

Grant No.: N66001-01-1-8960  
P.R. No.: N66001-1099-411A  
Effective Date: 29 June 2001  
CFDA No.: 12.910  
AGO Code: N62879  
Payment Office Code: N68688

Grantor: Space and Naval Warfare Systems Center (SSC)  
Code 2211  
53605 Hull Street  
San Diego, CA 92152-5001  
(Attn: Don Mansfield, (619) 553-9805, [mansfid@spawar.navy.mil](mailto:mansfid@spawar.navy.mil))

Grantee: Syracuse University  
Office of Sponsored Programs  
113 Bowne Hall  
Syracuse, NY 13244-1200

Grantee Identification Numbers/Codes:

DUNS: 002257350  
CAGE: 03587  
TIN: 15-053-2081

Total Grant Amount: \$3,990,109

Accounting and Appropriation Data:

Job Order Number: CB494R1JAA                      Req. Number: N66001-1099-0025

ACRN: AA 97X4930.NH3P 000 77777 0 066001 2F 000000 D10990025AAN \$160,000

**[AWARD SUBJECT TO ELECTRONIC FUNDS TRANSFER (EFT) REQUIREMENT]**

The recipient of this Grant must submit an SF 3881, "Payment Information Form," to the payment office named herein if that payment office does not currently have the information needed to pay the recipient by EFT.

Authority: This Grant is issued pursuant to the authority of 10 U.S.C. § 2358.

**GRANT SCHEDULE**

1. Purpose: The purpose of this Grant is to fund research in support of the Space and Naval Warfare Systems Center (SSC) Code 2412. This effort shall be carried out generally as set forth in the Grantee's proposal "*Physio-Info-Tronics for Perceptualization Environments: An Anthrotronic Interface System for the Emerging*

*Information-Communications Matrix*”, dated 26 March 2001, copies of which are in the possession of both parties.

2. Term: The term of this Grant commences on the effective date of award and continues through 48 months thereafter.

3. Terms and Conditions: This Grant is subject to the terms and conditions set forth in the Exhibit A, entitled “SSCSD Grant General Terms and Conditions (June 2001),” and to any special terms and conditions in this Grant Schedule.

4. Government Technical Representative: The Government Technical Representative under this Grant is Steve Fujii, SSCSD/24121, telephone: (619) 553-1435, fax: (619) 553-1690, e-mail: [fujii@spawar.navy.mil](mailto:fujii@spawar.navy.mil).

5. Administrative Grants Office: The Administrative Grants Office for this Grant is the Office of Naval Research, Boston Regional Office, 495 Summer Street, Room 627, Boston, MA 02210-2109, (617) 753-4628.

6. Principal Investigator: The Principal Investigator, David Warner, shall be responsible for this effort. The Grantee agrees to notify the Grantor before changing the Principal Investigator.

7. Grant Funding: This Grant is incrementally funded in the amount of \$160,000. The Government’s obligation to make payments to the Grantee is limited to only those funds obligated by this Grant or by modification to this Grant. Subject to availability of funds and continued satisfactory progress on the Grant as determined by the Government, the Government agrees to provide funding according to the following schedule:

Year 1: \$836,863

Year 2: \$997,742

Year 3: \$998,386

Year 4: \$997,119

The Grantee shall notify the AGO in writing promptly whenever the total Grant amount is expected to exceed the needs of the Grantee for the project period by more than \$199,505. This notification shall not be required if an application for additional funding is submitted for a continuation award.

8. Payments: Payments will be made to the Grantee on an advance payment basis. The Grantee shall submit requests for payment to the administrative grants office shown in paragraph 5 above. The administrative grants office shall certify requests for payment and forward them to:

Space and Naval Warfare Systems Center  
P.O. Box 80818  
San Diego, CA 92138-0818

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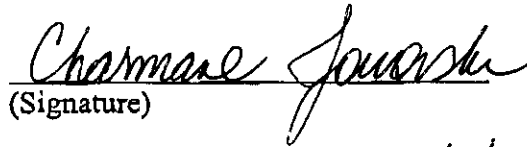
SSC will then forward requests for payment to the following payment office:

DFAS San Diego  
4181 Ruffin Road  
San Diego, CA 92123-1819

FOR GRANTEE

FOR The United States of America, Space  
and Naval Warfare Systems Center

  
(Signature)

  
(Signature)

Gina Lee-Glauser  
Executive Director, Office of  
Sponsored Programs 7/3/01  
(Name, Title) (Date)

7/3/01  
CHARMAINE L. JOWORSKI  
Grants Officer  
(Name, Title) (Date)

DATA DELIVERABLES AND PROGRESS REPORTING REQUIREMENTS

DATA DELIVERABLE TITLE	DID NUMBER	FREQUENCY			DATE FIRST SUBMISSION	DATE SUBSEQUENT SUBMISSIONS(S)	FORMAT			DISTRIBUTION COPIES				
		#*	Q*	S*			A*	H*	M*	E*	DRAFT	FINAL		
												REG	REPRO	
CONTRACTOR'S PROGRESS, STATUS AND MANAGEMENT REPORT	DI-MGMT-80227		X			QUARTERLY THEREAFTER, NLT 30 DAYS AFTER END OF REPORTING PERIOD			X				Code D4121 ***	
TECHNICAL REPORT- STUDY/SERVICES	DI-MISC-80711				X	DUE NLT 30 DAYS AFTER END OF REPORTING PERIOD			X				Code D4121 ***	
PROGRAM PLAN	DI-MGMT-80909													
COMPUTER SOFTWARE PRODUCT END ITEMS	DI-MCCR-80700	AR*				NLT 30 DAYS AFTER COMPLETION OF EACH DEVELOPMENT OR INTEGRATION			X				Code D4121 ***	
COMPUTER PROGRAM END ITEM DOCUMENTATION	DI-IPSC-80590A													
CONFERENCE AGENDA	DI-ADMIN-81249A													
PRESENTATION MATERIALS	DI-ADMIN-81373			X		NLT 5 DAYS AFTER ANNUAL PI MEETING				X			Code D4121 ***	
PRESENTATION MATERIALS	DI-ADMIN-81373			X		NLT 5 DAYS AFTER ANNUAL SITE VISIT				X			Code D4121 ***	
CONTRACT SUMMARY REPORT	DI-ADMIN-80447													

AR\*: As Required. This shall be in accordance with the contract proposal. Delivery shall include sources, binaries, and executables with no restrictive markings.

\*\*\*Provide electronically to email address: [tides\\_report@spawar.navy.mil](mailto:tides_report@spawar.navy.mil) , or upload to website <https://issc-sd-att.spawar.navy.mil/>. Code D4121 shall make all internal distribution.

\*\*\*\*In addition to the technical presentation, the following topics shall be addressed: Performance Against Plan & Changes in Direction; Major Accomplishments; Artifacts Developed; Issues; Plans for Coming Year.

KEY: #\* = NUMBER OF TIMES, Q\* = QUARTERLY, S\* = SEMI-ANNUAL, A\* = ANNUALLY, H\* = HARD COPY, M\* = MAGNETIC MEDIA, E\* = ELECTRONICALLY (WEB), NET = NO EARLIER THAN, NLT = NO LATER THAN

**SSCSD Research Grant and Agreement General Terms and Conditions  
for Educational Institutions and Nonprofit Organizations (June 2001)**

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4. Reserved.
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## **APPENDICES**

### **APPENDIX A – INTELLECTUAL PROPERTY**

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## **I. GENERAL**

1. **Purpose.** These Space and Naval Warfare Systems Center San Diego (SSCSD) General Terms and Conditions incorporate the requirements of the Department of Defense Grant and Agreement Regulations (DoDGARS) and the U.S. Office of Management and Budget Circulars as they apply to grants and agreements made by DoD components to educational and nonprofit organizations.

2. **Definitions.** Terms used in these General Terms and Conditions have meanings given in section 32.2 of the DoDGARS, with the following additions and clarifications:

(a) In lieu of the definition given in section 32.2, the term “award” means the award.

(b) If the recipient establishes a lower limit than \$5,000 for “equipment,” as permitted by the definition in section 32.2, then items with acquisition costs less than \$5,000 are included as equipment for the recipient’s purposes only. The Federal requirements for equipment, as specified in Article 33 or 34 of the award, apply only to items with acquisition costs of \$5,000 or more per unit.

(c) “DoD Component” as defined in section 32.2 means the DoD Component that made the award.

(d) “Funding period” has the same meaning given in section 32.2, with the additional clarification that the term includes any extension of the expiration date of the award, such as a no-cost extension authorized by paragraph (b)(3) of Article 25.

(e) “Program income” as defined in section 32.2, does not include the receipt of principal on loans, rebates, credits, discounts, etc., or interest earned on any of them.

(f) In lieu of the definition given in section 32.2, the term “recipient” means the organization that received the award.

(g) In lieu of the definition given in section 32.2, the term “subaward” means an award of financial assistance in the form of money, or property in lieu of money, made under an award by a recipient to an eligible subrecipient or by a subrecipient to a lower tier subrecipient. The term includes financial assistance when provided by any legal agreement, even if the agreement is called a contract, but does not include procurement of goods and services nor does it include: technical assistance, which provides services instead of money; other assistance in the form of loans, loan guarantees, interest subsidies, or insurance; direct payments of any kind to individuals; and contracts which are required to be entered into and administered under procurement laws and regulations.

3. **Reserved**

4. **Deviations.** Any request by the recipient for waiver or deviation from any provision of either these General Terms and Conditions or any special condition attached to this award shall be submitted to the Grants Officer identified on the signature page of the Grant.

5. **Subawards.** Unless special terms and conditions to this award specifically exclude subrecipients from coverage, the provisions of Part 32 of the DoDGARs shall be applied to subrecipients performing work under the award if such subrecipients are institutions of higher education, hospitals and other nonprofit organizations. State and local government subrecipients are subject to the provisions of 32 CFR part 33. Subrecipients that are for-profit organizations are subject to 32 CFR Part 34.

## II. PRE-AWARD REQUIREMENTS

10. **Purpose.** The requirements in Sections 32.10 through 32.17 of the DoDGARs are incorporated into these General Terms and Conditions.

11. **Assurances.** By signing the agreement or accepting funds under the agreement, the recipient assures that it will comply with the following provisions for national policy requirements:

### (a) Nondiscrimination

The recipient assures that it will comply with applicable provisions of the following national policies prohibiting discrimination:

- a. On the basis of race, color, or national origin, in Title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d, et seq.), as implemented by DoD regulations at 32 CFR part 195.
- b. On the basis of sex or blindness, in Title IX of the Education Amendments of 1972 (20 U.S.C. 1681, et seq.). **Educational Institutions only.**
- c. On the basis of age, in the Age Discrimination Act of 1975 (42 U.S.C. 6101, et seq.), as implemented by Department of Health and Human Services regulations at 45 CFR part 90.
- d. On the basis of handicap, in Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794), as implemented by Department of Justice regulations at 28 CFR part 41 and DoD regulations at 32 CFR part 56.

### (b) Human Subjects

By signing this agreement or accepting funds under this agreement, the recipient assures that it will comply with applicable provisions of 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.

(c) Environmental Standards

By signing this agreement or accepting funds under this agreement, the recipient assures that it will comply with applicable provisions of the Clean Air Act (42 U.S.C. 7401, et. Seq.) and Clean Water Act (33 U.S.C. 1251, et. seq.), as implemented by Executive Order 11738 [3 CFR, 1971-1975 Comp., p. 799] and Environmental Protection Agency (EPA) rules at 40 CFR part 15. In accordance with the EPA rules, the recipient further agrees that it will:

- Not use any facility on the EPA's List of Violating Facilities in performing any award that is nonexempt under 40 CFR 15.5, as long as the facility remains on the list.
- Notify the awarding agency if it intends to use a facility in performing this award that is on the List of Violating Facilities or that the recipient knows has been recommended to be placed on the List of Violating Facilities.

(d) Officials Not to Benefit

No member of or delegate to Congress, or resident commissioner, shall be admitted to any share or part of this agreement, or to any benefit arising from it, in accordance with 41 U.S.C. 22.

(e) Preference for U.S. Flag 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.

(f) Cargo Preference

The recipient agrees that it will comply with the Cargo Preference Act of 1954 (46 U.S.C. 1241), as implemented by Department of Transportation Regulations at 46 CFR 381.7, which require that at least 50 percent of equipment, materials, or commodities procured or otherwise obtained with U.S. Government funds under this agreement, and which may be transported by ocean vessel, shall be transported on privately owned U.S.-flag commercial vessels, if available.

(g) Military Recruiters (Educational Institutions only)

As a condition for receipt of funds available to the Department of Defense (DoD) under this award, the recipient agrees that it is not an institution of higher education (as defined in 32 CFR part 216) that has a policy of denying, and that it is not an institution of higher education that effectively prevents, the Secretary of Defense from obtaining for military recruiting purposes: (A) entry to campuses or access to students on campuses; or (B) access to directory information pertaining to students. If the recipient is determined, using the procedures in 32 CFR part 216, to be such an institution of higher education during the period of performance of this agreement, and therefore to be in breach of this clause, the Government will cease all payments of DoD funds under this agreement and all other DoD grants and cooperative agreements to the recipient, and it may suspend or terminate such grants and agreements unilaterally for material failure to comply with the terms and conditions of award.

### **III. POST-AWARD REQUIREMENTS**

Post-award requirements in these General Terms and Conditions implement the provisions in Subpart C of Section 32 of the DoDGARs. The numbering of the articles in these General Terms and Conditions therefore parallels the numbering of the DoDGARs's provisions (e.g., Article 21 in this document implements section 32.21 of the DoDGARs).

#### **III.A. FINANCIAL AND PROGRAM MANAGEMENT**

**20. Purpose of financial and program management.** Articles 21 through 29 reflect DoD Component implementation of Sections 32.21 through 32.29 of the DoDGARs.

**21. Standards for financial management systems.** The recipient's financial management system shall meet the standards specified in paragraph (b) of section 32.21 of the DoDGARs.

**22. Payment.** Section 32.22 of the DoDGARs governs the DoD Component's and recipient's responsibilities concerning payments, with the following clarifications:

(a) Payments will be made in advance, subject to the conditions described in paragraph (b) of section 32.22, unless the DoD Component provides otherwise in the award document.

(b) With respect to paragraph (l) of section 32.22, the complete address for remitting checks for interest earned on Federal advances is Department of Health and Human Services, Payment Management System, P.O. Box 6021, Rockville, MD 20852.

(1) In keeping with Electronic Funds Transfer rules (31 CFR part 206), interest should be remitted to the HHS Payment Management System through an electronic medium such as the FEDWIR Deposit System. Electronic remittances should be in the format and should include any data

that are specified by the HHS as being necessary to facilitate direct deposit in HHS' account at the Department of the Treasury.

(2) Recipients that do not have electronic remittance capability should send a check to the address in (b) above.

**23. Cost sharing or matching.** Section 32.23 of the DoDGARs governs the availability and valuation of third party in-kind and recipient contributions toward cost sharing or matching, with the following clarifications:

(a) Should section 32.23 be amended to specify documentation requirements for different types of cost sharing (e.g., mandatory, voluntary, or excess voluntary), these documentation requirements are hereby incorporated into these General Terms and Conditions.

(b) The recipient may include unrecovered indirect costs as part of cost sharing or matching.

(c) Certain other costs or valuation methods require approval of the DoD Component, in accordance with paragraphs (c) and (g)(2) of section 32.23.

(d) Full value of equipment or other capital assets and fair rental charges for land may be allowed, instead of only depreciation or use charges, provided that the DoD Component has approved the charges.

**24. Program income.** The use and disposition of program income is governed by section 32.24 of the DoDGARs.

(a) The additive method of paragraph 32.24(b)(1) will be used to dispose of program income, in accordance with paragraph 32.24(d).

(b) The recipient will have no obligation to the Federal Government for program income earned after the end of the project period, in accordance with paragraph 32.24(e).

(c) The recipient will have no obligation to the Federal Government for program income earned from license fees and royalties for copyrighted material, in accordance with paragraph 32.24(h).

**25. Revision of budget and program plans.**

(a) The budget plan is the financial expression of the project or program as approved during the award process. The approved budget includes the Federal share of project costs and that portion of the non-Federal share of project costs, if any, that the recipient and the DoD Component formally agree upon as cost sharing (see paragraph (a) of Article 23).

(b) The recipient must obtain the prior written approval of the DoD Component 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 phenomenon(a) 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 his or her 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 must either:

(i) Appoint a replacement PI/PD with the approval of the Grants Officer.

(ii) Seek and receive prior approval from the Grants Officer for the reduction of time devoted to the project; or

(iii) Relinquish the award (in which case the award will be terminated by mutual agreement, in accordance with Article 61).

(3) The need for additional Federal funding. The maximum obligation of the DoD Component to the recipient is the amount indicated in the award as obligated by that DoD Component. Nothing in this Article or in the other requirements of the award requires the DoD Component to make any additional award of 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 award. The recipient must submit a justification, a description of the scientific/technical impact on the project, and a budget estimate to the Grants Officer.

(c) All prior approvals required in OMB Circulars A-21 and A-122, except those waived in subparagraphs (c)(1) through (c)(6) of this Article, and in Article 27, must be obtained. The recipient is authorized to do any one or more of the following:

(1) Incur pre-award costs 90 calendar days prior to award (or more than 90 calendar days with the prior approval of the DoD Component). Pre-award expenditures prior to funding of an increment within a multiple-year project, including any optional years, are not subject to this limitation or approval requirement. All costs are incurred at the recipient's risk (i.e., the DoD Component is under no obligation to reimburse such costs if for any reason the

recipient does not receive an award or if the award is less than anticipated and inadequate to cover such costs).

(2) Initiate a one-time, no-cost extension of the expiration date of the award of up to 12 months unless the no-cost extension involves a change in the approved objectives or scope of the project.

(3) For one-time extensions, the recipient must notify the Grants Officer in writing with the supporting reasons and revised expiration date at least 10 days before the expiration date specified in the award. This one-time extension may not be exercised merely for the purpose of using unobligated balances.

(4) 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. Since the carryover of unobligated balances is automatic, no separate or specific awarding agency prior approval shall be required to authorize use of the funds.

(5) The inclusion of costs that require the Federal awarding agency's prior approval under the applicable cost principles. Applicable cost principles depend upon the type of organization, as described in section 32.27 of the DoDGARs. Note that the DoD Component gives its approval for the inclusion of certain costs for which the Component's prior approval is required by the applicable cost principles, as detailed in Article 27.

(6) The transfer of amounts budgeted for indirect costs to absorb increases in direct costs, or vice versa, if approval is required by the DoD Component.

(7) The transfer of funds allotted for training allowances (direct payment to trainees) to other categories of expense.

(d) The recipient must provide revised budget information to the Grants Officer 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.

(1) To request approval for budget revisions, the recipient shall use the budget forms that were used in the application or submit a letter of request.

(2) Within 30 calendar days from the date of receipt of the request for budget revisions, the DoD Component shall review the request and notify the recipient whether the budget revisions have been approved. If the revision is still under consideration at the end of 30 calendar days, the DoD Component shall inform the recipient in writing of the date when the recipient may expect the decision.

26. **Non-Federal audits.** The recipient will obtain audits and require subrecipients to obtain audits in accordance with section 32.26 of the DoDGARs.

27. **Allowable Costs.** This includes costs of the award and costs of subrecipients under subawards to the award. Allowable costs of the recipient and subrecipients are in accordance with the cost principles described in section 32.27 of the DoDGARs, with the following clarifications:

(a) Educational Institutions covered by OMB Circular A-21.

(1) Prior approvals. The DoD Component hereby approves the inclusion of certain costs for which the DoD Component's prior approval is required by the cost principles for educational institutions, in OMB Circular A-21. DoD Component approval is granted for the recipient to:

(i) Include charges for faculty consulting on sponsored agreements that exceed a faculty member's base salary, but only in unusual cases where: (a) consultation is across departmental lines or involves a separate or remote operation; and (b) the consulting work is in addition to the faculty member's regular departmental load [reference paragraph J.8 (d)(1) of OMB Circular A-21].

(ii) Include as direct charges capital expenditures for general purpose equipment or special purpose equipment, but only if the equipment is primarily used in the actual conduct of research, as stated in paragraph 34(c) of Article 34 of these General Terms and Conditions [reference paragraph J.16 (b)(1) and (2) of OMB Circular A-21].

(iii) Include as direct charges capital expenditures for improvements to equipment that materially increases the equipment's value or useful life, but only if the equipment is primarily used in the actual conduct of the research [reference paragraph J.16 (b)(3) of OMB Circular A-21].

(iv) Include preagreement costs, to the extent described in paragraph (c)(1) of Article 25 of these General Terms and Conditions [reference paragraph J.31 of OMB Circular A-21].

(v) Include alterations and renovations under \$25,000 [reference paragraph J.35 of OMB Circular A-21], subject to the following conditions:

(A) The alteration or renovation must be essential to the project supported;

(B) The facility to be altered or renovated must have a useful life consistent with research purposes and be architecturally and structurally suitable for conversion to the type of space required;

(C) The space involved must actually be occupied by the project or program;

(D) The space must be suitable for human occupancy before alteration or renovation work is started, except where the purpose of the alteration or renovation is to make the space suitable for some purpose other than human occupancy (e.g., storage);

(E) If the space is rented, evidence must be provided that the terms of the lease are compatible with the alteration and renovation proposed.

(2) The following clarification applies to the standard in paragraph (c)(4)(d) of OMB Circular A-21, which relates to allocation of costs for interrelated projects supported by multiple Federal awards: The interrelationship between or among projects does not have to be formally stipulated, but must be demonstrable on the basis of the following criteria. Either: (a) the theoretical approaches are interrelated; (b) studies of the same phenomena are conducted by the same or different techniques; or (c) studies of different phenomena are conducted by the same technique.

(b) Nonprofit organizations covered by OMB Circular A-122. The DoD Component hereby approves the inclusion of certain costs for which the Component's prior approval is required by the cost principles for nonprofit organizations, in OMB Circular A-122. DoD Component approval is granted for the recipient to:

(1) Include as direct charges capital expenditures for general purpose equipment or special purpose equipment, but only if the equipment is primarily used in the actual conduct of research, as stated in paragraph (c) of Article 34 of these General Terms and Conditions [reference subparagraphs 15(b)(1) and (2) of Attachment B to OMB Circular A-122].

(2) Include as direct charges capital expenditures for improvements to equipment that materially increases the equipment's value or useful life, but only if the equipment is primarily used in the actual conduct of the research [reference paragraph 15(d) of Attachment B to OMB Circular A-122].

(3) Include participant support costs such as stipends, subsistence allowances, travel allowances, and registration fees paid to or on behalf of participants or trainees (but not employees) in connection with meetings, conferences, symposia, or training projects [reference paragraph 34 of Attachment B to OMB Circular A-122].

(4) Include pre-award costs incurred up to 90 days prior to the effective date of award, as provided in subparagraph (c)(1) of Article 25 of these General Terms and Conditions [reference paragraph 38 of Attachment B to OMB Circular A-122].

(5) Include costs of alterations and renovations under \$25,000 [reference paragraph 42 of Attachment B to OMB Circular A-122], subject to the following conditions:

- (i) The alteration or renovation must be essential to the project supported;
- (ii) The facility to be altered or renovated must have a useful life consistent with research purposes and be architecturally and structurally suitable for conversion to the type of space required;
- (iii) The space involved must actually be occupied by the project or program;
- (iv) The space must be suitable for human occupancy before alteration or renovation work is started, except where the purpose of the alteration or renovation is to make the space suitable for some purpose other than human occupancy (e.g., storage);
- (v) If the space is rented, evidence must be provided that the terms of the lease are compatible with the alteration and renovation proposed.

(6) Include costs for foreign travel outside of Canada and the United States and its territories and possessions [reference paragraph 55(e) of Attachment B to OMB Circular A-122].

(c) Hospitals covered by 45 CFR 74, Appendix E. The DoD Component hereby approves the inclusion of certain costs for which the Component's prior approval is required by the cost principles for hospitals, in 45 CFR 74, Appendix E. DoD Component approval is granted for the recipient to:

(1) Include as direct charges capital expenditures for general purpose equipment or special purpose equipment, but only if the equipment is primarily used in the actual conduct of research as stated in paragraph (c) of Article 34 of these General Terms and Conditions [reference paragraphs IX.B.4 & 12 of 45 CFR 74, Appendix E].

(2) Include charges for nonhospital professional activities that exceed a staff member's base salary, but only in unusual cases where (a) the nonhospital professional activities are across departmental lines or involve a separate or remote operation; and (b) the nonhospital professional work is in addition to the staff member's regular departmental load [reference paragraph IX.B.7.f of 45 CFR 74, Appendix E].



(3) Include preagreement costs to the extent described in paragraph (c)(1) of Article 25 of these General Terms and Conditions [reference paragraph IX.B.27 of 45 CFR 74, Appendix E].

(4) Rearrangement, alteration and reconversion costs under \$25,000 [reference paragraphs IX.B.32 & 33 of 45 CFR 74, Appendix E], subject to the following conditions:

(i) The rearrangement or alteration must be essential to the project supported;

(ii) The facility to be altered or rearranged must have a useful life consistent with research purposes and be architecturally and structurally suitable for conversion to the type of space required;

(iii) The space involved must actually be occupied by the project or program;

(iv) The space must be suitable for human occupancy before alteration or rearrangement work is started, except where the purpose of the alteration or renovation is to make the space suitable for some purpose other than human occupancy (e.g., storage);

(v) If the space is rented, evidence must be provided that the terms of the lease are compatible with the alteration and rearrangement proposed.

**28. Period of availability of funds.** The recipient may charge to the award only allowable costs resulting from obligations incurred during the funding period specified, any pre-award costs authorized in accordance with paragraph (c) of Article 25 of these General Terms and Conditions, and costs incidental to the production of the final report.

**29. Reserved**

### **III.B. PROPERTY STANDARDS**

**30. Purpose of property standards.** Sections 32.31 through 32.37 of the DoDGARs set forth uniform standards governing management and disposition of property furnished by the Federal Government whose cost was charged to a project supported by a Federal award.

**31. Insurance coverage.** Requirements for insuring real property or equipment under the award are as stated in section 32.31 of the DoDGARs.

**32. Real property.** The recipient may not acquire real property under the award without the prior approval of the Grants Officer, in accordance with paragraph J.16(b)(1) of OMB Circular A-21, paragraph 15(c) of Attachment B to OMB Circular A-122, and 45 CFR 74, Appendix E. Should approval be granted to do so, the DoD Component will prescribe requirements for use and disposition of the property, in accordance with section 32.32 of the DoDGARs.

### **33. Federally-owned and exempt property.**

(a) Federally-owned property includes: equipment or supplies that are furnished by the Federal Government; or equipment acquired by the recipient under a Federal award that specifies that title to the property vests upon acquisition in the Federal Government. The recipient:

(1) Must submit annual and final reports for any Federally-owned property under the award, in accordance with paragraph (a)(1) of section 32.33 of the DoDGARs.

(2) May use Federally-owned equipment on other activities not sponsored by the Federal Government only if authorized by the Grants Officer. User charges must be treated as program income, in accordance with paragraph (d) of section 32.34 of the DoDGARs.

(3) Must administer Federally-owned equipment in accordance with paragraph (f) of section 32.34.

(b) Exempt property. All equipment and supplies acquired by the recipient under the award are “exempt property” as that term is defined in the DoDGARs. Articles 34 and 35 of these General Terms and Conditions address the requirements for equipment and supplies, respectively.

### **34. Equipment.**

(a) Title to all equipment purchased or fabricated with DoD Component or recipient cost sharing funds, as direct costs of the project or program, shall vest in the recipient upon acquisition without further obligation to the Federal Government, subject to the following conditions:

(1) The DoD Component may require that title be transferred to the Federal Government or a third party if the project or program for which the equipment was purchased is transferred to another recipient. In any such case, the DoD Component will notify the recipient of the intent to transfer title within 120 days following the expiration or termination of the project and paragraph (g)(2) of section 32.34 of the DoDGARs then applies.

(2) As long as the Federal Government continues to support the project or program for which the equipment was purchased, the recipient:

(i) Must use the equipment in that project or program, unless it no longer is needed for that project or program. The recipient may not encumber the equipment without the approval of the Grants Officer.

(ii) Must use the equipment in accordance with paragraphs (b) and (d) of section 32.34 of the DoDGARs. In accordance with paragraph (b), the recipient shall not use equipment acquired with Federal funds to provide services to non-Federal outside organizations for a fee that is less than private companies charge for equivalent services, unless specifically authorized by Federal statute.

(iii) May, when acquiring replacement equipment, use the equipment that is being replaced as trade-in or sell the equipment and use the proceeds to offset the costs of the replacement equipment, as authorized by paragraph (e) of section 32.34 of the DoDGARs.

(3) The recipient must account for the equipment in accordance with paragraph (f) of section 32.34. The recipient must continue to account for the equipment after the cessation of Federal support for the project or program for which the equipment was purchased, in a manner that ensures that: (a) equipment purchased under the award is not later included as a contribution toward cost sharing under another Federal award; and (b) depreciation or use charges for the equipment are not later included in any proposal for Facilities and Administration costs.

(b) The recipient shall specify in any cost-type subaward whether title to equipment purchased or fabricated under the subaward vests in the recipient or subrecipient. If title vests in the subrecipient, it must be subject to the conditions specified in paragraph (a) of this article (modified appropriately if the subrecipient is not an institution of higher education or nonprofit organization and its property management standards are specified in a document other than Part 32 of the DoDGARs). The recipient shall also require each subrecipient to specify, in any lower-tier, cost-type subaward that the recipient awards, whether title to equipment purchased or fabricated under that lower-tier subaward vests in the subrecipient making the subaward or in the lower-tier subrecipient.

(c) Expenditures for acquisition or improvement of general purpose and special purpose equipment, as defined in paragraphs J.16(a)(3) and (4) of OMB Circular A-21, paragraph 15(a) of Attachment B to OMB Circular A-122, and 45 CFR 74, Appendix E, are allowable in accordance with Article 27, section (a)(1)(iii).

**35. Supplies.** Section 32.35 of the DoDGARs governs the vesting of title and requirements for use and disposition of supplies, with the following clarification:

(a) Title to supplies shall vest in the recipient upon acquisition unconditionally, without further obligation to the Federal Government.

**36. Intangible property.** Section 32.36 of the DoDGARs specifies the Government's and recipient's rights and responsibilities concerning copyrights, patents and inventions,

and data that are generated or acquired under the award. See Appendix A for SSCSD implementation of this section.

**37. Property trust relationship.** Section 32.37 of the DoDGARs applies to real property, equipment and intangible property acquired or improved with Federal funds under the award. This article imposes no additional requirements for notices of record over and above any described in Articles 32 through 36 of these General Terms and Conditions.

### **III.C. PROCUREMENT STANDARDS**

**40. Procurement.** The recipient shall maintain a procurement system that, at a minimum meets the requirements of sections 32.41 through 32.48 of the DoDGARs, with the following clarifications:

(a) The reference in paragraph (e) of section 32.48 to “Appendix A to this part” is replaced by a reference to Appendix B of these General Terms and Conditions.

(b) The recipient shall give preference in its procurements using Federal funds to the purchase of recycled products pursuant to EPA guidelines in 40 CFR 247-254 if it is a State or local institution of higher education, hospital, or nonprofit organization to which the Resource Conservation and Recovery Act (RCRA) applies, in accordance with section 32.16 of the DoDGARs.

(c) The recipient’s procurement system, in its essential elements, shall remain as approved by the Office of Naval Research (ONR) and the ONR shall be notified of any major change(s) to the approved system, if the ONR has reviewed and approved the recipient’s procurement system for any of the following reasons:

(1) The ONR is the cognizant Federal agency for the recipient or has reviewed the recipient’s procurement system at the request of another DoD Component.

(2) The recipient also receives Federal procurement contracts; the administrative contracting officer has determined that there is a need for a contractor’s purchasing system review, in accordance with 48 CFR 44.302 in the Federal Acquisition Regulation; and the ONR is the office responsible for conducting the review.

### **III.D. REPORTS AND RECORDS**

**50. Purpose of reports and records.** Sections 32.51 through 32.53 of the DoDGARs set forth the procedures for monitoring and reporting on the recipient’s financial and program performance and the necessary standard reporting forms. They also set forth record retention requirements.

**51. Monitoring and reporting program performance.** The recipient's responsibilities for programmatic monitoring and reporting are as stated in paragraphs (a) through (g) of section 32.51 of the DoDGARs, with the following additions and clarifications:

(a) Publications. The recipient is expected to publish or otherwise make publicly available the results of the work conducted under the award. An acknowledgment of DoD Component support and a disclaimer must appear in the publication of any material, whether copyrighted or not, based on or developed under this project, as follows:

(1) The acknowledgment will be: "This material is based upon work supported by the [name of DoD Component(s) under Award No. [recipient should enter the DoD Component(s) award number(s)]]."

(2) The disclaimer will be: "Any opinions, findings, and conclusions or recommendations expressed in this publication are those of the author(s) and do not necessarily reflect the views of the [name(s) of DoD Component(s)]."

(b) Technical Reports

(1) The final technical report, in accordance with paragraphs (b) through (d) of section 32.51, is due 90 calendar days after the expiration or termination of the award, unless the award-specific terms and conditions state that a final report is not required.

(2) See Attachment 1 to the award for instructions for the electronic submission of technical reports.

(c) Site Visits. With respect to paragraph (g) of section 32.51, the DoD Component's authorized representatives have the right to make site visits at all reasonable times to review project accomplishments and provide such technical assistance as may be required. All site visits and evaluations shall be performed in a manner that does not unduly interfere with or delay the work.

**52. Financial reporting.** If payments are made in advance, in accordance with Article 22(a) of these General Terms and Conditions, the Federal Cash Transactions Report (SF-272) or its electronic equivalent shall be submitted within 15 days following the end of each funding quarter.

**53. Retention and access requirements for records.** The rights and responsibilities of the recipient and the DoD Component are as stated in section 32.53 of the DoDGARs, with the following clarifications:

(a) With the exception of the types of records described in paragraphs (b)(1) through (b)(4) of section 32.53, the recipient must retain financial and programmatic records, supporting documents, statistical records, and all other records of a recipient that are required by these General Terms and Conditions, or may reasonably be considered

pertinent to the award, for a period of 3 years from the date the Financial Status Report is submitted.

(b) In accordance with paragraph (c) of section 32.53, copies of original records, either in paper or in computer or electronic format, may be substituted for the original records.

### **III.E. TERMINATION AND ENFORCEMENT**

#### **61. Termination.**

(a) Paragraph (a) of section 32.61 of the DoDGARs states the conditions under which the recipient and/or the DoD Component may terminate the award before the date of completion specified in the award document and any amendments thereto.

(b) The recipient and any DoD Component are responsible for the closeout of the terminated award, as described in Article 71 of these General Terms and Conditions.

(c) After the termination, the recipient and the DoD Component continue to have the rights and responsibilities described in Article 72 of these General Terms and Conditions.

**62. Enforcement.** Section 32.62 of the DoDGARs specifies the remedies available to the DoD Component when the recipient materially fails to comply with the terms and conditions of the award. Section 32.62 also states the rights and responsibilities of the recipient and the DoD Component related to any enforcement action.

### **IV. AFTER-THE-AWARD REQUIREMENTS**

**71. Closeout procedures.** The rights and responsibilities of the recipient and the DoD Component are as stated in section 32.71 of the DoDGARs, with the following clarifications:

(a) The DoD Component shall make downward adjustments to the Federal share of costs, as described in paragraph (e) section 32.71, if the amount expended by the recipient on project costs is less than the amount stated in the award and any amendments thereto.

#### **72. Subsequent adjustments and continuing responsibilities.**

(a) The continuing rights of the DoD Component and responsibilities of the recipient after closeout of the award are as stated in paragraph (a) of section 32.72 of the DoDGARs.

(b) After closeout of the award, the recipient and the DoD Component may modify or end those continuing rights and responsibilities by mutual agreement, as

described in paragraph (b) of section 32.72, provided that the responsibilities of the recipient referred to in paragraph (a) of section 32.72 are considered and provisions made for continuing responsibilities of the recipient, as appropriate.

**73. Collection of amounts due.** The DoD Component's rights and responsibilities for debt collection are as stated in section 32.73 of the DoDGARs.

## Appendix A

### INTELLECTUAL PROPERTY RIGHTS

Each Recipient, as defined in Part 32 of the DoD Grant and Agreement Regulations, DoD 3210.6-R, [including public and private institutions of higher education, public and private hospitals and other quasi-public and private non-profit organizations] (hereafter referred to as "Part 32 Recipients"), and each Recipient, as defined in Part 34 of the DoD Grant and Agreement Regulations, DoD 3210.6-R, [including for-profit entities] (hereafter referred to as "Part 34 Recipients"), shall be subject to the following intellectual property provisions.

#### I. PATENTS AND INVENTIONS

(A) All Part 32 Recipients and Part 34 Recipients that are small business concerns shall comply with applicable regulations governing patents and inventions, including Government wide regulations issued by the Department of Commerce at 37 CFR part 401, "Rights to Inventions Made by Nonprofit Organizations and Small Business Firms Under Government Grants, Contracts and Cooperative Agreements." Grants and cooperative agreements shall include the patent rights provision of 37 CFR 401.14 as modified below.

(B) All Part 34 Recipients other than small business concerns shall comply with applicable regulations governing patents and inventions and shall include the patent rights provision of 37 CFR 401.14 as modified below.

(C) The patent rights clause found at 37 CFR 401.14 is modified as follows: replace the word "contractor" with "Recipient;" replace the word "contract" with "award"; paragraph (b) is modified to include at the end thereof the additional language provided after the colon in 37 CFR 401.5(e), paragraph (f) is modified to include the additional requirements stated in 37 CFR 401.5 (f)(1), (2) and (3); 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); insert under paragraph (1) entitled "Communications" the following:

- (1) "The point of contact on matters relating to this clause will be:  
Commanding Officer  
Office of the Patent Counsel  
SPAWARSYSCEN SD CODE D0012  
53510 Silvergate Avenue Rm 103  
San Diego, California 92152-5765

(2) Recipient shall file Invention (Patent) Reports as of the close of the performance year and at the end of the term for this Agreement. Annual reports are due 60 days after the end of each year of performance and final reports are due 60 days after the expiration of the final performance period. Recipient shall use DD Form 882,



“Report of Inventions and Subcontracts”, to file an invention report as well as to report the lack of any invention. Recipient shall submit the original and one copy to the SPAWARSYSCEN SD Office of Patent Counsel, one copy to the Grants Administration Office, and one copy to the Grants Officer, if different than the Grants Administration Office.”

Final payment cannot be made nor can the agreement be closed out until Recipient delivers to the U.S. Government all reports and disclosures of subject inventions required by this agreement, all confirmatory instruments relating thereto, and an acceptable final report pursuant to the article entitled "Annual and Final Technical Reports".

(D) The following provision applies to all Recipients.

“AGREEMENT TO LICENSE/ NO IMPLIED LICENSE”

a. Except as provided in b. below:

1. Recipient shall obtain a license from the U.S. Government under the following U.S. patents, patent applications and all patents issuing thereon, and under all patents that may issue and patent applications that may be filed on the following invention disclosures, on reasonable terms and conditions, consistent with law, regulation, and Navy policy prior to any manufacture, use, sale, lease, license, or conveyance of any kind of any process, machine, manufacture, or composition of matter that would, absent such license, infringe any claim of such patent(s)/application(s):

[list patents/applications];

2. Nothing in this award shall release Recipient from any obligation of or duty under any other U.S. Government procurement or non-procurement transaction; nor shall it grant to or confer upon Recipient any rights, express or implied, (1) to any invention other than a Subject Invention, (2) under any patent application or patent assigned to the U.S. Government that is dominant over a patent protecting a Subject Invention, (3) under any patent application or patent assigned to the U.S. Government protecting an invention other than a Subject Invention, or (4) under the U.S. patent(s)/patent application(s) identified in 1. above.

b. No license from the U.S. Government shall be required for research, development, test and evaluation to be performed by Recipient under this award.

(E) The following provision applies to all Recipients.

“RIGHTS IN MASK WORKS”

a. Recipient grants to the U.S. Government, a non-exclusive, irrevocable, royalty free, world wide license under any mask work generated in the performance of work under this award: (1) to reproduce the mask work by optical, electronic, or any other means; (2) to import or distribute a semiconductor chip product in which the mask work is embodied; and (3) to induce or knowingly to cause another person, contractor or subcontractor to do any of the acts described in (1) or (2).

b. Recipient shall include this clause, suitably modified to replace “Recipient” with “subrecipient” in all subawards, regardless of tier, in which a mask work is likely to be created in the performance of the work under the subaward. Recipient shall not, as part of the consideration for awarding the subaward, obtain rights in the subrecipient’s mask works.

(F) Recipients are responsible for affixing and shall affix appropriate markings indicating the rights of the U.S. Government on all data delivered under the award. The U.S. Government shall be deemed to have unlimited rights in all data and technical data delivered without markings.

(G) Recipients will include these clauses, suitably modified to identify the parties, in all subawards, regardless of their tier.

II. COPYRIGHTS, DATA, FOIA AND TITLE TO INTELLECTUAL PROPERTY

(A) All Part 32 Recipients are subject to the following:

1. COPYRIGHTS

Recipient may copyright any work that is subject to copyright and was developed, or for which ownership was purchased, under an award. DoD Components reserve a royalty-free, nonexclusive and irrevocable right to reproduce, publish, or otherwise use the work for Federal purposes, and to authorize others to do so.

2. DATA

The Federal Government has the right to:

(A) Obtain, reproduce, publish or otherwise use the data first produced under an award; and

(B) Authorize others to receive, reproduce, publish, or otherwise use such data for Federal purposes.

3. FREEDOM OF INFORMATION ACT

(A) In addition, in response to a Freedom of Information Act (FOIA) request for research data relating to published research findings produced under an award that were used by the Federal Government in developing an agency action that has the force and effect of law, the DoD Component that made the award shall request, and Recipient shall provide, within a reasonable time, the research data so that they can be made available to the public through the procedures established under the FOIA. If the DoD Component that made the award obtains the research data solely in response to a FOIA request, the DoD Component may charge the requester a reasonable fee equaling the full incremental cost of obtaining the research data. This fee should reflect costs incurred by the DoD Component, Recipient, and applicable subrecipients. This fee is in addition to any fees the DoD Component may assess under the FOIA (5 U.S.C. 552(a)(4)(A)).

(B) The following definitions apply for purposes of paragraph (A) of this section:

(i) Research data is defined as the recorded factual material commonly accepted in the scientific community as necessary to validate research findings, but not any of the following: preliminary analyses, drafts of scientific papers, plans for future research, peer reviews, or communications with colleagues. This "recorded" material excludes physical objects (e.g., laboratory samples). Research data also do not include:

(A) Trade secrets, commercial information, materials necessary to be held confidential by a researcher until they are published, or similar information which is protected under law; and

(B) Personnel and medical information and similar information the disclosure of which would constitute a clearly unwarranted invasion of personal privacy, such as information that could be used to identify a particular person in a research study.

(ii) Published is defined as either when:

(A) Research findings are published in a peer-reviewed scientific or technical journal; or

(B) A Federal agency publicly and officially cites the research findings in support of an agency action that has the force and effect of law.

(iii) Used by the Federal Government in developing an agency action that has the force and effect of law is defined as when an agency publicly and officially cites the research findings in support of an agency action that has the force and effect of law.

#### 4. TITLE

Title to intangible property and debt instruments acquired under an award or subaward (rather than developed or produced under the award or subaward) vests upon acquisition in Recipient. Recipient shall use that property for the originally-authorized purpose, and Recipient shall not encumber the property without approval of the DoD

Component that made the award. When no longer needed for the originally authorized purpose, disposition of the intangible property shall occur in accordance with the provisions of 32 CFR §32.34(g).

(B) All Part 34 Recipients are subject to the following:

1. COPYRIGHT

Recipient may copyright any work that is subject to copyright and was developed under an award. DoD Components reserve a royalty-free, nonexclusive and irrevocable right to reproduce, publish, or otherwise use the work for Federal purposes, and to authorize others to do so.

2. DATA

Unless waived by the DoD Component making the award, the Federal Government has the right to:

(a) Obtain, reproduce, publish or otherwise use for Federal Government purposes the data first produced under an award.

(b) Authorize others to receive, reproduce, publish, or otherwise use such data for Federal purposes.

(C) FLOW-DOWN

Recipients will include these clauses, suitably modified to identify the parties, in all subawards, regardless of their tier.

## **Appendix B**

### **Contract Provisions**

All contracts awarded by a recipient, including those for amounts less than the simplified acquisition threshold, shall contain the provisions described in paragraphs 1 through 8 in Appendix A of part 32 of the DoDGARs, as applicable, with the following clarifications:

A.1. Equal Employment Opportunity. The text of Executive Order 11246 may be found at 3 CFR, 1964-1965 Comp., p. 339, and that of Executive Order 11375 may be found at 3 CFR, 1966-1970 Comp., p. 684.

A.2. Debarment and Suspension (E.O.s 12549 and 12689). Paragraph 8 of the Appendix in part 32 of the DoDGARs applies to contract awards that exceed the simplified acquisition threshold and certain other contract awards described in the DoD Component's codification of the Governmentwide rule implementing Executive Order 12549 (3 CFR, 1986 Comp., p. 189) and Executive Order 12689 (3 CFR 1989 Comp., p. 235).