



7555-01-P

NATIONAL SCIENCE FOUNDATION

Final Notice of Research Terms and Conditions (RTC) to address and implement the *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* issued by the U.S. Office of Management and Budget (OMB)

AGENCY: National Science Foundation

ACTION: Final Notice of Research Terms and Conditions (RTC) to address and implement the *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (2 CFR § 200) issued by the U.S. Office of Management and Budget (OMB).

SUMMARY: Effective with publication of this Notice in the **Federal Register**, research agencies will be able to utilize the updated Research Terms and Conditions (RTC) that will address and implement the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (2 CFR § 200) issued by the U.S. Office of Management and Budget (OMB).

DATES: The updated Research Terms and Conditions will effective [INSERT DATE OF PUBLICATION IN THE FEDERAL REGISTER].

FOR FURTHER INFORMATION: To view the final Research Terms and Conditions and Appendices, see: <https://www.nsf.gov/awards/managing/rtc.jsp>. For information on the Research Terms and Conditions, contact Jean Feldman, Head, Policy Office, Division of Institution & Award Support, National Science Foundation, 4201 Wilson Blvd, Arlington, VA, 22230, e-mail: jfeldman@nsf.gov; telephone (703) 292-8243; FAX: (703) 292-9171.

SUPPLEMENTARY INFORMATION: In 2000, the Federal Demonstration Partnership (FDP), a cooperative initiative among numerous Federal agencies and institutional recipients of research funds aimed at reducing the administrative burdens associated with research grants and contracts, developed Standard Terms and Conditions as a model implementation of OMB Circular A-110. These terms were an effective set of requirements for many agency research awards. In 2005, following public and agency comment on the original FDP terms, standard research terms and conditions were developed by Research Business Models (RBM), an Interagency Working Group of the Social, Behavioral & Economic Research Subcommittee of the Committee on Science (CoS), a committee of the National Science and Technology Council (NSTC). In 2008, a side-by-side comparison of OMB Circular A-110 and the Research Terms and Conditions was developed; the terms and conditions were updated in 2011.

This project is an initiative of the Research Business Models (RBM) Interagency Working Group. One of the RBM Subcommittee's priority areas is to create greater consistency in the administration of Federal research awards. Given the increasing complexity of interdisciplinary and interagency research, it has become increasingly important for Federal agencies to manage awards in a similar fashion.

On June 30, 2014, a proposal was presented to the RBM on behalf of the participating agencies from the RBM Interagency Working Group to develop a revised set of RTCs for implementing the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, 2 CFR § 200 (Uniform Guidance). The purpose was to develop a revised set of RTCs as they apply to

research and research-related grants made by the following awarding agencies to institutions of higher education and non-profit organizations.

The agencies participating in this activity include the: U. S. Department of Commerce/ National Oceanic and Atmospheric Administration and National Institute of Standards and Technology; U.S. Department of Energy; U.S. Environmental Protection Agency; National Aeronautics and Space Administration; National Science Foundation; U.S. Department of Health and Human Services/National Institutes of Health; U.S. Department of Agriculture/National Institute of Food and Agriculture; U.S. Department of Transportation/Federal Aviation Administration; and the U.S. Department of Homeland Security.

On October 14, 2015 the National Science Foundation asked for public comment on the updated Research Terms and Conditions (RTC) to address and implement the *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* issued by the U.S. Office of Management and Budget (OMB) in the **Federal Register** [80 FR 61849, October 14, 2015]. All comments were considered in developing this final version of the Research Terms and Conditions. A table listing the comments and responses is posted on the NSF Web site at: <https://www.nsf.gov/awards/managing/rtc.jsp>.

While the Uniform Guidance outlines provisions that are specific to research, these terms and conditions:

- Incorporate the entire Uniform Guidance by reference, clarifying or supplementing select provisions where appropriate and consistent with government-wide research policy.
- Incorporate the latest version of the Frequently Asked Questions for the Office of Management and Budget's Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards at 2 CFR 200 (located at <https://cfo.gov/cofar-resources>).
- Apply to an award when included as part of the award or when incorporated in the award by reference. Use of the RTCs is envisioned as a streamlined approach that supports the implementation of the Uniform Guidance by providing clarification, supplementary guidance, and, where appropriate, selected options, while meeting the spirit and intent of a uniform implementation.

The side-by-side RTCs depict pertinent sections of the Uniform Guidance on the left side and clarifications for research and research-related awards on the right side.

In addition to the RTCs, three companion resources will be developed upon implementation: Appendix A, Prior Approval Matrix, Appendix B, Subaward Requirements Matrix, and Appendix C, National Policy Requirements Matrix. The companion resources, when finalized, will be posted on the NSF website at: <https://www.nsf.gov/awards/managing/rtc.jsp>. The RTCs include flexibility for additional individual agency clarification through the incorporation of Appendices A – C and Agency-Specific Requirements.

These RTCs will apply to an award when they are included as part of that award, or when incorporated into that award by reference. Each participating agency will develop their own implementation plan, and agency specific requirements to the RTCs, which will be posted on the NSF

website at: <https://www.nsf.gov/awards/managing/rtc.jsp>. Since there will be multiple implementation dates, the RTC website should be consulted frequently.

Other agencies not identified above that would like to implement the RTCs are strongly encouraged to do so. In order to provide the necessary documentation to the research community, the following information must be provided to NSF prior to adoption of the RTCs: Prior Approval Matrix, Subaward Requirements Matrix, Agency-Specific Requirements, and agency implementation plan.

On behalf of the RBM, the National Science Foundation (NSF) has agreed to continue to serve as the sponsor of the updated version of these RTCs.

Dated: March 9, 2017

Suzanne H. Plimpton,
Reports Clearance Officer,
National Science Foundation.

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