

# Recovery Act of 2009: NIH Award Terms and Additional Information for Recipients Receiving Recovery Act Grant Funding

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## Key Dates

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## Issued by

National Institutes of Health (NIH), (<http://www.nih.gov>)

## Background

The NIH has received funds from the American Recovery and Reinvestment Act of 2009 (“Recovery Act” or “ARRA”) to stimulate job creation and economic development activity related to biomedical and biobehavioral research. The NIH Office of the Director and the NIH Institutes and Centers (ICs) will issue awards with ARRA funds in FY 2009 and FY 2010. The ARRA requires recipients to separately account for, track, monitor, report on, provide for audit of, and closeout of all grant funding provided under the ARRA. NIH, in accordance with the Department of Health and Human Services (HHS) guidance, is implementing a number of unique business processes to accommodate the separation of ARRA funding from funding provided under the standard NIH Appropriation. This Notice is designed to explain these new business processes and alert grantees to the steps they must take to successfully administer ARRA awards. The information below will apply to all Notice of Awards (NoAs) issued with ARRA funding.

Applicants and grantees are also encouraged to review the following websites for additional information on ARRA:

- March 2009 Statement from the Acting Director, NIH: [http://www.nih.gov/about/director/02252009statement\\_arra.htm](http://www.nih.gov/about/director/02252009statement_arra.htm)
- NIH Grant Funding Opportunities Supported by the ARRA funds: <http://grants.nih.gov/recovery/>
- NIH and the ARRA: <http://www.nih.gov/recovery/>
- HHS.gov/Recovery: <http://www.hhs.gov/recovery/index.html>
- Recovery.gov: <http://www.recovery.gov/>

## HHS Standard Terms of Award

The HHS has provided its agencies with Standard Terms and Conditions for awards issued with Division A ARRA funds which will apply to all NIH grants and cooperative agreement ARRA awards. Note, the reference to “Division A” reflects *Division A—Appropriations Provisions* of the ARRA; those that apply to NIH funding. The approved term for NIH ARRA

awards as of the date of the issuance of this Notice is found at: [http://grants.nih.gov/grants/policy/NIH\\_HHS\\_ARRA\\_Award\\_Terms.pdf](http://grants.nih.gov/grants/policy/NIH_HHS_ARRA_Award_Terms.pdf). Each NIH ARRA NoA will include the following special term in Section III:

ARRA TERM OF AWARD: This award is subject to the HHS-Approved Standard Terms and Conditions for the American Recovery and Reinvestment Act of 2009. Approved text for NIH awards can be found at: [http://grants.nih.gov/grants/policy/NIH\\_HHS\\_ARRA\\_Award\\_Terms.pdf](http://grants.nih.gov/grants/policy/NIH_HHS_ARRA_Award_Terms.pdf). Recipients should pay particular attention to the special quarterly reporting requirements required by Section 1512 of the Recovery Act as specified in Term #2.

Revisions to these terms will be posted at this same URL when available.

### **Special ARRA Banner on all NoAs**

All NoAs issued with ARRA funding will include this banner at the top of each Award: THIS AWARD IS ISSUED UNDER THE AMERICAN RECOVERY AND REINVESTMENT ACT OF 2009 AND IS SUBJECT TO SPECIAL HHS TERMS AND CONDITIONS AS REFERENCED IN SECTION III.

### **Unique Catalog of Federal Domestic Assistance (CFDA) Numbers**

NIH has established unique CFDA numbers to be used on all NoAs. These are trans-NIH CFDA numbers and thus cover funding by all 24 NIH ICs that issue grant awards. For all Research and Research-related activities (except for Construction activities awarded by the National Center for Research Resources [NCRR]), the CFDA number is 93.701. For NCRR Construction awards the CFDA number is 93.702.

### **Information for Recipients on Accessing ARRA Awards from the Payment Management System**

The following information on special procedures required to identify and access ARRA funds has been provided by the Division of Payment Management, Program Support Center, DHHS:

The ARRA requires that ARRA-funded grants be individually tracked to monitor advances and expenditures. Consequently, the HHS Payment Management System (PMS) requires the establishment of "P" accounts for all grantees receiving ARRA funds to enable grant-by-grant tracking. Each "P" account has associated "sub accounts" that NIH has established and each sub account represents a discrete ARRA funded grant.

"P" accounts do not permit cash pooling—that is a grantee cannot pool advances from multiple grants into a single payment request; instead a grantee must request advances individually from each separate ARRA-funded grant. Therefore, to request advances from these "P" accounts, grantees must identify the specific sub accounts (ARRA-funded grant awards) from which the funds will be drawn. The sub accounts are linked to specific grant

awards in PMS and will be tied to the PMS payee account that ends in a P, P1, or P2.

Current PMS users will use the same log-in and password to request drawdowns for these ARRA grants. New PMS users will receive log-in and password information directly from the Division of Payment Management.

If a grantee requires assistance with their PMS account or has questions concerning the process for accessing ARRA funding, please contact the PMS account representative for your state as listed on the DPM website: [www.dpm.psc.gov](http://www.dpm.psc.gov).

## Unique Document Number Schema

To facilitate the special PMS requirements noted above, NIH will issue all ARRA grant awards using a unique Document Number schema. The core schema traditionally used by NIH will remain intact except for the last character. For all ARRA grant awards, the last character of the document number will always be "Z". For example, for grant number 1 R01 AI123456-01 funded with ARRA funds, the document number will be RA123456Z. Note, even Administrative Supplements and Competitive Revisions awarded with ARRA funds will carry this unique document number. This will assure that all ARRA awards are recorded in the appropriate accounts in PMS.

## Unique Business Processes for Administrative Supplements and Competitive Revisions

Administrative Supplements and Competitive Revisions present a unique challenge because of the ARRA requirement to separately award, track, monitor, account for, report on, audit and closeout ARRA funding. Meanwhile there remains an NIH programmatic requirement to show the connection to the parent grant. To accommodate both of these requirements, NIH has established a number of business processes that are implemented just for ARRA administrative supplements and competitive revisions (Type-3s). Please note these unique business processes are only for ARRA Type-3s and will not be extended to any Type-3s action funded by non-ARRA funding.

**ARRA Awards (T-3s):** These awards will be distinct from non-ARRA supplements and revisions in that the award will reflect only the ARRA funding. All cumulative references to the parent grant are being removed from the ARRA T-3 award.

**ARRA T-3 Budget & Project Periods:** ARRA T-3 awards will have a budget/project period that reflects only the ARRA portion and need not be in sync with the parent grant. Due to the unique nature of these funds, ARRA T-3s issued in FY2009 may have budget/project periods up to 24 months. ARRA T-3s issued in FY2010 will be limited to no more than a 12-month budget/project period.

**No Rebudgeting into or from the Parent Grant:** Because of the requirement for ARRA funding to be separately awarded and managed, there will be no ability to co-mingle the ARRA T-3 funding with the parent grant. Thus rebudgeting between ARRA and non-ARRA

funds is prohibited. Institutions must establish separate accounts for ARRA and non-ARRA funding.

**No Carryover into the Parent Grant:** Similar to the Rebudgeting prohibition noted above, carryover of any unobligated ARRA funding at the end of the supplement period into the parent grant is prohibited.

**No-Cost Extensions of the ARRA T-3:** The ARRA T-3s are being awarded under the general NIH Terms of Award. Therefore, these records will be eligible for a one-time no-cost extension (up to 12 months) of the ARRA project period. This extension is allowable regardless of the status of the parent grant and will not impact the continued funding of the parent grant. Note that because of the separate accountability requirements for ARRA funding and the need to financially closeout the ARRA funding in a timely manner, additional extensions beyond the initial one; i.e., those requiring NIH prior approval, will be rare.

**Separate Financial & Closeout Reporting Required:** Separate Financial Reports (SF 272 and SF269 Financial Status Report [FSR]) will be required for each ARRA T-3 award. This will be in addition to any financial reports required for the parent grant. In addition, the ARRA-funded segment will be closed out independent of the parent grant. Therefore, grantees will be required to submit a final progress report and a final invention statement in addition to the FSR.

**Unique Award Terms for ARRA T-3s:** Each NIH ARRA T-3 NoA will include the following special term in Section III:

ARRA Term of Award: This award provides additional funding for [system to insert parent grant number]. This additional funding is provided under the American Recovery and Reinvestment Act of 2009 (ARRA) and is subject to the HHS-Approved Standard Terms and Conditions for ARRA. Approved text for NIH awards can be found at: [http://grants.nih.gov/grants/policy/NIH\\_HHS\\_ARRA\\_Award\\_Terms.pdf](http://grants.nih.gov/grants/policy/NIH_HHS_ARRA_Award_Terms.pdf). Recipients should pay particular attention to the special quarterly reporting requirements required by Section 1512 of the Recovery Act as specified in Term #2. These special quarterly reporting requirements apply only to this additional funding. Recipients should not include any information about the parent grant when responding to the quarterly reporting requirements.

Separate financial reporting (SF 272 and Financial Status Reports) will be required to be submitted covering this additional funding. These will be in addition to any required financial reports for the parent grant.

Separate closeout documents (Final Progress Report, Final Financial Status Report, and Final Invention Statement) will also be required to closeout the Recovery Act funding at the time the ARRA funding ends. These closeout reports for the ARRA funding are required even when the parent grant continues.

ARRA funds provided under this award are not available for rebudgeting or

carryover into the parent grant. Any ARRA funding remaining at the end of the funding period for this award must be reported as an unobligated balance.

## Modified Carryover Authority

ARRA awards are being awarded under the general NIH Terms of Award. Therefore, when an FY2009 ARRA award includes a commitment for FY2010, automatic carryover authority will apply consistent with NIH's traditional application of that authority. For instance, automatic carryover is traditionally allowed for all R01s. Therefore, for any R01 funded with ARRA funds with a future year commitment in FY2010, the grantee will be able to automatically carryover the balance from the FY2009 budget period into the FY2010 budget period.

It is important to note, however, that there is no ability to carryover unobligated funds from a budget period funded with regular IC appropriation funds into a budget period funded with ARRA. Nor is there any ability to carryover unobligated funds from an ARRA-funded budget period into a budget period funded with regular IC appropriation funds.

An additional carryover restriction applies when a grant was initially funded with regular IC appropriation funds, funded for 2 years with ARRA funding; and then funded again with regular IC appropriation funds. No carryover is available between any of the ARRA segments and the segments funded with regular IC appropriation. Note that since the first segment funded from the IC appropriation is financially closed when it ends, any funds remaining are not available when the 2nd segment funded by the IC appropriation is subsequently awarded.

Below is an illustration:

Grant Number	Document Number	Notes
5 R01 AI123456-04	RAI123456A	Funded with regular AI base appropriation funds in FY2008
2 R01 AI123456-05	RAI123456Z	Type 2 funded with ARRA in FY 2009
5 R01 AI123456-06	RAI123456Z	Type 5 funded with ARRA in FY 2010
2 R01 AI123456-07	RAI123456B	Type 2 funded with regular AI base appropriation funds in FY2011

- If funds remain from the -04 year, they **cannot** be carried forward into year -05 since -05 is funded with ARRA funds. Year -04 will be financially closed.
- Years -05 & -06 are both awarded with ARRA funding; thus the grantee may automatically carry forward -05 funds into the -06 year.
- However, if funds remain from the ARRA -06 year, they **cannot** be carried forward into year -07, since -07 is funded with regular IC base appropriation funds.

- Since year -04 is financially closed, any balance that might have remained at the end of that year is no longer available. Therefore there is no carry over available from year -04 to -07.

Because of these restrictions on the carryover of funds, grantees are encouraged to pay close attention their rates of spending and plan accordingly to ensure that all ARRA funds are spent in a timely manner.

## Inquiries

Questions concerning a specific ARRA-funded grant should be directed to the assigned Grants Management Specialist noted on the NoA.

General questions about this Notice may be directed to:

Division of Grants Policy

Office of Policy for Extramural Research Administration, OER, NIH

(301) 435-0949

[GrantsPolicy@mail.nih.gov](mailto:GrantsPolicy@mail.nih.gov)

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