Business Assistance

NSF 2008 ISE PI Summit 2008

July 25, 2008

Washington, DC

Organized by: Center for Advancement of Informal Science Education (CAISE)

Ask Early, Ask Often!!

+ Pamela Hawkins, Team Leader

+ Tarsha Johnson, Grants Officer

- Division of Grants and Agreements
- Education and Human Resource (EHR) Team
- (703) 292-8210

pahawkin@nsf.gov; tjohnson@nsf.gov

Ask Early, Ask Often!!

- Harinder Singh, Cost Analyst

- Carol Orlando, Team Leader

  Division of Institution and Award Support

  Cost Analysis & Audit Resolution Branch

  (703) 292-8244

  hsingh@nsf.gov;

  corlando@nsf.gov

Oversight and Monitoring of Federal Awards

+ Emphasis on Stewardship of Federal Funds

+ Award Monitoring and Business Assistance Site Visits – DIAS/CAAR Branch Partner with DGA

+ Compliance & Common Areas of Concern

Post Award Monitoring & Business Assistance Program Site Visits

- Approximately 30 site visits per year, many at EHR organizations – In partnership with DGA

- Core Review Areas

- Targeted Review Areas

- Desk Reviews – Approximately 150 per year

Federal Accounting Requirements

Administrative Requirements

Higher Education & Non-Profit	OMB A-110 (2 CFR Part 215)
State and Local & Tribal Governments	OMB A-102 (45 CFR Part 602)
For Profit Organizations	OMB A-110 and GAAP

Cost Principles

Higher Education	OMB A-21 (2 CFR Part 220)
Non-Profit Organizations	OMB A-122 (2 CFR Part 230)
State and Local & Tribal Governments	OMB A-87 (2 CFR Part 225)
For Profit Organizations	FAR 31.2

http://www.nsf.gov/bfa/dias/caar/index.jsp

Compliance & Common Areas of Concern

- Time and Effort Reporting (Cost Principles by Organizational Type)

- Participant Support Award and Administration Guide (AAG) Chapter V B.8)

- Consultants (AAG Chapter V. B.6)

- Subrecipient Monitoring (OMB A-133, Subchapter C._.51)

- Cost Sharing (A-110_.23 -> 2 CFR 215.23, AGA Chapter II D)

- Program Income (A-110_.24 -> 2 CFR 215.24, AGA Chapter D.4, AGA Chapter VI F)

Time & Effort Reporting

→ System to document and support salary charges to Federal awards

→ Awardee Awareness/Management Tool

→ Time & attendance records vs. Time & effort reports

Time and Effort Reporting/
Labor Distribution System

Personnel Activity Report must:

→ Reflect an after-the-fact distribution

→ Account for total (**all**) activity for which the employee is compensated

→ Must be signed by the employee or supervisor having first hand knowledge of work performed by the employee

Participant Support Costs

- Participants or Trainees (not employees – exception school districts – teacher training)

- Stipends, subsistence allowance, travel, registration fees, copies, tuition

- Funds may not be re-budgeted to other expense categories
  - with out prior written approval of the NSF program officer (via Fastlane)

Participant Support Costs

- Awardee organizations must be able to identify participant support costs.

- Participant Support Costs *are not* a normal account classification

- Highly recommended that separate accounts, sub-accounts sub-task or sub-ledgers be established accumulate these costs.

- Should have written policies & procedures

Participant Support Costs

- Typically excluded by NSF from application of the indirect cost rate
  - MDTC – and pass through funds – such as stipends

- Participant support – eligibility
  - what did participants have to do to receive the payment

- Documentation of attendees at conferences or workshops

- Reference

  - AAG V.B.8
  - A-21, J.17 and J.48 (2 CFR Part 220)
  - A-122 Appendix B #33 (2 CFR Part 230)

Consultants

- Members of particular profession or possess certain skill;

- Technical advice & support
  - work under awardee organization's direction

- Reasonableness of consultant rate of pay
  - NSF's daily limitation does not become de facto minimal payment
  - Rates should be comparable to the normal or customary fees charged

Consultants

Consultant Services

- **Past:** Appropriations Acts limited the maximum rate of compensation paid to consultants.

- **Now:** Appropriation Act applicable to NSF for FY 2006 contains no limitation on payments to consultants under NSF awards; therefore, eliminating this constraint from the FY 2006 appropriated funds.

- **However:** Funds awarded prior to March 15, 2006
  - still subject to the consultant pay limitation

- **Reference:** Award and Administration Guide (AAG) Chapter V. Subchapter B.6
  - http://www.nsf.gov/pubs/policydocs/papp/aag_index.jsp

Consultant - Agreement

- Name of Consultant - Business or organization

- Rate of pay

- Period of performance

- Description of service to be provided

- Cost information on:
  - indirect costs, travel (per diem rates), supplies other expenses

Consultant - Invoice

- Consultant Name - Organizations

- Rate charged and time worked - hourly or daily rate

- Short description of services provided

- Include all hours
  - (example - preparation time & response time for speakers)

Sub-awards & Sub-Recipient Monitoring

→ Vendor

  ∎ "off the shelf" technical services

→ Subcontractor

  ∎ responsible for piece of the work

→ Consultant

  ∎ provides specific, professional expertise on a project

Sub-awards & Sub-recipient Monitoring

Characteristics indicative of a Federal award received by a subrecipient:

➤ Performance is measured against
  ➤ objectives of the Federal award being met

➤ Responsibility for programmatic decision making

➤ Responsibility for adherence to applicable Federal program compliance requirements

Vendors

Payment for goods and services:

- Provided within normal business operations

- Many different purchasers

- Operates in a competitive environment

- Ancillary to the operation of the Federal program

- Not subject to compliance requirements of the Federal program.

Prime Awardee Responsibilities

➔ Determine Reasonableness of Cost

➔ Performs cost or price analysis

- Cost Analysis
- Price Analysis

Prime Pre-award Procedures

- Ensure that the sub-awardee:

- Ability to perform both technically and administratively

- Financial Capability

- Appropriate indirect cost rate & base

- Not Debarred or suspended by Federal Government

Flow Through Provisions

→ Audit & access to records

→ Prime awardee – perform on site technical & administrative reviews

→ Cost Principles
  - A-87 (2 CFR Part 225), A-122 (2 CFR Part 230), A-21 (2 CFR Part 220), FAR Part 31

→ Administrative Requirements
  - A-110 (2 CFR Part 215), A-102 – "The Common Rule" (45 CFR Part 602)

→ Statutory & Regulatory
  - Conflict Of Interest, human subjects

Sub-recipient OMB A-133 Audits

- Receive OMB A-133 audit reports

- or access Federal Audit Clearinghouse
  - http://harvester.census.gov/sac/

- Resolve those findings that apply to your subcontract, if any

NSF Expectations

- System in place for monitoring subrecipients – "risk based approach" encouraged

- Evidence that prime is monitoring subawards

- Technical, Financial, and Compliance reviews

Program Income

- Gross income generated by supported activity or earned as a result of the grant.

- Standard Treatment: Income earned during the period of the grant is to be used to further project objectives.

- Deducted from allowable program costs to determine net allowable costs billed under the award
- AAG VI.F.

How does NSF Management work with the OIG when resolving audit findings?

- NSF management resolves audit findings on audit reports referred to it for resolution by the Office of Inspector General (OIG)

- Cost Analysis and Audit Resolution Branch (CAAR) represents NSF management in this regard, and, in doing so we are involved in the following activities:
  - We are experts in interpreting OMB Circulars
  - We coordinate with NSF Program Managers
  - We coordinate with NSF Grants Officers & Specialists
  - We coordinate with NSF Finance Staff

Players & Communication Lines

- Sponsored Research Officers -- NSF Grants Managers

- Controller's Office -- NSF Grants Accountants in Finance Division

- Auditors, Cost Analysts --NSF Cost Analysis & Audit Resolution Branch (CAARB)

- NSF Office of General Counsel (OGC)

Where can I get information on-line?

➡ General
http://www.nsf.gov

➡ Division of Institution & Award Support
http://www.nsf.gov/bfa/dias/index.jsp

➡ Cost Analysis & Audit Resolution
http://www.nsf.gov/bfa/dias/caar/index.jsp

➡ Policy Office
http://www.nsf.gov/bfa/dias/policy/index.jsp

Keys to Success for Awardees

- Know requirements (award letter, award terms and conditions, OMB Circulars)

- Good accounting practices – accumulation & segregation of costs

- Focus on the objectives of the project/program

- Document approvals and conversations between the awardee and NSF program and grant officials