

Dear Colleagues:

NSF is currently preparing for issuance of the revised *Proposal & Award Policies & Procedures Guide* (PAPPG) in fall, 2014. NSF is accepting comments from the external community until cob **July 8, 2014**.

The primary purpose of this revision is to implement 2 CFR 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance). The OMB-mandated implementation date is December 26, 2014. NSF has requested and received from the Office of Management and Budget (OMB) approval to implement the Uniform Guidance through NSF's longstanding practice of implementing these requirements via use of a policy rather than regulation. In conjunction with the terms and conditions of the award, the PAPPG, and its predecessors, have served as NSF's implementation vehicle for OMB Circular A-110 since its initial issuance in 1976.

To facilitate review, text has been highlighted in yellow throughout the document that implements the Uniform Guidance. Inclusion of this highlighting appears in the following cases:

- Use of specific references to the Uniform Guidance;
- Direct replication of text from the Uniform Guidance; and
- NSF's implementation of requirements from the Uniform Guidance that are imposed on agencies.

NSF has formally requested from OMB deviations from the Uniform Guidance in only two areas:

- Limitation to two months salary compensation for faculty; and
- Alternative to the Federal Financial Report.

Also highlighted throughout are policy changes that are being made independent of the Foundation's implementation of the Uniform Guidance. These changes are highlighted in blue.

NSF is particularly interested in public comment on NSF's implementation of 2 CFR 200, as well as the policy changes that are identified in the PAPPG. Comments regarding the content of 2 CFR 200 should not be submitted, as the Uniform Guidance was formally issued by OMB as final guidance on December 26, 2013 (see <http://www.gpo.gov/fdsys/pkg/FR-2013-12-26/pdf/2013-30465.pdf>).

The following are links to the draft PAPPG and associated Federal Register Notice:

- [Draft PAPPG](#); and
- [Federal Register announcement](#).

Please direct any questions to the DIAS Policy Office at policy@nsf.gov.

We appreciate the research and education community's interest and look forward to your input.

* END OF NSF "DEAR COLLEAGUES" LETTER *