

For assistance, please contact the NEO Action Coordinator at (301) 402-6628.

**INTRODUCTION:** The purpose of this Standard Operating Procedure (SOP) is to provide guidance to Institute/Center (IC) Ethics Officials for preparing and submitting an Award with a cash prize.

**References:**

- [5CFR2635, Standards of Ethical Conduct for Employees of the Executive Branch](#): Governs the conduct of all executive branch employees involving outside activities; gifts from outside sources; gifts between employees; conflicting financial interests; misuse of official position; impartiality in performing official duties; and seeking other employment.
- [Manual Chapter 2400-10- Gifts from Outside Sources](#): Implements the NIH rules governing employees regarding the acceptance of gifts from outside sources, (individuals or entities outside of the Federal Government).
- [Ethics Management Information System \(EMIS\)](#): The NIH ethics community uses EMIS to document and track employee ethics actions and for data reporting.
- The [EMIS Help Menu](#) provides instructions for managing data regarding Awards (NIH-2854).
- [NIH Enterprise Ethics System \(NEES\)](#): Employees use NEES to electronically submit requests for awards (NIH-2854).
- The [NEES User Guide](#) provides instructions for awards (NIH-2854).
- NIH Ethics Program Website Topic - [Awards from Outside Organizations](#): Provides guidelines regarding employee acceptance of gifts associated with awards and honors.

**PREPARATION AND SUBMISSION:**

Upon notification of an award from employee, the IC Ethics Official will:

1. Access the [EMIS Award Review Module](#) and create a new record for the award and complete the IC specific fields.
2. Inform the employee that while they most likely will be able to accept the honor of an award, Federal regulations require that the agency make a written determination that an award is *bona fide*. As such, the employee must be instructed not to cash the check or accept a transfer of electronic funds until they receive this *bona fide* determination.
3. Provide information relevant to determine whether the employee has official responsibility for matters affecting the award sponsor (5 CFR 5501.111). **NOTE:** *Examples are illustrative only, they do not reflect the full scope of the required review, analysis and consideration.*
  - a. As it applies to 5501.111, the sponsor is the entity that makes the decision of who will receive the award. An organization that provides the funds for the award, but otherwise has no say in the award process will **NOT** be considered the sponsor. In cases where the award decision is made by multiple entities (such as co-sponsors), each entity will be subject to a 5501.11 conflict analysis.
  - b. To fully analyze the possible 5501.111 conflicts, the sponsor and all the possible subsidiaries of the sponsor (and the sponsor's parent entity, where applicable) will need to be evaluated. For example:
    - i. If the parent entity is a health system, the 5501.111 analysis will need to be done with all affiliated hospitals.
    - ii. If the parent entity is a professional society or a for profit-publisher, the 5501.111 analysis will include any publications of that entity.

- c. The 5501.111 analysis requires more than mere consideration of the entities with which the employee has a CRADA, or over which the employee has grant oversight responsibilities; it requires consideration of whether the sponsor is “seeking official action from,” “seeking to do business with,” or “conducts activities substantially affected by” the employee, any of the employee’s subordinates, or any component or subcomponent under the employee’s official responsibility. Sponsors raising 5501.111 concerns include, among others:
  - i. Entities advocating for a specific toxicity or other “regulatory” determination;
  - ii. Entities seeking certain policy action from an IC, or from the NIH as a whole;
  - iii. Entities receiving NIH funding or to which NIH has made a commitment of resources;
  - iv. Entities currently providing funding for research conducted under the employee’s authority;
  - v. Entities currently collaborating on research conducted under the employee’s authority.
- d. In order to make an accurate determination, you need to perform a 5501.111 determination for the employee, employee’s subordinate(s), and any agency component or subcomponent under the employee’s official responsibility. You may reach out to the employee, but you **CANNOT** rely solely on the employee’s response. You must contact the employee’s supervisor and other IC offices with business, contractual, property (including intellectual property/licensing) and financial information to confirm that there are no possible issues. IC Ethics Officials **MUST NOT** make judgement calls as to the relevance of any piece of information regarding any relationship or connection between the sponsor and the employee, any of the employee’s subordinates or the component or subcomponent under the employee’s official responsibility. Such information **MUST** be included in the award submission to NEO.
- e. The IC Ethics Official may contact the award sponsor **ONLY** in the following circumstances:
  - i. If it is unclear from the information already at hand whether all items can be accepted under other authorities (such as WAG, sponsored travel, or items of little intrinsic value), in which case a 204(d) analysis will not be necessary; or
  - ii. To obtain information necessary to perform the 5501.111 analysis.
4. Perform a search in the EMIS Award Review Module to see if the award has been previously reviewed.
  - a. If a previous package is located, review the package to confirm that it is the same award.
  - b. Determine if there have been any substantial changes such as:
    - i. Cash Prize Amount
    - ii. New gifts offered
    - iii. Lecture requirement
5. Complete and sign the Award Review Worksheet.
  - If you are unable to locate any of the information requested on the worksheet, you must include additional clarification in the “Other” comment box at the bottom of the form.

**NOTE:** Packages with incomplete worksheets will be returned.

**\*\* Do NOT dispatch the NIH-2854 in NEES until approval is received. \*\***

6. Email the NEO Action Coordinator and include the following, in this order:
  - a. Award Review Worksheet
  - b. Draft NIH-2854 PDF copy
  - c. Award Notification Letter to employee receiving the award.
  - d. 5501.111 Analysis
  - e. Documentation confirming that the employee was advised not to cash the check or accept an electronic transfer of funds until approval is received.
  - f. Email communication (Additional information from your research or received from employee)
    - i. Please request all related email communication and documents from employee.

**Note:** *Incomplete packages will be returned for completion.*

The **NEO Action Coordinator** will use the Award Rotation Chart to assign the award to the next NEO Specialist on the list.

The **IC Ethics Official** will check award's record in the EMIS Awards Review Module to determine:

- Which NEO Specialist has been assigned to the award; and
- The current status of the award.

The **NEO Awards Coordinator** will enter the §2635.204(d) determination into the Award's EMIS record. If the award has been approved, EMIS will generate and send an email notification of the approval with the subject line will read "***Decision Regarding Award with Cash Prize.***" The **IC Ethics Official** will need to watch out for these emails, as they will serve as the only notification of the award's approval. The **NEO Ethics Specialist** will only notify the requesting IC Ethics Official if the award has been disapproved.

Upon notification of the §2635.204(d) determination, the **IC Ethics Official** will:

- If the award ***DOES NOT*** meet 204(d):
  - Notify the employee of the disapproval
  - Withdraw the NIH-2854 award form request in NEES.
- If the award ***DOES*** meet 204(d):
  - **Awards with a value of \$2,500 and above:**
    1. Check the box in NEES to indicate that NEAC review is required.
    2. Add the following statement to the Reviewer's Comments to document the 204(d) determination:  
***"NEAC has determined that this award meets the 204(d) regulatory requirements."***
    3. Review the NIH-2854 to ensure that the information included is updated and accurate.
    4. Dispatch report in NEES.
  - **Awards with a value under \$2,500:**
    1. Ensure box that indicates NEAC review is required is **NOT** checked.
    2. Add the following statement to the Reviewer's Comments to document the 204(d) determination:  
***"NEAC Subcommittee has determined that this award meets the 204(d) regulatory requirements."***
    3. Review the NIH-2854 to ensure that the information included is updated and accurate.
    4. Dispatch report in NEES to the IC DEC for review and certification.
    5. Upon receipt of the NIH-2854 in NEES the **IC DEC** will:
      - Ensure box that indicates NEAC Review is required is **NOT** checked.
      - Review the NIH-2854 request to ensure that all information has been uploaded and accurately reflects the determination.
      - Certify the NIH-2854 form in NEES.