Reason for Procedure

To communicate and standardize University procedure meeting the National Science Foundation’s (NSF) general policy limiting salary requested in proposal budgets for senior personnel and any subsequent award re-budgeting.

From the 2019 NSF PAPP Guide:

NSF regards research as one of the normal functions of faculty members at institutions of higher education. Compensation for time normally spent on research within the term of appointment is deemed to be included within the faculty member’s regular organizational salary.

As a general policy, NSF limits the salary compensation requested in the proposal budget for senior personnel to no more than two months of their regular salary in any one year. (See Exhibit II-7 for the definitions of Senior Personnel.) It is the organization’s responsibility to define and consistently apply the term "year", and to specify this definition in the budget justification. This limit includes salary compensation received from all NSF-funded grants. This effort must be documented in accordance with 2 CFR § 200, Subpart E, including 2 CFR § 200.430(i). If anticipated, any compensation for such personnel in excess of two months must be disclosed in the proposal budget, justified in the budget justification, and must be specifically approved by NSF in the award notice budget.

Under normal rebudgeting authority, as described in Chapters VII and X, a grantee can internally approve an increase or decrease in person months devoted to the project after an award is made, even if doing so results in salary support for senior personnel exceeding the two-month salary policy. No prior approval from NSF is necessary unless the rebudgeting would cause the objectives or scope of the project to change. NSF prior approval is necessary if the objectives or scope of the project change.

Who Does the NSF Two-Month Salary Policy Apply To?

- (co)Principal Investigator(s) - the individual(s) designated by the University and approved by NSF, who will be responsible for the scientific or technical direction of the project.
• Faculty Associate (faculty member) - an individual other than the Principal Investigator(s) considered by the University to be a member of its faculty or who holds an appointment as a faculty member at another institution, and who will participate in the project being supported.

Who Does the NSF Two-Month Salary Policy Not Apply To?

• Post-doctoral professionals
• “Soft-funded” employees (“research faculty”, research scientists, and similar individuals who are normally supported through sponsored-funding, i.e. their positions are not supported by permanent operating budget dollars)
• Research scientists not budgeted as senior personnel
• Other personnel not budgeted as senior personnel

When is the Twelve Month Period?
The University sets the one year period as September – August.

If a Senior Personnel Plans to Exceed the 2 Month NSF Salary Policy, What Must be Done Before Doing so?

• At time of proposal:
  – Must disclose in proposal that if awarded person months will exceed 2 months
  – The needed salary support should be included in the proposal budget and be well justified in the budget justification. The budget justification must also define the one year period as September through August.
  – If the request is approved by the NSF, approval will be included in the Notice of Award.

• After Award:
  – The NSF requires prior “Institutional” approval for Re-budgeting to exceed 2 months.
  – Requests must be made in advance of exceeding the 2 month salary policy and approval granted by OVPR SPS before Senior Personnel may exceed the NSF 2 month salary policy.
  – Request to SPS are made to the appropriate Post-Award Team.

Contact
For additional information on this procedure, please your Post-Award Team Leader.