

NSF Institutional Allowance for Sponsored Fellowships

Recently the Office of Contracts and Grants has seen an increase in the number of Institutional Allowances received from NSF for sponsored fellowships. This document describes the method for the funds to be managed by the University in a manner similar to Facilities and administrative revenue.

NSF GUIDELINES

Per the NSF guidelines, the purpose of the Institutional Allowance is to provide the host institution with an allowance each year of the fellowship for partial reimbursement for expenses incurred in support of the research such as space, supplies, equipment, necessary services, and fringe benefits.

The disbursement of the funds is at the discretion of the institution:

- If the student **plans to stay at the same institution for the entire tenure**, the host institution should request a lump sum payment at the beginning of the fellowship.
- If the student **plans to divide their tenure between institutions**, the primary host institution and the other institution(s) may request appropriately prorated institutional allowances or an arrangement for reimbursement to the other institutions may be made through the primary host institution.

NSF further specifies:

- NSF is not responsible for any charges incurred by or on behalf of the student by the Institution.
- If a fellowship is terminated early, the unused portion of the institution allowance must be returned on a *pro rata* basis to the National Science Foundation.
- No funds may be spent after the expiration date of the fellowship or converted to another use.

UNIVERSITY MANAGEMENT OF FUNDS

The Colleges' responsibilities are as follows:

- The College is responsible for completing the required form and requesting the funds from NSF.
- The revenue should be deposited into the College's F&A ledger 2 project as a refund of expenditures.
- In the event a refund or pro rata split of the amount received for Institutional Allowance is required:
 - The College is responsible for processing any refunds or pro rata splits.
 - The refund will be processed by the College using the project that originally received the deposit of the Institutional Allowance funds.