

NSF 2-Month Limitation on Salary

Frequently Asked Questions

What is the NSF 2-Month Limitation on Salary?

As a general policy, NSF limits the amount of compensation in a proposal budget for Senior Personnel to two months per year from any combination of NSF funds.

Does the NSF 2-Month Limitation on Salary apply to the proposed budget or award expenditures, or both?

The NSF 2-Month Limitation on Salary applies *only to the proposed budget*. By this policy, NSF intends to limit the amount of funds institutions request from NSF, and therefore the amount NSF will award. However, NSF allows institutions to rebudget award funds within the terms of the award in order to pay individuals in excess of the 2-month limitation.

Can NSF make exceptions to the 2-Month Limitation on Salary?

Yes. Unlike the NIH Salary Cap, which is imposed as part of NIH's annual appropriation, NSF can approve exceptions to its 2-month limitation. Investigators should include the additional salary for Senior Personnel within the proposal budget and sufficiently justify the need within the budget justification.

To Whom does the NSF 2-Month Limitation on Salary apply?

All Senior Personnel are included in this NSF limitation. However, as stated above the restriction is not absolute – with sufficient budget justification, investigators can propose more than two months per year of salary for senior personnel.

How long has the NSF 2-Month Limitation on Salary existed?

This limitation has existed for several decades, however, it has changed somewhat in recent years:

NSF originally imposed the limitation on 9-month faculty (faculty who only received institutional pay for nine months of the year and had to generate the other three months from sponsored research funding). NSF's wording stated that it would not pay more than "2 summer months". Since Caltech paid faculty on a 12-month basis, Caltech was not subject to the NSF limitation.

In January 2011, NSF modified its wording from "2 summer months" to "2 months". While NSF's intent was to clarify its policy to auditors and make things simpler for most awardee institutions, it had the unintended effect of suddenly applying the limitation to Caltech.

In Fall 2014, NSF clarified that the limitation applied to proposal budgets, not to award expenditures, and that institutions could rebudget NSF funds to pay senior personnel in excess of two months per year, as otherwise allowed within the award terms.

NSF's current statement regarding this requirement can be found under the Senior Personnel Salaries & Wages Policy section, Proposal Preparation Instructions of the NSF Proposal and Award Policy Guide; the 2016 version of the Guide can be found here: http://www.nsf.gov/pubs/policydocs/pappguide/nsf16001/gpg_2.jsp#IIC2gia

The NSF clarification of this policy is located under Senior Personnel under its Proposal FAQ 13-1, which can be found here: http://www.nsf.gov/bfa/dias/policy/papp/papp13_1/faqs13_1.pdf

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