuing Responsibilities and Collection

Closeout, adjustment and collection of amounts due shall be accomplished in accordance with DoDGARs 32.71 through 32.73 and DoDGARs 22.825. The agreement cannot be closed until the recipient delivers to the U.S. Government all disclosures of subject inventions, a final report pursuant to the article entitled *Performance Reports* and a final Financial Report pursuant to the article entitled *Financial Reports*. The grants officer may make a settlement for any downward adjustments to the Federal share of costs after closeout reports are received.

PART VII. NATIONAL POLICY MATTERS AND ASSURANCES

Article 28. U. S Flag Air Carriers

Travel supported by U.S. Government funds under this agreement shall use U.S.-flag air carriers (air carriers holding certificates under 49 U.S.C. 41102) for international air transportation of people and property to the extent that such service is available, in accordance with the International Air Transportation Fair Competitive Practices Act of 1974 (49 U.S.C. 40118) and the interpretative guidelines issued by the Comptroller General of the United States in the March 31, 1981, amendment to Comptroller General Decision B138942. See General Services Administration amendment to the Federal Travel Regulations, Federal Register (Vol 63, No. 219, 63417-63421)

Article 29. Assurances

(a) By signing or accepting funds under the agreement, the recipient assures that it will comply with the applicable provisions of the following National policies:

(1) 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.

(2) 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. 2131-2156); and (ii) the "Guide for the Care and Use of Laboratory Animals," National Research Council Publication No. 86-23.

(3) The recipient agrees to comply with the trafficking in persons requirement in section 106(g) of the Trafficking Victims Protection Act of 2000 (TVPA), as amended (22 U.S.C. 7104(g)).

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 forms 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 subawards 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 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 Governmentwide Debarment and Suspension (Nonprocurement)," as implemented by our agency at 2 CFR part 180.

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 performance under this award; or

ii. Imputed to 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 Governmentwide Debarment and Suspension (Nonprocurement)," as implemented by our agency at 2 CFR part 180.

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 noncompliance that are available to us under this award.

3. You must include the requirements of paragraph a.1 of this award term in any subaward 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).

(b) The recipient shall obtain assurances of compliance from any subrecipient.