Policies, Procedures, and Guidelines

NSF Two Month Rule for Compensation on Sponsored Projects

Effective Date: 10/01/2012
Last Revision: 06/30/2014

Policies, Procedures, and Guidelines Statement

This document sets forth the Sponsored Programs Accounting policy on salary limitation rules imposed by NSF. The National Science Foundation has a policy that states that they will not allow for more than two months salary for senior project personnel on NSF-sponsored project(s) each year. There is an exception that applies when compensation for such personnel in excess of two months was disclosed in the proposal budget, justified in the budget justification, and was specifically approved by NSF in the award notice.

Tufts University has defined the year as September 1 to August 31. This policy applies to both direct NSF funding and NSF pass-through funding. Senior project personnel are defined as the Principal Investigator, Co-Investigator, and other faculty listed in the senior personnel section of the budget.

General Guidelines

The NSF Award and Administration Guide V.B.1a, effective February 24, 2014, states:

In accordance with GPG Chapter II.C.2.g, NSF normally limits salary compensation for senior project personnel on awards made by the Foundation, to no more than two months of their regular salary in any one year. This limit includes salary received from all NSF funded grants. Salary is to be paid at a monthly rate not in excess of the base salary divided by the number of months in the period for which the base salary is paid. As such, proposal budgets submitted should not request, and NSF-approved budgets will not include, funding for an individual investigator or co-principal investigator which exceeds two months of their regular year salary. 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.

The NSF Grant Policy Guide, NSF 14-1 February 2014 (Chapter II.C.2.g.) states:

“As a general policy, NSF limits salary compensation for senior project 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 the applicable cost principles. 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.”

Each faculty member with NSF support is responsible for their own compliance with this policy. The Office of Sponsored Programs Accounting will review the total salary charged to NSF-funded awards for each faculty member for the prior year, ended August 31st.

Practical actions that each Department Administrator should consider in assisting investigators with this policy include the following:

- Identify senior personnel who are charging salary to NSF or NSF pass-through awards.
• Periodically calculate and review the total support that these individuals receive from NSF or NSF pass-through awards, cumulatively, during any one academic year.
• Ask the Principal Investigator during proposal preparation if they foresee a need for any senior personnel to be paid more than two months total support across NSF-funded projects during any one fiscal year.

The policy applies to all senior personnel, regardless of appointment type. As with all senior personnel, research faculty whose effort across all NSF-funded awards will exceed two months in a year should note their appointment in each budget justification and explain why the additional effort will be necessary to complete the project as proposed.

In unique circumstances, exceptions to the NSF 2 month rule can be made in consultation with the Office of the Vice Provost for Research.

**Sponsored Programs Accounting Internal Procedure**

In reviewing the salary of senior personnel charged to NSF-funded projects the Office of Sponsored Programs Accounting will:

- Use the query provided by Financial Services via secure email to identify all salaries paid from NSF-sponsored awards.
  - Remove students and administrative staff
  - Sort by DeptID.
- Contact the Dean’s Office at each school to determine the appointment(s) for the employee(s) remaining on the list.
- Use the Tufts NSF Salary Calculator to determine if each individual is under the cap.
  - The calculator is a tool for reviewing salary expenses charged to NSF projects. It can be found using the link below. The calculator has two tabs, a 9-month and a 12-month salary calculator.
  - Use the calculator that corresponds with the employee’s appointment.

  "Note: The annual salary figure(s) can be found in the PeopleSoft ‘Employee Detail’ panel for the related time period(s)."

For each employee that is over the cap:

- Verify from the award/proposal documentation that the individual is in fact key personnel on the award. Also note the level of effort budgeted for the senior personnel.
- If the individual is over the cap, and is not approved for more than two months of effort, work with the Department Administrator, Principal Investigator and/or BFO to determine the appropriate charges.
- If necessary, work with department/school to move expenses.
- Keep a copy of the completed salary calculator(s) on the shared drive.

**Related Information**


**Revision History**

*June 2014 – change defined year, effective 9/1/14*