Naval Research Program Financial Management Policy

Interim Progress Reviews (IPRs): A program requirement is an IPR on a quarterly basis with the topic customer. This can be performed in whatever manner is most suitable between the PI and the topic customer, such as reports, email correspondence, teleconference, etc. Whatever form is selected, it should be documented in writing and sent to the NRP Program Manager (PM) and the Operations Manager (OM). Although most PI’s will be in regular communication with the topic sponsor, IPR allow for documentation to maintain visibility to projects and report to the Navy. Failure to provide IPRs may result in finances being frozen. IPRs provide status of the project and should include the following:

- Status of the project, compared with the proposal projections,
- potential risk and mitigation measures,
- topic customer POC updates, as position assignments change, and
- regular updates to identify new student or faculty working on the project.

All financial obligations are to be routed through the OM for pre-approval. By accepting projects in the NRP, the PI agrees to the following:

**Travel**
- Travel requests are routed to the OM for review and approval.
- Travel, including conferences, will be allowed if the PI can identify how the trip directly supports the deliverable on the project. Conferences will not be approved unless it aligns with the project deliverable. Stating that it is mission critical is insufficient. Justification must explain how it is mission critical.

**Payroll**
- An employee’s payroll charges will be approved if the employee is listed in the proposal. When additional employees start work on the project, the PI will provide justification in writing that identifies how the new employees will contribute to the deliverable.
- Work can begin on the project after the account is set up.
- Research funds are not generally the appropriate means to pay for administrative support. However, as some projects may have specific administrative requirements, the PI is authorized to spend up to 5% of the total project funds for administrative support.

**Purchasing**
- Items purchased must directly support the deliverable.
- PIs are responsible to submit their purchase requisitions in KFS, as well as in FASTDATA wherever applicable.
- Purchasing items near the end of the project have the appearance of spending down the account. Higher priced equipment may require a higher level of justification if requested within the last two or three months of the project.
Additional support on the project using Contracts and MIPRs must align with the period of performance. Meaning, the full capacity of the Contract or MIPR must be completed in time for the PI to receive the work and still have time to implement that work into the final deliverable. To this point, Contracts and MIPR’s that are submitted later in the project Period of Performance are at risk of not being approved.

- Contracts cannot include the cost of food.

**Burn Rate**

- The Resource Sponsor reviews the overall program burn rate on a monthly basis. Slower burn rates will result in a smaller overall fiscal budget in the near future, which unfairly hurts other professors and students in the program. As such, the NRP has an expectation that the PI show regular work progress throughout the period of performance. The generalized rule of thumb is that 75% of the funds should be spent by the end of the third quarter. If the bulk of the funds are saved until the end of the PoP, there is risk that the project will experience a mid-year partial sweep. We recommend that all deviations from regular efforts on project be reviewed in advance with the PM.

**Period of Performance**

- The topic customer and resource sponsor are not synonymous. The topic customer receives the deliverable, but does not have authority over the funds. Once the topic customer has signed the PI’s proposal, they cannot arbitrarily add additional requirements or change the scope of work. If changes result in a prolonged period of performance or a shift in funds, it can result in an adverse effect on the NRP requirements with the resource sponsor. All changes and must be vetted through the NRP Office PM before they will be considered.

- Funds remaining upon completion of the project must be returned to the NRP. Residual funds cannot be utilized for the greater good.

- Project extension requests are allowed infrequently based on unforeseen circumstances. If a PI needs an extension, they must take their request to the PM for review. If approved, then the topic customer will also be asked to agree to a later date for the deliverable.

- In rare situations where funds are extended for a short timeframe, these extensions will be strictly in support of payroll. Equipment purchases will not be approved using extended funds. Nominal travel will be approved on a limited basis; such as to present findings to the topic customer. Travel for data collection will not be approved if it could have taken place during the original period of performance.

**Reporting**

The NRP is required to provide accountability of funding to DoN leadership, during which we must represent each research project effort. We anticipate the following reporting requirements:
- Mid-year status report, timing determined by funding arrival,
- Executive Summary submitted in October for Annual Report inclusion, and
- All final deliverables at the project completion sent to NRP PM and OM.

The NRP values the contribution that your research project makes to NPS, and across the Department of Defense community. Your research directly supports the CNOs priority to “sustain forward presence (CNOs Navigation Plan 2015-2019).” The NRP aims to add value in the promotion of your research by establishing relationships with key decision-makers that are influenced by your research efforts, and in turn can “launch new initiatives that posture the Navy to meet future challenges.” As we begin this partnership, please appreciate you are supported in your research, and feel free to communicate readily as questions or situations arise.