

## Budget Justification - 1

### NSF - Dynamics of Coupled Natural and Human Systems Program (CNH)

#### A. Key Personnel

Dr. Abba, Associate Professor in the Department of Food, Agricultural, and Biological Engineering, will serve as Project Director on this project. He will commit 13% of his time (1.5 calendar months) to this project and requests the following salary amounts (3% increase per year):

Y1 = \$100, Y2 = \$103, Y3 = \$106.10, Y4 = \$109.27

Dr. Babba, Assistant Professor, Evolution, Ecology & Organismal Biology, will serve as co-PI on this project. He will commit 0.5 summer months to this project and 0.45 months during the academic year and requests the following salary amounts (3% increase per year):

Y1 = \$100, Y2 = \$103, Y3 = \$106.10, Y4 = \$109.27

Dr. Cabba, Assistant Professor of Risk Analysis and Decision Science will serve as co-PI on this project. She will commit 1 summer month to this project and requests the following salary amounts (3% increase per year):

Y1 = \$100, Y2 = \$103, Y3 = \$106.10, Y4 = \$109.27

Dr. Dabba, Assistant Professor, School of Environment and Natural Resources will serve as co-PI on this project. He will commit 1 summer month to this project and requests the following salary amounts (3% increase per year):

Y1 = \$100, Y2 = \$103, Y3 = \$106.10, Y4 = \$109.27

Dr. Ebba, Professor, Department of Agricultural, Environmental and Developmental Economics will serve as co-PI on this project. She will commit 1 summer month to this project in year two and half a month in years three and four and requests the following salary amounts (3% increase per year):

Y1 = \$0, Y2 = \$103, Y3 = \$106.10, Y4 = \$109.27

Dr. Fabba, Assistant Professor in the School of Communication will serve as Senior Personnel on this project. He will commit 1 summer month to this project and requests the following salary amounts (3% increase per year):

Y1 = \$100, Y2 = \$103, Y3 = \$106.10, Y4 = \$109.27

Dr. Gabba, Senior Research Associate, Department of Geological Sciences, Case Western Reserve University will serve as Senior Personnel on this project. He will commit 1 summer month to this project and requests the following total salary amounts for his subaward:

Y1 = \$100, Y2 = \$103, Y3 = \$106.10, Y4 = \$109.27

Dr. Habba, Professor in the School of Communication will serve as Senior Personnel on this project. He will commit 0.25 summer month to this project in Year 2 and requests the following salary amounts (3% increase per year):

Y1 = \$0, Y2 = \$103, Y3 = \$0, Y4 = \$0

Dr. Ibba, Department of Agricultural, Environmental and Developmental Economics will serve as Senior Personnel on this project. He will commit 1 summer month to this project in year one and requests the following salary amounts (3% increase per year):

Y1 = \$100,      Y2 = \$0,      Y3 = \$0,      Y4 = \$0

## B. Other Personnel

Drs. Abba and Babba (shared - Years 1, 2 and 4), C (Year 2), and D (Years 2 and 3) are requesting graduate research assistants for the project. GRA stipends vary by department and range from \$21,064 to \$27,580.

Drs. Abba and Babba will co-supervise a *Postdoctoral Researcher*: The postdoc will aid Drs. A and B in developing the qualitative model in objective 1, and the biophysical and integrated models in objectives 4 and 5.

Y1 = \$44,000, Y2 = 45,320, Y3 = 46,680, Y4 = \$48,080 (3% escalation per year).

Dr. Habba at X Laboratory is requesting staff support to aid in the education activities, including annually facilitating the summer course, and the State Legislature/Congressional Day. These funds will also support the creation and maintenance of the project webpage, press releases and publications in *Twineline*, the Ohio Sea Grant quarterly news bulletin.

Y1 = \$100, Y2 = \$103, Y3 = \$106.10, Y4 = \$109.27 (3% escalation per year).

All PIs are requesting hourly help by undergraduate students. Responsibilities of the undergraduate students will include the classification of maps, data acquisition and formatting, processing of surveys, and other tasks.

Y1 = \$6,325, Y2 = 6,441, Y3 = \$6,239, Y4 = 5,120.

## C. Fringe Benefits

Following are the fringe benefit rates that will be **charged** to sponsored projects beginning July 1, 2010. As required by NSF guidelines, these rates will remain the same over the project period.

Type of Appointment	FY 11
Faculty (9 and 12 month appointments/direct and release time)	25.4%
Faculty specials (off-duty, summer quarter and overload)	16.2%
Administrative & Professional (A&P) staff, including post-doctoral researchers (direct and release--no wages)	33.7%
Pre and post doctoral fellows and trainees, graduate and undergraduate students	10.7%

Following the above guidelines for our previous examples, the 25.4% benefit rate is applied to Dr. Abba's salary for 1.3 calendar months of a 12 month appointment. 16.2% is applied to 1 summer month each for Drs. Babba, Cabba, Dabba, and Ebba. The same rate is applied to Drs. F and G who hold 9-month faculty positions and are participating as key collaborators on this project. The benefit rate applied to the Graduate Research Associates is 10.7%. The Postdoctoral Researcher and staff associate (at X Lab) will have the A & P rate of 33.7% applied to their salaries.

## D. Equipment

No equipment is requested for this project.

## E. Travel

A total of \$8,500 will support travel to and within the study site to gather data and conduct focus groups and workshops. The majority of these funds are set aside for years one and four in which

these activities are concentrated. \$21,989 will support conference attendance and travel for the PIs and students. These funds will also support annual trips to Washington D.C., as specified by the grant guidelines.

## **F. Participant Support Costs**

No participant support costs are requested.

## **G. Other Direct Costs**

1. *Supplies*: \$1,000 is requested to support the purchase of software needed to develop and run the qualitative model developed in objective 1.

2. *Subawards*: There is a subaward with Case Western Reserve University. CWRU is requesting \$91,214.

6. *Other*:

Tuition: Fee Waivers will be provided by The Ohio State University's Graduate School.

Workshops: \$12,000 total will be used in years one and four to support focus groups (8 will be completed in year 1 and early year 2) and workshops (final workshops in year 4).

Focus Groups: \$8,000 will be used to pay honorariums for attendees at these events.

Survey: \$72,500 will be paid to The Survey Research Institute at Cornell University to conduct and manage the surveys in year 2.

Ag Baseline Assessment: \$34,000 will be paid to The Survey Research Institute at Cornell University to conduct and manage the survey for the Ag. Baseline Assessment in years 2 and 3.

Focus Group Transcription: \$2,000 will pay for the transcription of the recordings from the focus group meetings in year one.

## **I. Indirect Costs (Facilities and Administrative Costs)**

The negotiated F&A rate for the Ohio Sate University is 52.5% MTDC.

YEAR 1:	MTDC = \$216,854 x 52.5% = \$113,848
YEAR 2:	MTDC = \$340,853 x 52.5% = \$178,948
YEAR 3:	MTDC = \$208,339 x 52.5% = \$109,378
YEAR 4:	MTDC = \$174,139 x 52.5% = \$ 91,423

**TOTAL:** MTDC = \$926,447 x 52.5% = **\$493,597**

## Budget Justification - 2

### Salaries and Wages – Senior Personnel

The Principal Investigator, Dr. Wilma Flintstone, will devote 0.5 summer months per year throughout the three-year project period. She will be responsible for overall project direction and coordination, for assuring successful project completion, including submission of progress reports, as required. Dr. Flintstone will supervise the graduate student, be responsible for the review of the field-testing data and comparison with the experimental model study, and preparation of manuscripts for publication.

The Co-Principal Investigator, Dr. Betty Rubble, will devote a total of 1.5 summer months for three years toward the project. She will be responsible for the initiation and development of the experimental model and the non-parametric statistical analysis comparing the field test data and the model results, and program evaluation.

### Salaries and Wages – Other Personnel

Funding for one graduate student, 50% academic year and 50% summer effort, is requested for the three-year project. The graduate student will be involved with the collection of survey data and its review and analysis, analysis of the field test data, and development of the experimental model and non-parametric study.

### Fringe Benefits

Fringe Benefits are calculated as direct costs in accordance with Syracuse University's indirect cost rate agreement (Department of Health and Human Services: June 15, 2006 rates: 17.0% for faculty during the summer; 31.7% for faculty during the academic year and full time staff, 17.2% for graduate students; 6.7% for temporary wages). Actual rates in place during the time of the award will be charged.

### Permanent Equipment

A Spacely Sprockets universal rock auger (model 4870) is requested (\$7,500). This equipment is essential for the completion of the project. An older model of this resource is available to the department; however, is in continuous use by Dr. BamBam Rubble on his NSF-supported project entitled *Digging Deep in Bedrock* (No. 99059283).

**E1. Domestic Travel:** A total of \$3,000 is requested for senior personnel to travel to partner institutions at the beginning of the project and annually to coordinate and complete proposed activities.

**E2. Foreign Travel:** Not Applicable.

**F. Participant Support Costs:** Not Applicable

### G. Other Direct Costs

- 1. Materials and Supplies:** A total of \$3,000 is requested for materials, including plasticware (\$500); chemicals and reagents (\$500); gases (\$250); and for photographic expenses (\$1000) and other essential project-related costs.

- 2. Publication Costs/Documentation/Dissemination:** A total of \$1,000 is requested for printing, copying, and dissemination of the results to <<>>, contractors and professional organizations using <<>>.
- 3. Consultant Services:** Not Applicable
- 4. Computer Services:** Not Applicable
- 5. Subawards:**
  - Rocky Mountain State College** - \$86,954
  - Evergreen State College (ESC)**- \$41, 460Drs. Jetson (RMSC) and Powell (ESC) possess unique skills, knowledge and abilities essential for project completion. Their contributions and duties are described in the project description. Funds requested support their effort as well as travel, and equipment. Specific budget narratives are provided.
- 6. Other:** A total of \$27,780 is requested for partial support of remitted tuition for one graduate student (12 credit hours per year at \$XX/credit for Year 1, and 8% increments for Years 2 and Year 3).

**I. Indirect Costs**

Indirect Costs are calculated in accordance with Syracuse University's federally negotiated indirect cost rate agreement (Department of Health and Human Services, effective 6/30/2005), which is currently 47.5% of modified total direct costs (MTDC). Syracuse University's threshold for equipment is \$5,000.

**K. Residual Funds:** Not Applicable

**M. Cost Sharing:** Not Applicable

*[Example: Participant Support Costs]***F. PARTICIPANT SUPPORT COSTS**

Participant support of \$29,750 is requested for two different groups of participants: 1) students in grades 6-12, and 2) teacher professional development participants in the PIER program. This request includes \$10,000 for teacher stipends, \$3,750 for student travel, \$10,000 for teacher subsistence, and \$6,000 for other costs (for the teachers). **Stipends** are requested at \$250 for each teacher participant during both years of the project.

Year 1	20 teachers	$\$250 * 20 \text{ teachers} = \$5,000$
Year 2	20 teachers	$\$250 * 20 \text{ teachers} = \$5,000$

**Travel** costs include \$150/bus per half-day field trip for students in grades 6-12:

Year 1	12 field trips	$\$150 * 12 \text{ trips} = \$1,800$
Year 2	13 field trips	$\$150 * 13 \text{ trips} = \$1,950$

**Subsistence** costs include lodging and meals (\$50/day) for teachers attending the weeklong professional development workshops (and related day trips) at the [REDACTED] Campus.

Year 1	20 participants	$\$50/\text{day} * 5 \text{ days} * 20 \text{ participants} = \$5,000$
Year 2	20 participants	$\$50/\text{day} * 5 \text{ days} * 20 \text{ participants} = \$5,000$

**Other** participant support costs include curriculum kits consisting of materials, supplies, and small equipment for the teachers to use in their classes upon completing the professional development workshops.

Year 1	20 participants	$\$100/\text{kit} * 20 \text{ participants} = \$2,000$
Year 2	20 participants	$\$200/\text{kit} * 20 \text{ participants} = \$4,000$

**g. Budget** (from Grant Proposal Guide NSF 1-11; shortened text indicated by ....)

.....Cost principles governing the allowability of costs are contained in OMB Circulars A-21 (Colleges & Universities), A-87 (State, Local, & Indian Tribal Governments), and A-122 (Non-Profit Organizations) and are available at <http://www.whitehouse.gov/omb/circulars/index.html>. Cost Principles applicable to for-profit organizations can be found in the Federal Acquisition Regulations (FAR), Part 31.

**(i) Salaries and Wages (Lines A and B on the Proposal Budget)****(a) Senior Project Personnel Salaries & Wages Policy**

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.

As a general policy, NSF limits salary compensation for senior project personnel to no more than two months of their regular salary in any one year. This limit includes salary compensation received from all NSF-funded grants. This effort must be documented in accordance with the applicable cost principles. If anticipated, any compensation for such personnel in excess of two months must be disclosed in the proposal budget, justified in the budget justification, and must be specifically approved by NSF in the award.<sup>22</sup>

These same general principles apply to other types of non-academic organizations.

NSF award funds may not be used to augment the total salary or salary rate of faculty members during the period covered by the term of faculty appointment or to reimburse faculty members for consulting or other time in addition to a regular full-time organizational salary covering the same general period of employment. Exceptions may be considered under certain NSF programs, e.g., science and engineering education programs for weekend and evening classes, or work at remote locations. If anticipated, any intent to provide salary compensation above the base salary must be disclosed in the proposal budget, justified in the budget justification, and must be specifically approved by NSF in the award budget.

**(b) Administrative and Clerical Salaries & Wages Policy**

In most circumstances, particularly for institutions of higher education, salaries of administrative or clerical staff are included as part of indirect costs (also known as Facilities and Administrative Costs (F&A) for Colleges and Universities). Salaries of administrative or clerical staff may be requested as direct costs for a project requiring an extensive amount of administrative or clerical support and where these costs can be readily and specifically identified with the project with a high degree of accuracy. Salaries for administrative or clerical staff shall be budgeted as a direct cost only if this type of cost is consistently treated as a direct cost in like circumstances for all other projects and cost objectives. The circumstances for requiring direct charging of these services must be clearly described in the budget justification.....

**(c) Procedures**

The names of the PI(s), faculty, and other senior personnel and the estimated number of full-time-equivalent person-months for which NSF funding is requested and the total amount of salaries requested per year must be listed. For postdoctoral associates and other professionals, the total number of persons for each position must be listed, with the number of full-time-equivalent person-months and total amount of salaries requested per year. For graduate and undergraduate students, secretarial, clerical, technical, etc., whose time will be charged directly to the project, only the total number of persons and total amount of salaries requested per year in each category is required. Salaries requested must be consistent with the organization's regular practices. The budget justification should detail the rates of pay by individual for senior personnel, postdoctoral associates, and other professionals.

The budget may request funds for support of graduate or undergraduate research assistants to help carry out the proposed research. Compensation classified as salary payments must be requested in the salaries and wages category.

**(d) Confidential Budgetary Information**

The proposing organization may request that salary data on senior personnel not be released to persons outside the Government during the review process. In such cases, the item for senior personnel salaries in the proposal may appear as a single figure and the person-months represented by that amount omitted. If this option is exercised, senior personnel salaries and person-months must be itemized in a separate statement, and forwarded to NSF in accordance with the instructions specified in GPG Chapter I.D.3. ....

The box for "Proprietary or Privileged Information" must be checked on the Cover Sheet when the proposal contains confidential budgetary information.

**(ii) Fringe Benefits (Line C on the Proposal Budget)**

If the proposer's usual accounting practices provide that its contributions to employee benefits (social security,

retirement, other payroll-related taxes and time off including vacation, sick, and other leave, etc.) be treated as direct costs, NSF grant funds may be requested to fund fringe benefits as a direct cost. These are typically determined by application of a calculated fringe benefit rate for a particular class of employee (full time or parttime) applied to the salaries and wages requested. Although, they also may be paid based on actual costs for individual employees, if that institutional policy has been approved by the cognizant federal agency.

**(iii) Equipment (Line D on the Proposal Budget)**

Equipment is defined as an item of property that has an acquisition cost of \$5,000 or more (unless the organization has established lower levels) and an expected service life of more than one year. It is important to note that the acquisition cost of equipment includes modifications, attachments, and accessories necessary to make the property usable for the purpose for which it was purchased. Items of needed equipment must be adequately justified, listed individually by description and estimated cost.

Allowable items ordinarily will be limited to research equipment and apparatus not already available for the conduct of the work. **General-purpose equipment, such as a personal computer and office furnishings, are not eligible for support unless primarily or exclusively used in the actual conduct of scientific research.**

Additional information on the charging of equipment to an NSF award is available in AAG Chapter V.B.2.

**(iv) Travel (Line E on the Proposal Budget)**

**(a) General**

Travel and its relation to the proposed activities must be specified and itemized by destination and cost. Funds may be requested for field work, attendance at meetings and conferences, and other travel associated with the proposed work, including subsistence. In order to qualify for support, however, attendance at meetings or conferences must be necessary to accomplish proposal objectives, or disseminate its results.

**Allowance for air travel normally will not exceed the cost of round-trip, economy airfares. Persons traveling under NSF grants must travel by U.S.-Flag Air carriers, if available.**

Additional information on charging travel costs to an NSF award is available in AAG Chapter V.B.4.

**(b) Domestic Travel**

For budget preparation purposes, domestic travel includes travel in the U.S., its possessions, Puerto Rico, and travel to Canada and Mexico.

**(c) Foreign Travel**

For budget purposes, travel outside the areas specified above is considered foreign. The proposal must include relevant information, including countries to be visited (also enter names of countries on the proposal budget), dates of visit, if known, and justification for any foreign travel planned in connection with the project. Travel support for dependents of key project personnel may be requested only when all of the following conditions apply:

- (i) the individual is a key person who is essential to the research on a full-time basis;
- (ii) the individual's residence away from home and in a foreign country is for a continuous period of six months or more and is essential to the effective performance of the project; and
- (iii) the dependent's travel allowance is consistent with the policies of the organization administering the grant.

**(v) Participant Support (Line F on the Proposal Budget)**

This budget category refers to costs of transportation, per diem, stipends and other related costs for participants or trainees (but not employees) in connection with NSF-sponsored conferences, meetings, symposia, training activities and workshops.<sup>25</sup> (See GPG Chapter II.D.8) For some educational projects conducted at local school districts, however, the participants being trained are employees. In such cases, the costs must be classified as participant support if payment is made through a stipend or training allowance method. The school district must have an accounting mechanism in place (i.e., sub-account code) to differentiate between regular salary and stipend payments.

**Generally, indirect costs (F&A) are not allowed on participant support costs.** The number of participants to be supported must be entered in the parentheses on the proposal budget. These costs also must be justified in the budget justification section of the proposal. Some programs, such as Research Experiences for Undergraduates, have special instructions for treatment of participant support.

Additional information on charging participant support costs to an NSF award is available in AAG Chapter V.B.8.

**(vi) Other Direct Costs (Lines G1 through G6 on the Proposal Budget)**

Any costs proposed to an NSF grant must be allowable, reasonable and directly allocable to the supported activity. The budget must identify and itemize other anticipated direct costs not included under the headings above, including materials and supplies, publication costs, computer services and consultant services. Examples include aircraft rental, space rental at research establishments away from the grantee organization, minor



building alterations, payments to human subjects, service charges, and construction of equipment or systems not available off the shelf. Reference books and periodicals may be charged to the grant only if they are specifically allocable to the project being supported by NSF.

**(a) Materials and Supplies (Line G1 on the Proposal Budget)**

The proposal budget justification should indicate the general types of expendable materials and supplies required. Materials and supplies are defined as tangible personal property, other than equipment, costing less than \$5,000, or other lower threshold consistent with the policy established by the proposing organization. Cost estimates must be included for items that represent a substantial amount of the proposed line item cost.

**(b) Publication/Documentation/Dissemination (Line G2 on the Proposal Budget)**

The proposal budget may request funds for the costs of documenting, preparing, publishing or otherwise making available to others the findings and products of the work conducted under the grant. This generally includes the following types of activities: reports, reprints, page charges or other journal costs (except costs for prior or early publication); necessary illustrations; cleanup, documentation, storage and indexing of data and databases; development, documentation and debugging of software; and storage, preservation, documentation, indexing, etc., of physical specimens, collections or fabricated items....

**(c) Consultant Services (Line G3 on the Proposal Budget)**

Consultants are members of a particular profession or possess a special skill and who are not officers or employees of the performing organization. Costs of professional and consultant services are allowable when reasonable in relation to the services rendered. Payment for consultant services should be comparable to the normal or customary fees charged and received by the consultant for comparable services, especially on nongovernment contracts and grants.

Anticipated services must be justified and information furnished on each individual's expertise, primary organizational affiliation, normal daily compensation rate, and number of days of expected service. Consultants' travel costs, including subsistence, may be included. If requested, the proposer must be able to justify that the proposed rate of pay is reasonable.

**(d) Computer Services (Line G4 on the Proposal Budget)**

The cost of computer services, including computer-based retrieval of scientific, technical and educational information, may be requested only where it is institutional policy to charge such costs as direct charges. A justification based on the established computer service rates at the proposing organization must be included. The proposal budget also may request costs for leasing of computer equipment. General purpose (word processing, spreadsheets, communication) computer equipment should not be requested. Special purpose or scientific use computers or associated hardware and software, however, may be requested as items of equipment when necessary to accomplish the project objectives and not otherwise reasonably available. Additional information on charging computer services to an NSF award is available in AAG Chapter V.B.5.

**(e) Subawards (Line G5 on the Proposal Budget)**

Except for the procurement of such items as commercially available supplies, materials, equipment or general support services allowable under the grant, no significant part of the research or substantive effort under an NSF grant may be contracted or otherwise transferred to another organization without prior NSF authorization. **The intent to enter into such arrangements must be disclosed in the proposal, and a separate budget should be provided for each subawardee, if already identified, along with a description of the work to be performed.** Otherwise, the disclosure should include a clear description of the work to be performed, and the basis for selection of the subawardee (except for collaborative/joint arrangements).....

**(f) Other (Line G6 on the Proposal Budget)**

Any other direct costs not specified in Lines G1 through G5 must be identified on Line G6. Such costs must be itemized and detailed in the budget justification.<sup>28</sup>

**(vii) Total Direct Costs (Line H on the Proposal Budget)**

The total amount of direct costs requested in the budget, to include Lines A through G, must be entered on Line H.

**(viii) Indirect Costs (also known as Facilities and Administrative Costs (F&A) for Colleges and Universities) (Line I on the Proposal Budget)**

The applicable indirect cost rate(s) negotiated by the organization with the cognizant negotiating agency must be used in computing indirect costs (F&A) for a proposal. The amount for indirect costs should be calculated by applying the current negotiated indirect cost rate(s) to the approved base(s). Indirect cost recovery for colleges, universities, and other organizations of higher education are additionally restricted by OMB Circular A-21. The Circular stipulates in section G.7.a. that Federal agencies are required to use the negotiated F&A rates that are in effect at the time of the initial award throughout the life of the sponsored agreement. Additional information on

the charging of indirect costs to an NSF award is available in AAG Chapter V.D.

For proposing organizations that do not have a current negotiated rate agreement with a cognizant Federal agency, its business officer should prepare an indirect cost proposal based on expenditures for its most recently ended fiscal year. If the proposal is recommended for funding, the proposing organization will be required to provide its indirect cost proposal to support the budgeted indirect rate. ....

..... NSF program staff are not authorized to suggest or request that PI/PGs seek reductions or waivers of indirect costs except as explicitly specified in applicable NSF program solicitations.

#### **Exceptions to Basic Policy**

No Indirect or Limited Reimbursement. In some cases, however, NSF program solicitations may indicate no or limited reimbursement for indirect costs. In addition, NSF generally provides no amounts for indirect costs for the following:

- grants to individuals;
- grants solely for the support of travel, equipment, construction of facilities, or doctoral dissertation research;
- grants in which NSF support is exclusively in the form of fellowships, traineeships or other fixed amounts such as cost-of-education allowances;
- participant support costs. However, an allowance for indirect costs associated with participant support costs may be established or negotiated in advance when circumstances indicate that the grantee could be expected to incur significant expenses in administering participant payments (other than salary or other direct expenses being reimbursed under the award). or,
- foreign grantees (unless the foreign grantee has a previously negotiated rate agreement with a U.S. Federal agency that has a practice of negotiating rates with foreign entities).

#### **(ix) Total Direct and Indirect Costs (F&A) (Line J on the Proposal Budget)**

The total amount of direct and indirect costs (F&A) (sum of Lines H and I) must be entered on Line J.

#### **(x) Amount of This Request (Line L on the Proposal Budget)**

The total amount of funds requested by the proposer should be the same as the amount entered on Line J. If disapproved, Line L will be equal to Line J minus Line K.

#### **(xi) Cost Sharing (Line M on the Proposal Budget)**

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#### **Voluntary Committed Cost Sharing**

Inclusion of voluntary committed cost sharing is prohibited and Line M on the proposal budget will not be available for use by the proposer.....

#### **Mandatory Cost Sharing**

Mandatory cost sharing will only be required for NSF programs when explicitly authorized by the NSF Director, the National Science Board, or legislation. In those rare instances, cost sharing requirements will be clearly identified in the solicitation and must be included on Line M of the proposed budget. Such cost sharing will be an eligibility, rather than a review criterion. Proposers are advised not to exceed the mandatory cost sharing level or amount specified in the solicitation.<sup>31</sup>

When mandatory cost sharing is included on Line M, and accepted by the Foundation, the commitment of funds becomes legally binding and is subject to audit.....

#### **(xii) Unallowable Costs**

Proposers should be familiar with the complete list of unallowable costs that is contained in the applicable cost principles. The following categories of unallowable costs are highlighted because of their sensitivity:

##### **(a) Entertainment**

Costs of entertainment, amusement, diversion and social activities and any costs directly associated with such activities (such as tickets to shows or sporting events, meals, lodging, rentals, transportation and gratuities) are unallowable. Travel, meal and hotel expenses of grantee employees who are not on travel status are unallowable. Costs of employees on travel status are limited to those allowed under the governing cost principles for travel expenses.

##### **(b) Meals and Coffee Breaks**

No NSF funds may be spent on meals or coffee breaks for intramural meetings of an organization or any of its components, including, but not limited to, laboratories, departments and centers.

##### **(c) Alcoholic Beverages**

No NSF funds may be spent on alcoholic beverages.