November 17, 2004

University of Utah
Spencer S. Eccles Health Science Library
10 North 1900 East
Salt Lake City, UT 84112-5890

Attention: Mr. Wayne Peay
RML Director

Subject: NLM Contract Number N01-LM-1-3514

Dear Mr. Peay:

The National Library of Medicine is preparing to incrementally fund contract number N01-LM-1-3514 for a one-year period in accordance with the FAR 52.232-22, Limitation of Funds. Per Article B.2., Estimated Cost, the one-year period of performance is 5/1/05-4/30/06 (Year 05).

Based upon NLM’s FY 2005 budget, it is estimates approximately $1,187,270 is available for the Year 05 NN/LM budget. In order to process the modification to incrementally fund Year 05 of the subject contract, please submit the following items in the order listed below.

**NN/LM Budget:**

1. Outreach and Consumer health funds may be directed for MedlinePlus Go Local Projects. Projects currently approved that are being conducted by Full Network Member libraries should be given first consideration. MedlinePlus Go Local Guidelines must be followed.

2. List of Year 05 objectives by program area.

3. **Narrative description of your Year 05 outreach programs.** This information should be posted on your region’s web page once Year 05 is funded.

4. **Detailed cost breakdown and budget justification by line item for Year 05.** Attached is a prescribed format for submission of the Year 05 budget. (See Attachment 1: Line Item Expenditure Categories: Definitions and Instructions for Narrative Justification). In order for NLM to evaluate your proposed budget, it is critical that you provide complete and accurate information and follow the prescribed format.

   **Omission of narrative justifications or changes in the prescribed format for the budget submission will result in evaluation delays.** Incomplete budget justifications will be returned in their entirety for additional information.

5. **Forms NN/LM 1 and NN/LM 2.** Please use the EXCEL spreadsheet. Please submit both
an electronic copy and a hard copy with your budget submission.

6. **Forms.** Please use the EXCEL spreadsheet. Link trips to the 2001-2006 NN/LM Contract’s Statement of Work. Please submit both an electronic copy and a hard copy with your budget submission.

7. **The amount of unexpended funds from the period 5/1/01-4/30/05.** When calculating the unexpended balance, consider all actual and projected expenditures, from the previous funding periods, 5/1/01-4/30/05. Include indirect costs in reporting the total unexpended funds and provide a brief explanation of the reason or reasons why the funds were not expended.

If you have unexpended funds, you may propose the use of some funds for special projects, which will be reviewed and considered by the NNO. They should be included on a separate sheet with your unexpended funds report. **DO NOT** include them in your Year 05 budget.

Please submit one original and 3 printed copies of all of the above on or before 1/14/05 to:

Neha Dhir  
Contract Specialist, OAM  
National Library of Medicine  
Building 38A, Room B1N17  
8600 Rockville Pike  
Bethesda, MD 20894

**Send electronic copies of the NN/LM 1, 2, and travel forms on or before 1/14/05 to:**

boydl@mail.nlm.nih.gov

If you have any questions about any of this information, please feel free to call Neha Dhir (301-496-6546) or Angela Ruffin (301-496-4777).

Sincerely,

Lynn M. Furtaw  
Contracting Officer, OAM, NLM

Attachments
LINE ITEM EXPENDITURE CATEGORIES
DEFINITIONS AND INSTRUCTIONS FOR NARRATIVE JUSTIFICATION

Provide a detailed budget for all Year 05 costs. The budget should be divided by line item expenditure category with a justification for each. For a description of what to include in the expenditure categories, see below. Please follow additional instructions that may apply to some expenditure categories. A total for each line’s items expenditure categories should be provided at the end of the narrative portion for that category. This number should match the number in the NN/LM 1 “TOTAL” column for that line item.

PROFESSIONAL PERSONNEL:

Include senior level and other key personnel classified as “professional” in your institution, including temporary professional personnel. A position description should also be provided for each position. If any new positions are requested, a detailed justification should be included, with the exception of the consumer health information position.

SUPPORT PERSONNEL:

Include all other personnel, including temporary support personnel. A position description should be provided for each position. If any new positions are requested, a detailed justification should be included.

FRINGE BENEFITS:

Include allowances and services provided to employees as compensation, in addition to regular salaries and wages. If a fringe benefit rate has been established, the rate will be applied to the agreed-upon base. Fringe benefits which are included in the indirect cost rate should not be shown here. A justification should be provided for the fringe benefits rates used.

NONEXPENDABLE PROPERTY:

Includes personal property which is durable, and which has expected useful life of two or more years. Each item of nonexpendable property should be listed separately, followed by a justification and the amount requested. If the equipment is to replace existing equipment, this should be noted in the justification.

SUPPLIES:

Include the cost of supplies, materials and equipment maintenance, and leases or purchases charged directly to the contract, but exclude the cost of nonexpendable property as defined above. Please provide a justification for any equipment lease or maintenance costs, as well as any other major items included in Supplies.

TRAVEL:
Please provide a justification for the trips proposed. At the end of the justification for each travel category (Staff and Other), show the total amount of funds requested for that category.

Travel Policy for MLA: Our current policy for RML staff attendance at the Annual MLA meeting (other than for the Director and Associate Director) is that you may include MLA registration and airfare and six days per diem expenses for four staff members to attend. This amount may be split among staff members.

Please fill out a separate line for each trip and each traveler, i.e., if two staff members will be making the same trip, travel funds should be requested separately for each individual.

(1) STAFF TRAVEL FORM: For RML staff members. Include all direct costs of travel, including transportation, subsistence and miscellaneous expenses.

(2) OTHER TRAVEL FORM: For travel by Regional Advisory Committee members and non-staff. Include all direct costs of travel, including transportation, subsistence and miscellaneous expenses.

(3) TOTAL: Sum of all travel.

1. **Program Area:** please indicate the one letter abbreviation for the program area to which the travel relates. The following abbreviations should be used:

   - NP = Network Programs
   - CH = Consumer Health
   - TA = Technology Awareness, LIP & Connections
   - HP = Outreach to Health Professionals
   - EX = Exhibits
   - TR = Training for Electronic Access

2. **Name of Traveler:** indicate the last name of the individual traveling. If there is a vacancy, include the title of the position.

3. **Departure/destination:** indicate the city of departure and destination.

4. **Mode:** indicate mode of travel (air, auto, train).

5. **Fare:** indicate the total cost of the mode of travel.

6. **Hotel/person/night:** indicate the amount allowed for lodging, per night.

7. **Number of nights:** indicate the total number of nights of lodging.

8. **Meals/person/day:** indicate the amount allowed for meals per day.
9. **Number of days:** indicate the total number of travel days.

10. **Other:** indicate all other expenses, such as registration fee, ground transportation, rental car (if in addition to fare), etc.

11. **Total = Fare + ((Hotel/per night multiplied by # of nights) + (Meals/per day multiplied by # of days)) + Other**

**CONSULTANT FEE:**

Include proposed fees for consultants, including consultant services agreements. Please provide a justification for each consultant proposed. In addition, you must provide the following: consultant’s name, hourly fee, number of days or hours of the consulting arrangement and total amount to be paid.

**COMMUNICATIONS:**

Include telephone, postage, parcel and other delivery services and communication line charges. Please provide a justification for communication expenses broken down by major areas.

**REPRODUCTION:**

Include institutional charges or purchase orders for printing as well as any per-page reproduction or photocopy charges for printing/photocopying of RML-related materials. Photocopy equipment rental, maintenance or supplies shall be included with the supplies category. Please provide a justification for reproduction expenses broken down by major areas.

**SUBCONTRACTS:**

Include total costs (subcontractor’s direct and indirect costs) associated with each subcontract as a separate line item. Please provide a written description and justification for each subcontract. If you wish to have subcontracts approved and funding released at the time Year 05 funds are provided, you must also include a complete Statement of Work, a schedule of reports and deliverables, and a complete budget and written justification by line item. For further information concerning the documentation required for subcontracts, see FAR clause 52.244-2, Subcontracts (Cost Reimbursement and Letter Contracts) contained in the contract.

**OTHER COSTS:**

Include any items which do not fit into any other line item. Please provide a justification for other expenses broken down by major areas.

**TOTAL DIRECT COSTS:** The sum of all direct costs.

**MODIFIED TOTAL DIRECT COST (MTDC):**
Indicate the total of all direct costs on which overhead or indirect cost rates will be applied. See attached “Instructions for Completing of Forms NN/LM 1 and 2” for further instructions on calculating the MTDC.

OVERHEAD/IDC:

Indicate the overhead or indirect cost rate. The rate shall be applied to totals on the Modified Total Direct Costs line. To justify your Indirect Cost Rate, attach a copy of your institution’s Negotiated Rate Agreement.

TOTAL:

The sum of Total Direct Costs + Overhead/IDC.

INSTRUCTIONS FOR COMPLETION OF FORMS NN/LM 1 and 2

1. Please use the Line Item Expenditure Categories: Definitions and Instructions for
Narrative Justification for completion of both forms.

2. Make sure that the contractor’s name and the date submitted are on the forms.

NN/LM 1:

1. Complete all line item amounts within each program area. Please round to the nearest dollar.

2. Note that the “Modified Total Direct Cost” is the total of all direct costs on which overhead or indirect costs are allowed. Please see your Indirect Cost Rate Agreement to identify costs to which IDC is applied. This should be available in your Grants and Contracts Office.

NN/LM 2:

The amounts in the Annual Salary and Fringe Benefits area on Form NN/LM 2 should be for a 12-month, full-time period, regardless of the actual FTE amount being spent on RML activities.