

To: NSF-funded Faculty and Departmental Administrators

From: John Childress, Director, Division of Sponsored Research
Michelle Vazin, Associate Director, Office of Contract and Grant Accounting

Cc: Dennis Hall, Associate Provost Research and Dean of the Graduate School, Provost Office

Re: National Science Foundation (NSF) Salary Policy

Recently NSF issued new guidelines for salary on grants which took effect January 2009. The revised salary policy can be found at the following link: http://www.nsf.gov/pubs/policydocs/pappguide/nsf09_1/gpg_2.jsp#IIC2gi. The policy limits the salary compensation charged directly to NSF projects for senior project personnel to no more than two months of their regular salary received from **all NSF grants and NSF sponsored sub-agreements in any one fiscal year (cumulative NSF effort)**. [For example, 1 month charged to each of Prof. Jones' two NSF grants during Fiscal Year 2009 is acceptable under the NSF salary limit policy; additional effort for Prof. Jones charged to Prof. Smith's NSF grant during Fiscal Year 2009 would violate the salary limit policy.] In an effort to provide guidance to individuals and departments who have the responsibility of administrating NSF funds, this clarification of this policy has been developed to ensure compliance. Below are key points of the new guidelines:

- Salary on all NSF grants charged directly (this does not include cost shared salaries) cannot be greater than two months of the senior project personnel's regular salary for the institution's **fiscal year**, which is July to June.
- Faculty can spread out their two months salary across the fiscal year (July-June) as appropriate for their effort, regardless if they have a nine-month or twelve-month appointment.
- NSF is allowing flexibility that will assist faculty in complying with federal policies on effort reporting.
- For new NSF proposals: If a faculty member anticipates that a cumulative NSF effort commitment in excess of two months will occur during the institution's fiscal year, then that proposed commitment must be disclosed in the proposal budget, justified in the budget justification of the proposal, and approved by NSF in the award notice.
- For existing NSF awards: Written prior approval from NSF grants administration is required if, during the course of a fiscal year, additional effort is required on any individual NSF grant where that effort increase would exceed the cumulative NSF effort permitted under the NSF salary limit policy.

It is critical that effort for faculty charged directly on NSF grants be appropriately accounted for as described in the policy. Noncompliance will result in audit disallowances and have serious impact on the future funding to the institution. Monitoring is a must at the department level. In conjunction with other compliance efforts, Office of Contract and Grant Accounting (OCGA) will perform periodic audits to ensure compliance with the salary policy. Issues will be forwarded to the appropriate departmental administrator.

If you have any questions, please contact Division of Sponsored Research (2-2631) or OCGA (3-6655).