



# **UNDERSTANDING THE NSF PROCESSES**

FOR AUTHORIZED ORGANIZATIONAL REPRESENTATIVES

September 5, 2019 | 3:00 – 4:00 pm EST

Rashawn Farrior

Division of Grants and Agreements (DGA)

# Agenda

- About the National Science Foundation
- Proposal & Award Policies and Procedures Guide (PAPPG)
- Roles and Relationships
- New Awardee/Updated Performer Information
- Delay of Award
- Indirect Costs and Calculations
- Notification of Award
- Participant Support Costs (PSCs)
- Unallowable Costs
- Indirect cost calculation (MTDC) with PSCs
- FAQs
- Pathways to Success
- Q & A



# What is the National Science Foundation?

- The National Science Foundation (NSF) is an independent federal agency created by Congress in 1950 "to promote the progress of science; to advance the national health, prosperity, and welfare; to secure the national defense..."
- NSF supports basic research in all fields of **fundamental science and engineering**, except for medical sciences.
- With an annual budget of \$7.8 billion (FY 2018), NSF is the funding source for approximately 27 percent of the total federal budget for basic research conducted at U.S. colleges and universities.



# What is the National Science Foundation?

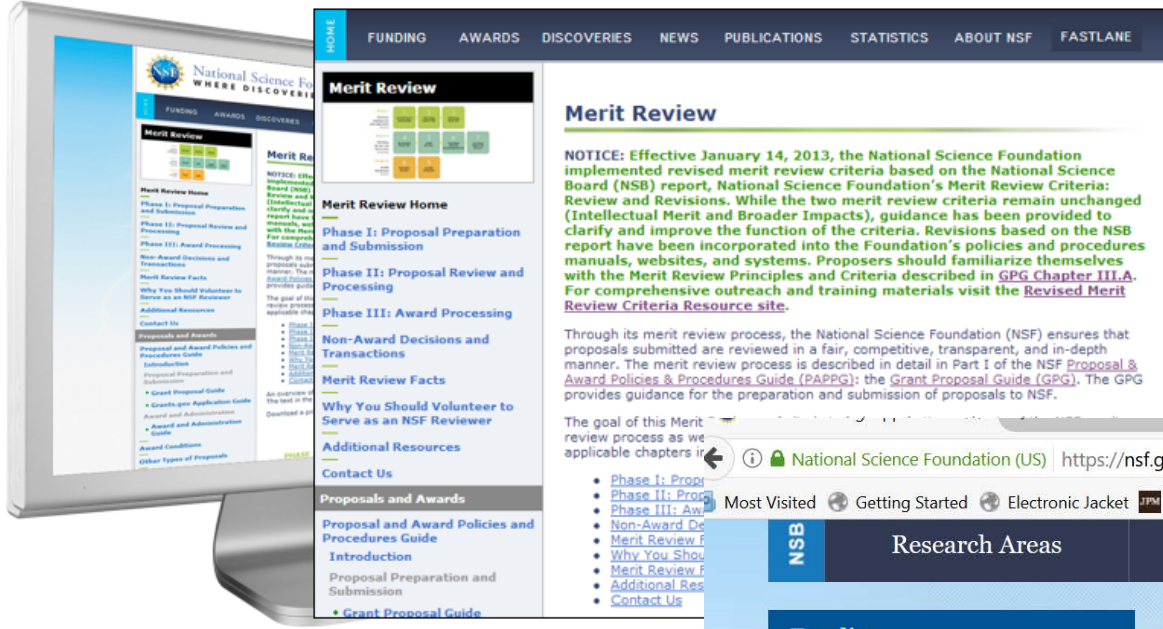
- Located at 2415 Eisenhower Ave, Alexandria, VA 22314
- The NSF is organized into:
  - 2 Offices → 9 Divisions
  - 7 Directorates → 32 Divisions
- For a complete listing of the Directorates and Divisions please visit <https://www.nsf.gov/staff/orglist.jsp>
- The ***National Science Board*** oversees the NSF.





# For More Information

Go to NSF's Home Page (<http://www.nsf.gov>)



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## Browse Funding Opportunities A-Z

Use the A-Z index to find funding opportunities by title.

A B C D E F G H I J K L M N O P Q R S T U V W X Y Z

**A**

**AAG**  
Astronomy and Astrophysics Research Grants (AAG)

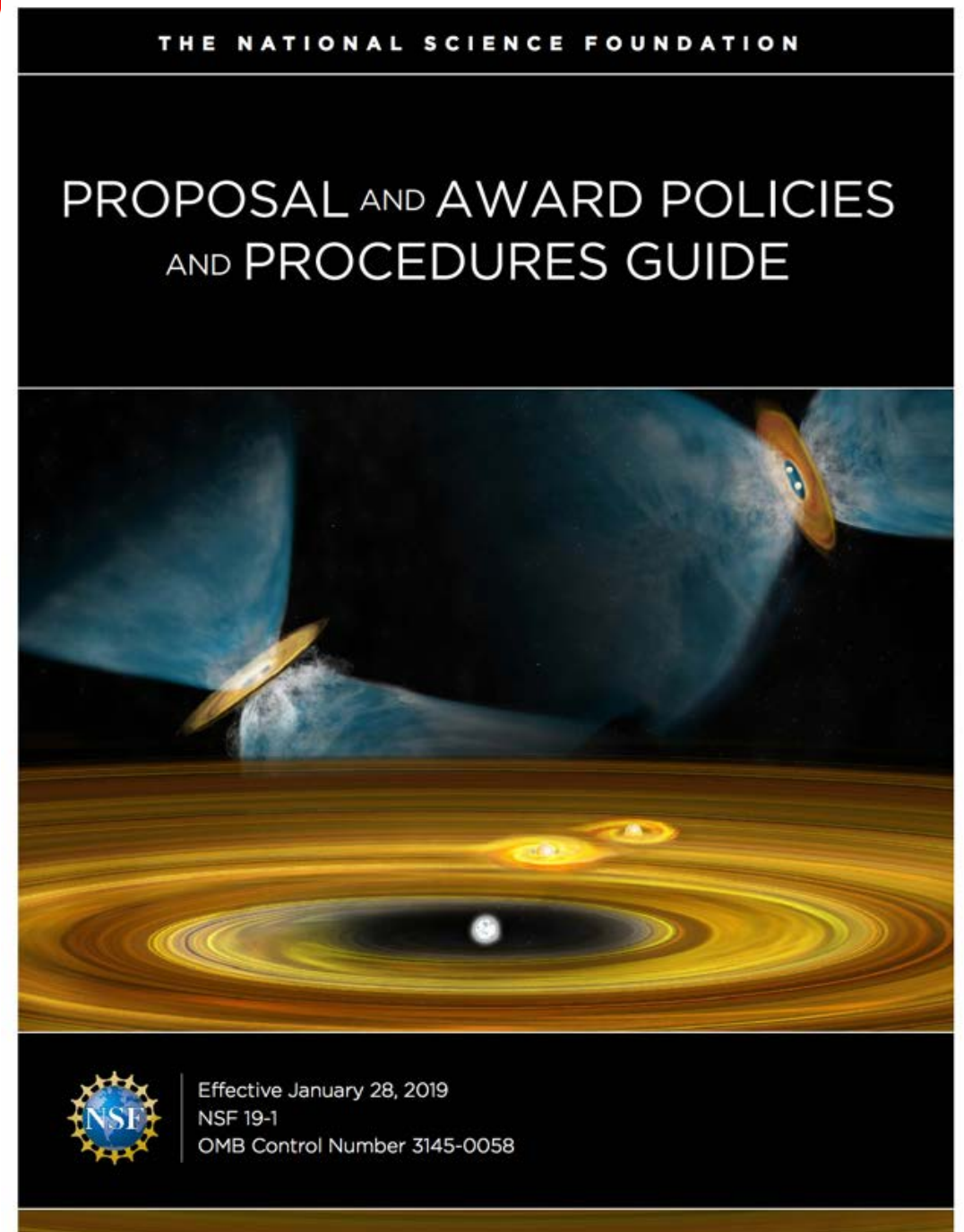
**AAPF**  
NSF Astronomy and Astrophysics Postdoctoral Fellowships (AAPF)

**ABI**

- Funding
- About Funding
- Browse Funding Opportunities A-Z
- Due Dates
- Find Funding
- Merit Review
- Policies and Procedures
- Preparing Proposals
- Recent Opportunities
- Small Business
- Transformative Research

# Proposal & Award Policies Policies and Procedures Guide

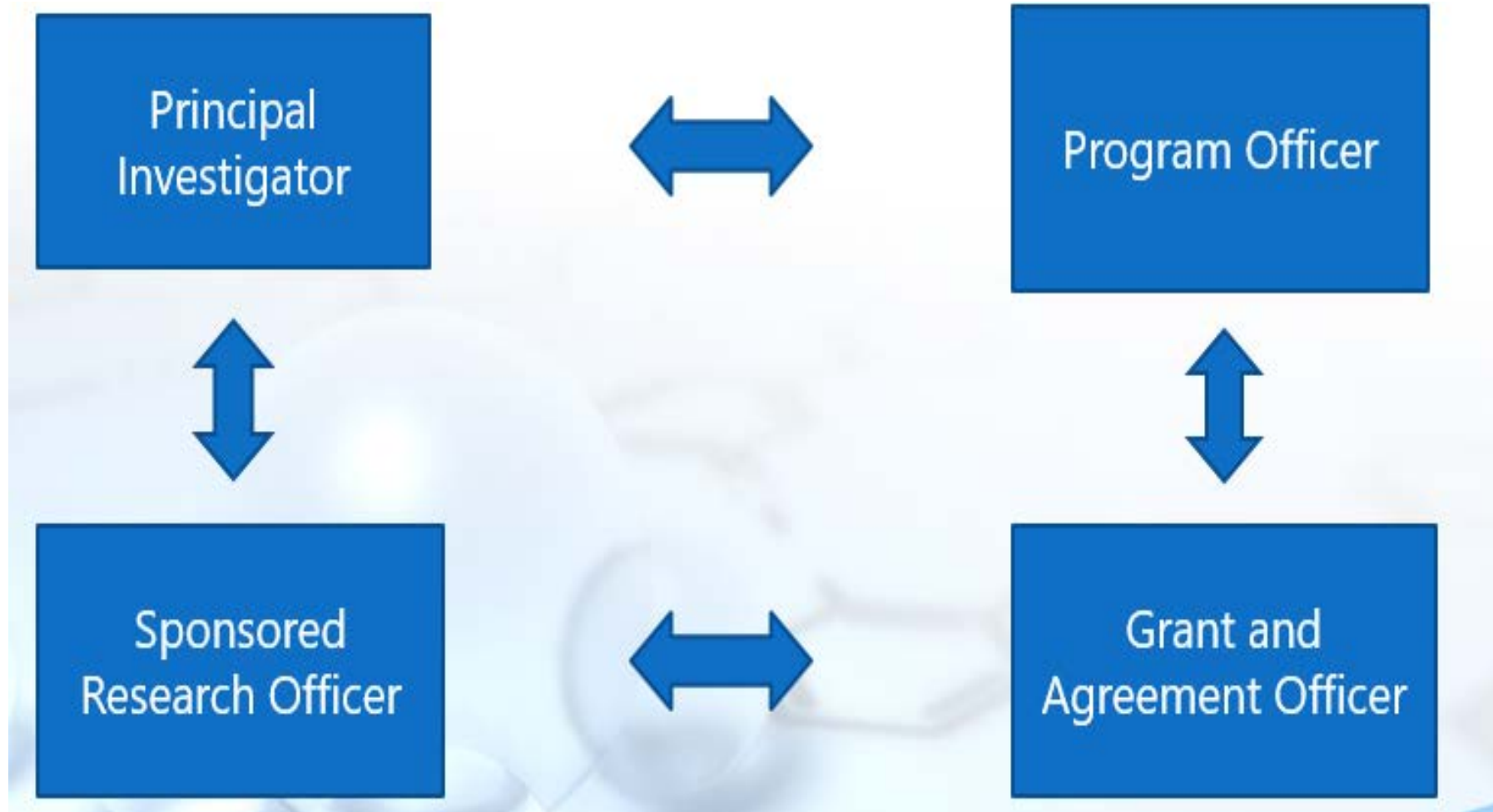
PAPPG, [NSF 19-1](#)



# What is Your Role?

- **Principal Investigator (PI)**
  - Individual(s) designated by the proposer, and approved by NSF, who will be responsible for the scientific or technical direction of the project.
  - PI and any identified Co-PIs will be jointly responsible for submission of the requisite project reports.
- **Program Officer (PO)**
  - Reviews the proposal and analyzes the input received from the external reviewers.
  - After scientific, technical and programmatic review and consideration of appropriate factors, the PO makes an "award" or "decline" recommendation to the division director.
- **Grants Management Specialist/Grants Officer**
  - DGA officer reviews the recommendation from the program division/office for business, financial and policy implications, and the processing and issuance of a grant or cooperative agreement.
  - DGA generally makes awards to academic institutions within 30 days after the program division/office makes its recommendation.
- **Office of Sponsored Research (OSP)/ Sponsored Research Officer (SPO)**
  - Full responsibility for the conduct of project activity and for adhering to the award conditions.
  - Must ensure that the institution is in compliance to all applicable Federal requirements and to manage all expenditures and actions prudently. Also ensures that expenditures are allowable, allocable, and reasonable.

# Working Relationships





# Division of Grants and Agreements (DGA)

## What kind of awards are issued by DGA?

- **Assistance Awards** – the principal purpose of which is to transfer anything of value from NSF to the grantee for them to carry out a public purpose; and not to acquire property or services for NSF's direct benefit or use.
  - Grants (Standard and Continuing)
  - Cooperative Agreements
  - Fellowships

## How many actions does DGA process?

- DGA typically approves approximately 17,000 funded actions, and 4,000 non-funded actions each year.

# DGA's Role in the Award Process



# New Awardee and Updated Performer Information

**New Awardee** – A new awardee is an institution (the award is made to the institution, not the PI) that has never received an NSF grant award.

Before an NSF award is made to a New Awardee institution, a review is completed by DGA (if awarded amount will be \$225K or under) or NSF's Cost Analysis and Pre Award Branch (CAAP) (if awarded is over \$225K) to verify the accounting system capability and the institution's financial viability to be able to handle the federal funding.

**Updated Performer** – An institution that has received NSF awards, but hasn't had an award in 5 years (end date of last award).

# New Awardee/Updated Performer Package

The New Awardee/Updated Performer Package will be requested from the Office of Sponsored Research in the form of an email and the required documents are to be returned within 15 days.

Examples of information requested are:

- Copy of the Project Cost Ledger
- Institutions policies and procedures on Participant Support, Allowability of Costs and Subawards
- Last 2 years of financial statements

Once your information is received, it can take up to **60 days** for the CAAP decision to be made.



# The DGA Review Process

## Items that **WILL** Delay Processing

- **Federally Negotiated Indirect Cost Rate (NICRA)** – Upon completing your budget, you must use your current NICRA for your institution and any subawards.

If you or your subaward doesn't not have a rate, you (they) can use the 10% de minimis rate (Modified Total Direct Cost).

- **Budget and Justification Issues** – Unallowable costs usually found in Budget Line Items F. Participant Support and G. 6. Other Direct Costs that aren't fully described in the budget justification.
- **Institutional Review Board (IRB) Approval Documentation** – This documentation *NEEDS* to be submitted before the Proposal can receive funding.

# Indirect Cost Calculation

Please understand the terms of your NICRA, as it explains what your rate is along with the base.

**Base** – Salaries and Wages; Salaries, Wages, and Fringe Benefits; or Modified Total Direct Costs (MTDC).

- If your base is Salaries and Wages and your indirect cost rate is 35%, then you would simply multiply the total for Salaries and Wages by 35% and the answer is the indirect cost amount.
- If your base is Salaries, Wages, and Fringe Benefits and your indirect cost rate is 35%. Then you would simply multiply the total for Salaries, Wages, and Fringe Benefits by 35% and the answer is the indirect cost amount.

# Indirect Cost Calculation

## Modified Total Direct Costs (MTDC)

If you have a MTDC base rate agreement – you must exclude:

- Participant support
- Equipment in excess of \$5,000
- Tuition
- May be other exclusions, please refer to your rate agreement
  
- You will pay indirect costs for subawards the first \$25K of each subaward (regardless of the length of the award), the remaining amount is excluded

# Sample MTDC Indirect Cost Calculation

You have been awarded a 5 year grant with the following details:

- Indirect Cost rate is 45%; Equipment costs \$20K; 2 subawards (1 for 100K and the other for \$30K); Participant Support Costs \$150K; and tuition costs (not participant support) \$30K

Your current total direct costs on your budget (prior to calculation) is \$1M.

Total direct costs - \$1M

Subtract equipment (\$20K)

Subtract subaward excess (\$80K)

Subtract participant support (150K)

Subtract tuition costs (\$30K)

\$720,000 X 45% = **\$324,000 (indirect cost amount)**



# Notification of Award

- Award Letter by email
- Solicitation [NSF 19-540](#)
- Research Terms and Conditions (RTCs), occasional special conditions, and other documents incorporated by reference

# What are Participant Support Costs (PSCs)?

- The following definition is from the Uniform Guidance, 2 CFR 200.75 and included in the PAPPG:
  - Participant support costs are direct costs such as stipends or subsistence allowances, travel allowances, and registration fees paid to or on behalf of participants or trainees (**but not employees**) in connection with NSF-sponsored conferences or training projects.
- In accordance with the PAPPG ([Chapter II.C.2.g.v](#)), participant support costs must be specified, itemized and justified in the budget justification of the proposal.

F. PARTICIPANT SUPPORT COSTS		
1. STIPENDS	\$	0
2. TRAVEL		16,400
3. SUBSISTENCE		25,806
4. OTHER		3,260
TOTAL NUMBER OF PARTICIPANTS		( 33 )

# Participant Support Cost Categories Defined

**F.1. Stipends** – To help defray the costs of participating in a conference or training activity

**F.2. Travel** – Funds may be requested for the travel costs of participants. Travel and its relation to the proposed activities must be specified, itemized and justified by destination and cost.

➤ **Field Trips:** When the purpose of the field trip is directly related to and necessary to meet the objectives of the training activity, costs of transportation for participants can be allowable.

**F.3. Subsistence Allowance** – Food and drink that are necessary for participants during activities

**F.4. Other** – Registrations fees, tuition, etc.

Place all related participant support costs in designated participant cost categories unless otherwise stated in solicitation.

# Incentive Payments

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.

Incentives such as gift cards, souvenirs, t-shirts and/or other memorabilia are not typically considered allowable costs, however, when necessary to accomplish program objectives, and if reasonable in amount, these costs could be allowable. When it's unclear, you can ask the institution for additional information, such as:



- What leads you to believe that participation is unlikely without the use of an incentive?
- What is the estimated impact without the use of an incentive?
- How will incentives be distributed and tracked?
- What is the justification for the amount to be considered?



# Unallowable Costs

## THESE COSTS ARE UNALLOWABLE!!

**Entertainment:** Costs of entertainment, amusement, diversion and social activities, and any costs directly associated with such activities (such as tickets to shows or sporting events, meals, lodging, rentals, transportation and gratuities) are unallowable.



**Intramural Meetings:** No funds may be requested for meals or coffee breaks for intramural meetings of an organization or any of its components, including, but not limited to, laboratories, departments and centers.

# Unallowable Costs

## THESE COSTS ARE UNALLOWABLE!!



**Alcoholic Beverages:** NSF funds may not be proposed or spent on alcoholic beverages

**Recognition Awards:** Payments given for the purpose of conferring distinction or to symbolize respect, esteem, or admiration may not be paid from grant funds.

**Prizes:** Prizes are unallowable costs on grants.



# Participant Support Cost

- Participants or Trainees (but not employees) in connection with NSF-sponsored conferences or training projects.
- Funds *may not* be re-budgeted to other expense categories without prior written approval of the NSF program officer
- Awardee organizations must be able to identify participant support costs.
- Highly recommended that separate accounts, sub-accounts sub-task or sub-ledgers be established to account for these costs.
- Must have written policies and procedures

# Participant Support with a Modified Total Direct Cost Base

## Example:

50% indirect cost rate

Total Direct Costs = \$575,000

Total Participant Support = \$200,000

When calculating your indirect cost amount, you must subtract the total amount of participant support costs from the total direct costs:

\$575,000

(\$200,000)

\$375,000 x 50% = \$187,500 (total indirect cost amount)

# FAQ's on Participant Support

## Question (1):

- May I include conference speaker fees in the participant support costs section of the budget?

## Answer (1):

- ✓ **No**, the participant support category is for the support of participants or trainees only. Speakers and trainers are not considered participants and should not be included in this section of the budget.



# FAQ's on Participant Support

## Question (2):

- Are costs such as room rental fees, catering, supplies, etc., related to an NSF-sponsored conference considered participant support costs?

## Answer (2):

- ✓ **No**, the participant support cost line in the NSF budget should not be used for such costs.

# FAQ's on Participant Support

## Question (3):

- How should student employees be budgeted?

## Answer (3):

- ✓ A student cannot be compensated partially as an employee and as a participant on the same grant. It is up to the proposing organization to determine whether they should be a student employee or a participant based on the role of the student in the project.

# FAQ's on Participant Support

## Question (4):

- Do participant support costs apply for all participants, or do they only apply for non-awardee organization participants?

## Answer (4):

- ✓ Participants from the submitting institution and other institution(s) could be considered participants.

# Pathways to Success!

- ✓ Focus on the objectives of the project
- ✓ Follow the [PAPPG 19-1](#) and the solicitation [NSF 19-540](#)
- ✓ Effective communication between everyone involved
- ✓ Policies and procedures
- ✓ Official records to include sign-in sheets, invoices and receipts in case of an audit
- ✓ Good accounting practices



PROPOSAL AND AWARD POLICIES AND PROCEDURES GUIDE



Effective January 28, 2019  
NSF 19-1  
OMB Control Number 3145-0058

# ASK EARLY, ASK OFTEN!

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Go to NSF's Home Page (<http://www.nsf.gov>)

The screenshot shows the NSF website's 'Merit Review' page. At the top, there are navigation tabs: HOME, FUNDING, AWARDS, DISCOVERIES, NEWS, PUBLICATIONS, STATISTICS, ABOUT NSF, and FASTLANE. The main content area is titled 'Merit Review' and includes a grid of colored boxes representing different stages or criteria. Below this, there is a 'Merit Review Home' section with links to 'Phase I: Proposal Preparation and Submission', 'Phase II: Proposal Review and Processing', and 'Phase III: Award Processing'. A 'NOTICE' section highlights changes to the merit review criteria effective January 14, 2013, based on the National Science Board (NSB) report. The notice states that while the two merit review criteria remain unchanged (Intellectual Merit and Broader Impacts), guidance has been provided to clarify and improve the function of the criteria. It directs users to the 'Revised Merit Review Criteria Resource site' for more information. Below the notice, there is a paragraph explaining that the NSF ensures proposals are reviewed in a fair, competitive, transparent, and in-depth manner. The final part of the screenshot lists several resources available on the site, including links to the 'Grant Proposal Guide (GPG)', 'Phase I: Proposal Preparation and Submission', 'Phase II: Proposal Review and Processing', 'Phase III: Award Processing', 'Non-Award Decisions and Transactions', 'Merit Review Facts', 'Why You Should Volunteer to Serve as an NSF Reviewer', 'Additional Resources', and 'Contact Us'.