



August 24, 2026

Submitted electronically via www.regulations.gov

Re: Docket No. NSF-2026-OTR-0001— NSF Guidance on Financial Assistance

The Association of Independent Research Institutes (AIRI) submits the following comments on the National Science Foundation's (NSF) Draft, NSF Guidance on Financial Assistance, published on June 24, 2026 Federal Register (FR Doc. 2026-12725), which proposes agency-wide revisions to the NSF Guidance on Financial Assistance. We appreciate the opportunity to comment and welcome the opportunity for further discussion if permitted.

AIRI is a national association of more than 80 independent, not-for-profit research institutes conducting basic, translational, and clinical research across the biomedical, behavioral, and life sciences. Our member institutes vary widely in size and scientific focus but share a research-intensive mission and a single-purpose organizational structure. Many of our institutions have no teaching mission, patient services, or other lines of business and that leaves them nimble enough to pivot quickly to emerging scientific opportunities, but also leaves Federal grants and cooperative agreements as their primary, and often sole, source of operating revenue. That source of funding includes funding from the National Science Foundation across all directorates.

Beyond their research output, AIRI member institutes train and employ a meaningful share of the nation's life science workforce, including graduate students, postdoctoral fellows, early-career investigators, and technical staff. Many of our institutes are located in small and less-populated states, where they are often the primary point of access to NSF-funded research training and infrastructure for communities that do not have a major academic research institution nearby. The combination of having single-purpose research missions, near-total reliance on Federal award revenue, and a workforce and infrastructure role that extends well beyond any individual grant means that our member institutes are especially sensitive to changes in Federal grants administration policy that affect funding stability, administrative workload, or the predictability of the award process.

Over the past year, AIRI member institutes have experienced significant delays in grant awards, including year-long gaps for applications, forcing some labs to lay off skilled staff, pause or stop experiments, and scale back planned research programs. Early career investigators have been particularly affected, as gaps in support delay their development and contribute to retention challenges, including some choosing to pursue opportunities abroad where funding stability is perceived as more secure. It is against this backdrop of real operational strain that we offer the comments below, with a particular focus on provisions of the guidance that would add further administrative burden or funding uncertainty for small, grant-dependent research institutions.

Given the uncertainty of OMB's timeline for finalization of 2 CFR 200 (Docket No. OMB-2026-0034) and ongoing congressional consideration of the rule's implementation, with which the Guidance on Financial Assistance (GFA) expressly aligns, NSF cannot assume that the proposed changes to the Uniform Guidance will remain unchanged. The agency should not

propose changes to its own guidance while the OMB process is incomplete. AIRI respectfully requests the Foundation to withdraw implementation of the GFA and to revisit the proposed changes once the federal rulemaking process is complete. With that in mind, AIRI asks that NSF consider the following comments. In summary, our principal concerns are as follows:

- [Guide 12] AIRI urges NSF to not make any changes to indirect cost policies and maintain uniformity with PAPPG 24-1. The proposed new language stating rate recovery is subject to the availability of funds go against NSF's own stance on indirect costs and causes uncertainty for researchers that rely on consistent, predictable funding.
- [Guide 1; Guide 25; Guide 26] Expanded termination authority and elimination of fixed amount awards create unpredictable financial shocks and recurring administrative burden that independent research institutions, with no other revenue base, are poorly positioned to absorb.
- [Guide 12; Guide 4] The Summary of Changes under Guide 12 "Disallows publication costs consistent with proposed revisions to 2 CFR 200". Guide 12 contains no such disallowance clause and the draft still lists "Reports, reprints, page charges and illustrations" and "Data deposit and curation costs" as budget categories without any exclusion (Guide 4). Nevertheless, the proposed unallowable costs for publication costs would fall on independent research institutions with no alternative revenue base to absorb them; we recommend these presumptively unallowable costs be struck.
- [Guide 14] AIRI encourages NSF to maintain scientific collegiality and strengthen U.S. competitiveness against China and other nations investing heavily in life sciences through safe and secure international collaboration.
- [Guide 6; Guide 20] AIRI is concerned with unintended consequences of new biosecurity policies that will disproportionately affect independent research institutes as well as how the broader research and life sciences community is able to conduct research, hindering scientific progress.

[Guide 12] Withdraw Indirect Cost Policy Changes and Maintain Consistency with the PAPPG

AIRI urges NSF to maintain complete consistency with the PAPPG 24-1 relating to guidance on indirect costs. Guide 12 states "recipients are entitled to reimbursement from award funds for allocable indirect costs on the NSF share of allowable direct costs." However, new guidance is introduced in the GFA which adds that "indirect cost rate recovery on NSF awards is always subject to the availability of funds. An organization may not be able to recover full indirect costs if sufficient award funding is not available." Addition of this language contradicts NSF's statement that implies full reimbursement will be granted to recipients and could allow a scenario where an award is granted without the ability to fund the full reimbursement.

The FY 2026 Commerce, Justice, Science and Related Agencies Appropriations bill states "In making Federal financial assistance, the Department of Commerce, the National Aeronautics and Space Administration, and the National Science Foundation shall continue to apply the negotiated indirect cost rates in section 200.414 of title 2, Code of Federal Regulations, including with respect



to the approval of deviations from negotiated indirect cost rates, to the same extent and in the same manner as such negotiated indirect cost rates were applied in fiscal year 2024: Provided, That none of the funds appropriated in this or prior Commerce, Justice, Science, and Related Agencies Appropriations Acts, or otherwise made available to the Department of Commerce, the National Aeronautics and Space Administration, and the National Science Foundation may be used to develop, modify, or implement changes to such fiscal year 2024 negotiated indirect cost rates. This language signals Congress' intent to keep all indirect cost policies unaltered.

[Guide 25; Guide 26] Withdraw Expanded Suspension and Discretionary Termination Authority

In accordance with the proposed revisions to 2 CFR 200, the GFA would allow NSF to terminate any discretionary award, in whole or in part, whenever doing so serves agency priorities or the national interest as they exist at the time. A discretionary termination under this provision requires only a brief written summary of the agency's reasoning, does not require the administrative hearing rights that apply to compliance-based terminations under §200.342, and is not subject to the SAM.gov reporting that applies to terminations for noncompliance. This removes meaningful due process for grant recipients and deprives institutions of a real opportunity to contest the basis for losing a multi-year award before the funding is gone and the work has stopped.

Because our research institutions are single-purpose organizations with Federal awards as their primary or sole revenue source, and many carry multi-year staffing and facility commitments appropriately determined by the awards they hold, the loss of one or more major awards without warning or recourse can quickly outpace an institution's financial reserves. The resulting financial instability falls first on the research workforce including graduate students, postdoctoral fellows, early-career investigators, and technical staff whose positions are tied to the terminated award. Then in the most severe cases, a small, independent research institution that loses a sufficiently large share of its award portfolio may have no path to remain financially viable at all, which could result in the closure of the institution and the halt of critical scientific progress. Even short of an actual termination, this risk affects our members' ability to attract and retain talent and financially plan for operations in the coming years. We recommend that NSF retain a more defined, performance-linked standard for mid-project terminations of multi-year research awards, or at minimum extend administrative hearing rights to discretionary terminations affecting awards already in their performance period.

[Guide 1] Withdraw the Elimination of fixed amount awards

In adhering to the proposed revisions to 2 CFR 200, Guide 1 of the GFA would eliminate the use of fixed amount awards and subawards unless specifically authorized by Federal statute, reversing the approach adopted in 2014 and refined in 2024. Eliminating this mechanism government-wide, rather than addressing the specific transparency concerns OMB has identified with its implementation, replaces a comparatively low-burden funding mechanism with the full cost-reimbursement monitoring and documentation requirements that apply to standard grants which will ultimately add administrative costs across an institution's entire award portfolio without a corresponding increase in research output. This is in direct opposition to this administration's



intention to provide more funding to research studies versus administrative costs at research institutions.

We recommend NSF withdraw this change and retain current authority to use fixed amount awards and subawards; if transparency concerns remain, NSF should adopt defined minimum standards for their use rather than eliminating the mechanism altogether.

[Guide 12; Guide 4] Strike the Disallowances of Publication Costs

AIRI opposes the proposed disallowance of several cost categories that are necessary to the conduct and dissemination of federally funded research. The summary of changes under Guide 12 state it would follow the proposed §200.461, which would make publication costs unallowable under Federal awards except where specifically required by statute or separately approved by the Federal agency on a case-by-case basis.

AIRI supports NSF's stated objective of promoting rigorous, reproducible, and trustworthy scientific research. However, AIRI is concerned that the proposed disallowance of publication costs is inconsistent with that objective and may undermine the very mechanisms by which scientific quality is evaluated, validated, and disseminated.

These are not discretionary or peripheral costs for our member institutions. Publication in peer-reviewed journals, including open-access placement, is the primary mechanism by which the results of federally funded life sciences research reach other scientists, clinicians, patients, and the public; disallowing article processing charges does not eliminate the cost of publishing, it simply shifts that cost from the Federal award onto an institution's already thin operating margins, or pressures investigators toward outlets without open-access fees regardless of audience reach. Likewise, current subscriptions to technical and scientific periodicals are how our investigators stay current within the field, present their own findings, and recruit and train the next generation of scientists. These are activities that directly serve, rather than detract from, the objectives of the underlying Federal award and are integral components of the scientific process. A case-by-case, agency-approval model for these costs, with no agency-level standard for how or when approval will be granted, replaces a predictable, plannable cost category with an unpredictable one.

This inconsistency extends to the administration's own Executive Order 14303, "Restoring Gold Standard Science," which directs agencies to make the data, analyses, and conclusions of influential federally funded research publicly available and defines Gold Standard Science as reproducible and subject to peer review which are outcomes that depend on publication. Making publication costs presumptively unallowable works against the very transparency and peer-review mandate EO 14303 sets for federally funded science.

Unlike universities and hospitals, which can draw on tuition, clinical revenue, or state appropriations to absorb a newly disallowed cost category, AIRI member institutions rely overwhelmingly on Federal grants and cooperative agreements as their primary or sole source of operating revenue. These new restrictions would create challenges and could impede the public dissemination of federally funded discoveries. Such an outcome would be inconsistent with the

goals of transparency, accountability, and scientific excellence that the proposed rule seeks to promote.

We recommend NSF strike the changes in Guide 12 that refer to disallowance and revert to current allowability standards.

[Guide 14; Guide 6] Preserve International Collaboration Activities While Maintaining Effective Research Security

AIRI commends Guide 14 which states “participation in international conferences or other international exchanges, research projects, or programs that involve open and reciprocal exchange of scientific information” are not considered malign foreign activities. Science is, by its nature, a collaborative and international enterprise: progress has historically depended on the free exchange of data, materials, methods, and scientific talent across borders.

As other nations, including China, make substantial and sustained investments in research, the United States' continued leadership has depended in significant part on its ability to attract international scientific talent and to engage the best researchers worldwide as collaborators rather than competitors.

AIRI members are committed to good stewardship of Federal research dollars and take seriously their role in protecting federally funded research from foreign adversaries. Our member institutions have invested significant time and resources in implementing the research security provisions enacted by this administration and Congress in recent years, and we believe research institutions should be given the opportunity to demonstrate the outcomes of those changes before additional restrictions on international collaboration are imposed.

[Guide 20; Guide 6] Clarify New Biosecurity Guidance

The GFA states it will implement guidance and requirements set forth by Executive Order 14292, “Improving the Safety and Security of Biological Research”, which subsequently enforces the United States Government Policy for Stopping High-Risk Life Sciences Research policy. AIRI members largely conduct life science research and implementation of such policies significantly impact all our members. A concern of the policy which would be enforced by the proposed GFA is adoption of the term “potential dangerous gain of function,” is an ambiguous, undefined term that would make it difficult for institutions and PIs to identify what rises to the level of potential DGoF. The proposed GFA recognizes that researchers may struggle to distinguish between DGoF and potential DGoF and directs them to contact their Institutional Review Entity for clarification, but the term still needs to be further defined. Institutions may be reluctant to proceed with research while awaiting NSF’s determination. NSF needs criteria to guide researchers to make preliminary decisions and reduce the uncertainty surrounding the definition, causing institutions to take an overly conservation approach.

Additionally, the proposed framework for international research of concern (IROC) does not provide sufficient clarity regarding the criteria or process that will be used to establish and update designations. If entities, countries, institutions, and/or individuals of concern can change based on



priorities of each administration, institutions may face significant uncertainty in determining whether longstanding international collaborations are feasible. Frequent changes could disrupt the stability of multi-year research programs and discourage U.S. researchers from entering valuable international collaborations.

Additional research infrastructure will be needed to comply with this policy. Our member institutions that already operate with lean staff will have to set up a review board and designate a compliance officer to review this research. It is likely our members will be unable to afford new staff for this exercise, and this will just add to the administrative load our staff already carry.

AIRI urges NSF to consider these factors when formulating its implementation guidance in response to the policy.

Conclusion

Taken together, the provisions discussed above would, if finalized as proposed, expose AIRI member institutions to a degree of financial and administrative instability that many single-purpose, grant-dependent research institutions would struggle to withstand, with consequences for the research workforce and, in the most severe cases, for the continued existence of the institutions themselves. We do not believe this is the outcome NSF intends, but it is the practical effect the GFA would have on our sector as currently drafted.

AIRI appreciates the opportunity to comment on this proposed rule, and we would welcome the opportunity to discuss these comments further with NSF staff.

Sincerely,

David Cabrera
President, Association of Independent Research Institutes