Prospective New Awardee Guide
The National Science Foundation (NSF) funds research and education in most fields of science and engineering. Grantees are wholly responsible for conducting their project activities and preparing the results for publication. Thus, the Foundation does not assume responsibility for such findings or their interpretation.

NSF welcomes proposals from all qualified scientists, engineers and educators. The Foundation strongly encourages women, minorities, and persons with disabilities to compete fully in its programs. In accordance with federal statutes, regulations, and NSF policies, no person on grounds of race, color, age, sex, national origin, or disability shall be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving financial assistance from NSF (unless otherwise specified in the eligibility requirements for a particular program).

Activities in Science, Engineering and Mathematics for Persons with Disabilities provide funding for special assistance or equipment to enable persons with disabilities (investigators and other staff, including student research assistants) to work on NSF-supported projects. See the program announcement or contact the program coordinator at (703) 292-8636.

The National Science Foundation has telephonic devices for the hearing-impaired (TTY) and Federal Information Relay Service (FIRS) capabilities that enable individuals with hearing impairments to communicate with the Foundation regarding NSF programs, employment, or general information. TTY may be accessed at (703) 292-5090 or through FIRS on 1-800-877-8339.

**PRIVACY ACT AND PUBLIC BURDEN STATEMENTS**

The information requested on proposal forms and project reports is solicited under the authority of the National Science Foundation Act of 1950, as amended. The information on proposal forms will be used in connection with the selection of qualified proposals; project reports submitted by awardees will be used for program evaluation and reporting within the Executive Branch and to Congress. The information requested may be disclosed to qualified reviewers and staff assistants as part of the review process; to applicant institutions/grantees to provide or obtain data regarding the proposal review process, award decisions, or the administration of awards; to government contractors, experts, volunteers and researchers and educators as necessary to complete assigned work; to other government agencies needing information as part of the review process or in order to coordinate programs; and to another Federal agency, court or party in a court or Federal administrative proceeding if the government is a party. Information about Principal Investigators may be added to the Reviewer file and used to select potential candidates to serve as peer reviewers or advisory committee members. See Systems of Records, NSF- 50, "Principal Investigator/Proposal File and Associated Records," 63 Federal Register 267 (January 5, 1998), and NSF-51, "Reviewer/Proposal File and Associated Records," 63 Federal Register 268 (January 5, 1998). Submission of the information is voluntary. Failure to provide full and complete information, however, may reduce the possibility of receiving an award.

Public reporting burden for this collection of information is estimated to average 120 hours per response, including the time for reviewing instructions. Send comments regarding this burden estimate and any other aspect of this collection of information, including suggestions for reducing this burden, to: Suzanne H. Plimpton, Reports Clearance Officer; Division of Administrative Services; National Science Foundation; Arlington, VA 22230.
Checklist

1. Awardee Organization and Management Summary Form (Appendix 1, See Section B.1 of Guide).

2. Documents showing legal establishment and structure of organization (See Section B.2 of Guide).


5. Listing of Current or Recent Federal Awards (See Section B.6 of Guide).


Items 1 - 8 should be sent within 15 calendar days of your receipt of this letter.

National Science Foundation
Division of Grants and Agreements, Room 495
4201 Wilson Boulevard
Arlington, VA 22230-0001

EXCEPTION (Items 1 – 8): Small Business Innovation Research (SBIR) applicants have 10 calendar days to respond to the NSF Program Manager’s e-mail request for this documentation. This material should be sent to the Division of Institution & Award Support as directed.


Item 9 should be completed to initiate payment processing only if NSF decides to fund your proposal. Action on this item should be taken as soon as an NSF award letter is received by your organization.
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Appendix 2 - Assurance of Compliance (F.L. 123)

Appendix 3 - Small Business Declaration Form

Appendix 4 - Financial Management Systems Questionnaire

Appendix 5 – Indirect Cost Rate Proposal Submission Procedures
SECTION A – Overview and Basic Information

1. Overview - The information provided in this guide will assist your organization in preparing documents, which the National Science Foundation (NSF) requires to conduct administrative and financial reviews of your organization. This guide also serves as a means of highlighting the accountability requirements associated with Federal awards. You should read this guide in its entirety since it contains information, which we have identified, based on past experience with prospective awardees, as being most helpful to them in working with the NSF.

2. Federal Requirements - Various Federal requirements apply to awards made by NSF. These requirements are set forth in the following documents: (1) Federal Cost Principles; (2) Federal Management Standards; and, (3) Federal Audit Requirements. If your organization does not currently have a copy of the documents setting forth the requirements, which are applicable to your organization, they should be obtained as soon as possible.

Type of Organization & Applicable Federal Cost Principles
- Profit Organizations: Federal Acquisition Regulations (FAR), Part 31
- Non-Profit: OMB Circular A-122 – 2 CFR Part 230
- State/Local Government: OMB Circular A-87 – 2 CFR Part 225

Type of Organization & Applicable Federal Management Standards
- State/Local Government: OMB Circular A-102 – 45 CFR 602

Type of Organization & Applicable Federal Audit Requirements
- Profit Organizations: Cognizant Federal agency responsible
- Educational: OMB Circular A-133
- Non-Profit: OMB Circular A-133
- State/Local Government: OMB Circular A-133

These documents can be obtained as follows:

Policies and Procedures
Internet Address: http://www.nsf.gov/bfa/dias/policy/index.jsp

OMB Circulars
Phone Contact: Office of Management and Budget @ (202) 395-7332.
Internet Address: http://www.whitehouse.gov/omb/circulars/

FAR, Part 31
Phone Contact: Government Printing Office @ (202) 783-3238
Internet Address: http://www.arnet.gov/far/97/html/31.html

3. NSF Points of Contact - Answers to questions frequently asked by organizations are contained in this document; therefore we recommend that you read the entire guide before calling for assistance. NSF administrative offices and points of contact are as follows:
Division of Grants and Agreements (DGA) (703-292-8210)
http://www.nsf.gov/bfa/dga/index.jsp
Staff in this office is responsible for award of grants and grant administration. This office should be contacted with questions in those areas, which are not identified in the offices noted below.

Division Institution & Award Support (DIAS)/Cost Analysis and Audit Resolution Branch (CAARB) (703-292-8244)
http://www.nsf.gov/bfa/dias/caar/index.jsp
Staff in this office is responsible for conducting accounting system reviews, negotiating indirect cost rates, and resolving audit findings. This office should be contacted with questions concerning accounting systems requirements, indirect cost rates and indirect cost proposal preparation, financial statements, and audits conducted on Federal awards.

Division of Financial Management (DFM) (To contact the appropriate accountant; see the Institution Ledger Sections’ telephone listing at http://www.nsf.gov/bfa/dfm/cmeab.jsp
Staff in this office is responsible for all aspects of FastLane Financial Functions including establishment of financial administrator(s) and financial function permissions. This office should be contacted with questions concerning banking information, payments (both advances and reimbursements) and the Federal Cash Transaction Report (FCTR) after an award is made.

SECTION B – Administrative and Management Information

1. Awardee Organization and Management Summary Form 357 (Appendix 1) - Self-explanatory. Complete Part I only.

2. Organizational Establishment and Structure - Provide an official or published statement of the purpose of your organization and of the powers, which have been granted to it to enter into contractual relationships and/or accept awards (e.g. articles of incorporation, by-laws). This should include a brief description of your organization’s objectives, and also an organization chart reflecting the structure of your organization.

3. Assurance of Compliance (Appendix 2) - Enter the name of your organization and sign the form certifying that your organization is in compliance.

4. Small Business Declaration or IRS exemption letter (Appendix 3) - If you are a for-profit organization, provide a signed copy of the Small Business Declaration form. If you are a nonprofit organization, provide a copy of the current Internal Revenue Service tax exemption letter, which certifies the organization’s non-profit status.

5. Financial Management Systems Questionnaire (Appendix 4) - Complete the questionnaire and provide the documentation as requested on the form.

6. Listing of Current or Recent Federal Awards - Provide a listing of federal awards to your organization in the past two years. Show agency, award number, amount, and title of project.

7. Financial Statements - Provide your organization’s financial statements for the two most recently ended fiscal years. If financial statements are not available, provide tax
returns for the two most recently ended fiscal years.

Additional information required from **SBIR/STTR Phase II prospective awardees only**:

- Current payroll registers or pay stubs for all personnel with a proposed annualized salary in excess of $50,000;
  - Note: SSN’s and other personal data should be redacted.
- Organization’s policies and procedures for accounting and time & effort reporting systems; and
- Indirect cost rate proposal reconciled to the most recently completed financial statements.

**SECTION C – Accounting System Requirements and Auditing Information**

1. **Accounting System Requirements** - Organizations receiving awards are required to have an adequate accounting system. Adequate accounting systems provide assurances to the Federal Government that organizations can support that expenditures of federal funds are in accordance with applicable regulations, and terms and conditions of the award.

At a minimum, adequate accounting systems provide for:

- Detailed budget preparation with proposed costs based on actual historical cost data;
- Identification of costs (budgeted costs and actual expenses) by project/grant;
- Identification of expenditures as direct, indirect, and unallowable;
- Complete and accurate financial reports (including balance sheets and income statements);
- Maintenance of adequate source documentation (purchase orders, invoices, canceled checks, etc.); and
- Maintenance of adequate documentation to support cost sharing (acceptable forms of cost sharing contributions are those which meet the criteria established in Section .23 of OMB Circular A-110).

Organizations being considered for a NSF award are required to support the existence of an adequate accounting system. If an organization has been audited by Defense Contract Audit Agency (DCAA), or has been audited by another Federal Agency, the organization should provide a copy of the review and/or audit report resulting from the audit or review.

All organizations should complete and provide the “Financial Management Systems Questionnaire,” *(Appendix 4)*. The Cost Analysis and Audit Resolution Branch will review this form. Possible accounting system deficiencies in submissions, and suggestions for correcting deficiencies, will be discussed with the submitting organization.

2. **Time and Effort Reporting** - Time and effort records must be maintained for an organization’s employees so that salary charges to an award can be adequately supported. An adequate time and effort record contains the following information: (1) the name and signature of the employee; (2) the hours, or percentage of effort, an employee worked each day during a given pay period; (3) the activities of the employee during the pay period (i.e., project, general and administrative, vacation, sick, leave without pay, etc.); and, (4) the name and signature of the employee’s supervisor.

Corrections to a time and effort record should be in ink and initialed by the employee.
Organizations should provide a copy of their time and effort record and the related procedures as an attachment to the "Financial Management Systems Questionnaire." The following sample timesheet is provided to assist you in creating a time and effort record form should your organization not currently maintain these records.

**Bi-Monthly Time Record (Sample)**

Employee Name:       Employee Signature:
Supervisor Name:       Supervisor Signature:

<table>
<thead>
<tr>
<th>Month</th>
<th>16</th>
<th>17</th>
<th>18</th>
<th>19</th>
<th>20</th>
<th>21</th>
<th>22</th>
<th>23</th>
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<th>29</th>
<th>30</th>
<th>31</th>
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</tbody>
</table>

Note: Corrections should be made in ink and initialed by the employee.

3. **Cost Sharing Requirements** – Cost sharing (or matching) is that portion of allowable project or program costs that are not borne by the Federal Government. All cost sharing must be accounted for in the same manner as NSF-funded costs and are subject to audit. Specifically, accounting records must be maintained in accordance with OMB Circular A-110, Section .21, “Standards for Financial Management Systems.” Failure to provide the required cost sharing may result in grant costs being questioned, requiring repayment to NSF and/or termination of the NSF award.

The criteria and allowability of cost sharing is defined at OMB Circular A-110, Section .23, “Cost Sharing or Matching.” Cost sharing must meet all of the following criteria:

- Are verifiable from the recipient's records.
- Are not included as contributions for any other Federally assisted project or program.
- Are necessary and reasonable for proper and efficient accomplishment of project or program objectives.
- Are allowable under the applicable cost principles.
- Are not paid by the Federal government under another award, except where authorized by Federal statute to be used for cost sharing or matching.
- Are provided for in the approved budget.
- Conform to other provisions of OMB Circular A-110, as applicable.
4. **Costs Unallowable on Federal Awards** - Certain kinds of costs organizations incur cannot be charged to Federal awards, either as direct or indirect costs. A few examples of these costs are advertising (except for help wanted), bad debt, contributions and donations, fines, and penalties. The applicable cost principles listed in **Section A** above provide more information on unallowable costs.

5. **Audits on Federal awards** - Information on audit requirements are contained in the applicable Federal Audit Requirements listed in **Section A** above and are summarized below:

   NSF Grant General Conditions (GC-1), section 22, 2e, states that, “Awardees that are States, Local Governments or Non-Profit Organizations, shall arrange for the conduct of audits as required by OMB Circular A-133 "Audits of States, Local Governments, and Non-Profit Organizations" (including colleges and universities.)"

   OMB Circular A-133, Subpart B, section .200, further states the following:
   **(a) Audit required.** Non-Federal entities that expend $300,000 ($500,000 for fiscal years ending after December 31, 2003) or more in a year in Federal awards shall have a single or program-specific audit conducted for that year in accordance with the provisions of this part. Guidance on determining Federal awards expended is provided in §___.205.
   **(b) Single audit.** Non-Federal entities that expend $300,000 ($500,000 for fiscal years ending after December 31, 2003) or more in a year in Federal awards shall have a single audit conducted in accordance with §___.500 except when they elect to have a program-specific audit conducted in accordance with paragraph (c) of this section.

In addition to the audits outlined in these requirements, the NSF Office of the Inspector General (OIG) conducts audits of awards made to for-profit and non-profit organizations receiving NSF funding. Since these audits can result in cost disallowances and require organizations to make repayments to NSF, organizations should understand the importance of having adequate accounting documentation to support costs charged to NSF awards. **Audit findings** resulting in questioned costs (and, which generally require repayment to NSF) have been due to the following:

1. Lack of time records to support salary costs charged to awards.
2. Lack of consulting agreements and invoices to support that services were related to the award, and that the charges were reasonable and consistent with the NSF consultant rate limitations in effect.
3. Indirect cost recoveries were in excess of those allowed by the type of indirect cost rate and base reflected in the award.
4. Costs were unallowable in accordance with applicable cost principles and, therefore, could not be charged to Federal awards.
5. Proposed participant support amounts were expended in other cost categories without the required prior NSF written approval.
6. Adequate supporting documentation was not provided for cost sharing claimed.

7. Interest earned on NSF advances made to organizations was not remitted as required (see Section E.4 below.)

Resolution of questioned cost audit findings is time-consuming and costly for both the organization and NSF. Therefore, you should contact the NSF Cost Analysis and Audit Resolution Branch (CAARB) at (703-292-8244) if you have any questions concerning audits, and/or supporting documentation, which should be maintained.

SECTION D – Indirect Cost Rates

1. Indirect Cost Rate Proposals and Financial Statements - Direct costs are those costs that can be identified specifically with a particular final cost objective, i.e., a particular award, project, service, or other direct activity of an organization. Indirect costs are those that have been incurred for common or joint objectives and cannot be readily identified with a particular final cost objective. After direct costs have been determined and assigned directly to awards or other work as appropriate, indirect costs are those remaining to be allocated to benefiting cost objectives.

Where an organization’s major functions benefit from its indirect costs to approximately the same degree, the allocation of indirect costs may be accomplished by (1) separating the organization’s total costs for the period as either direct or indirect and (2) dividing the total allowable indirect costs (net applicable credits) by an equitable distribution base. The distribution base may be total direct costs (excluding capital expenditures and other distorting items, such as major subawards and participant support costs), direct salaries and wages, or other base, which results in an equitable distribution. It should be noted that NSF does not fund Independent Research and Development (IR&D) costs either directly or indirectly. Therefore, while IR&D should not be proposed as a direct cost, these costs must be treated as a direct cost in indirect cost rate calculations.

Organizations are required to support their indirect cost rate(s) shown on their grant proposal budget by submission of a current indirect cost rate agreement negotiated with a Federal agency (with financial statements for the two most current ended accounting periods), or by submission of an indirect cost proposal and the related financial statements. See Appendix 5 - Indirect Cost Rate Proposal Submission Procedures.

2. Types of Indirect Cost Rates Used on NSF Awards - Depending on various information available (historical cost information), amount of funding being requested, etc., NSF will establish a negotiated indirect cost rate for an award (that rate which is negotiated with NSF or another Federal Agency) as one of the types of rates shown below. Since some types of rates limit indirect cost recoveries and require adjustments, organizations receiving awards should ensure that they determine the type of indirect cost rate applicable to the award. The type of rate will be specified in the award letter. Types of indirect cost rates used on NSF awards are as follows:

**Maximum Provisional Indirect Cost Rate**

A maximum provisional rate is a temporary rate established for an award to permit funding and reporting of indirect costs pending establishment of a final rate (that rate determined at the end of an accounting period using “actual” direct and indirect cost data). This type of rate limits indirect cost recoveries to the LOWER of the maximum provisional rate...
established at the time of award, or the final rate, established at the end of an accounting period.

As an example, if a maximum provisional indirect cost rate of 50% was established at the time of award, but an indirect cost rate of 65% was determined based on actual financial data for an accounting period, indirect cost recoveries would be limited to 50%. However, if a final indirect cost rate of 40% was determined, indirect costs recovered in excess of the 40% rate would need to be returned to NSF.

**Predetermined (Fixed) Indirect Cost Rate**

A predetermined (fixed) indirect cost rate is a permanent funding rate established for an award based on an estimate of costs for that period. Awardees may charge NSF projects at the rate(s) stipulated in the award. However, should negotiations between the organization and the cognizant Federal agency result in changes in the approved indirect cost rate not reflected in the NSF award, the organization may charge NSF projects at the newly negotiated rate in effect at the time direct cost expenditures are made, provided that this method of charging indirect costs is consistently applied and meets generally accepted accounting principles; and provided further that to do so would not:

1. Reduce or adversely affect the scope of the project;
2. Result in increased costs over the NSF award amount during the award period;
3. Decrease the period of support as contemplated in the award instrument; or
4. Be inconsistent with any special indirect cost provisions of the award.

**Special Limitation concerning Predetermined Rates at Colleges and Universities subject to OMB Circular A-21 (2 CFR Part 220)**

OMB Circular A-21 contains an additional restriction on recovery of indirect costs for colleges, universities, and other organizations of higher education. These awardees are subject to a further limitation in that the negotiated rate at the time the award is made shall be used throughout the life of the award. (See OMB A-21, 2 CFR Part 220 Appendix A G.7. Fixed rates for the life of the sponsored agreement.)

**Fixed Indirect Cost Rate**

A fixed indirect cost rate is similar to a predetermined (fixed) indirect cost rate in that it is a permanent rate established for an award based on an estimate of costs for the award period. However, this rate is fixed both for funding and reimbursement. Accordingly, when NSF funds a project using a fixed indirect cost rate, the awardee is required to charge indirect costs at the fixed rate. Changes to fixed rates can only be made by an amendment to the award as approved the NSF Grants Officer.

**Fixed Indirect Cost Dollar Amount**

A fixed dollar amount limits organizations to that “amount” of indirect costs specified in the approved budget. It is not subject to adjustment.

3. **NSF Cognizant Organizations** - Organizations for which NSF is their cognizant agency for negotiation of indirect cost rates are required to submit indirect cost proposals, reconciled to financial statements, within six months after the close of each accounting year during which NSF has active awards. These proposals should be sent to the Cost Analysis and Audit Resolution Branch (CAARB).
SECTION E – Payments to Organizations with NSF Awards

1. Financial Institution Information
   All grantees must use FastLane Financial Functions (Grantee EFT Update) (https://www.fastlane.nsf.gov/jsp/homepage/faulogin.jsp) to provide NSF with their banking information before requesting payments.

2. Payments - All grantees must use FastLane Financial Functions (Cash Request) to draw funds as needed. Organizations may be paid as a reimbursement or advance to cover near future needs.

3. Federal Cash Transactions Report (FCTR) (SF 272)- All grantees must use FastLane Financial Functions FCTR to complete and submit quarterly financial reports to NSF. The FCTR is an on-line report generated by NSF. Instructions will be emailed to new awardees on how to complete the report in the FastLane system. Call your cognizant NSF accountant (http://www.nsf.gov/bfa/dfm/cmeab.jsp) for information if needed. The FastLane FCTR’s are due February 10, May 10, August 10 and November 10. Awards are closed by the Division of Financial Management one full quarter after the award expires.

4. Interest Earned on Advance Payments – Organizations are generally required to maintain advances of NSF funds in interest bearing accounts. Exceptions are found in Section .22 of OMB Circular A-110. Interest earned on NSF advances deposited in interest bearing accounts shall be remitted annually to the Department of Health and Human Services (HHS), Payment Management System, P.O. Box 6021, Rockville, MD 20852 (telephone number: (301) 443-9247). Interest amounts up to $250 per year may be retained by the organization.
AWARDEE ORGANIZATION AND MANAGEMENT SUMMARY

PART I

1. Common Name of Organization:

2a. Employer Identification Number (EIN): 2b. DUNS Number:

3. Legal Name (if different)

4. Address (Street, City, State, Zip Code)

5. Parent of Affiliated Organization (if any)

6. Former Name (if any)

7. Type of Organization (Check appropriate box) (if Commercial, check appropriate boxes)

- Academic
- State/Local Government
- Small Business
- Hospital
- Other Non-Profit
- Minority Business
- Commercial
- Other (Identify)

8. Awardee Organization

a. President/Chief Executive Officer Title Telephone
   (Dr., Mr., Mrs., Ms., Miss)

b. Award Notification Addressee Title Telephone
   (Dr., Mr., Mrs., Ms., Miss)

c. Award Notification E-mail Address:

9. Remarks:

PART II (For NSF Use)

10. NSF Institution Code:

11. Organization appears to have the management and financial capabilities to administer NSF awards. Yes No

12. Grants and Agreements Specialist Signature Date

NSF Form 357 (1/02)
ASSURANCE OF COMPLIANCE
with
NATIONAL SCIENCE FOUNDATION REGULATION
UNDER TITLE VI OF THE CIVIL RIGHTS ACT OF 1964

(hereinafter called the “Applicant”)

HEREBY AGREES THAT it will comply with Title VI of the Civil Rights Act of 1964 (P.L. 88-352) and all requirements imposed by or pursuant to the Regulation of the National Science Foundation (45 CFR Part 611) issued pursuant to that title, to the end that, in accordance with Title VI of that Act and the Regulation, no person in the United States shall, on the ground of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under any program or activity for which the Applicant receives Federal financial assistance from the Foundation; and HEREBY GIVES ASSURANCE THAT it will immediately take any measures necessary to effectuate this agreement.

If any real property or structure thereon is provided or improved with the aid of Federal financial assistance extended to the Applicant by the Foundation, this Assurance shall obligate the Applicant, or in the case of any transfer of such property, any transferee, for the period during which the real property or structure is used for a purpose for which the Federal financial assistance is extended or for another purpose involving the provision of similar services or benefits. If any personal property is so provided, this Assurance shall obligate the Applicant for the period during which it retains ownership or possession of the property. In all other cases, this Assurance shall obligate the Applicant for the period during which the Federal financial assistance is extended to it by the Foundation.

THIS ASSURANCE is given in consideration of and for the purpose of obtaining any and all Federal grants, cooperative agreements, loans, contracts, property, discounts or other Federal financial assistance extended after the date hereof to the Applicant by the Foundation, including installment payments after such date on account of applications for Federal financial assistance which were approved before such date. The Applicant recognizes and agrees that such Federal financial assistance will be extended in reliance on the representations and agreements made in this Assurance, and that the United States shall have the right to seek judicial enforcement of this Assurance. This Assurance is binding on the Applicant, its successors, transferees, and assignees.

I CERTIFY THAT THE ABOVE INFORMATION IS COMPLETE AND CORRECT TO THE BEST OF MY KNOWLEDGE

SIGNATURE AND TITLE OF AUTHORIZED OFFICIAL

DATE

F.L. 123 (5-79) Supersedes All Previous Editions

Prospective New Awardee Guide

June 2011
SMALL BUSINESS DECLARATION

The company named below (IS____ ) (IS NOT ____ ) a small business concern. A small business concern by the Government definition is a concern, including its affiliates, which is independently owned and operated and is not dominant in the field of operation in which it is quoting on Government solicitations. The business concern can further qualify under the criteria concerning number of employees, average annual receipts, and other criteria, as prescribed by the Small Business Administration.

For detailed industry definition and related procedures, see Code of Federal Regulations, Title 13, Part 121, as amended, which contains detailed industry definitions and related procedures.

Name of Company:

Name of Chief Executive Officer or Designee:

(Signature of Chief Executive Officer or Designee) (Date)
FINANCIAL MANAGEMENT SYSTEMS QUESTIONNAIRE

==================================Organizational Data==================================

Name of Organization: ________________________________________________________________

Address: ___________________________________________________________________________

Representative Name and Title: ________________________________________________________

Phone: __________________ Fax: ___________________ Email: ___________________________

Year Established : ___________ Employer Identification Number (EIN): _______________________

DUNS Number: ______________________________________________________________________

Organization Type:        Non-Profit           For Profit            Educational              State/Local Govt.

Description of Service/Product: ______________________________________________________

Approx. Number of Employees:    Full Time _______________ Part Time _______________

Prior Audits/Reviews:

<table>
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<tr>
<th>OMB A-133</th>
<th>Incurred Cost</th>
<th>Accounting System</th>
<th>Timekeeping</th>
</tr>
</thead>
</table>

Date of Last Federal Audit/Review: ______________ Audit Agency/Firm: ______________

If Findings Reported, Explain: ______________________________________________________

_________________________________________________________________________________

_________________________________________________________________________________

_________________________________________________________________________________

_________________________________________________________________________________

==================================Financial Statement Audit Data==================================

Date of Last Financial Statement Audit: ______________ Fiscal Period Audited: ____________

If Qualified Opinion, State Reason: ____________________________________________________

_________________________________________________________________________________

_________________________________________________________________________________

_________________________________________________________________________________

1/99                                                                                                                                                        1 of 2
### Accounting System Data

**What books of account are maintained?**

<table>
<thead>
<tr>
<th>Book of Account</th>
<th>YES</th>
<th>NO</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Ledger</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash Receipts Journal</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Project Cost Ledger</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Payroll Journal</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash Disbursements Journal</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Does the accounting system provide for the recording of grant/contract costs according to categories of the approved budget?**

- YES
- NO

**Does the system identify the receipt and expenditure of funds separately for each grant or contract?**

- YES
- NO

**Does the system provide for the recording of cost sharing/matching for each project, and ensure that documentation is available to support recorded cost sharing/matching?**

- YES
- NO

**Does the system provide for the recording of participant support costs as a separate cost category?**

- YES
- NO

### Timekeeping System Data

**Are time distribution records maintained for each employee to account for his/her TOTAL effort (100%)?**

- YES
- NO

*(Attach a sample timesheet and procedures for completing timesheets and for allocating salary and wage charges to Federal awards.)*

**Is your organization familiar with the time and effort reporting requirements related to Federal awards made to your type organization?**

- YES
- NO

### Purchasing System

**Are asset inventory records maintained?**

- YES
- NO

**Does your organization have policies relating to buy/lease analysis and competitive purchases over $25,000?**

- YES
- NO

**What is the dollar threshold for capitalization of equipment? $___________**

### Funds Management

**Is a separate bank account maintained for Federal grant/contract funds?**

- YES
- NO

**If a separate bank account is not maintained, can the Federal grant/contract funds and related expenses be readily identified?**

- YES
- NO

**Does your organization have procedures in place to minimize the time elapsing between the transfer of funds to your organization by a Federal agency and your organization’s expenditure of such funds?**

- YES
- NO

Prepared by: ___________________________  Date: ________________  
**Name & Signature**
Indirect Cost Rate Proposal Submission Procedures

Overview of Submission Requirements

NSF reviews indirect cost proposals for many of its diverse awardees. Each organization must comply with applicable federal requirements contained in federal cost principles, federal administrative standards, and federal audit requirement publications. Different requirements apply to different types of organizations:

1. **Non-profit organizations** are required to follow the cost principles contained in Office of Management Budget Circular (OMB) A-122, federal administrative standards contained in OMB A-110, and audit requirements contained in OMB A-133.

2. **For profit organizations** are required to follow the cost principles contained in the federal acquisition regulations (FAR) Part 31, and federal administrative standards contained in OMB A-110. Audit requirements are the responsibility of the cognizant federal agency.

3. **State and local governments** are required to follow the cost principles contained in OMB A-87, federal administrative standards contained in OMB A-102 and audit requirements contained in OMB A-133. **Note:** Because the federal organization providing the preponderance of funding is normally the cognizant agency, NSF is rarely the cognizant agency for state and local government agencies.

**Educational institutions** (colleges, universities, and tribal colleges) are required to follow the cost principles contained in OMB A-21, federal administrative standards contained in OMB A-110, and audit requirements contained in OMB A-133. **Note:** NSF does not negotiate indirect cost rates with institutions of higher education.

---

1. **Links to the federal cost principles:**

1. **Links to the federal administrative standards:**

1. **Links to the federal audit requirement publications:**
   - A-133 link: [http://www.whitehouse.gov/omb/circulars/a133/a133.html](http://www.whitehouse.gov/omb/circulars/a133/a133.html)

1. **OMB Circular A-21** Section G.11.a.(1) assigns cost negotiation cognizance for educational institutions primarily to the Department of Health and Human Services (HHS). We recommend that these institutions prepare an indirect cost proposal in accordance with the guidance provided by HHS on its Web site and use the rate calculated from that guidance in proposals submitted to NSF. If NSF subsequently issues an award, the institution should then go to HHS to complete a rate negotiation. HHS’s guide can be accessed at [http://www.ojp.usdoj.gov/oc/docs/A_Guide_for_Nonprofit_Organizations.pdf](http://www.ojp.usdoj.gov/oc/docs/A_Guide_for_Nonprofit_Organizations.pdf).
Organizational Background Information

The following information is required from each organization with which NSF has rate cognizance:

I. **Organizational profile**: The purpose of an organizational profile is to gain an understanding of the basic structure of the organization and should include, at a minimum, the following components:

   A. A statement of major activities performed at the organization, including a description of the organization’s mission, services performed for the general public, member services, fundraising, lobbying, research grants and contracts, etc. (should be 1-2 pages in length)
   B. Organizational chart(s) and any information or material explaining the various services and functions of each unit
   C. Based on information provided in response to A above, describe which services are allowable and allocable to federal grants and contracts, under OMB Circular A-122, A-87, or FAR Part 31
   D. Based on the information provided in B above, determine which units are indirect (administrative) functions of the organization

II. **Cost policy statement (CPS)**: The purpose of a CPS is to establish a clear understanding between the organization and the federal government as to what costs will be charged directly and what costs will be charged indirectly. It also provides awardee personnel with a record of the awardee’s practices in the event of personnel changes. (Only changes to accounting practices or allocation methods need be submitted after the first year.) The CPS should include the following information:

   A. A statement on general accounting policies, including, but not limited to:
      1. Basis of accounting (accrual or cash basis)
      2. Fiscal year end
      3. Method of allocating indirect costs
      4. Statement of allocation base for the indirect cost rate
      5. Statement of allocation base for the fringe benefits (if using a fringe benefit rate)
      6. Accounting system software description
      7. Etc.
B. Statements for each general ledger expense account (or cost element). Indicate whether each account is used to record direct or indirect expenses. For those accounts related to activities that are sometimes charged as both direct and indirect costs, indicate the circumstances under which the determination is made. Example accounts include, but are not limited to:

1. Salaries and wages
2. Fringe benefits, including:
   a. A statement of how fringe benefits are charged (e.g. actual basis by employee, via a fringe benefit rate, etc.)
   b. A statement of the treatment of compensated leave costs (vacation, holiday, sick leave, etc.)
3. Travel
4. Board expenses
5. Supplies and materials
6. Occupancy expenses
7. Utilities
8. Communications
9. Photocopying and printing
10. Outside services
11. Capital items
12. Depreciation
13. Services to members

C. For each of the above general ledger accounts in which costs are allocated to more than one activity, describe the method used to allocate the costs (such as actual usage, square feet, cost of space, volume, etc.)

D. A statement on unallowable costs, including:
   1. A description regarding the accounting treatment of unallowable costs
   2. Methods and controls in place to segregate unallowable costs
   3. List of expense accounts the unallowable costs are charged to

III. ICR proposal preparation policies and procedures: Provide written policies and procedures describing how the organization prepares the annual ICR proposal.

For additional guidance on the above requirements, you may refer to one of the applicable guides listed below. Please note, these guides provide similar but different components to the above CPS requirements:

Non-profit organizations - Refer to one of the following ICR guides:

For-profit organizations - Refer to DCAA’s ICR guide at http://www.dcaa.mil/ice.htm

[Larger not for profit organizations may also find the DCAA ICR guidance helpful]
ICR Proposal Required Documentation:

The following data is required to be submitted with the organization’s annual proposal for indirect cost rate(s)\textsuperscript{vi}:

1. Cover letter indicating the requested period(s) covered by the rate(s), the type of rate(s), allocation base, etc.

2. Changes to the organizational profile and cost policy statement (CPS): These documents are submitted initially as part of the awardee’s organizational background information requirements. Only revisions need to be submitted with subsequent proposals.

3. Financial reports for the year under review, including:
   a. A complete copy of the audited financial statements
   b. A-133 Single Audit Report (if not available, then the organization’s completed federal tax return for the year should be submitted)

4. Indirect cost rate (ICR) proposal\textsuperscript{vii}:
   a. Detailing indirect expenses by function and cost category
   b. Detailing fund distribution of the direct cost base by function and cost category
   c. Including a reconciliation between the proposal and the financial statements (financial report) for the applicable fiscal years. All differences must be explained.

5. Allocation of salaries and wages: A schedule of positions, functions, and annual salaries for the people who charge time to an indirect cost function (include employees who charge 100 percent of their effort to indirect tasks as well as employees who split time between direct and indirect tasks)

6. Statement of employee benefits: A schedule showing the actual costs of applicable employee fringe benefit expenses (such as vacation, sick and holiday payroll taxes, employee health insurance, retirement, etc.) Fringe benefits are a consideration in the determination of the reasonableness of compensation. \textbf{Note}: The CPS provides a description of the treatment of fringe benefits, while the above statement shows actual costs included in the employee fringe benefit pool.

7. Identification and description of unusual factors which affect the proposed rates (such as anticipated increase or decrease in business, non-recurring costs, etc.), or any memoranda of understanding or advance agreements which may affect the proposed rate(s)

8. A listing of all grants and contracts (by federal agency) that were active during the fiscal year: Include total dollar amount, period of performance, and indirect cost limitations (if any) applicable to each, such as ceiling rates or amounts restricted by administrative or statutory regulations.
9. A completed lobbying certificate, which verifies that the organization does not include lobbying cost in indirect costs.

10. A completed certificate of indirect costs: Negotiated agreements and certifications must be signed by an organizational representative who has the ability to contractually bind the organization (generally the CFO, vice president, or comparable position within the organization). A sample of this certificate may be found in the Department of Labor’s ICR guide, Exhibit G.

Sample Documents Attached:

Allocation of Salaries and Wages
Statement of Employee Fringe Benefits
Non-Profit Indirect Cost Proposal
Profit Indirect Cost Rate Proposal
Lobbying Cost Certificate
Certificate of Indirect Costs

1 For additional guidance on the above required documentation, please refer to one of the following guides:

Non-profit organizations - Refer to one of the following ICR guides:

For profit organizations - Refer to DCAA’s ICR guide at http://www.dcaa.mil/ice.htm

1 For sample ICR proposals, please refer to HHS’s Guide for Non-profit Organizations:

Appendix C – Simplified Allocation Method
Appendix D – Multiple Allocation Base Method
Appendix E – Direct Allocation Method
### EXHIBIT B

**Sample - Allocation of Salaries and Wages**

*January 1, 20XX TO December 31, 20XX*

<table>
<thead>
<tr>
<th>Position</th>
<th>Annual Salary</th>
<th>Indirect Costs</th>
<th>Federal Awards</th>
<th>Private Found.</th>
<th>Visitor Services</th>
<th>Member Services</th>
<th>Fund Raising</th>
<th>Totals</th>
</tr>
</thead>
<tbody>
<tr>
<td>EXE DIRECTOR</td>
<td>$60,000</td>
<td>90%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>100%</td>
</tr>
<tr>
<td>ADMINISTRATIVE ASSISTANT</td>
<td>$22,000</td>
<td>100%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>100%</td>
</tr>
<tr>
<td>CONTROLLER</td>
<td>$45,000</td>
<td>100%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>100%</td>
</tr>
<tr>
<td>ACCOUNTANT</td>
<td>$60,000</td>
<td>100%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>100%</td>
</tr>
<tr>
<td>PROGRAM PLANNER</td>
<td>$120,000</td>
<td>10%</td>
<td>75%</td>
<td>5%</td>
<td>10%</td>
<td></td>
<td></td>
<td>100%</td>
</tr>
<tr>
<td>FIELD OPER. DIRECTOR</td>
<td>$35,000</td>
<td>15%</td>
<td>45%</td>
<td>10%</td>
<td>15%</td>
<td>5%</td>
<td>10%</td>
<td>100%</td>
</tr>
<tr>
<td>PERSONNEL DIR.</td>
<td>$40,000</td>
<td>100%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>100%</td>
</tr>
<tr>
<td>PERSONNEL CLERK</td>
<td>$60,000</td>
<td>100%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>100%</td>
</tr>
<tr>
<td>MIS DIRECTOR</td>
<td>$45,000</td>
<td>100%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>100%</td>
</tr>
<tr>
<td>HEAD START DIR.</td>
<td>$45,000</td>
<td>20%</td>
<td>30%</td>
<td>30%</td>
<td>20%</td>
<td></td>
<td></td>
<td>100%</td>
</tr>
<tr>
<td>MUSEUM DIRECTOR</td>
<td>$45,000</td>
<td>15%</td>
<td></td>
<td>30%</td>
<td>20%</td>
<td>35%</td>
<td></td>
<td>100%</td>
</tr>
<tr>
<td>DATA ENTRY CLERK*</td>
<td>$12,000</td>
<td>45%</td>
<td>10%</td>
<td>10%</td>
<td>10%</td>
<td>25%</td>
<td></td>
<td>100%</td>
</tr>
</tbody>
</table>

**TOTAL.**

$589,000

* REPRESENTS AN EMPLOYEE WHO WORKS LESS THAN A TWELVE MONTH PERIOD.

**NOTE:** THE SALARIES AND AMOUNT OF ALLOCATION INCLUDED IN THIS EXHIBIT ARE FOR ILLUSTRATIVE PURPOSES ONLY.
Sample - Statement of Employee Fringe Benefits
January 1, 20XX TO December 31, 20XX

<table>
<thead>
<tr>
<th>Benefit</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>ANNUAL LEAVE</td>
<td>$50,384</td>
</tr>
<tr>
<td>SICK LEAVE TAKEN</td>
<td>25,269</td>
</tr>
<tr>
<td>HOLIDAYS</td>
<td>50,384</td>
</tr>
<tr>
<td>TOTAL RELEASE TIME</td>
<td>$126,037</td>
</tr>
<tr>
<td>FICA</td>
<td>100,245</td>
</tr>
<tr>
<td>STATE UNEMPLOYMENT COMPENSATION</td>
<td>2,497</td>
</tr>
<tr>
<td>WORKER'S COMPENSATION INSURANCE</td>
<td>6,570</td>
</tr>
<tr>
<td>MEDICAL INSURANCE</td>
<td>144,540</td>
</tr>
<tr>
<td>PENSION</td>
<td>65,700</td>
</tr>
<tr>
<td>TOTAL EMPLOYEE FRINGE BENEFITS</td>
<td>$445,589</td>
</tr>
</tbody>
</table>

ALLOCATION BASE:

<table>
<thead>
<tr>
<th>Item</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>TOTAL SALARIES</td>
<td>$1,314,000</td>
</tr>
<tr>
<td>LESS: RELEASE TIME</td>
<td>(126,037)</td>
</tr>
<tr>
<td>CHARGEABLE SALARIES</td>
<td>$1,187,963</td>
</tr>
</tbody>
</table>

EMPLOYEE FRINGE BENEFIT RATE

\[
\frac{\text{TOTAL EMPLOYEE FRINGE BENEFITS}}{\text{CHARGEABLE SALARIES}} = \frac{445,589}{1,187,963} = 37.51\%
\]

THE FRINGE BENEFIT POOL INCLUDES TIME FOR VACATION, HOLIDAY AND SICK LEAVE AND IS DISTRIBUTED THROUGH A FRINGE BENEFIT RATE.

NOTE: THE RATES INCLUDED IN THIS STATEMENT OF EMPLOYEE BENEFITS ARE FOR ILLUSTRATIVE PURPOSES ONLY
### Universal Society

**Sample – Non-Profit Indirect Cost Rate Proposal**

**Simplified Allocation Method**

**FYE 12/31/04**

<table>
<thead>
<tr>
<th>Cost Category</th>
<th>Total Costs All Funds</th>
<th>Less: Exclusions &amp; Unallowables</th>
<th>Indirect Costs</th>
<th>Total Direct Costs</th>
<th>Federal Program</th>
<th>Non-Federal Programs (3)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries (a)</td>
<td>1,314,000</td>
<td>373,250</td>
<td>940,750</td>
<td>141,000</td>
<td>799,750</td>
<td></td>
</tr>
<tr>
<td>Fringe Benefits (b)</td>
<td>352,000</td>
<td>99,988</td>
<td>252,012</td>
<td>37,772</td>
<td>214,240</td>
<td></td>
</tr>
<tr>
<td>Consultant Services</td>
<td>26,000</td>
<td>14,000</td>
<td>12,000</td>
<td>1,800</td>
<td>10,200</td>
<td></td>
</tr>
<tr>
<td>Staff Travel</td>
<td>94,000</td>
<td>20,000</td>
<td>74,000</td>
<td>11,100</td>
<td>62,900</td>
<td></td>
</tr>
<tr>
<td>Bad Debts</td>
<td>10,000</td>
<td>10,000</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Office Rent</td>
<td>170,000</td>
<td>170,000</td>
<td>150,000</td>
<td>22,500</td>
<td>127,500</td>
<td></td>
</tr>
<tr>
<td>Consumable Supplies</td>
<td>161,000</td>
<td>11,000</td>
<td>68,000</td>
<td>10,200</td>
<td>57,800</td>
<td></td>
</tr>
<tr>
<td>Subcontracts</td>
<td>175,000</td>
<td>107,000</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Purchase, Equipment Lease</td>
<td>82,000</td>
<td>22,100</td>
<td>59,900</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Telephone</td>
<td>109,400</td>
<td>55,000</td>
<td>54,400</td>
<td>8,200</td>
<td>46,200</td>
<td></td>
</tr>
<tr>
<td>Entertainment</td>
<td>1,800</td>
<td>1,800</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Printing &amp; Reproduction</td>
<td>48,000</td>
<td>11,000</td>
<td>37,000</td>
<td>5,500</td>
<td>31,500</td>
<td></td>
</tr>
<tr>
<td>Insurance and Bonding</td>
<td>42,000</td>
<td>42,000</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fundraising</td>
<td>120,000</td>
<td>120,000</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Postage and Delivery</td>
<td>34,000</td>
<td>5,100</td>
<td>28,900</td>
<td>4,300</td>
<td>24,600</td>
<td></td>
</tr>
<tr>
<td>Depreciation</td>
<td>28,800</td>
<td>8,800</td>
<td>20,000</td>
<td>3,000</td>
<td>17,000</td>
<td></td>
</tr>
<tr>
<td>Allowances</td>
<td>148,000</td>
<td>148,000</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Emergency Assistance</td>
<td>54,000</td>
<td>54,000</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Training Materials</td>
<td>82,000</td>
<td>82,000</td>
<td>12,300</td>
<td></td>
<td>69,700</td>
<td></td>
</tr>
<tr>
<td>Participant Support Costs</td>
<td>36,000</td>
<td>36,000</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total Costs</strong></td>
<td><strong>3,088,000</strong></td>
<td><strong>378,900</strong></td>
<td><strong>870,038</strong></td>
<td><strong>1,839,062</strong></td>
<td><strong>257,672</strong></td>
<td><strong>1,581,390</strong></td>
</tr>
</tbody>
</table>

\[(c) \] \[(d)\]

**Indirect Rate (c)/(d)**

\[\frac{870,038}{1,839,050} = 47.31\%\]

**Fringe Benefit Rate (b)/(a)**

\[\frac{352,000}{1,314,000} = 26.79\%\]

**Notes:**

1. Unallowable costs per OMB Circular A-122 include entertainment expense, lobbying, bad debts or allowance for doubtful accounts, fines and penalties, losses on Federal or non-Federal projects, provisions for contingencies, and charitable contributions.

2. Various direct costs are excluded from the base because their inclusion distorts the assessment of indirect costs per OMB Circular A-122. Attachment A: the portion of subcontract costs in excess of $25,000 each; equipment and other capital expenditures, such as major renovations, alterations and improvements; participant support costs and payments to participating agencies (flow-through funds).

3. Would include IR&D, if applicable. NSF does not fund Independent Research and Development costs either directly or indirectly. Therefore, while IR&D should not be proposed as direct costs, these costs must be treated as a direct cost in the indirect cost calculations.
### Sunny Graphics

**Sample – Profit Indirect Cost Rate Proposal**

**FYE 12/31/04**

<table>
<thead>
<tr>
<th>Cost Category</th>
<th>Total Cost</th>
<th>Eliminations</th>
<th>Indirect Costs</th>
<th>Direct Costs</th>
<th>Project A NSF</th>
<th>Project B DOE</th>
<th>Project C NASA</th>
<th>(4) IR&amp;D</th>
</tr>
</thead>
<tbody>
<tr>
<td>B. Able, President</td>
<td>70,000</td>
<td>25,000</td>
<td>45,000</td>
<td>15,000</td>
<td>5,000</td>
<td>10,000</td>
<td>15,000</td>
<td>10,000</td>
</tr>
<tr>
<td>J. Brue, Sr. Scientist</td>
<td>65,000</td>
<td>15,200</td>
<td>49,800</td>
<td>23,800</td>
<td>10,000</td>
<td>8,000</td>
<td>8,000</td>
<td></td>
</tr>
<tr>
<td>P. Dent, Engineer</td>
<td>60,000</td>
<td>4,800</td>
<td>55,200</td>
<td>0</td>
<td>40,000</td>
<td>10,000</td>
<td>5,200</td>
<td></td>
</tr>
<tr>
<td>C. Kipe, Scientist</td>
<td>50,000</td>
<td>4,000</td>
<td>46,000</td>
<td>30,000</td>
<td>12,000</td>
<td>4,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>S. Smith, Typist</td>
<td>30,000</td>
<td>12,400</td>
<td>17,600</td>
<td>10,000</td>
<td>6,000</td>
<td>1,000</td>
<td>600</td>
<td></td>
</tr>
<tr>
<td>M. Jones, Accounting</td>
<td>45,000</td>
<td>45,000</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total Salaries &amp; Wages</strong></td>
<td><strong>320,000</strong></td>
<td><strong>106,400</strong></td>
<td><strong>213,600</strong></td>
<td><strong>78,800</strong></td>
<td><strong>73,000</strong></td>
<td><strong>34,000</strong></td>
<td><strong>27,800</strong></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>(3)</th>
<th>(B)</th>
</tr>
</thead>
<tbody>
<tr>
<td>FICA</td>
<td>24,480</td>
<td>24,480</td>
</tr>
<tr>
<td>Health Insurance</td>
<td>28,000</td>
<td>28,000</td>
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<tr>
<td>Consultant Fees</td>
<td>49,000</td>
<td>4,000</td>
</tr>
<tr>
<td>Depreciation</td>
<td>10,000</td>
<td>10,000</td>
</tr>
<tr>
<td>Entertainment/Penalties</td>
<td>3,500</td>
<td>3,500</td>
</tr>
<tr>
<td>Equipment</td>
<td>23,000</td>
<td>23,000</td>
</tr>
<tr>
<td>Legal &amp; Accounting</td>
<td>5,000</td>
<td>5,000</td>
</tr>
<tr>
<td>Materials &amp; Supplies</td>
<td>20,000</td>
<td>1,500</td>
</tr>
<tr>
<td>Office Supplies</td>
<td>2,000</td>
<td>2,000</td>
</tr>
<tr>
<td>Computer Services</td>
<td>6,500</td>
<td>1,000</td>
</tr>
<tr>
<td>Postage &amp; Telephone</td>
<td>1,500</td>
<td>1,500</td>
</tr>
<tr>
<td>Printing &amp; Publication</td>
<td>3,000</td>
<td>400</td>
</tr>
<tr>
<td>Rent</td>
<td>12,000</td>
<td>12,000</td>
</tr>
<tr>
<td>Utilities</td>
<td>2,400</td>
<td>2,400</td>
</tr>
<tr>
<td>Travel</td>
<td>6,000</td>
<td>600</td>
</tr>
<tr>
<td>Subawards</td>
<td>95,000</td>
<td>95,000</td>
</tr>
<tr>
<td><strong>Total Expenses</strong></td>
<td><strong>611,380</strong></td>
<td><strong>121,500</strong></td>
</tr>
</tbody>
</table>

(1) Indirect cost proposal should be based on actual cost data for the most current ended accounting year and should be submitted with the financial statements (F/S) for that year. The total amount of expenses per the indirect cost proposal should be reconciled to the total expenses reported in the F/S. A second “budgeted” indirect cost proposal(s) should be provided if it is expected that the indirect cost rate will change significantly during the actual period of the award (if covering more than one accounting year, a proposal should be provided for each year). Where projected costs in any particular cost category have significantly increased, an explanation for the increase should be provided.

(2) Both direct costs and indirect costs shall exclude capital expenditures. Unallowable costs are also excluded, unless they 1) include the salaries of personnel, 2) occupy space, and (3) benefit from the organization’s indirect costs; in which case they are included as a direct cost (see applicable cost principles which identify other unallowable costs). Distorting items such as sub-awards and participant support costs should be excluded from the distribution base.

(3) Fringe benefits, including FICA, non-work time, health, etc., in this example are included in the indirect cost pool and therefore would not be proposed as a separate direct cost element. (Although not separately itemized, vacation, holiday and sick are included in the indirect salaries and wages amounts in this example.) It can be appropriate, however, to segregate fringe type costs and allocate these costs to direct and indirect salary and wage categories in determining total indirect and direct amounts. It would then be appropriate to propose fringe benefits as a separate rate applied to direct salaries and wages.

(4) NSF does not fund Independent Research and Development (IR&D) costs either directly or indirectly. Therefore, while IR&D should not be proposed as direct costs, these costs must be treated as a direct cost in indirect cost rate calculations.
LOBBING COST CERTIFICATE

I hereby certify that _________________________________ has complied with the requirements and standards on lobbying costs in OMB Circular A-122 for the fiscal year ended __________.

_______________________
Signature

_______________________
Name

_______________________
Title

_______________________
Date
CERTIFICATE OF INDIRECT COSTS

This is to certify that I have reviewed the indirect cost proposal submitted herewith and to the best of my knowledge and belief:

(1) All costs included in this proposal dated ______________________ to establish billing or final indirect costs rates for fiscal year(s) ended __________________ are allowable in accordance with the requirements of grants/contracts to which they apply and with the Federal cost principles; i.e., (please check those applicable costs principles):

- OMB Circular A-87, "Cost Principles for State, Local, and Indian Tribal Governments.
- OMB Circular A-122, Cost Principles for Non-Profit Organizations
- Federal Acquisition Regulation (FAR), Subpart 31.2, Cost Principles for commercial organizations.

(2) This proposal does not include any costs which are unallowable under applicable Federal cost principles. For example:

Advertising, contributions and donations, bad debts, entertainment costs, fine and penalties, general government expenses, and defense of fraud proceeding;

(3) The requirements standards on lobbying costs for non-profit (A-122) and commercial (FAR) organizations have been compiled with for the fiscal year ended ________, and

(4) All costs included in this proposal are properly allocable to grants/contracts on the basis of a beneficial or causal relationship between the expenses incurred and the agreements to which they are allocated in accordance with applicable Federal cost principles.

Subject to the provisions of the Program Fraud Civil Remedies Act of 1986, (31 USC 3801 et seq.), and the Department of Labor’s implementing regulations, (29 CFR Part 22), the False Claims Act (18 USC 287 and 31 USC 3729); and the False Statement Act (18 USC 1001), I declare to the best of my knowledge that the foregoing is true and correct.

Governmental Unit: ___________________________________________________

Signature: ____________________________________________________________

Name of Authorized Official: ____________________________________________

Title: ________________________________________________________________

Date of Execution: ____________________________________________________
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  (703)292-5111

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  Send an e-mail request to pubs@nsf.gov
  OR
  Call (301)947-2722

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1 Links to the federal cost principles:

2 Links to the federal administrative standards:

3 Links to the federal audit requirement publications:
A-133 link: http://www.whitehouse.gov/omb/circulars/a133/a133.html.
iv OMB Circular A-21 Section G.11.a.(1) assigns cost negotiation cognizance for educational institutions primarily to the Department of Health and Human Services (HHS). We recommend that these institutions prepare an indirect cost proposal in accordance with the guidance provided by HHS on its Web site and use the rate calculated from that guidance in proposals submitted to NSF. If NSF subsequently issues an award, the institution should then go to HHS to complete a rate negotiation. HHS’s guide can be accessed at [http://www.ojp.usdoj.gov/oc/docs/A_Guide_for_Nonprofit_Organizations.pdf](http://www.ojp.usdoj.gov/oc/docs/A_Guide_for_Nonprofit_Organizations.pdf).

v For additional guidance on the above requirements, you may refer to one of the applicable guides listed below. Please note, these guides provide similar but different components to the above CPS requirements:

Non-profit organizations - Refer to one of the following ICR guides:

For-profit organizations - Refer to DCAA’s ICR guide at [http://www.dcaa.mil/ice.htm](http://www.dcaa.mil/ice.htm)

vi Larger not for profit organizations may also find the DCAA ICR guidance helpful]

Non-profit organizations - Refer to one of the following ICR guides:

For-profit organizations - Refer to DCAA’s ICR guide at [http://www.dcaa.mil/ice.htm](http://www.dcaa.mil/ice.htm)


Appendix C – Simplified Allocation Method
Appendix D – Multiple Allocation Base Method
Appendix E – Direct Allocation Method