



## Proposal and Award Policies and Procedures Guide

NSF 15-1 December 26, 2014

### **SIGNIFICANT CHANGES AND CLARIFICATIONS TO THE PAPPG**

#### **Overall Document**

The PAPPG has been revised to implement 2 CFR § 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). The Uniform Guidance incorporates language from eight existing Office of Management and Budget (OMB) circulars into one consolidated set of guidance in the Code of Federal Regulations. Additional information on the consolidation effort can be found on the website of the Council on Financial Assistance Reform (COFAR). The **COFAR website** contains many helpful resources, including training webcasts, a crosswalk and side-by-side comparisons of the previous circulars and the new Uniform Guidance document, as well as frequently asked questions. The PAPPG also has been revised to incorporate other significant changes and clarifications unrelated to the Uniform Guidance implementation.

Editorial changes have been made to either clarify or enhance the intended meaning of a sentence or section or ensure consistency with data contained in NSF systems or other NSF policy documents. Throughout the PAPPG, references to previous OMB Circulars have been replaced with references to the appropriate section(s) of 2 CFR § 200. Language has been revised to acknowledge implementation of NSF's new financial system (iTRAK). Terminology has been changed for consistency with the Uniform Guidance and website references and Division or Office names have been updated to reflect current information.

#### **Significant Changes and Clarifications to the PAPPG Introduction**

**Section B, Forward**, contains the National Science Foundation's (NSF's) implementation statement for 2 CFR § 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). This section also has been supplemented with language to make it clear that when NSF Grant General Conditions or an award notice reference a particular Award & Administration Guide (AAG) section, that section becomes a condition of the award requirements through incorporation by reference.

**Section D, Definitions & NSF-Grantee Relationships**, has been updated to be consistent with the terminology used in the Uniform Guidance definitions.

**Section E, NSF Organizations**, has been revised to reflect the current responsibilities of the organizations that are normally of most direct interest to the NSF proposer and awardee community

**Section F, NSF Electronic Capabilities Modernization Status**, is an entirely new section of the PAPPG Introduction. It was developed to assist the community as NSF transitions our electronic capabilities to Research.gov. The referenced matrix will be

updated as appropriate, independent of the annual release of the PAPPG revision cycle. The current version is located at: [http://www.nsf.gov/bfa/dias/policy/estatus\\_matrix/dec14.pdf](http://www.nsf.gov/bfa/dias/policy/estatus_matrix/dec14.pdf).

---

### **Significant Changes to the PAPPG Part I: Grant Proposal Guide (GPG) to Implement the Uniform Guidance**

**Chapter II.C.2.g, Budget and Budget Justification**, has been modified to reflect that the applicable cost principles may be found in 2 CFR § 200, Subpart E. For-profit entities are subject to the cost principles contained in the Federal Acquisition Regulation, Part 31.

**Chapter II.C.2.g(i)(b), Administrative and Clerical Salaries & Wages Policy**, has been revised to reflect the conditions under which inclusion of administrative and clerical staff salaries may be appropriate on a proposal budget.

**Chapter II.C.2.g(ii), Fringe Benefits**, refers proposers to 2 CFR § 200.431 for the definition and allowability of inclusion of fringe benefits on a proposal budget.

**Chapter II.C.2.g(iv), Travel**, has been revised to state that **all travel** (both domestic and foreign) must now be justified. Additionally, temporary dependent care costs above and beyond regular dependent care that directly result **from travel to conferences** are allowable costs provided that the conditions established in 2 CFR § 200.474 are met. Finally, the definition of what constitutes domestic travel has been revised.

**Chapter II.C.2.g(v), Participant Support**, has been clarified to reflect that any additional categories of participant support costs other than those described in 2 CFR § 200.75 (such as incentives, gifts, souvenirs, t-shirts and memorabilia), must be justified in the budget justification, and such costs will be closely scrutinized by NSF. Funds provided for participant support may not be used for other categories of expense without specific prior NSF written approval. Such requests must be submitted electronically via use of NSF's electronic systems.

**Chapter II.C.2.g(vi)(a), Materials and Supplies**, includes coverage on costs of computing devices. Clarification on when a computing device is considered a supply is provided. The charging of computing devices as a direct cost is allowable for devices that are essential and allocable, but not solely dedicated, to the performance of the NSF award.

**Chapter II.C.2.(vi)(c), Consultant Services**, clarifies that costs of professional and consultant services are allowable when reasonable in relation to the services rendered and when not contingent upon recovery of costs from the Federal government. All contracts made under an NSF award must contain the applicable provisions identified in 2 CFR § 200 Appendix II.

**Chapter II.C.2.g(vi)(e), Subawards**, references 2 CFR § 200.330 and the requirement of proposing organizations to make a case-by-case determination regarding the role of a subrecipient versus contractor for each agreement. However, inclusion of a subaward or contract in the proposal budget or submission of a request after issuance of an NSF award to add a subaward or contract will document the organizational determination required. The section also clarifies NSF's expectations regarding indirect cost rate recovery under subawards.

**Chapter II.C.2.g(viii), Indirect Costs**, provides updated guidance on NSF's expectations regarding indirect cost rate recovery.

**Chapter III.F, NSF's Risk Management Framework and Decision to Award or Decline Proposals**, is a completely new section which describes the framework that NSF uses to

evaluate the risks posed by proposers prior to issuance of an NSF award, consistent with 2 CFR § 200.205. The section also outlines the appeal process that a proposer may utilize if NSF declined their proposal for financial or administrative reasons.

### **Other Significant Changes to the GPG**

**Chapter I.F., When to Submit Proposals**, includes revisions to the section on Special Exceptions to NSF's Deadline Date Policy. In cases of natural or anthropogenic disasters, approval from the cognizant NSF Program Officer (PO) should be requested in advance of the proposal deadline, where possible. If proposers are unable to contact the PO prior to the deadline, approval should be obtained as soon as possible afterwards. New coverage has been added on the procedure to follow when NSF is closed due to inclement weather or other reasons.

**Chapter II.C.1.e, Proposal Certifications**, contains a clarification to the Certification Regarding Conflict of Interest which states that conflicts that cannot be satisfactorily managed, reduced or eliminated, and research that proceeds without the imposition of conditions or restrictions when a conflict of interest exists, must be disclosed to NSF via use of NSF's electronic systems.

**Chapter II.C.2, Sections of the Proposal**, outlines the required sections of a research proposal. Other types of proposals (i.e., RAPID, EAGER, etc.) and program solicitations may deviate from the content requirements listed in Chapter II.C.2. Effective with this implementation of the PAPPG, FastLane will begin using the rules associated with each proposal mechanism to check for compliance prior to submission to NSF. Proposers are strongly advised to review the applicable sections of the GPG pertinent to the type of proposal being developed PRIOR to submission.

**Chapter II.C.2.d, Project Description**, has been updated to reflect that the project description must now contain, as a separate section within the narrative, a section labeled "Broader Impacts of the Proposed Work".

**Chapter II.C.2.d(iii), Results from Prior NSF Support**, has been clarified to state that the listing of publications resulting from an NSF award must provide a complete bibliographic citation for each publication in either the Results from Prior NSF Support section or in the References Cited section of the proposal.

**Chapter II.C.2.g, Budget and Budget Justification**, has been revised to reflect that the budget justification for the proposing organization must be no more than three pages. For proposals that contain a subaward(s), each subaward must include a separate budget justification of no more than three pages.

**Chapter II.D.3, Ideas Lab**, is an entirely new section which details the four-stage process used with this funding mechanism, which is designed to support the development and implementation of creative and innovative project ideas that have the potential to transform research paradigms and/or solve intractable problems. Note that, in addition to Ideas Lab, NSF has launched another new funding mechanism titled **Integrated NSF Support Promoting Interdisciplinary Research and Education (INSPIRE)** that is being piloted this year.

### **Clarifications and Other Changes to the GPG**

**Chapter I.C.4, Program Solicitation**, lists features that would require a funding opportunity to be issued as a program solicitation. The list has been updated to include when cost sharing is required or limitations are placed on recovery of indirect (F&A) costs, both of which require approval by the NSF Director before the program solicitation can be issued.

**Chapter I.D.1, Letter of Intent**, has been clarified to state that if a program solicitation requires submission of a letter of intent (LOI) and the proposer does not submit an LOI, the full proposal will not be accepted or will be returned without review.

**Chapter I.E, Who May Submit Proposals**, has amended language that shows that unaffiliated individuals, and other Federal agencies who think their project may meet one of the exceptions listed in section 7, must contact the appropriate program prior to preparing and submitting a proposal.

**Chapter I.G.3, Requirements Relating to Data Universal Numbering System (DUNS) Numbers and Registration in the System for Award Management (SAM)**, informs proposers that NSF will now validate that each proposer's DUNS number and SAM registration are active and valid prior to allowing submission of a proposal to NSF. Additionally, the section clarifies that subrecipients named in the proposal are required to obtain a DUNS number and register in FastLane but do not need to be registered in SAM.

**Chapter II, Introduction**, has been revised to reflect the current strategic objective language from the new NSF Strategic Plan.

**Chapter II.C.2.a.(4)(h), Cover Sheet Other Information**, has been supplemented to reflect that a maximum of five countries may be listed in the International Activities Country Name(s) section.

**Chapter II.C.2.f, Biographical Sketch(es)**, makes clear that including personal information in the biographical sketch is not appropriate nor is it relevant to the merits of the proposal. New information is being requested in Section II.C.2.f(i)(a), Professional Preparation. The location of the individual's undergraduate, graduate and postdoctoral institution(s) must be provided. Section II.C.2.f(i)(e) clarifies that the total number of collaborators and co-editors, and graduate advisors and postdoctoral sponsors, must be identified in the appropriate areas in the Collaborators & Other Affiliations section. In addition, where applicable, information on "Other Personnel" biographical information (Section II.C.2.f(ii)) should be clearly identified and uploaded in the Biosketches section of the proposal.

**Chapter II.C.2.g(i)(a), Senior Personnel Salaries and Wages Policy**, has been supplemented to clarify proposer and awardee authority regarding rebudgeting.

**Chapter II.C.2.j, Special Information and Supplementary Documentation**, clarifies the use of letters of collaboration (formerly referred to as letters of commitment). Such letters should be limited to stating the intent to collaborate and should not contain endorsements or evaluation of the proposed project. Proposals that are not consistent with the instructions in this section will be returned without review. Also, the definition of an international activity has been clarified.

**Chapter II.D.6, Proposals for Equipment**, has been revised to remove the requirement to include a References Cited section for equipment proposals submitted in response to the GPG. Additionally, the Facilities, Equipment and Other Resources section needs to include a brief description of other support services available.

**Chapter II.D.8, Proposals Involving Human Subjects**, has been supplemented to clarify that the only acceptable Institutional Review Board (IRB) approval documents are those that approve a human subjects research protocol and approvals "in concept" or conditional IRB documents are not acceptable. Guidance also is provided on the procedure to follow if IRB approval cannot be obtained at the time of the award action because the development of a human subjects research protocol requires preliminary or other conceptual work to take place.

**Chapter II.D.9, Proposals for Conferences**, has been modified to specify that NSF

funds are not to be spent for meals and coffee breaks for intramural meetings of an organization or any of its components as a direct cost. Budgets and budget justifications for conferences should be prepared in accordance with GPG Chapter II.C.2.g. A reference to the appropriate AAG section has been added to address program income generated by conferences. In addition, Facilities, Equipment and Other Resources information is now required for conference proposals.

**Chapter II.D.11, Proposals for Doctoral Dissertation Research**, has been removed, as information should be obtained from the cognizant program office and via the NSF website.

**Exhibit II-1, Proposal Preparation Checklist**, has been updated to reflect the changes made to the GPG. Proposers are strongly encouraged to conduct an administrative review prior to submission, to ensure that proposals comply with the instructions in the GPG and/or the program solicitation, in the format specified.

**Chapter III.E, Funding Recommendation**, has been updated to include coverage on abstracts, which serve to describe the project and justify the expenditure of NSF funds. The cognizant NSF Program Officer may contact the PI, should their proposal be recommended for award, for assistance in preparing the public award abstract and its title.

**Exhibit III-1, NSF Proposal & Award Process & Timeline**, has been updated to reflect the financial or administrative decline process discussed in Chapter III.F.

**Chapter IV.B, Proposal Not Accepted or Returned Without Review**, informs proposers that a proposal will not be accepted or will be returned without review by NSF for the reasons listed in that section. Previously the language used was "may" not be accepted or "may" be returned without review.

---

### **Significant Changes to the PAPPG Part II, Award and Administration Guide (AAG) to Implement the Uniform Guidance**

**Chapter I Introduction**, states that the AAG, in conjunction with the award terms and conditions, implements 2 CFR § 200, for NSF grants and cooperative agreements. If the AAG is silent on a specific area covered by 2 CFR § 200, the requirements specified in 2 CFR § 200 must be followed.

**Chapter I.B.1, Award Instrument**, has supplemented the list of materials that comprise an NSF award to include general federal award information as required by 2 CFR § 200.210.

**Chapter I.C.2, NSF Award Conditions**, has been modified to reference the NSF website which contains the applicable NSF award conditions. In conjunction with the relevant portions of the NSF Award & Administration Guide, these conditions serve as the Foundation's implementation of 2 CFR § 200.

**Chapter II.A.2, Grantee Notifications to NSF and Requests for NSF Approval and Exhibit II-1, Consolidated Listing of Program- and Cost-Related Grantee Notifications to, and Requests for Approval from, the National Science Foundation**, have been revised for consistency with the Uniform Guidance. There are three new requests that require NSF approval, including salaries of administrative or clerical staff, travel costs for dependents, and additional categories of participant support costs other than those described in 2 CFR § 200.75.

**Chapter II.B.2, Changes in PI/PD, co-PI/co-PD, or Person-Months Devoted to the Project**, has been revised to remove the requirement to notify NSF of the short-term

absence of the PI/PD or co-PI/co-PD. This requirement has been eliminated as it goes beyond what is stipulated in the Uniform Guidance, which addresses PI disengagements of 90 days or longer.

**Chapter II.B.3, Subawarding, Transferring or Contracting Out Part of an NSF Award (Subaward)**, has been modified for consistency with the Uniform Guidance terminology and guidance. If it becomes necessary to subaward, transfer or contract out part of an NSF award after a grant has been made, the grantee shall submit the documentation outlined in this section.

**Chapter II.C, Cost Sharing**, now requires that awards with any mandatory cost sharing must document such cost sharing (on an annual and final basis), the Authorized Organizational Representative must certify that the amount is correct, and the cost sharing must be reported to NSF via use of NSF's electronic systems.

**Chapter II.D, Technical Reporting Requirements**, reflects that the "where practicable" requirement specified in 2 CFR § 200.301 is not required since the Research Performance Progress Report (RPPR) does not relate financial information to performance data. Section II.D.5 on grant closeout clarifies that grants will be financially closed out on the first day of each month for all awards with expirations 90 or more days prior to the financial closeout day.

**Chapter III, Financial Requirements and Payments**, has been updated to be consistent with the applicable sections of the Uniform Guidance. Exhibit III-1 now contains the latest version of the Standard Form (SF) 270 Request for Advance or Reimbursement.

**Chapter III.D.4, Program Income**, implements the applicable portions of 2 CFR § 200.307 on program income and consolidates the coverage that previously located in Chapter VI.F into one section in Chapter III. The language has been clarified to show that registration fees collected under NSF-supported conferences are considered program income. Grantees have no obligation to NSF with respect to program income earned from license fees and royalties for copyrighted material, patents, patent applications, trademarks, and inventions produced under an award. However, Patent and Trademark Amendments (35 USC 18) shall apply to inventions made under an award.

**Chapter III.E, Award Financial Reporting Requirements - Final Disbursement Reporting**, notes that NSF does not require grantees to submit Federal Financial Reports (FFRs) for each award for purposes of final award accountability. NSF extracts final financial data from the Award Cash Management Service (ACM\$). This section also has been clarified to show that grantees must liquidate all obligations incurred under their awards not later than 90 calendar days after the award end date. NSF will financially close awards 90 days after the award end date and the award will be removed from the ACM\$ payment screen for active awards. The section also delineates the time limits within which NSF will make settlements for any upward or downward adjustments to the Federal share of costs after the award financial closeout.

**Chapter IV, Grantee Standards**, contains coverage in accordance with 2 CFR § 200 in the areas of financial management, property management, and procurement management. AAG Chapter IV.C, IV.D and IV.E implement these standards, and extend their applicability to all types of recipients of NSF grants, including for-profit organizations.

**Chapter V.B, Direct Costs**, states that compensation for personal services, including salaries and wages and fringe benefits, must be in accordance with 2 CFR §§ 200.430 and 431 respectively. Section V.B.1.b contains the policy related to fringe benefits that are charged as direct costs and incurred under "pay as you go plans".

**Chapter V.C, Other Direct Costs**, contains a new section (V.C.5) that has been added to

address temporary dependent care travel costs.

**Chapter V.D, Indirect Costs**, provides updated guidance on NSF's expectations regarding indirect cost rate recovery.

### **Other Significant Changes to the AAG**

**Chapter I.E.4, Supplemental Support**, now includes guidance on submission of mentoring plans post-award. If supplemental funding is requested to support a postdoctoral researcher and the original proposal did not include a mentoring plan, then the supplemental funding request must include the requisite mentoring plan.

**Chapter V.A.3, Prior Written Approvals**, has been updated to show that if a grantee rebudgets funds to support a postdoctoral researcher and the original proposal included a mentoring plan, no further documentation is necessary. If the original proposal did not include a mentoring plan, then the grantee should send the cognizant NSF Program Officer the requisite mentoring plan. In addition, the list of situations when written prior approval from the cognizant NSF Grants and Agreements Officer is required has been revised. Two new prior approval requirements, for salaries of administrative or clerical staff and additional categories of participant support costs other than those described in 2 CFR § 200.75, have been added.

### **Clarifications and Other Changes to the AAG**

**Exhibit I-1, Statutes, Executive Orders and Other Directives**, has been removed, as the most current information can be obtained from relevant Governmental websites.

**Chapter II.E., Record Retention and Audit**, states that financial records, supporting documents, statistical records and all other records pertinent to the NSF grant must be retained by the grantee for a period of three years from award financial closeout described in AAG Chapter III.E.3, except as noted in 2 CFR § 200.333.

**Chapter V.E, Fee Payments under NSF Grants**, has been revised to state that payment of fees (profit) are allowable only if expressly authorized by the terms and conditions of the NSF award.

**Chapter VI.A.7, Non-Discrimination Statutes**, now includes coverage on limited English proficiency (LEP) provisions under E.O. 13166.

**Chapter VI.B.2**, has been renamed "**Research Involving Recombinant or Synthetic Nucleic Acid Molecules**" and grantees must follow the Guidelines for Research Involving Recombinant DNA or Synthetic Nucleic Acid Molecules, as amended in March 2013, for all research for which NSF grant funds are used, that falls within the scope of the Guidelines.

Email 

Print 

Share 

 Top



The National Science Foundation, 4201 Wilson Boulevard, Arlington, Virginia 22230, USA Tel: (703) 292-5111, FIRS: (800) 877-8339 |  
TDD: (800) 281-8749