

From: [Wiley, Lori C.](#)
To: [NSF POLICY](#)
Cc: [French, Jamie H](#); [Boyd, Kandis Y](#)
Subject: FW: "For Comment" version of the NSF Proposal & Award Policies & Procedures Guide published in the Federal Register
Date: Thursday, February 11, 2021 11:54:27 AM
Attachments: [Draft Dec2020 PAPPG Review - DGA comments as of 02-10-21.docx](#)

Dear Policy Office Colleagues,

On behalf of DGA, attached please find our comments on the Dec 2020 draft PAPPG. In order to compile our feedback, "track changes" were utilized for suggested edits to specific PAPPG text along with explanatory comments.

We appreciate this opportunity to provide input. Please let us know if you have any questions for DGA.

Thanks,

Lori

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From: Feldman, Jean I. <jfeldman@nsf.gov>
Sent: Monday, December 14, 2020 10:55 AM
To: NSF SMART <smart@nsf.gov>; NSF Deputy AD <nsf-deputyad@nsf.gov>; NSF Division Directors <divdir@nsf.gov>; NSF Program Officers <progoff@nsf.gov>; NSF AMG <amg@nsf.gov>; NSF AO/OS <aoos@nsf.gov>; NSF Deputy Division Directors <depdir@nsf.gov>; BFA ALL <BFAALL@nsf.gov>; OGC All <OGC_All@nsf.gov>; DIS ALL <dis-all@nsf.gov>; DAS Staff <dasstaff@nsf.gov>; BFA BPLG <bfbplg@nsf.gov>
Cc: Feldman, Jean I. <jfeldman@nsf.gov>
Subject: "For Comment" version of the NSF Proposal & Award Policies & Procedures Guide published in the Federal Register

Dear Colleagues:

NSF published a notice today in the [Federal Register](#) announcing the availability of a "[For comment](#)" draft of the [Proposal & Award Policies & Procedures Guide \(PAPPG\) \(NSF 22-1\)](#). We are soliciting Directorate/Office comments on the draft PAPPG until **cob February 12, 2021**. Please note that all comments should be coordinated through the applicable Assistant Director/Office Head's office.

To facilitate review, revised text has been highlighted in yellow throughout the document and explanatory comments have been included in the margins, where appropriate.

This draft version has been revised to incorporate the revised citations to 2 CFR §200: *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Award* that went into effect on November 12, 2020. It should be noted that we have not highlighted the revised references throughout the document. Please note that if there is a discrepancy between the current PAPPG (NSF 20-1) and the revised 2 CFR §200, the applicable NSF award conditions apply.

In addition, NSF also has released revised [Frequently Asked Questions \(FAQs\)](#) on Current and Pending Support. These FAQs are effective for proposals submitted in response to the current PAPPG (NSF 20-1).

Any questions should be directed to the Policy Office at policy@nsf.gov.

Best,

Jean

Jean Feldman
Head, Policy Office
Division of Institution & Award Support (DIAS)
Office of Budget, Finance and Award Management
National Science Foundation

Draft December 2020 PAPPG Review – proposed text edits and comments by DGA:

Introduction: NSF Organizations

Section E.3., DGA (p. xviii – first sentence at top of page before section E.4.)

Grants Officers have delegated warrant authority to issue awards on behalf of the Foundation and their approval constitutes a legal obligation of Federal funds for awardees to expend to fulfill the scope of the approved proposal.

Chapter I: Pre-Submission Information

Section I.E.6., Categories of Proposers – Foreign Organizations (p. I-6)

In cases however, where the proposer considers the foreign organization or individual's involvement to be essential to the project and proposes to provide funding to the foreign counterpart through the NSF budget (through a subaward, consultant arrangement, or other direct funding [\[see comment about clarification needed\]](#)), the proposer must explain why support from the foreign counterpart's local sources is not feasible and why the foreign organization or individual can carry out the activity more effectively than a U.S. organization or individual.

Chapter II: Proposal Preparation Instructions

Section II.C.2.g.(vi)(e), Other Direct Costs – Subawards (p. II-20)

NSF does not negotiate rates for organizations that are not direct recipients of NSF funding (e.g., subrecipients). Consistent with 2 CFR §200.332, NSF grantees must use the domestic subrecipient's applicable U.S. Federally negotiated indirect cost rate(s). If no such rate exists, the NSF grantee must determine the appropriate rate in collaboration with the subrecipient. The appropriate rate will be: 1) a negotiated rate between the NSF grantee and the subrecipient; a prior rate negotiated between a different pass-through entity and the same subrecipient, or the de minimis indirect cost recovery rate of 10% of modified total direct costs. [When](#) a domestic subrecipient does not have a U.S. Federally negotiated indirect cost rate, and a rate is negotiated between the NSF grantee and the subrecipient, the NSF grantee must maintain in the Federal award record documentation submitted by the subrecipient to substantiate the indirect cost rate requested. No indirect cost rate proposal documentation is required when the de minimis indirect cost rate is applied.

Chapter III: NSF Proposal Processing and Review

Section E, Funding Recommendation (p. III-5 – last sentence of section E)

A PI or organization that makes financial or personnel commitments in the absence of a grant or cooperative agreement award notice approved by a NSF Grants Officer does so at its own risk.

[Section F](#) under **Funding Recommendation** (pp. III-5 & 6)

F. Decision to Award or Financially/Administratively Decline Proposals and NSF's Risk Management Framework for Pre-Award Review

Declination of proposals for programmatic reasons is addressed in Chapter IV.C.

- a. Decision to Award or Financially/Administratively Decline a Proposal

If the program recommendation is to award a proposal and final Division/Office or other programmatic approval is obtained, then the recommended proposal goes to the Division of Grants and Agreements (DGA) or the Division of Acquisition and Cooperative Support (DACS) for review of business, financial and policy implications. Pre-award review includes utilization of NSF's risk-based framework, which evaluates the risks posed by proposers prior to issuance of an NSF award. After the completion of all pre-award review requirements, a final decision by a Grants Officer will be made to fund or decline the proposal. Refer to Chapter VI for NSF Awards.

DGA generally makes the decision to award or decline proposals within 30 days after the program Division/Office makes its recommendation. Proposals from organizations that have not had an active NSF award within the preceding five years, involve special situations (such as coordination with another Federal agency or a private funding source), that are to be awarded as cooperative agreements, new or renewal proposals that exceed \$20 million in total costs, or any that have unusual considerations may require additional review and processing time. DACS review of major facilities and related proposals follows the requirements and timeline in Major Facilities Guide. NSF will report proposals that are declined for reasons that meet the guidelines set forth by OMB to the OMB-designated integrity and performance system in accordance with Federal regulation, but only after the proposer has had an opportunity to exhaust the appeal procedures contained in Chapter III.F.2 below.

b. NSF Risk Management Framework.

Consistent with 2 CFR §200.205, This framework includes, but is not limited to, the following:

- conducting in-depth pre-award financial and administrative reviews for all proposals recommended for awards that are:
 1. prospective new awardee organizations receiving their first NSF award,
 2. organizations that have not recently managed NSF funding, and/or
 3. organizations who have received prior NSF support for small dollar awards but whose cumulative NSF funding would now exceed a specific dollar amount;
- conducting pre-award financial and administrative reviews for proposals recommended for Phase II funding under the Small Business Innovation Research (SBIR) or Small Business Technology Transfer (STTR) program;
- considering the proposer's record of how it has managed past and current Federal awards, and leveraging NSF systems to identify any ongoing issues that need to be considered before proceeding with future awards;
- considering the status of corrective actions necessary to address findings or concerns noted in audits, desk reviews, site visits, or other monitoring activities of the proposer's past and current Federal awards; and
- ensuring that NSF conducts review of information available through any OMB-designated repositories and that no awards are made to proposers that are currently suspended or debarred or otherwise ineligible for participation in Federal programs or activities.

Exhibit III-1 NSF Proposal & Award Process & Timeline (p. III-8)

Chapter IV: Non-Award Decisions and Transactions

Section C, Declinations (p. IV-2)

A PI whose proposal for NSF support has been declined by the NSF Program Officer will receive information and an explanation of the reason(s) for declination along with copies of the reviews considered in making the decision. If that explanation does not satisfy the PI, he/she may request additional information from the cognizant NSF Program Officer or Division Director. See Chapter III.G for additional information on the review information that can be provided. PIs and co-PIs may access review information from NSF after the decision has received the concurrence of the cognizant NSF Division Director, when all the review information has been released for their proposal.

Chapter VI: NSF Awards

Section D.3., Changes in a Grant Period (p. VI-2)

b. End Date

The end date may be changed for a no-cost grant extension or by approval of a request for supplemental support (up to six additional months per Section E.4. below). When appropriate, the NSF Grants Officer will issue an amendment to the grant.

Section E, Additional Funding Support (p. VI-3)

1. Types of Additional Funding Support

Additional funding of a project beyond the original grant amount awarded will be in the form of renewed support, continuing grant or cooperative agreement increments, or supplemental support. A description of each of these additional funding mechanisms is provided below.

Section E.3.c., Support under Continuing Grants (p. VI-4) – first mention of “budget period”

Section E.4., Supplemental Support (p. VI-5)

d. If approved, the NSF Grants Officer will amend the grant to provide additional funding for the current support period. The amendment notice will specify both the amount of supplemental funding and the cumulative amount awarded through the end date, which normally will remain unchanged. Grantees are reminded that most NSF appropriated funds have a limited period of availability for expenditure before the appropriation cancels. Any extensions of the end date due to award of supplemental funding does not extend the period of availability for canceling funds of the original award.

[Insert footnote] In accordance with 31 USC 1552(a), funds will no longer be available for expenditure for any purpose beyond September 30th of the fifth fiscal year after the expiration of a fixed appropriation’s period of availability for incurring new obligations – see also Chapter VIII.E for Financial Requirements and Payments.

ADD: Section E.5. on Cooperative Agreements (p. VI-5)

5. Cooperative Agreement Increments

a. Unlike continuing grants, funding increments for projects being supported under cooperative agreements (CAs) are recommended for funding by the cognizant NSF Program Officer in accordance



with the terms and conditions of the CA, which may be based on the original budget or submission of a revised budget via email or as directed.

b. Continued funding is subject to NSF's judgment of satisfactory progress, including milestones or other requirements of the CA, availability of funds, and receipt and approval of the required annual report.

Chapter VII: Grant Administration

Section D.3., PORs (p. VII-5 – last paragraph before section D.4.)

The POR must be submitted electronically no later than 120 days following end date of the grant. By submitting the POR, the PI is signifying that the scope of work for the project has been completed and that he/she does not anticipate that any further research activities (including a no-cost extension, supplemental funding, or transfer of the grant) need to be completed on the project. Submission of the POR, however, does not preclude the grantee from requesting any further payments for costs incurred during the period of performance.

Chapter VIII: Financial Requirements and Payments

Section E., Award Financial Reporting Requirements and Final Disbursements (p. VIII-8)

5. Grantees are authorized to make upward or downward adjustments to the Federal share of costs for a financially closed award within the following time limits:

- Upward adjustments may be submitted through ACM\$ for up to 12 months after the end date of the award or until the appropriated funds cancel, whichever is earlier.

Chapter IX: Grantee Standards

Section D., Property Management Standards (p. IX-4)

1. Title to Equipment

Title to equipment purchased or fabricated with NSF funds will normally vest in the grantee organization upon acquisition. This includes IHEs or other non-profit organizations, small businesses or other for-profit organizations, foreign public entities or foreign organizations, and state, local or tribal governments. Only if specified in the award will title pass directly to the government upon acquisition and is then designated as federally-owned property. For equipment use and disposition, the following applies:

- a. For major facility awards, including associated upgrades, equipment is subject to the provisions of 2 CFR §200.313.
- b. For all other awards, such equipment is considered "exempt property" as outlined below and in accordance with the applicable award terms and conditions.

Section D.2 (p. IX-5)

b. General Purpose Equipment. Expenditures for general purpose equipment are typically not available for support.

c. Equipment Usage. The equipment must remain in use for the specific project for which it was obtained in accordance with 2 CFR §200.313(c)(1) unless the provision in 2 CFR §200.313(c)(4) applies.

e. Property Management Requirements. The grantee shall maintain a property management system which, at a minimum, meets the requirements of 2 CFR §200.313(d).

f. Competition. In accordance with 2 CFR §200.313(c)(3), grantees shall not use equipment acquired with Federal funds to provide services for a fee that is less than private companies charge for equivalent services, unless specifically authorized by statute, for as long as the Federal government retains an interest in the equipment. (See subsection D.4 below, Principles Relating to the Use of NSF-Supported Research Instrumentation and Facilities.)

g. Right to Transfer Title.

(i) In accordance with 2 CFR §200.313(e), NSF may identify items of equipment having a unit acquisition cost of \$5,000 or more where NSF reserves the right to transfer the title to the Federal government or to a third party named by the Federal government at any time during the grant period.

Sections D.3 and D.4 (pp. IX-5 & 6)

4. Principles Relating to the Use of NSF-Supported Research Instrumentation and Facilities

3. Property Management Requirements for Federally-owned Property

In the event that title to equipment or real property is vested in the Federal government, such Federally owned property (FOP) must be identified, tagged or segregated in such a manner as to indicate clearly its ownership by the government. Unless otherwise provided in the grant, such FOP must be used only for the performance of the project. The grantee must submit an annual inventory report and final inventory report for all FOP by NSF grant number to the NSF Property Administrator using the NSF's Central Property Inventory Repository (CPIR). The annual report must be received in the CPIR system no later than October 15 each year. Additionally, the final inventory report for all FOP is due upon the end date of the grant for further agency utilization and disposition. (See Chapter IX.D.5). Any property related questions should be submitted to the Property Administrator at nsfproperty@nsf.gov.

Section D.5., Excess Government Personal Property (p. IX-7)

c. (vi) The SF 122 should be signed by either the PI or the AOR. The following information should also be provided on each SF 122:

Section D.5., Excess Government Personal Property (p. IX-10 – last sentence before section E)

(ii) Further details may be obtained from the Property Administrator, Division of Administrative Services, National Science Foundation, 2415 Eisenhower Avenue, Alexandria, VA 22314, or via email (nsfproperty@nsf.gov).