

**U.S. NUCLEAR REGULATORY COMMISSION
NOTICE OF GRANT/ASSISTANCE AWARD**

1. GRANT/AGREEMENT NO. NRC-HQ-11-G-38-0005	2. MODIFICATION NO.	3. PERIOD OF PERFORMANCE FROM: 8/4/2011 TO: 8/3/2014	4. AUTHORITY Pursuant to Section 31b and 141b of the Atomic Energy Act of 1954, as amended
5. TYPE OF AWARD <input checked="" type="checkbox"/> GRANT <input type="checkbox"/> COOPERATIVE AGREEMENT	6. ORGANIZATION TYPE State-Related Institution of Higher ED DUNS: 003403953 NAICS: 611310	7. RECIPIENT NAME, ADDRESS, and EMAIL ADDRESS The Pennsylvania State University 110 Technology Center University Park, PA 16802	
8. PROJECT TITLE: Pennsylvania State University's Faculty Development Grant: Education and Research Related to the Nuclear Fuel Cycle			
9. PROJECT WILL BE CONDUCTED PER GOVERNMENT'S/RECIPIENT'S PROPOSAL(S) DATED See Program Description AND APPENDIX A-PROJECT GRANT PROVISIONS	10. TECHNICAL REPORTS ARE REQUIRED <input checked="" type="checkbox"/> PROGRESS AND FINAL <input type="checkbox"/> FINAL ONLY <input type="checkbox"/> OTHER (Conference Proceedings)	11. PRINCIPAL INVESTIGATOR(S) NAME, ADDRESS and EMAIL ADDRESS The Pennsylvania State University Attn: Dr Karen A. Thole Professor & Department Head Email: kthole@psu.edu 814-865-2519	
12. NRC PROGRAM OFFICE (NAME and ADDRESS) NRC Attn: Nancy Hebron-Israel Office of Human Resources MS: GW5E03 (301) 492-2231 11545 Rockville Pike Rockville, Maryland 20852	13. ACCOUNTING and APPROPRIATION DATA APPN. NO: 31X0200 B&R NO: 2011-84-51-K-184 JOB CODE: T8460 BOC NO: 4110 OFFICE ID NO: RFPA: HR-11-143 FAWS: G 120076		14. METHOD OF PAYMENT <input type="checkbox"/> ADVANCE BY TREASURY CHECK <input type="checkbox"/> REIMBURSEMENT BY TREASURY CHECK <input type="checkbox"/> LETTER OF CREDIT <input checked="" type="checkbox"/> OTHER (SPECIFY) Electronic ASAP.gov (See Remarks in Item #20 "Payment Information")
15. NRC OBLIGATION FUNDS THIS ACTION <u>\$450,000.00</u> PREVIOUS OBLIGATION _____ TOTAL <u>\$450,000.00</u>		16. TOTAL FUNDING AGREEMENT NRC <u>\$450,000.00</u> This action provides funds for Fiscal Year in the amount of See Page Two RECIPIENT <u>\$150,000.00</u> TOTAL <u>\$600,000.00</u>	
17. NRC ISSUING OFFICE (NAME, ADDRESS and EMAIL ADDRESS) U.S. Nuclear Regulatory Commission Div. of Contracts Attn: Mark Lohrmann Email: Mark.Lohrmann@NRC.GOV Mail Stop: TWB-01-B10M Rockville MD 20852			
18. Signature Not Required		19. NRC CONTRACTING OFFICER <div style="text-align: right;"><u>Sheila Bumpass</u> <u>8/5/2011</u> (Signature) (Date) NAME (TYPED) <u>Sheila Bumpass</u> TITLE <u>Contracting Officer</u> TELEPHONE NO. <u>301-492-3484</u></div>	
20. PAYMENT INFORMATION Payment will be made through the Automated Standard Application for Payment (ASAP.gov) unless the recipient has failed to comply with the program objectives, award conditions, Federal reporting requirements or other conditions specified in 2 CFR 215 (OMB Circular A110).			
21. Attached is a copy of the "NRC General Provisions for Grants and Cooperative Agreements Awarded to Non-Government Recipients. Acceptance of these terms and conditions is acknowledged when Federal funds are used on this project.			
22. ORDER OF PRECEDENCE In the event of a conflict between the recipient's proposal and this award, the terms of the Award shall prevail.			
23. By this award, the Recipient certifies that payment of any audit-related debt will not reduce the level of performance of any Federal Program.			

TEMPLATE - ADM001

SUNSI REVIEW COMPLETE

AUG 09 2011

ADM002

ATTACHMENT A - SCHEDULE

A.1 PURPOSE OF GRANT

The purpose of this Grant is to provide support to the "Pennsylvania State University – Education and Research Related to the Nuclear Fuel Cycle Program" as described in Attachment B entitled "Program Description."

A.2 PERIOD OF GRANT

1. The effective date of this Grant is August 4, 2011. The estimated completion date of this Grant is August 3, 2014.
2. Funds obligated hereunder are available for program expenditures for the estimated period: August 4, 2011– August 3, 2014.

A. GENERAL

1. Total Estimated NRC Amount: \$450,000.00
2. Total Obligated Amount: \$450,000.00
3. Cost-Sharing Amount: \$150,000.00
4. Activity Title: Education and Research Related to the Nuclear Fuel Cycle Program.
5. NRC Project Officer: Nancy Hebron-Isreal
6. DUNS No.: 003403953

B. SPECIFIC

- RFPA No.: HR-11-143
FFS: N/A
Job Code: T8460
BOC: 4110
B&R Number: 2011-84-51-K-164
Appropriation #: 31X0200
Amount Obligated: \$450,000.00

A.3 BUDGET

Revisions to the budget shall be made in accordance with Revision of Grant Budget in accordance with 2 CFR 215.25.

	Year 1	Year 2	Year 3
Direct Participant Cost	\$150,000.00	\$127,367.00	\$116,078.00
Indirect Cost	\$ 0.00	\$ 22,633.00	\$ 33,922.00
Cost Share	\$ 50,000.00	\$ 50,000.00	\$ 50,000.00
Yearly Total	\$600,000.00	\$600,000.00	\$600,000.00

A.4 AMOUNT OF AWARD AND PAYMENT PROCEDURES

1. The total estimated amount of this Award is \$450,000.00 for the three year period.
2. NRC hereby obligates the amount of \$450,000.00 for program expenditures during the period set forth above and in support of the Budget above. The Grantee will be given written notice by the Contracting Officer when additional funds will be added. NRC is not obligated to reimburse the Grantee for the expenditure of amounts in excess of the total obligated amount.
3. Payment shall be made to the Grantee in accordance with procedures set forth in the Automated Standard Application For Payments (ASAP) Procedures set forth below.

Attachment B – Program Description

PROGRAM DESCRIPTION

PENNSYLVANIA STATE UNIVERSITY'S FACULTY DEVELOPMENT GRANT FOR EDUCATION AND RESEARCH RELATED TO THE NUCLEAR FUEL CYCLE

Research and education of talented students are needed to determine alternative solutions for the management of the commercial nuclear fuel cycle, which is critical to viability of nuclear power. The recent elimination of the Yucca Mountain project, which was based upon a once-through fuel cycle and subsequent permanent geologic disposal, has created opportunities for re-examination of more sustainable, economic and technically feasible alternatives. Alternatives such as reprocessing, actinide burning, and radionuclide separation are all being re-evaluated to develop a new knowledge base. As a result, research in the area of radiochemistry for waste separation, the development of new waste forms for the various waste streams and the development of new reactor concepts for actinide burning have all come to the fore as important areas for new research investment. In addition, the horizon for permanent disposal has been extended and because the fuel burnup has significantly increased, interim fuel storage requirements need to be addressed for longer periods of time. The longer burnup and the longer storage times may make the fuel more susceptible to degradation. The overall goal is to produce a comprehensive, science-based strategy for the treatment of nuclear fuel.

The presence of nuclear power in the Commonwealth of Pennsylvania not only has a major impact on ensuring the Commonwealth's electricity needs are met, but also has a dominating effect on the economy and employment. The nuclear industry in Commonwealth can be broken into reactor operators/owners and power plant producers including Exelon Corporation (located throughout PA), PPL (headquartered in Allentown), and PSEG. One of the largest employers in the Commonwealth is Westinghouse with over 4000 employees. Toshiba-Westinghouse typically hires 25% of their new hires from Penn State. With this background, it is clear to see why nuclear power is emphasized in Penn State's Nuclear Engineering Program. Through the proposed new faculty hire in nuclear engineering, there is an opportunity to expand the research and educational background of our students to advance nuclear fuel cycle technologies, which are critical for nuclear power in the US. From

our point of view, seeking this opportunity is vital for two primary reasons: i) an increased demand by our students for expanding the curriculum offerings; and ii) an increased demand by the Department of Energy² for developing the advanced fuel cycles, new reactor concepts and waste management technologies.

Penn State's proposed faculty grant to the NRC will support the start-up costs associated with the recruitment and retention of an outstanding faculty member who will perform fundamental research in one of the many areas related to advancing the nuclear fuel cycle; who will initiate new research programs; and who will develop and teach a suite of courses on the fuel cycle not only at Penn State but through a wide array of interested off-campus students through Penn State's well-established distance learning program. Typically each semester, Penn State's distance learning program shows enrollments of over 100 off-campus students in a number of courses. The newly hired faculty member will provide expertise to a large community through distance learning courses.

While the NRC funds will cover the initial start-up costs for the new faculty member, Penn State is committing to hire a junior faculty member with expertise in nuclear fuels who will begin in the fall 2011. Penn State has already proven that outstanding new faculty can be recruited by the Department of Mechanical and Nuclear Engineering associated with a previously funded NRC grant. The new hire from that grant was Dr. Igor Jovanovic who has just started in July 2010 (see results of previous funding in the appendix). This proposal details the research and teaching activities that will be conducted by the new faculty hire and provides a background on Penn State's nuclear engineering program. This is followed by a description of the selection process, the management plan, and the evaluation plan for a newly hired junior faculty member in the MNE Department at Penn State. Strong institutional support has been given to this proposal, as documented by support letters from the Vice President for Research (who oversees the Director of the Penn State Institutes of Energy and the Environment), and from the Dean of the College of Engineering. Industrial support is documented by a letter provided by Toshiba-Westinghouse.

Proposed Faculty Hire with Expertise in Advanced Nuclear Fuels

To support the unprecedented growth that is expected in nuclear power, the Department of Energy has focused on the nuclear fuel cycle through its Global Nuclear Energy Partnership (GNEP) and Advanced Fuel Cycle Initiative (AFCI) programs. Such research will require new science and engineering skills that can lead to breakthrough discoveries. We will seek a faculty hire with expertise in any of the areas comprised within the nuclear fuel cycle, from its utilization in the core to permanent disposal under various schemes:

- Increased fuel utilization in light water reactors;
- Advanced actinide burning strategies including new reactor concepts;
- Alternative reprocessing schemes for different degrees of radionuclide separation;
- Advanced nuclear fuel cycles that reduce proliferation risks; and
- Research on permanent geological disposal alternatives.

Hiring a new faculty member in the area of nuclear fuels and the fuel cycle is a natural extension of the Penn State's competencies in the area of nuclear power. A faculty member with expertise in areas such as reprocessing/recycling, advanced nuclear separation techniques, reducing the risk of proliferation, and addressing the use of plutonium for mixed-oxide fuel will at once fill a major deficiency in our research programs in nuclear power and allow us to take part in a number of exciting research and teaching opportunities. The MNE Department at Penn State

currently performs research in two main areas related to nuclear fuel: (i) predicting fuel behavior in existing reactors; and developing fuel and cladding materials for proposed advanced Generation IV reactors and (ii) fuel management strategies for maximizing burnup and fuel utilization such as the *deep burn* concept⁴. Other departments at Penn State perform research on waste forms and have, in the past, contributed to the evaluation of radioactive waste repositories. The nuclear fuel area is rich with opportunities for basic, fundamental research in the discovery and explanation of complex phenomena in the new and extended regimes of operation.

Depending on the specific area of the hire, the research conducted by the proposed new faculty member could have impacts such as the development of systems that effectively reduce the volume and long-lived radioactive materials resulting either from the reprocessing of spent nuclear fuel or the spent fuel itself. The research could also help realize the potential for new reactor concepts and/or fuel cycles to produce less waste thereby better utilizing resources during operation of nuclear power plants and ensuring the safety of extended burnup fuel during operation, storage and transportation. Such research has important links with the long-term research effort on Generation IV systems. For example, by recycling the plutonium and then 'burning' all the higher actinides in this way, the period over which high-level radioactive waste remains hazardous could be reduced from hundreds of thousands of years down to a few hundred years. There is an urgent need for educating students on fuel processing issues at both the undergraduate and graduate levels. We anticipate that the new faculty hire will develop both a senior-level undergraduate and a graduate course in nuclear fuels and the fuel cycle. These courses will be integrated into our nuclear engineering curriculum and into the distance learning program.

Background on Penn State's Nuclear Engineering Program

Administratively, the Department of Mechanical and Nuclear Engineering includes the Nuclear Engineering Program. Dr. Karen A. Thole (PI) serves as the Department Head while Dr. Arthur Motta (co-PI) serves as the Nuclear Engineering Program Chair. The Department offers separate degrees in both mechanical and nuclear engineering at all levels. In 1999, the MNE Department began offering concurrent (dual) mechanical-nuclear engineering degrees. Using an optimized sequencing of courses between the two curricula, students can earn B.S. degrees in both mechanical and nuclear engineering in one extra semester. About one third of our nuclear engineering B.S. graduates also earn a B.S. in mechanical engineering. The Mechanical and Nuclear Engineering Department comprises 49 tenured or tenure-track faculty members who hold their primary appointment in the Department. Of these tenure/tenure-track faculty, nine hold the title of nuclear engineering faculty. Penn State's nuclear engineering graduate program is ranked 5th in the nation by *U.S. News & World Report*; the undergraduate program is ranked 7th.

From its inception, the Penn State nuclear engineering curriculum has had a strong emphasis in areas traditionally associated with nuclear power production. At the start of the 2010-11 academic year, the total enrollment of juniors and seniors in nuclear engineering will be 154 students and in mechanical engineering will be 674 students, with 56 students seeking concurrent degrees. In the graduate program, there are 52 students seeking advanced degrees in nuclear engineering and another 200 students seeking degrees in mechanical engineering. In addition, there are 81 students who are seeking a master of engineering degree through the distance learning program in nuclear engineering. The distance learning program in nuclear engineering is in high demand with course enrollments in 2009 of 119 students.

The infrastructure at Penn State is well-suited for active research programs. In particular, the Radiation Science and Engineering Center (RSEC) manages Penn State's comprehensive nuclear research facilities including the Breazeale Nuclear Reactor, Gamma Irradiation Facility and Radioactive sources and Radiation measurement resources. RSEC provides facilities that will be required for the proposed faculty's research including neutron irradiation, neutron radiography, neutron transmission measurements, nuclear detector testing and calibration, and radiochemistry laboratories.

The current nuclear engineering faculty members conduct sponsored research in advanced fuel management methods; modeling of current and future reactor cores; large-scale core experimental heat-transfer measurements and safety studies; thermal-hydraulics; experimental methods for radiation detection; analysis of current and proposed reactor designs; nuclear safety; applications of nuclear science, and fundamental mechanisms of corrosion of zirconium alloys and radiation damage. In addition to funding from the Department of Energy and the National Science Foundation, the program has had a long tradition of performing research sponsored by the NRC. The Department has annual research expenditures that are in excess of \$25M, which equates to \$500,000 per faculty member per year. Between 25% and 35% of the research is sponsored by industry partners such as Toshiba-Westinghouse, Areva, General Electric, Mitsubishi Heavy Industries, and Exelon.

Because of the growing opportunities in nuclear engineering, the MNE Department formed the Penn State Nuclear Power Advisory Board in 2008. The Board meets twice each year at Penn State and is composed of members from 12 different organizations representing state economic development organizations; the nuclear power industry; and government agencies. This Board guides our program's thrust in nuclear power to ensure the educational and research needs of the industry's workforce are being met. Moreover, the Board provided support for the offering of the aforementioned Nuclear Power Symposium that took place on Penn State's campus in October 2009. The new junior faculty member, who will be hired if this proposal is successful, will be given full access to the Board members to further enhance his/her teaching, research and outreach activities.

Collaboration on research and teaching is an important component to retaining successful faculty. Several cross-cutting institutes exist at Penn State that provide excellent opportunities to conduct research. The institutes most relevant to this proposed project include the Materials Research Institute and the Penn State Institutes of Energy and Environment (PSIEE). One of the thrust areas endorsed by PSIEE's original task force was identified as nuclear power generation. Because of their strong commitment, PSIEE has agreed to provide a large fraction of the matching costs (see support letter from Dean David N. Wormley and Vice President of Research Hank Foley).

In 2009, the Department of Mechanical and Nuclear Engineering received a substantial gift from Toshiba-Westinghouse to enrich the nuclear engineering program. Those funds have provided resources for transformative activities. The activities have included the offering of a Toshiba-Westinghouse Undergraduate Fellows Program in which the top students from across the US are brought to Penn State for a 10 week summer experience that emphasizes research in nuclear engineering and development of leadership skills. The first of these programs took place during summer 2010 in which seven students were selected from MIT, Ohio State, Cornell, Texas A&M, and Idaho State, as well as from Penn State. The newly hired faculty member will have opportunities not only to involve these talented students in his/her own research but also to recruit these students for graduate work. In addition, the Toshiba-

Westinghouse gift provides funds to support graduate student fellowships each year, which will benefit the new faculty member.

Within the Department of Mechanical and Nuclear Engineering, there is a strong culture to committed mentoring by senior faculty. Mentoring of our untenured faculty takes place through individual mentoring from senior faculty; through luncheons arranged by the Department that take place five times per year with senior faculty and administrators; through annual reviews; and through College of Engineering workshops on teaching and research. The Departmental luncheons have included the following special topics: how to be better teachers, how to recruit and advise graduate students, and how to write effective proposals. Significant and effective mentoring takes place as shown by the many successful promotion and tenure cases presented by our Department. In the past five years, the Department's success rate in putting forth successful promotion and tenure cases is a perfect 100%.

In summary, there are unique opportunities for developing an outstanding career in an environment where faculty mentoring is part of the Department's culture. These unique opportunities and mentoring activities are summarized in the table below.

Frequency	Unique Opportunities for the Proposed Faculty Hire
Fall, Spring, Summer	Opportunities to teach distance learning courses that will serve the nuclear community
Fall and Spring	Meetings with Penn State's Nuclear Power Advisory Board to foster collaborative discussions
As desired	Interactions with on-campus Institutes to foster collaborative research (Penn State Institutes of Energy and Environment; Materials Research Institute; Radiation Science Engineering Center; Applied Research Laboratory)
Summer	Access to gift funds from Toshiba-Westinghouse to support talented undergraduate researchers from across the US that leads to recruitment of top graduate students
Once per year	Access to gift funds from Toshiba-Westinghouse to partially support a graduate student
Yrs 2, 4, 5	Formal reviews to provide feedback in the untenured years (details are further discussed later in the proposal)
Once per year	Peer teaching evaluations to ensure effective teaching
Six times per year	Faculty mentoring lunches to discuss teaching, research, graduate advising; to meet upper administrators
As desired	Travel support to attend conferences or visit funding agencies
As desired	Lunches with the Department Head to provide feedback

Attachment C – Standard Terms and Conditions
The Nuclear Regulatory Commission's
Standard Terms and Conditions for U.S. Nongovernmental Grantees

Preface

This award is based on the application submitted to, and as approved by, the Nuclear Regulatory Commission (NRC) under the authorization 42 USC 2051(b) pursuant to section 31b and 141b of the Atomic Energy Act of 1954, as amended, and is subject to the terms and conditions incorporated either directly or by reference in the following:

- Grant program legislation and program regulation cited in this Notice of Grant Award.
- Restrictions on the expenditure of Federal funds in appropriation acts, to the extent those restrictions are pertinent to the award.
- Code of Federal Regulations/Regulatory Requirements - 2 CFR 215 Uniform Administrative Requirements For Grants And Agreements With Institutions Of Higher Education, Hospitals, And Other Non-Profit Organizations (OMB Circulars), as applicable.

To assist with finding additional guidance for selected items of cost as required in 2 CFR 220, 2 CFR 225, and 2 CFR 230 this URL to the Office of Management and Budget Cost Circulars is included for reference to:

A-21 (now 2 CFR 220)

A-87 (now 2 CFR 225)

A-122 (now 2 CFR 230)

A-102:

http://www.whitehouse.gov/omb/circulars_index-ffm

Any inconsistency or conflict in terms and conditions specified in the award will be resolved according to the following order of precedence: public laws, regulations, applicable notices published in the Federal Register, Executive Orders (EOs), Office of Management and Budget (OMB) Circulars, the Nuclear Regulatory Commission's (NRC) Mandatory Standard Provisions, special award conditions, and standard award conditions.

Certifications and Representations: These terms incorporate the certifications and representations required by statute, executive order, or regulation that were submitted with the SF424B application through Grants.gov.

I. Mandatory General Requirements

The order of these requirements does not make one requirement more important than any other requirement.

1. Applicability of 2 CFR Part 215

a. All provisions of 2 CFR Part 215 and all Standard Provisions attached to this grant/cooperative agreement are applicable to the Grantee and to sub-recipients which meet the definition of "Grantee" in Part 215, unless a section specifically excludes a sub-recipient from coverage. The Grantee and any sub-recipients must, in addition to the assurances made as part of the application, comply and require each of its sub-awardees employed in the completion

of the project to comply with Subpart C of 2 CFR 215 and include this term in lower-tier (subaward) covered transactions.

b. Grantees must comply with monitoring procedures and audit requirements in accordance with OMB Circular A-133. <

http://www.whitehouse.gov/omb/circulars/a133_compliance/08/08toc.aspx >

2. Award Package

§ 215.41 Grantee responsibilities.

The Grantee is obligated to conduct such project oversight as may be appropriate, to manage the funds with prudence, and to comply with the provisions outlined in 2 CFR 215.41. Within this framework, the Principal Investigator (PI) named on the award face page, Block 11, is responsible for the scientific or technical direction of the project and for preparation of the project performance reports. This award is funded on a cost reimbursement basis not to exceed the amount awarded as indicated on the face page, Block 16., and is subject to a refund of unexpended funds to NRC.

The standards contained in this section do not relieve the Grantee of the contractual responsibilities arising under its contract(s). The Grantee is the responsible authority, without recourse to the NRC, regarding the settlement and satisfaction of all contractual and administrative issues arising out of procurements entered into in support of an award or other agreement. This includes disputes, claims, protests of award, source evaluation or other matters of a contractual nature. Matters concerning violation of statute are to be referred to such Federal, State or local authority as may have proper jurisdiction.

Subgrants

Appendix A to Part 215—Contract Provisions

Sub-recipients, sub-awardees, and contractors have no relationship with NRC under the terms of this grant/cooperative agreement. All required NRC approvals must be directed through the Grantee to NRC. See 2 CFR 215 and 215.41.

Nondiscrimination

(This provision is applicable when work under the grant/cooperative agreement is performed in the U.S. or when employees are recruited in the U.S.)

No U.S. citizen or legal resident shall be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under any program or activity funded by this award on the basis of race, color, national origin, age, religion, handicap, or sex. The Grantee agrees to comply with the non-discrimination requirements below:

Title VI of the Civil Rights Act of 1964 (42 USC §§ 2000d et seq)

Title IX of the Education Amendments of 1972 (20 USC §§ 1681 et seq)

Section 504 of the Rehabilitation Act of 1973, as amended (29 USC § 794)

The Age Discrimination Act of 1975, as amended (42 USC §§ 6101 et seq)

The Americans with Disabilities Act of 1990 (42 USC §§ 12101 et seq)

Parts II and III of EO 11246 as amended by EO 11375 and 12086.

EO 13166, "Improving Access to Services for Persons with Limited English Proficiency."

Any other applicable non-discrimination law(s).

Generally, Title VI of the Civil Rights Act of 1964, 42 USC § 2000e et seq, provides that it shall be an unlawful employment practice for an employer to discharge any individual or otherwise to discriminate against an individual with respect to compensation, terms, conditions, or privileges of employment because of such individual's race, color, religion, sex, or national origin. However, Title VI, 42 USC § 2000e-1(a), expressly exempts from the prohibition against discrimination on the basis of religion, a religious corporation, association, educational institution, or society with respect to the employment of individuals of a particular religion to perform work connected with the carrying on by such corporation, association, educational institution, or society of its activities.

Modifications/Prior Approval

NRC's prior written approval may be required before a Grantee makes certain budget modifications or undertakes particular activities. If NRC approval is required for changes in the grant or cooperative agreement, it must be requested of, and obtained from, the NRC Grants Officer in advance of the change or obligation of funds. All requests for NRC prior approval should be made, in writing (which includes submission by e-mail), to the designated Grants Specialist and Program Office no later than 30 days before the proposed change. The request must be signed by both the PI and the authorized organizational official. Failure to obtain prior approval, when required, from the NRC Grants Officer may result in the disallowance of costs, or other enforcement action within NRC's authority.

Lobbying Restrictions

The Grantee will comply, as applicable, with provisions of the Hatch Act (5 U.S.C. §§1501-1508 and 7324-7328) which limit the political activities of employees whose principal employment activities are funded in whole or in part with Federal funds.

The Grantee shall comply with provisions of 31 USC § 1352. This provision generally prohibits the use of Federal funds for lobbying in the Executive or Legislative Branches of the Federal Government in connection with the award, and requires disclosure of the use of non-Federal funds for lobbying.

The Grantee receiving in excess of \$100,000 in Federal funding shall submit a completed Standard Form (SF) LLL, "Disclosure of Lobbying Activities," regarding the use of non-Federal funds for lobbying within 30 days following the end of the calendar quarter in which there occurs any event that requires disclosure or that materially affects the accuracy of the information contained in any disclosure form previously filed. The Grantee must submit the SF-LLL, including those received from sub-recipients, contractors, and subcontractors, to the Grants Officer.

§ 215.13 Debarment And Suspension.

The Grantee agrees to notify the Grants Officer immediately upon learning that it or any of its principals:

- (1) Are presently excluded or disqualified from covered transactions by any Federal department or agency;
- (2) Have been convicted within the preceding three-year period preceding this proposal been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State, or local) transaction or contract under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or

destruction of records, making false statements, tax evasion, receiving stolen property, making false claims, or obstruction of justice; commission of any other offense indicating a lack of business integrity or business honesty that seriously and directly affects your present responsibility;

(3) Are presently indicted for or otherwise criminally or civilly charged by a governmental entity (Federal, State, or local) with commission of any of the offenses enumerated in paragraph (1)(b); and

(4) Have had one or more public transactions (Federal, State, or local) terminated for cause or default within the preceding three years.

b. The Grantee agrees that, unless authorized by the Grants Officer, it will not knowingly enter into any subgrant or contracts under this grant/cooperative agreement with a person or entity that is included on the Excluded Parties List System (<http://epls.arnet.gov>).

The Grantee further agrees to include the following provision in any subgrant or contracts entered into under this award:

'Debarment, Suspension, Ineligibility, and Voluntary Exclusion

The Grantee certifies that neither it nor its principals is presently excluded or disqualified from participation in this transaction by any Federal department or agency. The policies and procedures applicable to debarment, suspension, and ineligibility under NRC-financed transactions are set forth in 2 CFR Part 180.'

Drug-Free Workplace

The Grantee must be in compliance with The Federal Drug Free Workplace Act of 1988. The policies and procedures applicable to violations of these requirements are set forth in 41 USC 702.

Implementation of E.O. 13224 -- Executive Order On Terrorist Financing

The Grantee is reminded that U.S. Executive Orders and U.S. law prohibits transactions with, and the provision of resources and support to, individuals and organizations associated with terrorism. It is the legal responsibility of the Grantee to ensure compliance with these Executive Orders and laws. This provision must be included in all contracts/sub-awards issued under this grant/cooperative agreement.

Award Grantees must comply with Executive Order 13224, Blocking Property and Prohibiting Transactions with Persons who Commit, Threaten to Commit, or Support Terrorism. Information about this Executive Order can be found at: www.fas.org/irp/offdocs/eo/eo-13224.htm.

Procurement Standards. § 215.40-48

Sections 215.41 through 215.48 set forth standards for use by Grantees in establishing procedures for the procurement of supplies and other expendable property, equipment, real property and other services with Federal funds. These standards are furnished to ensure that such materials and services are obtained in an effective manner and in compliance with the provisions of applicable Federal statutes and executive orders. No additional procurement standards or requirements shall be imposed by the Federal awarding agencies upon Grantees, unless specifically required by Federal statute or executive order or approved by OMB.

Travel

Travel must be in accordance with the Grantee's Travel Regulations or the US Government Travel Policy and Regulations at: www.gsa.gov/federaltravelregulation and the per diem rates set forth at: www.gsa.gov/perdiem, absent Grantee's travel regulation. Travel costs for the grant must be consistent with provisions as established in Appendix A to 2 CFR 220 (J.53). All other travel, domestic or international, must not increase the total estimated award amount.

Domestic Travel:

Domestic travel is an appropriate charge to this award and prior authorization for specific trips are not required, if the trip is identified in the Grantee's approved program description and approved budget. Domestic trips not stated in the approved budget require the written prior approval of the Grants Officer, and must not increase the total estimated award amount.

All common carrier travel reimbursable hereunder shall be via the least expensive class rates consistent with achieving the objective of the travel and in accordance with the Grantee's policies and practices. Travel by first-class travel is not authorized unless prior approval is obtained from the Grants Officer.

International Travel:

International travel requires PRIOR written approval by the Project Officer and the Grants Officer, even if the international travel is stated in the approved program description and the approved budget.

The Grantee shall comply with the provisions of the Fly American Act (49 USC 40118) as implemented through 41 CFR 301-10.131 through 301-10.143.

Property and Equipment Management Standards

Property and equipment standards of this award shall follow provisions as established in 2 CFR 215.30-37.

Procurement Standards

Procurement standards of this award shall follow provisions as established in 2 CFR 215.40-48

Intangible and Intellectual Property

Intangible and intellectual property of this award shall generally follow provisions established in 2 CFR 215.36.

Inventions Report - The Bayh-Dole Act (P.L. 96-517) affords Grantees the right to elect and retain title to inventions they develop with funding under an NRC grant award ("subject inventions"). In accepting an award, the Grantee agrees to comply with applicable NRC policies, the Bayh-Dole Act, and its Government-wide implementing regulations found at Title 37, Code of Federal Regulations (CFR) Part 401. A significant part of the regulations require that the Grantee report all subject inventions to the awarding agency (NRC) as well as include an acknowledgement of federal support in any patents. NRC participates in the trans-government Interagency Edison system (<http://www.iedison.gov>) and expects NRC funding Grantees to use this system to comply with Bayh-Dole and related intellectual property reporting requirements. The system allows for Grantees to submit reports electronically via the Internet. In addition, the invention must be reported in continuation applications (competing or non-competing).

Patent Notification Procedures- Pursuant to EO 12889, NRC is required to notify the owner of any valid patent covering technology whenever the NRC or its financial assistance Grantees, without making a patent search, knows (or has demonstrable reasonable grounds to know) that technology covered by a valid United States patent has been or will be used without a license from the owner. To ensure proper notification, if the Grantee uses or has used patented technology under this award without license or permission from the owner, the Grantee must notify the Grants Officer. This notice does not necessarily mean that the Government authorizes and consents to any copyright or patent infringement occurring under the financial assistance.

Data, Databases, and Software - The rights to any work produced or purchased under a NRC federal financial assistance award are determined by 2 CFR 215.36. Such works may include data, databases or software. The Grantee owns any work produced or purchased under a NRC federal financial assistance award subject to NRC's right to obtain, reproduce, publish or otherwise use the work or authorize others to receive, reproduce, publish or otherwise use the data for Government purposes.

Copyright - The Grantee may copyright any work produced under a NRC federal financial assistance award subject to NRC's royalty-free nonexclusive and irrevocable right to reproduce, publish or otherwise use the work or authorize others to do so for Government purposes. Works jointly authored by NRC and Grantee employees may be copyrighted but only the part authored by the Grantee is protected because, under 17 USC § 105, works produced by Government employees are not copyrightable in the United States. On occasion, NRC may ask the Grantee to transfer to NRC its copyright in a particular work when NRC is undertaking the primary dissemination of the work. Ownership of copyright by the Government through assignment is permitted under 17 USC § 105.

Records Retention and Access Requirements for records of the Grantee shall follow established provisions in 2 CFR 215.53.

Organizational Prior Approval System

In order to carry out its responsibilities for monitoring project performance and for adhering to award terms and conditions, each Grantee organization shall have a system to ensure that appropriate authorized officials provide necessary organizational reviews and approvals in advance of any action that would result in either the performance or modification of an NRC supported activity where prior approvals are required, including the obligation or expenditure of funds where the governing cost principles either prescribe conditions or require approvals.

The Grantee shall designate an appropriate official or officials to review and approve the actions requiring NRC prior approval. Preferably, the authorized official(s) should be the same official(s) who sign(s) or countersign(s) those types of requests that require prior approval by NRC. The authorized organization official(s) shall not be the principal investigator or any official having direct responsibility for the actual conduct of the project, or a subordinate of such individual.

Conflict Of Interest Standards for this award shall follow OCOI requirements set forth in Section 170A of the Atomic Energy Act of 1954, as amended, and provisions set forth at 2 CFR 215.42 Codes of Conduct.

Dispute Review Procedures

- a. Any request for review of a notice of termination or other adverse decision should be addressed to the Grants Officer. It must be postmarked or transmitted electronically no later than 30 days after the postmarked date of such termination or adverse decision from the Grants Officer.
- b. The request for review must contain a full statement of the Grantee's position and the pertinent facts and reasons in support of such position.
- c. The Grants Officer will promptly acknowledge receipt of the request for review and shall forward it to the Director, Office of Administration, who shall appoint an intra-agency Appeal Board to review a grantee appeal of an agency action, if required, which will consist of the program office director, the Deputy Director of Office of Administration, and the Office of General Counsel.
- d. Pending resolution of the request for review, the NRC may withhold or defer payments under the award during the review proceedings.
- e. The review committee will request the Grants Officer who issued the notice of termination or adverse action to provide copies of all relevant background materials and documents. The committee may, at its discretion, invite representatives of the Grantee and the NRC program office to discuss pertinent issues and to submit such additional information as it deems appropriate. The chairman of the review committee will insure that all review activities or proceedings are adequately documented.
- f. Based on its review, the committee will prepare its recommendation to the Director, Office of Administration, who will advise the parties concerned of his/her decision.

Termination and Enforcement. Termination of this award by default or by mutual consent shall follow provisions as established in 2 CFR 215.60-62.

Monitoring and Reporting § 215.50-53

- a. Grantee Financial Management systems must comply with the established provisions in 2 CFR 215.21
 - Payment – 2 CFR 215.22
 - Cost Share – 2 CFR 215.23
 - Program Income – 2 CFR 215.24
 - Earned program income, if any, shall be added to funds committed to the project by the NRC and Grantee and used to further eligible project or program objectives or deducted from the total project cost allowable cost as directed by the Grants Officer or the terms and conditions of award.
 - Budget Revision – 2 CFR 215.25
 - The Grantee is required to report deviations from the approved budget and program descriptions in accordance with 2 CFR 215.25, and request prior written approval from the Program Officer and the Grants Officer.
 - The Grantee is not authorized to rebudget between direct costs and indirect costs without written approval of the Grants Officer.
-

- The Grantee is authorized to transfer funds among direct cost categories up to a cumulative 10 percent of the total approved budget. The Grantee is not allowed to transfer funds if the transfer would cause any Federal appropriation to be used for purposes other than those consistent with the original intent of the appropriation.
- Allowable Costs – 2 CFR 215.27

b. Federal Financial Reports

The Grantee shall submit a "Federal Financial Report" (SF-425) on a quarterly basis for the periods ending March 31, June 30, September 30, and December 31, or any portion thereof, unless otherwise specified in a special award condition. Reports are due no later than 30 days following the end of each reporting period. A final SF-425 is due within 90 days after expiration of the award. The report should be submitted electronically to: Grants FFR@NRC.GOV. **(NOTE: There is an underscore between Grants and FFR).**

Period of Availability of Funds 2 CFR § 215.28

- a. Where a funding period is specified, a Grantee may charge to the grant only allowable costs resulting from obligations incurred during the funding period and any pre-award costs authorized by the NRC.
- b. Unless otherwise authorized in 2 CFR 215.25(e)(2) or a special award condition, any extension of the award period can only be authorized by the Grants Officer in writing. Verbal or written assurances of funding from other than the Grants Officer shall not constitute authority to obligate funds for programmatic activities beyond the expiration date.
- c. The NRC has no obligation to provide any additional prospective or incremental funding. Any modification of the award to increase funding and to extend the period of performance is at the sole discretion of the NRC.
- d. Requests for extensions to the period of performance should be sent to the Grants Officer at least 30 days prior to the grant/cooperative agreement expiration date. Any request for extension after the expiration date may not be honored.

Automated Standard Application For Payments (ASAP) Procedures

Unless otherwise provided for in the award document, payments under this award will be made using the Department of Treasury's Automated Standard Application for Payment (ASAP) system < <http://www.fms.treas.gov/asap/> >. Under the ASAP system, payments are made through preauthorized electronic funds transfers, in accordance with the requirements of the Debt Collection Improvement Act of 1996. In order to receive payments under ASAP, Grantees are required to enroll with the Department of Treasury, Financial Management Service, and Regional Financial Centers, which allows them to use the on-line method of withdrawing funds from their ASAP established accounts. The following information will be required to make withdrawals under ASAP: (1) ASAP account number – the award number found on the cover sheet of the award; (2) Agency Location Code (ALC) – 31000001; and Region Code. Grantees enrolled in the ASAP system do not need to submit a "Request for Advance or Reimbursement" (SF-270), for payments relating to their award.

Audit Requirements

Organization-wide or program-specific audits shall be performed in accordance with the Single Audit Act Amendments of 1996, as implemented by OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations."

<http://www.whitehouse.gov/omb/circulars/a133/a133.html> Grantees are subject to the provisions of OMB Circular A-133 if they expend \$500,000 or more in a year in Federal awards.

The Form SF-SAC and the Single Audit Reporting packages for fiscal periods ending on or after January 1, 2008 must be submitted online.

1. Create your online report ID at <http://harvester.census.gov/fac/collect/ddeindex.html>
2. Complete the Form SF-SAC
3. Upload the Single Audit
4. Certify the Submission
5. Click "Submit."

Organizations expending less than \$500,000 a year are not required to have an annual audit for that year but must make their grant-related records available to NRC or other designated officials for review or audit.

III. Programmatic Requirements

Performance (Technical) Reports

a. The Grantee shall submit performance (technical) reports electronically to the NRC Project Officer and Grants Officer on a semi-annual basis unless otherwise authorized by the Grants Officer. Performance reports should be sent to the Program Officer at the email address indicated in Block 12 of the Notice of Award, and to Grants Officer at: Grants_PPR.Resource@NRC.GOV. (***NOTE: There is an underscore between Grants and PPR.***)

b. Unless otherwise specified in the award provisions, performance (technical) reports shall contain brief information as prescribed in the applicable uniform administrative requirements 2 CFR §215.51 which are incorporated in the award.

c. The Office of Human Resources requires the submission of the semi-annual progress report on the SF-PPR, SF-PPR-B, and the SF-PPR-E forms. The submission for the six month period ending March 31st is due by April 30th, or any portion thereof. The submission for the six month period ending September 30th is due by October 31st or any portion thereof.

d. Grant Performance Metrics:

The Office of Management and Budget requires all Federal Agencies providing funding for educational scholarships and fellowships as well as other educational related funding to report on specific metrics. These metrics are part of the Academic Competitiveness Council's (ACC) 2007 report and specifically relates to Science, Technology, Engineering, and Mathematics (STEM) curricula.

As part of the FY 2010 HR grant awards, in addition to the customary performance progress report requested on the SF-PPR, SF-PPR-B, and SF-PPR-E forms, HR requires the following metrics to be reported on by the awardees as follows:

Faculty Development Awards

1. Number of new faculty hired and currently eligible faculty supported in NRC designated STEM areas.

Unsatisfactory Performance

Failure to perform the work in accordance with the terms of the award and maintain at least a satisfactory performance rating or equivalent evaluation may result in designation of the Grantee as high risk and assignment of special award conditions or other further action as specified in the standard term and condition entitled "Termination."

Failure to comply with any or all of the provisions of the award may have a negative impact on future funding by NRC and may be considered grounds for any or all of the following actions: establishment of an accounts receivable, withholding of payments under any NRC award, changing the method of payment from advance to reimbursement only, or the imposition of other special award conditions, suspension of any NRC active awards, and termination of any NRC award.

Other Federal Awards With Similar Programmatic Activities

The Grantee shall immediately provide written notification to the NRC Project Officer and the Grants Officer in the event that, subsequent to receipt of the NRC award, other financial assistance is received to support or fund any portion of the program description incorporated into the NRC award. NRC will not pay for costs that are funded by other sources.

Prohibition Against Assignment By The Grantee

The Grantee shall not transfer, pledge, mortgage, or otherwise assign the award, or any interest therein, or any claim arising there under, to any party or parties, banks, trust companies, or other financing or financial institutions without the express written approval of the Grants Officer.

Site Visits

The NRC, through authorized representatives, has the right, at all reasonable times, to make site visits to review project accomplishments and management control systems and to provide such technical assistance as may be required. If any site visit is made by the NRC on the premises of the Grantee or contractor under an award, the Grantee shall provide and shall require his/her contractors to provide all reasonable facilities and assistance for the safety and convenience of the Government representative in the performance of their duties. All site visits and evaluations shall be performed in such a manner as will not unduly delay the work.

IV. Miscellaneous Requirements

Criminal and Prohibited Activities

- a. The Program Fraud Civil Remedies Act (31 USC §§ 3801-3812), provides for the imposition of civil penalties against persons who make false, fictitious, or fraudulent claims to the Federal government for money (including money representing grant/cooperative agreements, loans, or other benefits.)
-

- b. False statements (18 USC § 287), provides that whoever makes or presents any false, fictitious, or fraudulent statements, representations, or claims against the United States shall be subject to imprisonment of not more than five years and shall be subject to a fine in the amount provided by 18 USC § 287.
- c. False Claims Act (31 USC 3729 et seq), provides that suits under this Act can be brought by the government, or a person on behalf of the government, for false claims under federal assistance programs.
- d. Copeland "Anti-Kickback" Act (18 USC § 874), prohibits a person or organization engaged in a federally supported project from enticing an employee working on the project from giving up a part of his compensation under an employment contract.

American-Made Equipment And Products

Grantees are hereby notified that they are encouraged, to the greatest extent practicable, to purchase American-made equipment and products with funding provided under this award.

Increasing Seat Belt Use in the United States

Pursuant to EO 13043, Grantees should encourage employees and contractors to enforce on-the-job seat belt policies and programs when operating company-owned, rented or personally-owned vehicle.

Federal Leadership of Reducing Text Messaging While Driving

Pursuant to EO 13513, Grantees should encourage employees, sub-awardees, and contractors to adopt and enforce policies that ban text messaging while driving company-owned, rented vehicles or privately owned vehicles when on official Government business or when performing any work for or on behalf of the Federal Government.

Federal Employee Expenses

Federal agencies are generally barred from accepting funds from a Grantee to pay transportation, travel, or other expenses for any Federal employee unless specifically approved in the terms of the award. Use of award funds (Federal or non-Federal) or the Grantee's provision of in-kind goods or services, for the purposes of transportation, travel, or any other expenses for any Federal employee may raise appropriation augmentation issues. In addition, NRC policy prohibits the acceptance of gifts, including travel payments for Federal employees, from Grantees or applicants regardless of the source.

Minority Serving Institutions (MSIs) Initiative

Pursuant to EOs 13256, 13230, and 13270, NRC is strongly committed to broadening the participation of MSIs in its financial assistance program. NRC's goals include achieving full participation of MSIs in order to advance the development of human potential, strengthen the Nation's capacity to provide high-quality education, and increase opportunities for MSIs to participate in and benefit from Federal financial assistance programs. NRC encourages all applicants and Grantees to include meaningful participations of MSIs. Institutions eligible to be considered MSIs are listed on the Department of Education website:

<http://www.ed.gov/about/offices/list/ocr/edlite-minorityinst.html>

Research Misconduct

Scientific or research misconduct refers to the fabrication, falsification, or plagiarism in proposing, performing, or reviewing research, or in reporting research results. It does not include honest errors or differences of opinions. The Grantee organization has the primary

responsibility to investigate allegations and provide reports to the Federal Government. Funds expended on an activity that is determined to be invalid or unreliable because of scientific misconduct may result in a disallowance of costs for which the institution may be liable for repayment to the awarding agency. The Office of Science and Technology Policy at the White House published in the Federal Register on December 6, 2000, a final policy that addressed research misconduct. The policy was developed by the National Science and Technology Council (65 FR 76260). The NRC requires that any allegation be submitted to the Grants Officer, who will also notify the OIG of such allegation. Generally, the Grantee organization shall investigate the allegation and submit its findings to the Grants Officer. The NRC may accept the Grantee's findings or proceed with its own investigation. The Grants Officer shall inform the Grantee of the NRC's final determination.

Publications, Videos, and Acknowledgment of Sponsorship

Publication of the results or findings of a research project in appropriate professional journals and production of video or other media is encouraged as an important method of recording and reporting scientific information. It is also a constructive means to expand access to federally funded research. The Grantee is required to submit a copy to the NRC and when releasing information related to a funded project include a statement that the project or effort undertaken was or is sponsored by the NRC. The Grantee is also responsible for assuring that every publication of material (including Internet sites and videos) based on or developed under an award, except scientific articles or papers appearing in scientific, technical or professional journals, contains the following disclaimer:

"This [report/video] was prepared by [Grantee name] under award [number] from [name of operating unit], Nuclear Regulatory Commission. The statements, findings, conclusions, and recommendations are those of the author(s) and do not necessarily reflect the view of the [name of operating unit] or the US Nuclear Regulatory Commission."

Trafficking In Victims Protection Act Of 2000 (as amended by the Trafficking Victims Protection Reauthorization Act of 2003)

Section 106(g) of the Trafficking In Victims Protection Act Of 2000 (as amended as amended, directs on a government-wide basis that:

"any grant, contract, or cooperative agreement provided or entered into by a Federal department or agency under which funds are to be provided to a private entity, in whole or in part, shall include a condition that authorizes the department or agency to terminate the grant, contract, or cooperative agreement, without penalty, if the grantee or any subgrantee, or the contractor or any subcontractor (i) engages in severe forms of trafficking in persons or has procured a commercial sex act during the period of time that the grant, contract, or cooperative agreement is in effect, or (ii) uses forced labor in the performance of the grant, contract, or cooperative agreement." (22 U.S.C. § 7104(g)).

Award Term

2 CFR 170.220 directs agencies to include the following text to each grant award to a non-federal entity if the total funding is \$25,000 or more in Federal funding.

Reporting Subawards and Executive Compensation.

a. *Reporting of first-tier subawards.*

1. *Applicability.* Unless you are exempt as provided in paragraph d. of this award term, you must report each action that obligates \$25,000 or more in Federal funds that does not include Recovery funds (as defined in section 1512(a)(2) of the American Recovery and Reinvestment Act of 2009, Pub. L. 111-5) for a subaward to an entity (see definitions in paragraph e. of this award term).

2. *Where and when to report.*

i. You must report each obligating action described in paragraph a.1. of this award term to <http://www.fsrs.gov>.

ii. For subaward information, report no later than the end of the month following the month in which the obligation was made. (For example, if the obligation was made on November 7, 2010, the obligation must be reported by no later than December 31, 2010.)

3. *What to report.* You must report the information about each obligating action that the submission instructions posted at <http://www.fsrs.gov> specify.

b. *Reporting Total Compensation of Recipient Executives.*

1. *Applicability and what to report.* You must report total compensation for each of your five most highly compensated executives for the preceding completed fiscal year, if—

i. the total Federal funding authorized to date under this award is \$25,000 or more;

ii. in the preceding fiscal year, you received—

(A) 80 percent or more of your annual gross revenues from Federal procurement contracts (and subcontracts) and Federal financial assistance subject to the Transparency Act, as defined at 2 CFR 170.320 (and subawards); and

(B) \$25,000,000 or more in annual gross revenues from Federal procurement contracts (and subcontracts) and Federal financial assistance subject to the Transparency Act, as defined at 2 CFR 170.320 (and subawards); and

iii. The public does not have access to information about the compensation of the executives through periodic reports filed under section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m(a), 78o(d)) or section 6104 of the Internal Revenue Code of 1986. (To determine if the public has access to the compensation information, see the U.S. Security and Exchange Commission total compensation filings at <http://www.sec.gov/answers/execomp.htm>.)

2. *Where and when to report.* You must report executive total compensation described in paragraph b.1. of this award term:

i. As part of your registration profile at <http://www.ccr.gov>.

ii. By the end of the month following the month in which this award is made, and annually thereafter.

c. Reporting of Total Compensation of Subrecipient Executives.

1. *Applicability and what to report.* Unless you are exempt as provided in paragraph d. of this award term, for each first-tier subrecipient under this award, you shall report the names and total compensation of each of the subrecipient's five most highly compensated executives for the subrecipient's preceding completed fiscal year, if—

i. in the subrecipient's preceding fiscal year, the subrecipient received—

(A) 80 percent or more of its annual gross revenues from Federal procurement contracts (and subcontracts) and Federal financial assistance subject to the Transparency Act, as defined at 2 CFR 170.320 (and subawards); and

(B) \$25,000,000 or more in annual gross revenues from Federal procurement contracts (and subcontracts), and Federal financial assistance subject to the Transparency Act (and subawards); and

ii. The public does not have access to information about the compensation of the executives through periodic reports filed under section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m(a), 78o(d)) or section 6104 of the Internal Revenue Code of 1986. (To determine if the public has access to the compensation information, see the U.S. Security and Exchange Commission total compensation filings at <http://www.sec.gov/answers/execomp.htm>.)

2. *Where and when to report.* You must report subrecipient executive total compensation described in paragraph c.1. of this award term:

i. To the recipient.

ii. By the end of the month following the month during which you make the subaward. For example, if a subaward is obligated on any date during the month of October of a given year (i.e., between October 1 and 31), you must report any required compensation information of the subrecipient by November 30 of that year.

d. Exemptions

If, in the previous tax year, you had gross income, from all sources, under \$300,000, you are exempt from the requirements to report:

i. Subawards,

and

ii. The total compensation of the five most highly compensated executives of any subrecipient.

e. Definitions. For purposes of this award term:

1. *Entity* means all of the following, as defined in 2 CFR part 25:

- i. A Governmental organization, which is a State, local government, or Indian tribe;
- ii. A foreign public entity;
- iii. A domestic or foreign nonprofit organization;
- iv. A domestic or foreign for-profit organization;
- v. A Federal agency, but only as a subrecipient under an award or subaward to a non-Federal entity.

2. *Executive* means officers, managing partners, or any other employees in management positions.

3. *Subaward*:

- i. This term means a legal instrument to provide support for the performance of any portion of the substantive project or program for which you received this award and that you as the recipient award to an eligible subrecipient.
- ii. The term does not include your procurement of property and services needed to carry out the project or program (for further explanation, see Sec. __.210 of the attachment to OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations").
- iii. A subaward may be provided through any legal agreement, including an agreement that you or a subrecipient considers a contract.

4. *Subrecipient* means an entity that:

- i. Receives a subaward from you (the recipient) under this award; and
- ii. Is accountable to you for the use of the Federal funds provided by the subaward.

5. *Total compensation* means the cash and noncash dollar value earned by the executive during the recipient's or subrecipient's preceding fiscal year and includes the following (for more information see 17 CFR 229.402(c)(2)):

i. *Salary and bonus*.

ii. *Awards of stock, stock options, and stock appreciation rights*. Use the dollar amount recognized for financial statement reporting purposes with respect to the fiscal year in accordance with the Statement of Financial Accounting Standards No. 123 (Revised 2004) (FAS 123R), Shared Based Payments.

iii. *Earnings for services under non-equity incentive plans*. This does not include group life, health, hospitalization or medical reimbursement plans that do not discriminate in favor of executives, and are available generally to all salaried employees.

iv. *Change in pension value.* This is the change in present value of defined benefit and actuarial pension plans.

v. *Above-market earnings on deferred compensation which is not tax-qualified.*

vi. Other compensation, if the aggregate value of all such other compensation (e.g. severance, termination payments, value of life insurance paid on behalf of the employee, perquisites or property) for the executive exceeds \$10,000.