



Overview of Project Fiscal & Fund Management

Allocable, Allowable Costs, and Budget Management

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Key Topics



Award Roles & Responsibilities



Notification of Award



Cost Principles (2 CFR 200)



Participant Support & Incentives



Indirect Costs



Subawards vs. Contracts



Reporting Requirements



PAPPG Highlights & Updates



Pathways to Success

Award Roles & Responsibilities

Principal Investigator (PI)

- Accountable for the intellectual conduct of the project
- Ensures compliance with award terms and conditions
- Responsible for all technical and programmatic decisions
- Submits required reports via Research.gov

Sponsored Research Office (SRO)

- Ensures costs are allowable, allocable, reasonable, and necessary
- Manages institutional compliance with 2 CFR 200
- Coordinates prior approvals with NSF
- Monitors financial reporting and drawdowns

All parties must comply with federal requirements, institutional policies, and award-specific conditions.

Notification of Award

1

Review the Solicitation

Understand program-specific requirements and any modifications to the PAPPG general provisions

2

Read the Award Letter

Check the award notice, start/end dates, budget periods, and any special conditions

3

Know the Terms & Conditions

Familiarize yourself with both NSF standard award conditions and any award-specific provisions

4

When in Doubt, Ask First

Contact your SRO or NSF Program Officer before incurring questionable expenses

Know Your PAPPG

NSF Proposal & Award Policies & Procedures Guide (NSF 24-1)

Part I

Proposal preparation and submission guidelines

Part II

Award administration, monitoring, and closeout

2 CFR 200

Uniform Guidance: the federal cost principles that underpin all NSF awards

Supplement 1

Dec 2025 updates: equipment threshold, research security, AI misconduct, drone restrictions

Always check for supplemental policy notices at [nsf.gov/policies/pappg](https://www.nsf.gov/policies/pappg)

Cost Principles (2 CFR 200, Subpart E)

Every cost charged to an NSF award must pass all four tests:

Allowable

Permitted under federal regulations, the terms of the award, and institutional policy

Allocable

Proportionally benefits the project; can be assigned to the award with reasonable accuracy

Reasonable

A prudent person would agree the cost is fair and necessary under the circumstances

Necessary

Essential to achieving the specific objectives of the funded project

Reference: PAPPG Chapter X, Allowability of Costs

Participant Support & Incentive Payments

Participant Support (2 CFR 200.1)

- Direct costs for participants or trainees (not employees)
- Includes: stipends, travel, subsistence, and registration fees
- Common in conferences and training projects
- **Prior NSF approval required to re-budget participant support funds to other categories**
- Cannot be used for incentive payments

Incentive Payments (2 CFR 200.430(f))

- Allowable only when necessary to achieve program objectives
- Must be reasonable, documented, and easily tracked
- Gift cards may be allowable with proper institutional controls
- Document: who received, amount, purpose, and how it supports the project

Indirect Costs (F&A)

2 CFR 200.414 | PAPPG Chapter X.B.3

What are they?

Costs that support overall operations but cannot be tied to a single project activity (e.g., admin, facilities, utilities)

Rate

Use your current federally negotiated IDC rate; if no current rate, the de minimis rate is 10% of Modified Total Direct Costs (MTDC)

Supplemental funding

Uses the IDC rate from the original award, not the current rate

MTDC base exclusions

Equipment over \$10,000, participant support, tuition, subawards beyond \$25,000, and rental of off-site facilities

PAPPG: Prior Approval Requirements

Research Terms & Conditions (RTC), Appendix A | PAPPG Chapter VII

Requires NSF Approval

- Change in project scope or objectives
- Change of PI or co-PI
- Re-budget of participant support funds
- Pre-award costs exceeding 90 days
- No-cost extension beyond the first
- New subaward not in original budget

Internal Rebudgeting Authority

- Transfer funds between budget categories (if no scope change)
- Adjust person-months for senior personnel
- First no-cost extension (up to 12 months)
- Pre-award costs within 90 days of award
- Carry forward unobligated balances

Submit all prior approval requests via the Notification and Request Module in Research.gov

PAPPG: Key Budget Rules

Two-Month Salary Rule

PAPPG Ch. II.D.2.f(i)(a)

Senior/key personnel are limited to two months of salary compensation across all NSF-funded grants per year. Compensation exceeding two months must be disclosed in the budget, justified, and approved by NSF in the award notice.

Equipment Threshold: Now \$10,000

PAPPG 24-1 Supplement (Dec 2025)

The equipment capitalization threshold increased from \$5,000 to \$10,000 per unit, aligning with the 2 CFR 200 revision effective July 2025. Items below \$10,000 are now classified as supplies.

Voluntary Cost Sharing: Prohibited

PAPPG Ch. II.D.2.f(xii) / 2 CFR 200.306

Unless explicitly required in the solicitation, voluntary committed cost sharing is prohibited. Do not include cost sharing on Line M of the budget unless the solicitation mandates it.

Pre-Award Costs & No-Cost Extensions

Pre-Award Costs (2 CFR 200.458)

- Recipients may incur costs up to 90 days before the award start date at their own risk
- Costs must be allowable and necessary to begin the project
- Periods exceeding 90 days require written NSF prior approval
- Generally charged to the initial budget period of the award

No-Cost Extensions (NCE)

- First NCE (up to 12 months): grantee-approved, initiated by PI via Research.gov
- Second or subsequent NCE: requires NSF approval with justification
- Submit notification/request before the award end date
- Only PIs can initiate NCE requests in Research.gov

Subaward vs. Contract

2 CFR 200.331 | PAPPG Chapter VII.B.1

	Subaward	Contract
Purpose	Carries out a portion of the federal award's scope of work	Purchases goods or services for the institution's own use
Relationship	Federal assistance (subrecipient)	Procurement (vendor)
IDC Treatment	Only the first \$25,000 is included in MTDC base	Full amount included in MTDC base
Compliance	Subject to 2 CFR 200 and audit requirements	Subject to procurement standards
Prior Approval	Required if not in original budget	Follow institutional procurement policy

Reporting Requirements

PAPPG Chapter VII.D | All reports submitted via Research.gov



Annual Project Report

Due 90 days before the end of the current budget period

Covers progress, activities, and broader impacts for the current period (not cumulative)

Final Project Report

Due 120 days after the end of the award

Comprehensive summary of outcomes, findings, and accomplishments over the full award

Project Outcomes Report

Due 120 days after grant expiration

Written for the general public; posted on NSF's website to communicate results

Financial Reports (FFR)

Submitted quarterly or annually per award terms

Federal Financial Report (SF-425); must reconcile with institutional accounting records



PAPPG Updates: Research Security & AI

PAPPG 24-1 Supplement | CHIPS & Science Act of 2022 | NSF IN-149

Research Security Training (Effective Oct 2025)

All senior/key personnel must complete research security training within 12 months prior to proposal submission, at time of award, and at annual reporting. Institutions must certify completion.

Research Misconduct Now Includes AI

Fabrication, falsification, or plagiarism committed through the use of AI-based tools in proposing, performing, reviewing, or reporting on NSF awards is explicitly prohibited.

Malign Foreign Talent Recruitment Programs

Individuals who are party to a malign foreign talent recruitment program are ineligible to serve as senior/key personnel on NSF proposals (CHIPS Act Section 10632).

Confucius Institutes

No NSF funds may be awarded to an institution of higher education that maintains a contract or agreement with a Confucius Institute, unless waived by the NSF Director.

PAPPG: Commonly Misunderstood Costs

Administrative & Clerical Salaries (2 CFR 200.413)

- Normally treated as indirect costs (F&A)
- Direct charging is allowable only when all four conditions are met:
 - (i) Services are integral to the project
 - (ii) Individuals can be specifically identified with the project
 - (iii) Costs are in the approved budget or have prior written NSF approval
 - (iv) Costs are not also recovered as indirect costs

Travel (PAPPG Ch. II.D.2.f(iv))

- Must be specified, itemized, and justified by destination and cost
- Conference attendance must be necessary to accomplish objectives or disseminate results
- Dependent travel requires 6+ month duration and prior approval
- Temporary dependent care costs from conference travel may be allowable (2 CFR 200.475)

Pathways to Success

1

Communicate Early & Often

Build a strong working relationship with your SRO and NSF Program Officer from day one

2

Know Your Award Inside & Out

Read the award notice, budget, terms and conditions, and the applicable PAPPG provisions

3

Document Everything

Keep records of all decisions, approvals, cost justifications, and budget revisions

4

Segregate Costs Properly

Maintain clear accounting boundaries between projects and funding sources

5

Stay Current on Policy

Monitor PAPPG updates, supplemental notices, and changes to 2 CFR 200

6

Ask Before You Spend

When uncertain, consult your SRO or PO; it is far easier to get approval than forgiveness

Resources

PAPPG (NSF 24-1)	nsf.gov/policies/pappg/24-1	The complete guide to NSF proposal and award policies
PAPPG 24-1 Supplement	nsf.gov/policies/document/pappg24-1-supplement-1	December 2025 policy updates and revisions
Uniform Guidance	ecfr.gov/current/title-2/subtitle-A/chapter-II/part-200	2 CFR 200: Federal cost principles and requirements
Research.gov	research.gov	Award management, reporting, and notifications
Grants.gov	grants.gov	Federal grant application portal
NSF Award Conditions	nsf.gov/bfa/dias/policy/rtc	Research Terms & Conditions and prior approval matrix

Thank You

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Tribal Colleges & Universities Program