

PART I.

Article 1. Administrative Information and Order of Precedence 1

(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

(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

PART V. REPORTS AND R

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

