



# NSF's Regional Innovation Engines Program

[beta.nsf.gov/engines](https://beta.nsf.gov/engines)

# Engines Program Key Points

- Awards are structured as cooperative agreements
  - Budgets subject to negotiation and clarification
  - Budgets are for two-year window
- Lead organization makes sub-awards to partners
  - For each subaward a separate budget and budget justification is required
- Engines program has some exceptions to standard rules
  - Salaries for senior personnel may exceed two months.
  - Declaration of existing and new resources
  - Limits on funds for building and upgrading infrastructure
  - For-profit companies may receive NSF funds
- Special cases must be discussed with NSF

# Budget FAQs

## What should be funded by Type-1 Budgets?

- Type-1 Awards are intended to lay the groundwork for competitive Type-2 proposals
  - Activities, events, and personnel contributing to the formation of leadership team, fostering broad partnerships, and preparing a strategic plan
  - Award should not be used for carrying out technical research activities

# Budget FAQs

## **Does the NSF Engines team expect NSF funds to cover the full cost of an Engine?**

No, NSF expects that Engines will need to obtain a significant amount of outside capital from state, federal, philanthropic, and corporate sources to achieve the full ambition of an Engine. NSF funds should be used to build institutional capacity; pilot and catalyze initiatives; and provide leverage to launch large-scale programs.

Engines should be built with an intentional focus on longer-term sustainability from the outset. As noted in the BAA, the NSF Engines program is a catalyst for sustainable growth of regional innovation ecosystems, and NSF funds are not intended to be the sole source of support. The assessment of an Engine's ongoing performance will factor in the ability of the Engine to leverage additional funds and resources beyond the NSF award.

# Budget FAQs

## How flexible is NSF with respect to budgets?

NSF intends to be flexible in budget negotiations, for example, allowing academic-year salaries for faculty and providing participant subsidies that improve completion rates in workforce development programs.

# Budget FAQs

## What kind of industrial and state leverage is expected?

There is no expectation of a specific level of leverage; however, one of the review criteria listed in the BAA for Type-2 proposals (Section VI.B.3.f) specifies consideration of the plan to raise additional outside funds to launch and scale the proposed Engine's efforts. For Type-2 proposals, the NSF Engines program expects that some of this work will already be underway to develop a sustainable capital stack.

# Budget FAQs

## **Can an NSF Engine use NSF funds as seed funds for start-ups? [Type-2]**

Yes. An NSF Engine may use NSF funds for such activities as part of its overall strategic plan to accelerate the regional innovation ecosystem. The NSF Engine will be responsible for carrying out standard due diligence and addressing conflicts of interest. NSF Engines are strongly encouraged to discuss such plans with NSF.

# Budget FAQs

## **Can an NSF Engine take an equity stake in a start-up? [Type-2]**

Yes, but an NSF Engine aiming to pursue this approach as part of its business model must consult with NSF before implementing this strategy.



# NSF Budgets

- Defined in the Proposal & Award Policies & Procedures Guide II.g
  - Budget Sections and Contents
  - Budget Justifications

# Major Budget Sections (see PAPPG)

- Salaries and Wages
- Equipment
- Travel
- Participant Support
- Other Direct Costs (More on this later!)
- Indirect Costs – U.S Federally Negotiated Rate

# Other Direct Costs (see PAPPG)

Any costs proposed to an NSF project must be allowable, reasonable, and directly allocable to the supported activity. When anticipated, the budget must identify and itemize other anticipated direct costs not included under [other categories].

- Materials and Supplies
- Publication/Documentation/Dissemination
- Consultant Services [More on this]
- Computer Services
- Subawards [More on this]
- Other

# Consultant Services (see PAPPG)

The proposal budget may request costs for professional and consultant services. Professional and consultant services are services rendered by persons who are members of a particular profession or possess a special skill, and who are not officers or employees of the proposing organization.

# Subawards (see PAPPG)

If known at the time of proposal submission, the intent to enter into such arrangements must be disclosed in the proposal. A separate budget and a budget justification of no more than five pages, must be provided for each subrecipient, if already identified. The description of the work to be performed must be included in the project description.

- Include a separate budget form and budget justification for each subaward
- See PAPPG for guidance on indirect rates for sub-awardees
- Current BAAM form "appears" to be missing subaward line; however, the subaward line is automatically added and computed when you add subaward budgets in BAAM

# Budget Entry in BAAM

Budget (Prime Organization)  
For Prime Award
Project Total Requested Amount  
**\$0.00**

Geoffrey brown

**Personnel Direct Costs**

Section	# Personnel	Year 1 Months	Requested Funds	# Personnel	Year 2 Months	Requested Funds	Total Requested Funds
<div> <div>▼ A. Senior Personnel</div> <div> <div>🗑</div> <div>Geoffrey Brown (PI)</div> <div>+ Add Personnel</div> </div> </div>	1	0.00	\$0.00	1	0.00	\$0.00	\$0.00
		0.00	\$0.00		0.00	\$0.00	\$0.00
▼ B. Other Personnel	0	0.00	\$0.00	0	0.00	\$0.00	\$0.00
Postdoctoral Scholars	0	0.00	\$0.00	0	0.00	\$0.00	\$0.00
Other Professionals	0	0.00	\$0.00	0	0.00	\$0.00	\$0.00
Graduate Students	0		\$0.00	0		\$0.00	\$0.00
Undergraduate Students	0		\$0.00	0		\$0.00	\$0.00
Administrative/Clerical	0		\$0.00	0		\$0.00	\$0.00
Other	0		\$0.00	0		\$0.00	\$0.00
▼ C. Fringe Benefits			\$0.00			\$0.00	\$0.00
			\$0.00			\$0.00	\$0.00
<b>Total Salaries, Wages, &amp; Fringe Benefits (A-C)</b>			<b>\$0.00</b>			<b>\$0.00</b>	<b>\$0.00</b>

**Additional Direct Costs**

Section	Year 1 # Participants	Requested Funds	Year 2 # Participants	Requested Funds	Total Requested Funds

Cancel
Save

# Budget Entry in BAAM (Subawards)

## Proposal Documents

- References Cited
- Existing and New Resources to be Made Available for the Project
- Biographical Sketch(es)
- Cost/Price Proposal/Budget
- Budget Justification
- Data Management Plan
- Postdoctoral Researcher Mentoring Plan
- Collaboration List (COA)
- Letters of Collaboration
- Consolidated Personnel List
- Proposal Certifications (TIP)
- Concept Outline Approval
- Proprietary Data Restrictions
- Proposal Submission

The Cost/Price Proposal Budget must be provided by the Prime and any Subawardee Organizations as separate pdf documents and must follow the requirements in the appropriate BAA instructions. The Cost/Price Proposal Budget should be prepared in accordance with the guidance in the PAPPG section.

Once all Cost/Price Proposal Budget documents are final and uploaded, check the Budget Complete box at the bottom to allow full submission of your full proposal.

Number of Budget Years 2 Years

Project Total Requested Amount \$0.00

Prime Organization			
Organization Name	UEI	Principal Investigator	Address
Prime Award		Geoffrey Brown	

Subaward Organization(s)			
Organization Name	UEI	Address	Requested Amount
<div>+ Add Subaward</div>			

☐ Budget Completed

# Budget Entry in BAAM (Subawards)

### Proposal Documents

- ✓ Cover Sheet
- ✓ Project Description
- ✓ References Cited
- ✓ Existing and New Resources to be Made Available for the Project
- ✓ Biographical Sketch(es)
- ⚠ Cost/Price Proposal/Budget
- ✓ Budget Justification
- ✓ Data Management Plan
- ✓ Postdoctoral Researcher Mentoring Plan
- ✓ Collaboration List (COA)
- ✓ Letters of Collaboration
- ✓ Consolidated Personnel List
- ✓ Proposal Certifications (TIP)
- ✓ Concept Outline Approval

The Cost/Price Proposal Budget must be provided by the Prime and any Subawardee Organizations as separate pdf documents and must follow the requirements in the appropriate BAA instructions. The Cost/Price Proposal Budget should be prepared in accordance with the guidance in the PAPPG section.

Once all Cost/Price Proposal Budget documents are final and uploaded, check the Budget Complete box at the bottom to allow full submission of your full proposal.

Number of Budget Years 2 Years

Project Total Requested Amount **\$683,050.00**

Prime Organization			
Organization Name	UEI	Principal Investigator	Address
WMG Inc.	ABC123EFG456	Brian Kirby	

Subaward Organization(s)			
Organization Name	UEI	Address	Requested Amount
ABC Corp	ZYX123WRR999		\$195,750.00
MediLance LLC	JJJ012NNN987		\$240,000.00

[+ Add Subaward](#)

☐ Budget Completed

[Back](#) [Next](#)



# Budget Entry in BAAM

Budget (Prime Organization)  
For Prime Award

Project Total Requested Amount  
\$0.00

Additional Direct Costs					
Section	Year 1 # Participants	Requested Funds	Year 2 # Participants	Requested Funds	Total Requested Funds
▼ D. Equipment		\$0.00		\$0.00	\$0.00
<div>+ Add Equipment</div>					
▼ E. Travel		\$0.00		\$0.00	\$0.00
US, territories, and possessions		<input type="text" value="\$0.00"/>		<input type="text" value="\$0.00"/>	\$0.00
Foreign		<input type="text" value="\$0.00"/>		<input type="text" value="\$0.00"/>	\$0.00
▼ F. Participant Support Costs		\$0.00		\$0.00	\$0.00
Number of Participants	<input type="text" value="0"/>		<input type="text" value="0"/>		\$0.00
Stipends		<input type="text" value="\$0.00"/>		<input type="text" value="\$0.00"/>	\$0.00
Travel		<input type="text" value="\$0.00"/>		<input type="text" value="\$0.00"/>	\$0.00
Subsistence		<input type="text" value="\$0.00"/>		<input type="text" value="\$0.00"/>	\$0.00
Other		<input type="text" value="\$0.00"/>		<input type="text" value="\$0.00"/>	\$0.00
▼ G. Other Direct Costs		\$0.00		\$0.00	\$0.00
Materials and Supplies		<input type="text" value="\$0.00"/>		<input type="text" value="\$0.00"/>	\$0.00
Publication/Documentation/Distribution		<input type="text" value="\$0.00"/>		<input type="text" value="\$0.00"/>	\$0.00
Consultant Services		<input type="text" value="\$0.00"/>		<input type="text" value="\$0.00"/>	\$0.00
Computer Services		<input type="text" value="\$0.00"/>		<input type="text" value="\$0.00"/>	\$0.00

Cancel

Save

# Budget Entry in BAAM (Subawards)

Materials and Supplies	<input type="text" value="\$0.00"/>	<input type="text" value="\$0.00"/>	\$0.00
Publication/Documentation/Distribution	<input type="text" value="\$0.00"/>	<input type="text" value="\$0.00"/>	\$0.00
Consultant Services	<input type="text" value="\$0.00"/>	<input type="text" value="\$0.00"/>	\$0.00
Computer Services	<input type="text" value="\$0.00"/>	<input type="text" value="\$0.00"/>	\$0.00
Other	<input type="text" value="\$0.00"/>	<input type="text" value="\$0.00"/>	\$0.00
<b>H. Total Direct Costs (A-G)</b>		<b>\$0.00</b>	<b>\$0.00</b>

Subaward line added automatically

Indirect Costs			
Section	Year 1 Rate x Base	Year 2 Rate x Base	Total Requested Funds
✓ I. Indirect Costs	\$0.00	\$0.00	\$0.00
<div>+ Add Indirect Cost</div>			
<b>J. Total Amount Requested (H + I)</b>		<b>\$0.00</b>	<b>\$0.00</b>

Cancel

Save

# Budget Entry in BAAM (Subawards)

Budget (Prime Organization) For WMG Inc.		Project Total Requested Amount \$683,050.00	
Number of Participants	2	2	\$0.00
Stipends	\$4,500.00	\$4,500.00	\$9,000.00
Travel	\$2,200.00	\$2,200.00	\$4,400.00
Subsistence	\$500.00	\$500.00	\$1,000.00
Other	\$0.00	\$0.00	\$0.00
✓ G. Other Direct Costs	\$24,450.00	\$24,450.00	\$48,900.00
Materials and Supplies	\$500.00	\$500.00	\$1,000.00
Publication/Documentation/Distribution	\$950.00	\$950.00	\$1,900.00
Consultant Services	\$500.00	\$500.00	\$1,000.00
Computer Services	\$0.00	\$0.00	\$0.00
Other	\$22,500.00	\$22,500.00	\$45,000.00
Subaward: ABC Corp			\$195,750.00
Subaward: MediLance LLC			\$240,000.00
H. Total Direct Costs (A-G)	\$123,650.00	\$123,650.00	\$683,050.00
Indirect Costs			
Section	Year 1 Rate x Base	Year 2 Rate x Base	Total Requested Funds
✓ I. Indirect Costs	\$0.00	\$0.00	\$0.00

Cancel Save

# Budget Entry in BAAM (Justification)

## Proposal Documents

References Cited

Existing and New Resources to be Made Available for the Project

Biographical Sketch(es)

Cost/Price Proposal/Budget

Budget Justification

Data Management Plan

Postdoctoral Researcher Mentoring Plan

Collaboration List (COA)

Letters of Collaboration

Consolidated Personnel List

Proposal Certifications (TIP)

Concept Outline Approval

Proprietary Data Restrictions

Proposal Submission

### Budget Justification

The budget should be prepared in accordance with the guidance in PAPPG Section II.C.2(g). Additionally, proposers should see the BAA for program-specific budget and budget justification information and instructions.

File Name	File Type	File Date	Actions
No files have been uploaded.			

Upload Files

Or drop files

Back

Next

# Some More Budget Scenarios

## Can NSF funds be used to provide competitive grants? (Examples)

- Innovation vouchers to startups
- Support entrepreneurs in residence programs

# Some More Budget Scenarios

**Can an Engine provide funds to existing organizations to enhance/strengthen programs?**

Yes, so long as those programs are clearly relevant to the Engine; leadership should be building strategic partnerships that benefit key stakeholders.

Examples:

- Provide funds to workforce development organizations for things like Engine-related travel cost, customizing new curricula for industry stakeholders
- Fund existing incubator to provide pilot awards to private startups in Engine's topic area
- Support internship opportunities at startups

# Key Points

- Budget justification document is important – especially for items outside the “norm”
- All budgets are subject to negotiation during cooperative agreement negotiations
  - Errors can be corrected and justifications updated
- Need guidance?
  - Contact Engines Team [engines@nsf.gov](mailto:engines@nsf.gov)