

December 13, 2011

NSF Notice of Intent to Revise American Recovery and Reinvestment Act (ARRA) Award General Terms and Conditions to Ensure Project Completion by September 30, 2013

Dear Colleagues:

This notice applies to all NSF grantees with active awards that were issued pursuant to the American Recovery and Reinvestment Act of 2009 (ARRA).¹ The purposes of this notice are to:

1. notify grantee organizations, Principal Investigators (PIs) and co-Principal Investigators (co-PIs) that NSF will be amending the terms and conditions of active ARRA awards as described below. These amendments will revise the current automatic no-cost extension authority by eliminating the ability of awardees to extend the expiration date beyond September 30, 2013 without prior NSF approval;
2. establish a procedure for grantees to request prior NSF approval for extensions beyond September 30, 2013;
3. provide options for those grantees that are unable to accept the terms and conditions, as revised; and
4. notify grantees of ARRA awards with expiration dates after September 30, 2013 of a potential amendment limiting the award expiration to September 30, 2013.

Background

A key purpose of ARRA is to spur economic activity, invest in long-term growth, and to expeditiously impact the nation's economy. On September 15, 2011, the Office of Management and Budget issued OMB memorandum [M-11-34](#), "*Accelerating Spending of Remaining Funds from the American Recovery and Reinvestment Act for Discretionary Grant Programs*". This memorandum directed NSF and other federal agencies to take steps to ensure grantees complete ARRA projects by September 30, 2013, and directed agencies to "...revise the terms of Recovery Act discretionary grant agreements, to the extent permitted by law, to provide for reclamation of funds that remain unspent after September 30, 2013, absent a waiver issued by OMB pursuant to this memorandum." At this time, NSF has not completed its assessment of the need for waiver requests to OMB so NSF continues to strongly encourage grantees to *responsibly* accelerate expenditures for all active ARRA grants regardless of the current expiration date. Grantees are reminded that, in accordance with the terms and conditions of the award, all expenditures must be allowable pursuant to applicable cost principles and that requested payments must be necessary to meet current needs.

Amendment of Award General Terms and Conditions for ARRA Awards to Limit the Unilateral Authority to Extend the Award Expiration Date without Additional Funds

All NSF grants awarded with ARRA funds incorporated NSF's standard general award terms and conditions. These terms and conditions include the authority for grantees to unilaterally extend the final expiration date, for up to 12 months, without additional funds. In accordance with the aforementioned OMB memorandum, NSF will revise all ARRA awards that currently

¹ Please note that while OMB M-11-34 applies to NSF Cooperative Agreements with ARRA funding, this notice does not. NSF will provide separate guidance to Cooperative Agreement ARRA recipient institutions.

extend beyond (or could potentially extend beyond) September 30, 2013 to limit this authority. It is important to note that the majority of the NSF ARRA-funded grants are not impacted by this award term modification. NSF ARRA grants fall into several categories. Each category and an associated strategy is described below.

1. Grants That, Even with the Exercise Of Grantee-Approved No-Cost Extensions, Will Not Expire After September 30, 2013

While no modifications will be made to this category of ARRA awards, NSF encourages grantees to responsibly accelerate expenditures, wherever possible, for this and all categories of active ARRA awards set forth below.

2. Grants that Expire On or Before September 30, 2013 but are Currently Eligible for Extension Beyond September 30, 2013 with a Grantee-approved No-Cost Extension

Grants in this category will be amended to limit the unilateral extension authority so that such extensions may not go beyond September 30, 2013. The following award term will be included in amendments on these awards:

“This award is amended to limit the no-cost extension provision incorporated into the general terms and conditions. Should an extension be necessary for this project, the project may not be extended beyond September 30, 2013, without the prior written approval of the Grants Officer. By drawing down funds through the FastLane/Research.gov payment module, the grantee agrees to this amended provision and all other terms and conditions listed in the original award notice.”

Grantees are reminded that all required notifications of this initial extension must still be submitted through the FastLane Notification and Request Module. Grantees in this category are hereby notified that they are not permitted to utilize FastLane to approve no-cost extensions beyond September 30, 2013, and that any such grantee-approved actions will not be recognized by NSF.

3. Grants that Expire After September 30, 2013

A. Amendment Relating to No-cost Extension Authority

Grants in this category will be amended to eliminate the grantee-approved no-cost extension authority. The following award term will be included in amendments on these awards:

“This award is amended to delete the Grantee-approved no-cost extension provision of the award terms and conditions. Should an extension be necessary for this project, the project may not be extended without prior written approval from the Grants Officer.” By drawing down funds through the

FastLane/Research.gov payment system, the grantee agrees to this amended provision and all other terms and conditions listed in the original award notice.”

Grantees in this category are hereby notified that they are not permitted to utilize FastLane to approve no-cost extensions, and that any such grantee-approved actions will not be recognized by NSF.

B. Potential Amendment Limiting Award Expiration Date to September 30, 2013

NSF staff administering these grants will reach out to grantees to discuss possible strategies for responsibly accelerating progress and expenditures, including the potential amending of the award expiration date to September 30, 2013. Decisions regarding limiting award expiration dates for this category will be made in conjunction with waiver requests on or before June 1, 2012.

Process for Requesting Prior Approval to Extend Beyond September 30, 2013

For any ARRA award in category 2 or 3 above anticipated to continue past September 30, 2013, NSF grantees must contact the Program Officer identified in the Award Notice in writing that an extension of the expiration date is vital for the completion of the project. All requests must be received on or before June 1, 2012, regardless of the current project expiration date. Prior written approval to extend beyond September 30, 2013 will only be considered under one or more of the following circumstances, as described in OMB Memorandum [M-11-34](#) and, **only if NSF receives a waiver from OMB:**

- The project is long-term by design, and acceleration would compromise core programmatic goals;
- The project must undergo complex environmental review that cannot be completed within this timeframe;
- Contractual commitments between the awardee and vendors/subrecipients legally prevent adjusting the timeline for spending; and/or
- Special circumstances exist where acceleration may cause unnecessary harm or unreasonable risk to vertebrate animals or human subjects involved in the research.

Process for Recipients Unable to Accept the Revised Award Terms

Grantees with concerns regarding these revised terms and conditions must contact the cognizant Program Officer in the award notice to discuss ways to accelerate grant expenditures and ensure project completion by the target date of September 30, 2013.

For general inquiries regarding this notice, please contact:

Policy Office
Division of Institution & Award Support
National Science Foundation
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