



Cost Analysis and Audit Resolution Branch

Are You Ready for an Advanced Monitoring Desk Review?

The Cost Analysis and Audit Resolution Branch (CAAR) performs desk reviews as a component of NSF's advanced monitoring activities. The goal of this advanced monitoring activity is to promote stewardship of federal funds and identify potential areas of noncompliance, as well as those areas where NSF may provide business assistance to better awardees' award administration capacities. Desk reviews are performed through a contractor with oversight by NSF personnel.

Desk reviews include three to four core review areas: (1) general management survey, (2) accounting and financial system review, (3) award cash management service (ACM\$) drawdown process review, and (4) ARRA module (if applicable). During the desk review process, CAAR requests documentation and information related to the core review areas for analysis. For a list of the documentation and information frequently requested during the desk review process, please consult the checklist below. While written policies and procedures are not mandated in all areas under federal regulations, NSF encourages awardees to maintain written policies and procedures to promote consistency and clarity as a best practice.

For further questions regarding desk reviews or other advanced monitoring activities, please visit the NSF website at <http://nsf.gov/bfa/dias/caar/> for additional information.

(1) GENERAL MANAGEMENT	
	Most recent Single (formerly A-133) Audit Report or recently audited financial statements
	Current Negotiated Indirect Cost Rate Agreement (NICRA) or Facilities and Administrative (F&A) agreement
	List of current Board of Director members and bylaws
	Overall organizational chart and other applicable organizational charts
	Written policies and procedures regarding delegation of authority to legally commit the organization (i.e., approval for proposals, acceptance of awards and amendments)
	Written policies and procedures that describe the sponsored projects budget revision/amendment process
	Completed sample budget revision
	Written policies and procedures regarding sponsored projects budget and expenditure monitoring
	Written policies and procedures that describe cost transfers/expenditure reclassifications between projects or awards
	Written policies and procedures related to expenditure approval and competitive bidding



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(2) ACCOUNTING SYSTEM	
	Accounting manual and date of last update. In lieu of an accounting manual, a set of common accounting policies (e.g., year-end closing, bank reconciliations, disbursements/payments)
	General ledger chart of accounts/expense code list, date of last update, and explanation of account hierarchy to understand how NSF funding is segregated in the accounting system
	Written standards and procedures for determining the reasonableness, allocability, and allowability of costs charged to Federally-funded projects
	Written policies and procedures regarding the accounting treatment of unallowable direct and indirect costs
	Written policies and procedures that describe standards for supporting documentation for transactions recorded in your organization's accounting system
	Written policies and procedures on record retention standards for award agreements, financial reports, supporting documentation, and other award-related records
	Information regarding the system of personnel compensation used (e.g., hours worked, percent of time) for each category of employee (e.g., exempt and non-exempt/hourly staff)
(3) AWARD CASH MANAGEMENT SERVICE (ACM\$) RECONCILIATION	
	Recently prepared project cost ledger for the selected NSF award(s), printed directly from the accounting system within 10 days of the request, from the inception of the award to a date stipulated by the analyst assigned to the desk review
	Written policies and procedures regarding ACM\$ preparation, approval, and submission
(4) AMERICAN RECOVERY & REINVESTMENT ACT (ARRA) INFORMATION (if applicable)	
	Written policies and procedures on accounting for ARRA funds including any modifications to the accounting system to separately identify and manage ARRA funds