



# National Science Foundation

## Cost Analysis and Audit Resolution Branch (CAAR) Standards for Documentation of Personnel Expenses



### IMPORTANT LINKS:

**National Science Foundation**  
[www.nsf.gov](http://www.nsf.gov)

**Division of Institution and Award Support**  
[www.nsf.gov/bfa/dias](http://www.nsf.gov/bfa/dias)

**Cost Analysis and Audit Resolution Branch**  
[www.nsf.gov/bfa/dias/caar/index.jsp](http://www.nsf.gov/bfa/dias/caar/index.jsp)

**NSF Proposal & Award Policies and Procedures Guide**  
[www.nsf.gov/publications/pub\\_summ.jsp?ods\\_key=papp](http://www.nsf.gov/publications/pub_summ.jsp?ods_key=papp)

**Prospective New Awardee Guide**  
[www.nsf.gov/publications/pub\\_summ.jsp?ods\\_key=pnag](http://www.nsf.gov/publications/pub_summ.jsp?ods_key=pnag)

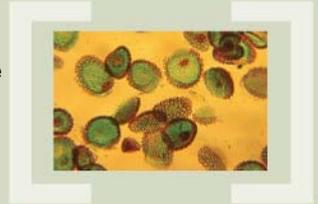
**General Federal Requirements**  
[www.nsf.gov/bfa/dias/caar/fed.jsp](http://www.nsf.gov/bfa/dias/caar/fed.jsp)

Questions may be directed to CAAR  
Phone: (703) 292-8244



### Overview/Purpose

Compensation for personnel services includes all remuneration, paid currently or accrued, for services of employees rendered during the period of performance under an NSF award, including, but not necessarily limited to salaries and fringe benefits. NSF is committed to ensuring that its awardees maintain an effective system of internal controls supported by accurate and detailed documentation of personnel expenses as required in [2 CFR 200](#).



### Standards for Documentation of Personnel Expenses

- Records supporting charges to federal awards must be supported by a system of internal control which provides reasonable assurance that the charges are accurate, allowable, and properly allocated, and incorporated into official records of the organization.
- Records must comply with the established accounting policies and practices of the awardee and support the distribution of the employee's salary or wages among specific activities or cost objectives, if the employee works on multiple activities.
- Records must reflect the total activity for which the employee is compensated by the awardee, and encompass both federally assisted and all other activities compensated by the awardee on an integrated basis, but may include the use of subsidiary records as defined in the awardee's written policy.
- Budget estimates (determined before the services are performed) do not qualify as support for charges to NSF awards, but may be used for interim accounting purposes (with certain additional provisions outlined in [2 CFR §200.430 \(i\) 1 \(viii\)](#)). The internal control system for organizations using this approach must include processes for an after-the-fact review to ensure that the final amount charged is accurate, allowable, and properly allocated.
- Because practices vary among organizations to the activity constituting a full workload, records may reflect categories of activities expressed as a percentage distribution of total activities.

### Additional Information

Institutes of higher education are not expected to precisely document an assessment of factors that contribute to costs, due to the inextricably intermingled responsibilities of teaching, research, service, and administration.

For states, local governments and Indian tribes, substitute processes or systems for allocating salaries and wages to federal awards may be used in place of or in addition to the records described above if approved by the cognizant agency for indirect cost.

Charges for nonexempt employees, in addition to the supporting documentation described above, must also be supported by records indicating the total number of hours worked each day.

Salaries of employees used in meeting cost sharing or matching requirements must be supported in the same manner as salaries and wages claimed for reimbursement from federal awards.

Organizations may request from their cognizant agency alternative approaches for documenting charges for personnel expenses based on outcomes and milestones for program performance where these are clearly documented; where approved by the cognizant agency, these plans are acceptable as an alternative to the requirements above.

For federal awards of similar purpose or instances of approved blended funding, an awardee may submit performance plans that incorporate funds from multiple federal awards and account for their combined use based on performance-oriented metrics, provided that such plans are approved in advance by all involved federal awarding agencies.

If personnel compensation records do not meet the standards described in this section, NSF may require personnel activity reports, including prescribed certifications, or equivalent documentation that support the records as required above.

### The National Science Foundation

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