



National Science Foundation • Office of Inspector General
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MEMORANDUM

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TO: Suzanne H. Plimpton
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SUBJECT: Office of Inspector General Comments on the Draft *Proposal and Award Policies and Procedures Guide, NSF 22-1*

Attached are the consolidated comments of the National Science Foundation Office of Inspector General on the draft *Proposal and Award Policies and Procedures Guide* (PAPPG), NSF 22-1. Overall, we are happy with NSF's continued commitment to proper grant oversight and we hope you find our comments and suggestions useful.

If you have any questions or wish to discuss, please contact Ken Lish, Director, Contract Grant Audits, at 303-844-4738.

Attachment

Comment #	Section / Page Number	Language in PAPPG/Observations	Comments and Suggestions
1	Introduction, pp viii – xx (PDF pp. 10-22/171)		We suggest including a statement in the Introduction about applicability period(s) of the PAPPG. Since this document is updated annually, it would be helpful to inform proposers and recipients of NSF’s intent of which version applies to a specific issue. (Should a recipient comply with the PAPPG version that was in effect when the proposal was submitted, on the initial award date, or when the specific issue took place? If supplemental funding is provided throughout the course of an award, should the recipient follow the PAPPG in effect when the supplement is awarded or follow the original PAPPG throughout the course of the award?)
2	Chapter I, Sec. D.3, pg. I-4 (PDF pg. 26/171)	“Authors other than the PI (or any co-PI) should be named and acknowledged.”	We recommend NSF specify a location for author acknowledgement, for example, as the first entry in the Bibliography. OIG regularly receives queries from both POs and PIs regarding where in the proposal authors not named in the cover sheet should be acknowledged. Clearly stating where such information should be specified would help alleviate confusion and ensure that such information is included and readily identifiable within the proposal. <i>[Note: Carried over from 2018 and 2019]</i>
3	Chapter I, Sec. F, pg. I-7 (PDF pg. 29/171)	“Proposers should then follow the written or verbal guidance provided by the cognizant NSF Program Officer.”	We suggest that approval for exceptions to the deadline date policy only be provided in writing rather than also allowing for the option of verbal approval. Alternatively, we recommend that any verbal approvals must be followed by a written approval within five days to be valid. Many Program Officers are rotators through the Intergovernmental Personnel Act and may be gone by the time a question about the approval arises later in the award, or

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			after an award's conclusion. Thus, it is in NSF's best interest to have the approval documented in writing. <i>[Note: Carried over from 2018 and 2019]</i>
4	Chapter I, Sec. G.1, pg. I-8 (PDF pg. 30/171)	"Submission of government-wide certifications and representations is addressed below."	We suggest referencing the actual section(s) where the government-wide certifications and representations are addressed. <i>[Note: Carried over from 2019]</i>
5	Chapter I, Sec. G.2, pg. I-8 (PDF pg. 30/171)	"Failure to comply with SAM certification requirements prior to proposal submission will impact the processing of the proposal."	We suggest specifying the impact to the processing of the proposal (e.g., processing delays, ineligible for proposal submission, etc.). <i>[Note: Carried over from 2019]</i>
6	Chapter II, Sec. A pg. II-1 (PDF pg. 32/171)	"Proposers may deviate from these instructions only to the extent authorized Proposers must include an authorization to deviate from standard NSF proposal preparation instructions through submission of a single-copy document which identifies the name, date and title of the NSF official authorizing the deviation (see section C.1 below for additional information.)"	Missing period between "...authorized. Proposers..." and missing closed parentheses at end "...information.)"
7	Chapter II, Sec. C.1.d, pg. II-4 (PDF pg. 35/171)	1. "Government-wide Certifications and Representations are provided by the proposer on an annual basis in SAM." 2. "The AOR must use the "Authorized Organizational Representative function" to sign and submit the	Several government-wide certifications were removed to implement M-18-24, including Drug-Free Workplace, Debarment and Suspension, Certification Regarding Lobbying, Certification Regarding Nondiscrimination, Certification Regarding Federal Tax Obligations, and Certification Regarding Criminal Convictions. All other certifications that must be provided via the AOR function in NSF's electronic system are still included in this

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		proposal, including NSF-specific proposal certifications.” “The required proposal certifications are as follows...”	section. However, the language does not make it clear that only NSF-specific proposal certifications are now listed. We suggest specifying that the included proposal certifications are only the NSF-specific proposal certification, and the government-wide certifications are in SAM. <i>[Note: Carried over from 2019]</i>
8	Chapter II, Sec. C.2.f(i) pg. II-13 (PDF pg. 44/171)	“This section of the proposal is used to assess how well qualified the individual, team or organization is to conduct the proposed activities.”	We recommend supplementing the new contextual language to also address the important issue of conflicts of commitment, along the lines of the following (new proposed text in italics): “This section of the proposal is used to assess how well qualified the individual, team or organization is to conduct the proposed activities <i>and also to assess what other commitments, appointments, and affiliations may take up senior personnel’s time.</i> ”
9	Chapter II, Sec. C.2.f(i) pg. II-13 (PDF pg. 44/171)	“A separate biographical sketch (limited to two pages) must be provided through use of an NSF-approved format, for each individual designated as senior personnel.”	We suggest exempting the appointments section of the biographical sketch from the two page limit or increasing the number of allowable pages so there’s room to disclose all appointments, as required. Subjects in a number of investigations have cited the two-page limitation, and the lack of room, as a reason for why they did not disclose all appointments as required by NSF rules.
10	Chapter II, Sec. C.2.f(i) pg. II-14 (PDF pg. 45/171)	“With regard to professional appointments, senior personnel must identify all current domestic or foreign professional appointments outside of the individual's academic, professional, or	We recommend keeping the proposed language to help clarify expectations for the grantee community.

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		institutional appointments at the proposing organization.”	
11	Chapter II, Sec. C.2.g pg. II-15 (PDF pg. 46/171)	“This section of the proposal is used to assess whether there are adequate resources available to the PI (either at the home organization or through collaborations) to carry out the proposed activities.”	This text relates more to the “Facilities, Equipment and Other Resources” section than the budget and budget justification. We propose new alternative contextual language explaining the purpose of the budget and budget justification along the lines of the following: “The proposal budget sets forth how much money the awardee is requesting, by category, to complete the project. The budget justification provides a more detailed breakdown of proposed spending in each category as well as an explanation supporting the numbers provided in each budget category. This information is relied upon by NSF in formulating the total award amount and final award budget that is incorporated into the award. (See PAPPG, Chapter VI, Section B.1)”
12	Chapter II, Sec. C.2.g(i)(a), pg. II-16 (PDF pg. 47/171)	“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.”	<p>The purpose of this “general policy” appears to be to implement the preceding paragraph: “NSF regards research as one of the normal functions of faculty members at institutions of higher education. Compensation for time normally spent on research within the term of appointment is deemed to be included within the faculty member’s regular organizational salary.”</p> <ol style="list-style-type: none"> 1. We suggest strengthening the last sentence quoted above by adding, “NSF funds are not intended to subsidize normal functions already required of faculty members and included in faculty salaries.” 2. Although NSF states its “general policy” for senior personnel compensation as a limit, awardees are allowed to exceed this

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			<p>limit “(u)nder normal rebudgeting authority.” We suggest that NSF should either (a) move away from the 2-month salary limit and develop a new means to implement its position that faculty members’ institutional salaries include compensation for research, or (b) enforce the limit by requiring specific NSF approval for senior personnel salaries in excess of two months per year.</p> <p>3. We suggest that NSF affirmatively state that the senior personnel salary policy applies to all employees included in the senior personnel section of the proposal budget, regardless of their job classification within the institution.</p> <p>4. The policy states that “no prior approval from NSF is necessary unless the rebudgeting would cause the objectives or scope of the project to change.” We suggest that NSF provide guidance to assist awardees in determining whether a proposed change would result in a change of project scope or objectives.</p> <p><i>[Note: Carried over from 2018 and 2019]</i></p>
13	Chapter II, Sec. C.2.g(vi)(e) pgs. II-20-21 (PDF pgs. 51-52/171)	“Proposers are responsible for ensuring that proposed subrecipient costs, including indirect costs, are reasonable and appropriate.”	We recommend keeping the proposed language to help clarify expectations for the grantee community.
14	Chapter II, Sec. C.2.g.(xiii).(d) pg. II-23 (PDF pg. 54/171)	“Rental of any property owned by individuals or entities affiliated with NSF grantees (including commercial or residential real estate), for use as home office workspace is unallowable.”	We recommend adding additional clarifying language around the allowability of all Home Office Workspace expenditures. The new provision only speaks to rentals of property. What about purchase of property? Does this apply to real property, other tangible materials/supplies/equipment for furnishing home offices, etc.? The answers to these questions will continue to be

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			pertinent as awardees grapple with the ongoing pandemic and contemplate new ways of conducting business post-pandemic.
15	Chapter II, Sec. C.2.h(i) pg. II-24 (PDF pg. 55/171)	“This section of the proposal is used to assess the capacity of the individual to carry out the research as proposed as well as to help assess any potential overlap/duplication with the project being proposed.”	We recommend supplementing the new contextual language to emphasize the importance of current and pending support in determining the amount of time each senior personnel has available for the project and assessing potential conflicts of commitment, consistent with NSF’s outreach to the grantee committee in recent years, along the lines of the following (new proposed text in italics): “This section of the proposal is used to assess the capacity of the individual to carry out the research as proposed <i>and to identify potential conflicts of commitment</i> as well as to help assess any potential overlap/duplication with the project being proposed.”
16	Chapter II, Sec. C.2.h(i) pg. II-24 (PDF pg. 55/171)	Footnote 29: “Proposers are strongly encouraged to review the Frequently Asked Questions regarding Current and Pending Support prior to preparation of this section of the proposal.”	We recommend including a URL and/or hyperlink to the relevant FAQ, or at least a link to a static webpage on NSF’s current and pending support policy that links to the FAQ so the referenced document is easy for applicants to find and review.
17	Chapter II, Sec. C.2.h(iii) pg. II-24 (PDF pg. 55/171)	Language from footnote moved to full text.	We recommend keeping the proposed language in the main text of the PAPPG to help clarify expectations for the grantee community and appropriately emphasize the importance of this information.
18	Chapter II, Sec. C.2.h(iv) pg. II-24 (PDF pg. 55/171)	“A brief statement of the overall objectives of the proposal/project or in-kind contribution must be provided. The submission also should summarize potential overlap with any active or	We recommend keeping the new requirement for a brief statement of objectives to help NSF and reviewers assess overlap/duplication. Doing so will facilitate stronger grant oversight and reduce the likelihood of duplicate/overlapping funding.

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		pending proposal or in-kind contribution and this proposal in terms of scope, budget, or person-months planned or committed to the project for the individual.”	
19	Chapter II, Sec. C.2.h(v) pg. II-24 (PDF pg. 55/171)	“The information contained in the budget section of the proposal is separate and distinct from the information entered in current and pending support, and each of these sections is used for a different purpose in NSF’s merit review process.”	We recommend keeping this new clarification language to ensure applicant expectations are clear for each section of the proposal.
20	Chapter II, Sec. C.2.h(vi), pg. II-23 (PDF pg. 55/171)	“If the project (or any part of the project) now being submitted has been funded previously by a source other than NSF, provide the required information describing the last period of funding.”	We recommend NSF adopt similar language to NIH Form PHS 398/2590 Other Support, which requires explicit statements to address any potential overlap (scientific, budget, effort level) and how it would be resolved. <i>[Note: Carried over from 2019]</i>
21	Chapter II, Sec. C.2.i, pg. II-23 (PDF pgs. 55-56/171)	“Proposers should include an aggregated description of the internal and external resources (both physical and personnel) that the organization and its collaborators will provide to the project, should it be funded.”	We recommend instructing applicants to distinguish which facilities, equipment, and resources are coming from which project participants so it is clear what is coming from the grantee versus subawardees versus collaborators. These differences have implications regarding grantee’s rights and continued access to facilities necessary to carry out the project. Additionally, facilities, and which facilities are the grantee’s versus collaborators’, have been at issue in a number of our cases and requiring this information to be disclosed up front would increase

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			transparency, decrease the likelihood for misrepresentations, and increase our ability to pursue these cases. [Note: Carried over from 2018 and 2019]
22	Chapter II, Sec. E.11 pg. II-49 (PDF pg. 80/171)	“Proposal Budget and Budget Justification: ... See Chapter XI.F for additional information.”	We recommend keeping the expanded, clarifying language to ensure applicants and awardees understand documentation requirements and what costs are not allowable under Travel Proposals.
23	Part II, pg. VI-1 (PDF pg. 100/171)	“When NSF Grant General Conditions or an award notice reference a particular section of the PAPPG, then that section becomes part of the award requirements through incorporation by reference.”	This sentence is confusing in light of the preceding sentences, which state, “Part II of the <i>NSF Proposal & Award Policies & Procedures Guide</i> sets forth NSF policies regarding the award, administration, and monitoring of grants and cooperative agreements. Coverage includes the NSF award process, from issuance and administration of an NSF award through closeout. Guidance is provided regarding other grant requirements or considerations that either are not universally applicable or do not follow the award cycle.” NSF General Grant Conditions require recipients to comply with NSF policies (NSF General Grant Conditions, Article 1.d.2), which are set forth in this document. The sentence in question could wrongly lead one to believe that only sections of the PAPPG specifically mentioned in award terms and conditions need to be followed. We strongly suggest that this sentence be removed. [Note: Carried over from 2018 and 2019]
24	Chapter VI, Sec. C, pg. VI-2 (PDF pg. 101/171)	“When these conditions reference a particular PAPPG section, that section becomes part of the award requirements through incorporation by reference.”	Please see our suggestions outlined in comment number 23. [Note: Carried over from 2018 and 2019]

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25	Chapter VII, Sec. B.1.a, pg. VII-2 (PDF pg.106/171)	“The objectives or scope of the project may not be changed without prior NSF approval.”	We suggest adopting similar guidance to the National Institutes of Health that defines change of scope and provides potential indicators. This guidance can be found in section 8.1.2.5 of the NIH Grants Policy Statement . Alternatively, we suggest adding a list of circumstances that could be considered a change of scope. For example, significant increase/decrease in a PI’s effort allocated to the project, a significant decrease in research opportunities for graduate and undergraduate students, and significant (> 25%) rebudgeting of costs among budget categories, which indicates a material change in the research methodology. <i>[Note: Carried over from 2018 and 2019]</i>
26	Chapter VII, Sec. B.1.b, pg. VII-2 (PDF pg. 106/171)	“Significant changes in methods or procedures should be reported to appropriate grantee official(s). The PI also must notify NSF via use of NSF’s electronic systems.”	We suggest that NSF provide guidance to awardees to determine whether a proposed action is “significant” enough to warrant NSF notification. For instance, does an alteration to the number of students funded by the award constitute a significant change? Do equipment expenditures on a project that had no budgeted equipment because the awardee’s existing facilities and equipment were sufficient indicate a “significant change in methods or procedures?” <i>[Note: Carried over from 2018 and 2019]</i>
27	Chapter VII, Sec. B.2.d, pg. VII-3-4 (PDF pg. 107-108/171)	“(i) initiate transfer of the grant as described in Chapter VII.B.2.f; (iii) initiate grant closeout procedures through submission of final reports as described in Chapter VII.D.2.”	We recommend clarifying whether these actions (i and iii) apply only to a PI withdrawal or if they also apply to a co-PI withdrawal. Additionally, we recommend ensuring that these actions (i and iii), designate an award for financial closeout prior to NSF’s

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			regularly scheduled close out date (similar to selecting the Final Flag on the ACM\$ payment screen).
28	Chapter VII, Sec. D.5.d, pg. VII-10 (PDF pg. 114/171)	"In accordance with 2 CFR §200.344(i), if the grantee does not submit all required reports within one year of the period of performance end date, NSF must report the grantee's material failure to comply with the terms and conditions of the award with the OMB-designated integrity and performance system (currently FAPIIS)."	We recommend modifying "required reports" to "required technical reports" for greater clarity.
29	Chapter VII, Sec. D.5.d, pg. VII-9 (PDF pg. 113/171)	"Grants are administratively closed after receipt of the Final Project Report and Project Outcomes Report and after determination that any other administrative requirements in the grant have been met."	We recommend providing list of other administrative requirements that may exist. For example, final inventory report as described in (Chapter IX. D.4, or cost share report as described in Chapter VII.C.3).
30	Chapter X, Sec. A.2.c, p. X-2 (PDF p. 134/171)	"However, in accordance with 2 CFR §200.461, grantees may charge the NSF award before closeout for the costs of publication or sharing of research results, if the costs are not incurred during the period of performance of the award. Publication costs such as this should be charged in the final budget period of the award, unless otherwise specified by NSF."	We recommend a requirement for Program Officer review of these costs for reasonableness. There is a risk that recipients could use this provision as a loophole to draw remaining unspent funds on an award regardless of the actual need and amount of publication and info sharing costs.

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31	Chapter X, Sec. F, pp. X-6 – X-7 (PDF pp. 138-139/171)	“F.Prohibition on Certain Telecommunications and Video Surveillance Services or Equipment”	We recommend NSF include these requirements in standard award terms and conditions, as well as in the PAPPG.