Business Assistance

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Organized by: Center for Advancement of Informal Science Education (CAI SE)
Ask Early, Ask Often!!

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Ask Early, Ask Often!!

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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*
- State and Local & Tribal Governments: OMB A-102 (45 CFR Part 602)
- For Profit Organizations: OMB A-110 and GAAP

*Cost Principles*
- 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)


- Program Income (A-110_.24 - 2 CFR 215.24, 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
  - without 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-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
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
- Administrative Requirements
- 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/](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

- Division of Institution & Award Support

- Cost Analysis & Audit Resolution

- Policy Office
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