NSF Compensation Limit

The National Science Foundation (NSF) limits the amount of compensation that can be charged to NSF-funded projects. In the past, this limit was known as the 2/9ths summer salary rule. The rule limited the amount of faculty summer salary to no more than two months of academic salary.   For awards issued after 1/1/09, the NSF revised this longstanding requirement and faculty compensation is now limited to no more than two months of regular salary *whenever* appropriate during the year. The two months total limit still applies.

Rensselaer traditionally pays this compensation in the summer, so this change is negligible. Compensation still cannot exceed two-months of an individual's base academic year salary. The limit applies to salaries charged to the **total** of **All** NSF-funded projects. The limit is "passed-down" to include the sub-recipients of any NSF projects.

To whom does this apply?

This policy only applies to senior personnel such as Principle Investigators (PIs), Co-PIs, and anyone else considered a member of faculty. It does not apply to Post Docs, Research Scientists or other personnel not budgeted as senior personnel.

Here are some steps we can take to ensure we're in compliance with NSF's two-ninth's rule:

- Calculate 1/9 (one month) of the individual's base academic year salary and multiply by the result by 2. This result will be the maximum amount (two months) of salary that can be charged to the **total** of ALL NSF-funded projects combined.

- Identify all NSF-funded projects—including sub-recipient awards whose prime sponsor is NSF. These awards can be readily identified using NSF's unique Catalog of Federal Domestic Assistance (CFDA) number. All NSF CFDA numbers begin with the two digits "47." A query on "Current CFDA Number" for numbers beginning with "47" in the Data Marts will display all projects funded by NSF.

- Distribute the salary so that the **total** amount charged to ALL NSF-funded projects does not exceed the amount calculated in #1 above.

- Periodically review that salaries previously charged do not exceed the two-ninth's limitation. Perform a query from the Position Control Data Mart, limiting by Employee RIN, Fiscal Year, and Current CFDA Number beginning with "47." Correct any salary amounts that exceed two-ninths.

***Remember – As per NSF policy, when required by the nature of the project, a PI may propose effort that exceeds the two month cap. This level of effort must be fully justified in the budget narrative, and if awarded, will be explicitly noted in the Notice of Grant award.**

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