

## PROCEDURAL STATEMENT

Procedural Statement Title: NSF Two -Month Salary Rule for Project Senior Personnel

Functional Area: Research Administration

Related Policy: NSF, Proposal & Award Policies & Procedures Guide (PAPPG)

Effective Date: 01/01/2017, for awards with new funding received after 12/26/2014

Approved by: Denitta Ward, AVC for Research and Director, Offithan two months of their regular salary in that this limit “includes salary compensation received from all NSF-funded grants.” This procedural statement defines CU-Boulder’s processes that are needed to be compliant with this requirement and when requesting allowable exceptions to this rule.

## II. DEFINITIONS

NSF’s Two-Month Rule. As specified in the PAPPG, Section II.C.2.g.(i).(a), “As a general policy, NSF limits the salary compensation requested in the proposal budget for senior 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 effort must be documented in accordance with 2 CFR §200, Subpart E, including 2 CFR §200.430(i). If anticipated, any compensation for such 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 rebudgeting authority, as described in PAPPG Chapters VII and X, a recipient 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 objectives or scope of the project change.” [NOTE: As required by [2 CFR 200.308\(c\)\(1\)\(iii\)](#), a decrease in effort devoted to the project greater than 25% needs sponsor prior approval.]

CU Boulder Definition of “Year”: NSF does not specifically define the 12 month time period they consider “any one year”. CU Boulder bases it on the University’s fiscal year, July 1 through June 30.

Senior Personnel. As defined in the NSF PAPPG, the



students) or other senior personnel whose effort across all of their funded NSF projects is less than two months.

C. Earlier Proposals Requested Salary Support That Now Exceeds Two Months on All Active NSF Awards

If the PI or other senior personnel have total salary support from all his/her active NSF awards that now exceeds the two-month limit, the proposed salary support can be charged to the project but additional information may be required. If properly disclosed at proposal stage that the total salary support across all NSF projects is expected to exceed the two-month limit, no further action is needed. However, if that was not properly disclosed during the proposal submission stage, the PI or other senior personnel should contact the project's OCG grant officer to complete an explanation for this salary support on the project to include such details as outlined in III.B above.

“Please note that the PI is a research faculty member, and as such does not receive an institutionally supported, 9-month academic contract with time allocated for research in addition to teaching duties. The total level of effort reflected here represents the minimum time needed to carry out the proposed scope of work.”

“If the proposal is funded at the requested level, the PI’s total salary amount across all of her/his funded projects will exceed the two months normally allowed by NSF for senior project personnel. However, the level of effort requested on this project and all of the PI’s other funded projects represents the absolute minimum amount needed to complete the proposed scope of work for these projects. Any reduction in her/his effort to comply with the two-month rule would negatively impact her/his ability to complete the proposed work on time.”

“The original intent was to hire a postdoctoral researcher [graduate student(s), etc.] to complete a portion of the proposed work. Despite all reasonable efforts, we have been unable to identify [hire, retain] an individual who possesses the necessary background and qualifications to carry out the proposed research. Therefore, in order to complete the approved scope of work on time, we propose to increase salary amounts for the PI and co-PI X to level A and level B, respectively. Co-PI X also has a promising undergraduate student who is interested in this type of research, and the remainder of the funds originally allocated to support the postdoctoral researcher will be used to pay this undergraduate for a total of X hours at \$XX/hour to carry out experiments under the direction of the PI and co-PI X. No changes to the project’s approved scope or objectives will be necessary, and no other changes to the budget are contemplated.”

F. Related Procedural Statements, Forms, Policies, and Tools

- 1.) [Guideline Tool for NSF Senior Personnel 2-Month Salary Rule](#)

G. Frequently Asked Questions

Question: Does this policy apply to uncompensated effort on proposals?  
Answer: No, the two-month rule only applies to NSF-