

§ 52i.4

(2) Must have an institutional endowment that is equal to or less than 50 percent of the national median of endowment funds at institutions that conduct similar biomedical research and training of health professionals.

(b) To be eligible for a portion of a grant award to be expended as a research endowment under section 464z-4(f) of the Act, an applicant:

(1) Must be a designated biomedical and behavioral research institution under section 464z-4 of the Act, and

(2) Must submit those materials prescribed by the Director, NIMHD.

[80 FR 53744, Sept. 8, 2015, as amended at 89 96123, Dec. 4, 2024]

§ 52i.4 Under what conditions may an eligible institution designate a foundation as the recipient of a research endowment grant?

A number of universities and other organizations have established closely affiliated, but separately incorporated, organizations to facilitate the administration of research and other programs supported by federal funds. Such legally independent entities are often referred to as “foundations,” although this term does not necessarily appear in the name of the organization. An institution awarded an endowment grant under section 464z-3(h) of the Act or using designated grant funds for endowment purposes under section 464z-4(f) of the Act may designate a foundation associated with the institution to receive the endowment funds only for investment purposes if:

(a) The institution assures in its application that the foundation is legally authorized to receive the endowment funds and to administer the endowment funds in accordance with the regulations set forth in this part;

(b) The foundation agrees to administer the endowment funds in accordance with the regulations in this part;

(c) The institution agrees to be liable for any violation by the foundation of any applicable regulation, including any violation resulting in monetary liability; and

(d) The grantee institution has control and is responsible for the administration of the grant accounts.

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§ 52i.5 How to apply for a grant.

(a) Each institution interested in applying for a grant under section 464z-3(h) of the Act must submit an application at such time and in such form and manner as the Secretary may prescribe.

(b) An institution described in § 52i.3 that has received a grant under this part may apply for another grant under this part if:

(1)(i) The institution still meets the eligibility requirements in § 52i.3; and

(ii) The institution is in the last year of funding provided by NIH under this part; or

(2) The institution no longer has an active grant under this part from NIH.

§ 52i.6 Evaluation and award of research endowment grant applications.

All applications filed in accordance with this part and meeting the minimal eligibility requirements shall be evaluated and recommended by technical and scientific peer review. The review evaluation shall take into account, among other pertinent factors:

(a) The scientific and technical merit of the proposed project to facilitate minority health disparities research and other health disparities research;

(b) The likelihood of its producing meaningful results;

(c) The adequacy of the applicant's resources available for the project; and

(d) The adequacy of the applicant's plan for managing the endowment fund.

§ 52i.7 Grant awards.

(a) Within the limits of funds, and upon such review and recommendation as may be required by law, the Director shall award a grant to those applicants whose approved projects will in the Director's judgment best promote the purposes of this part.

(b) An institution described in § 52i.3 that receives a grant under this part or an institution described in section 464z-4(f) of the Act authorized to use grant funds for endowment purposes shall follow the spending rules under the law of the state in which the institution is located and the spending rules/policies adopted by the recipient

institution, provided that such spending rules are not inconsistent with applicable federal regulations/policies.

(c) Grants awarded under this part or grant funds designated for endowment purposes as described under section 464z-4(f) of the Act must be invested no later than 90 days after the start date of the grant.

(d) The institution, in investing the endowment fund established under this section, shall exercise the judgment and care, under the circumstances then prevailing, that a person of prudence, discretion, and intelligence would exercise in the management of such person's own affairs and avoid all appearances of conflict of interest in the management of this fund.

(e) The total amount of an endowment grant under this part or the designated amount of the grant under section 464z-4(f) of the Act must be maintained as corpus by the institution for 20 years from the end of the project period.

(f) In the case of situations in which investment conditions result in the corpus referred to in paragraph (e) of this section having a net market value less than the value of the funds at the time of their receipt, appropriate actions must be taken (*e.g.*, careful review of the investment strategy) in order to preserve the value of the endowment corpus.

(g) An institution described in § 52i.3 receiving an endowment grant under section 464z-3(h) of the Act may not simultaneously receive endowment funds under section 464z-4(f) of the Act.

(h) Consistent with section 464z-4(f) of the Act, the Director, NIMHD, may designate for a research endowment some of the funds awarded to a Center of Excellence for research education and training.

§ 52i.8 When and for what purposes may a grantee spend the endowment fund corpus?

(a) A grantee may not withdraw or spend any part of the endowment fund corpus for a total of 20 years from the end of the project period.

(b) At the end of the 20-year period, during which the endowment corpus must be maintained, the grantee institution is encouraged to preserve the

endowment fund corpus but may use the endowment fund corpus for any purpose that expands or develops the institution's minority health and/or health disparities research and/or training capacity.

§ 52i.9 How much endowment fund income may a grantee spend and for what purposes?

(a) Any endowment income realized in the initial year following the grant award under this part shall not be expended to support programmatic activities until after conclusion of the initial year of the grant.

(b) After the first year of the grant, a grantee awarded funds under this part may spend endowment income realized from funds it receives solely in accordance with the regulations of this part, the terms and conditions of the award, NIMHD policies and procedures, and the grantee's strategic plan that has been approved by the NIMHD and includes priorities for the use of the endowment fund income.

§ 52i.10 How shall a grantee calculate the amount of endowment fund income that it may withdraw and spend?

A grantee awarded funds under this part shall calculate the amount of endowment fund income that it may withdraw and spend at a particular time as follows:

(a) On each date that the grantee plans a withdrawal of endowment fund income, the grantee must determine the amount of the income by calculating the value of the fund that exceeds the endowment fund corpus.

(b) If the total value of the endowment fund exceeds the endowment fund corpus, the grantee may withdraw and spend the excess amount, *i.e.*, the endowment fund income, in accordance with § 52i.9.

§ 52i.11 What shall a grantee record and report?

A grantee awarded funds under this part shall:

(a) Maintain appropriate records in compliance with this part and other requirements as referenced in terms of the award, including documentation of:

(1) The type and amount of investments of the endowment fund;