

NSF Two-Month Salary Policy

Effective January 1, 2009, the National Science Foundation revised its "Grants Proposal Guide" to allow two months cumulative salary compensation for senior personnel throughout a one year period.

Quote from the guidance (**Grant Proposal Guide NSF 09-1 January 2009**):

"Section C.2g(i) Salaries and Wages, has undergone a major revision of NSF's salary reimbursement policy. The Foundation will now limit salary compensation for senior project personnel to no more than two months of their regular salary in any one year. This limit includes salary compensation received from all NSF-funded grants. This change moves away from the concept of summer salary and allows for reimbursement of two months of salary per year whenever appropriate during the year."

Informal NSF guidance defines a year as July 1 through June 30 beginning July 1, 2009 (institutional fiscal year).

NSF's limit is pertinent only to Principal and Co-Principal Investigators and senior personnel as defined by NSF regulation.

Funding in excess of 2 months is allowable provided NSF approves in advance. NSF approval may be acquired either by including the excess senior personnel salary in a proposal budget and justification or by requesting excess senior personnel salary not contained in the funded budget justification, via ePAR for submission to NSF for consideration. Excess senior personnel salary may not be paid without approval of NSF.

Practical actions that each college/department administrator should consider in assisting investigators with this new NSF policy include the following:

- Identify senior personnel who are charging salary to NSF or NSF flow-through awards.
- Periodically calculate and review the total support that these individuals receive from NSF or NSF flow-through awards, cumulatively, during any one year.
- Ask the Principal Investigator during proposal preparation if they foresee a need for any senior personnel (faculty, key personnel) to be paid more than two months total support across all NSF funded projects during any one year.
- Remind anyone being paid 100% from only NSF award(s) or NSF flow-through award(s) that they must devote 100% effort to these awards and to no other activities.
- Discuss salary and effort with faculty and schedule pay accordingly. For example, if an investigator plans to devote and be paid for the equivalent of one month working on a specific NSF project over the entire summer, then schedule one-third of the salary to charge the grant in June, July and August rather than scheduling the salary to be paid in one month.