

**Brief Summary of the
Significant Changes and Clarifications to the
NSF Proposal & Award Policies & Procedures Guide (PAPPG)
Effective December 26, 2014**

The National Science Foundation (NSF) has released its implementation of OMB'S Uniform Guidance by way of a revised [PAPPG \(NSF 15-1\)](#), effective for (1) proposals with submission deadlines on or after December 26, 2014, and (2) awards issued on or after December 26, 2014. A [full summary](#) of the significant changes can be found here: <http://www.nsf.gov/pubs/policydocs/pappguide/nsf15001/sigchanges.jsp>.

The following [brief summary](#) outlines sections of particular importance that may require change from previous practice. This is not intended to be an exhaustive list.

PAPPG Part 1: Grant Proposal Guide (GPG)

Chapter II.C.2.g, Budget and Budget Justification. 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. C2.2.g(i)(a), Senior Personnel Salaries & Wages Policy. NSF amended this section, noting that compensation for 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 re-budgeting authority, as described in AAG Chapters II and V, an awardee 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 as long as that change would not cause the objective or scope of the project to change. NSF prior approval is necessary if the objective or scope of the project changes. These same general principles apply to other types of non-academic organizations.

Chapter II.C.2.g(i)(b), Administrative and Clerical Salaries and Wages. The revised section removes references to A-21 and language regarding consistently-treated like circumstances and instead outlines the following conditions which must be met:

1. Administrative or clerical services are integral to a project or activity;
2. Individuals involved can be specifically identified with the project or activity;
3. Such costs are explicitly included in the approved budget or have the prior written approval of the cognizant NSF Grants Officer; and
4. The costs are not also recovered as indirect costs.

Chapter II.C.2.g(iv), Travel. All travel, both domestic and foreign, requires justification. Additional language is added to address temporary dependent care costs: travel support for dependents of key project personnel may be requested only when the travel is for a duration of six months or more, either by inclusion in the approved budget or with the prior written approval of the cognizant NSF Grants Officer. 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.

Chapter II.C.2.g(vi)(a), Materials and Supplies. The new amended section adds language to indicate that computing devices are considered supply items and may be included as direct costs for devices that are essential and allocable, but not solely dedicated, to the performance of the NSF award.

Chapter II.C.2.g(vi)(e), Subawards. The Uniform Guidance requires proposing organizations to make case-by-case determinations regarding the role of subrecipients versus contractors. NSF has stated that 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. This is a positive change to the grantee community.

Chapter II.D.8, Proposals involving Human Subjects. This section clarifies that the only acceptable IRB approval documents are those that approve a human subject research protocol; approvals “in concept” or conditional IRB documents are not acceptable. Additional guidance is given if IRB approval cannot be obtained at the awarding stage because the development of a human subjects research protocol requires preliminary or other conceptual work to take place.

Chapter II.C.2.d, Project Description. The application Project Description must now include a separate section within the narrative entitled, “Broader Impacts of the Proposed Work.”

Chapter II.D.3, Ideas Lab. This is an entirely new section which details this new 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. In addition to the Ideas Lab, NSF has launched another new funding mechanism titled “Integrated NSF Support Promoting Interdisciplinary Research and Education (INSPIRES)” that is being piloted this year.

PAPPG Part II: *Award and Administration Guide (AAG)*

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. Revised to reflect three (3) new requests for NSF approval including salaries of administrative or clerical staff, travel costs for dependents, and additional categories of participant support costs (incentives, gifts, souvenirs, t-shirts, and memorabilia).

Chapter II.C, Cost Sharing. Requires that awards with any mandatory cost sharing 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 III.D.4, Program Income. Revised to reflect that registration fees collected for NSF supported conferences are considered program income. License fees and royalties for copyrighted material, patents, patent applications, trademarks, and inventions produced under an award are not considered program income.

Chapter V.D, Indirect Costs. Provides updated guidance addressing organizations with and without federally negotiated indirect cost rate agreements (e.g., de minimis rate 10% or less of MTDC).