AUTHENTICATED
U.S. GOVERNMENT
INFORMATION
GPO

costs are necessary for the effective and economical conduct of the project and are otherwise allowable under the terms of the grant. All preaward costs are incurred at the recipient's risk. NASA is under no obligation to reimburse such costs if an award is not subsequently made, or if an award is made for a lesser amount than the recipient anticipated and is insufficient to cover the preaward costs.

(d) Comptroller General decisions govern allowability of costs for international air transportation (see §1260.37).

§1260.26 Financial management.

FINANCIAL MANAGEMENT (JULY 1996)

(a) *Payment.* Advance payments by electronic funds transfer will be made by the Financial Management Office of the NASA Center which issued the grant in accordance with procedures provided to the recipient. The recipient shall submit Federal Cash Transaction Reports (SF 272) to the aforementioned office and, if NASA has delegated administration, to the administrative grant officer, within 15 working days following the end of each Federal fiscal quarter, containing current estimates of the cash requirements for each of the four months following the quarter being reported. The final SF 272 is due within 90 days after the expiration date of the grant.

(b) *Management and records.* Financial and program management requirements of §§1260.120 through 1260.128 apply to all recipients. Financial records, supporting documents, statistical records, and all other records pertinent to this award shall be retained in accordance with §1260.153. Provisions of §1260.26(c) shall apply to subcontractors performing substantive work under this grant.

(c) *Unexpended balances.* Any unexpended balance of funds which remains at the end of any funding period, except the final funding period of the grant, shall be carried over to the next funding period, and may be used to defray costs of any funding period of the grant. The estimated amount of unexpended funds shall be identified in the grant budget section of the recipient's renewal proposal.

(d) *Program income* will be subject to §1260.124.

(e) Provisions of §1260.26(c) shall apply to subcontractors performing substantive work under this grant.

§1260.27 Equipment and other property.

EQUIPMENT AND OTHER PROPERTY (JULY 1996)

(a) NASA permits acquisition of special purpose equipment (as defined in OMB Circulars A–21 and A–122) specifically required and only used for research, medical, scientific or other technical activities.

(1) Acquisition of special purpose equipment, costing in excess of $5,000 and not included in the approved proposal budget, requires the prior approval of the administrative grant officer (unless the item is merely a different model of an item in the approved proposal budget).

(2) Title to special purpose equipment acquired by the recipient with grant funds, valued under $5,000 in acquisition cost, shall vest in the recipient and will be considered ''exempt'' in accordance with §1260.133(b).

(3) NASA may elect to take title to items of special purpose equipment valued at more than $5,000 (acquisition cost each) or when fabricated into a single coherent system (aggregate acquisition cost). The recipient will be advised of the Government's intention to take title in writing if the item is approved for recipient purchase. If the Government does not exercise its right to take title to property acquired by the recipient with grant funds at the time of approval, the property will be considered exempt according to §1260.133(b). The recipient shall hold title without further obligation to the Federal Government.

(b) General purpose equipment items require the prior approval of the Grant Officer to be a direct charge, shall be titled to NASA, managed in accordance with §1260.134(f), and reported in accordance with §1260.27(e).

(c) Grant funds may be expended for the acquisition of land or interests therein or for the acquisition and construction of facilities *only* under a facilities grant, as defined in §1260.12(g).

(d) The recipient shall maintain a property management system which meets the requirements of §§1260.130 through 1260.137. The cognizant property administration officer or property administrator shall be notified of any major change to an approved system.

(e) The recipient shall submit an Inventory Report, to be received no later than October 31 of each year, which lists all Federally owned property in its custody as of September 30. A Final Inventory Report of Federally Owned Property, including equipment where title was taken by the Government, will be submitted by the recipient no later than 60 days after the expiration date of the grant.

(1) All reports will include the information listed in paragraph (f)(1) of §1260.134, Equipment.

(2) Negative responses in the Final Inventory Report, when there is no reportable equipment, are required.

(3) The original of each report shall be submitted to the Center Deputy Chief Financial Officer (Finance). Copies shall be furnished to the Center industrial property officer and to ONR .