



Cost Analysis and Audit Resolution Branch
Are You Ready for an Advanced Monitoring Site Visit?

The Cost Analysis and Audit Resolution Branch (CAAR) performs site visits 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.

Site visits may be conducted in-person or virtually and include a review of applicable core areas (1-4) and three to four target areas (5-18). Prior to a site visit, NSF staff will issue a request for documentation. For a list of the documentation and information frequently requested for each potential area of review during a site visit, 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 site visits or other advanced monitoring activities, please visit the NSF website at <http://nsf.gov/bfa/dias/caar/>.

(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
	Sample completed personnel compensation form(s) 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 CAAR analyst assigned to the site visit
	Written policies and procedures regarding ACM\$ preparation, approval, and submission
(4) DESK REVIEW FOLLOW-UP (if applicable)	
	Action plan to address the concerns identified in the desk review and/or documentation demonstrating that the issues have been addressed
	Written policies and procedures that may have changed since the desk review was completed



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Checklists for Targeted Review Areas

NSF selects three to four targeted review areas well in advance of the site visit.

(5) AMERICAN RECOVERY AND REINVESTMENT ACT (ARRA) (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
(6) CONSULTANTS	
	List of consultants being charged to the selected NSF award(s)
	Copies of consultant agreements selected by the reviewers
	Written policies and procedures for the selection and management of consultants to include verification that consultants are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any Federal department or agency
	Copies of invoices paid to consultants under the selected NSF award(s)
(7) COST SHARING	
	Written policies and procedures regarding identification of and accounting for cost sharing activities
	Documentation showing how the cost sharing requirement is being met for the selected award(s)
	Copies of accounting records related to cost sharing activities for the selected award(s)
	Copies of annual cost sharing certifications
(8) FINAL PROJECT REPORTS	
	Written policies and procedures regarding submission of final project reports and close-out of award
(9) FRINGE BENEFITS	
	Copy of a Federally-negotiated fringe benefits rate (if applicable)
	Written policies and procedures regarding identification of and accounting for fringe benefits
	Written policies and procedures that address over-recovery and under-recovery, if a different rate is being used by the institution than what is Federally-negotiated



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(10) INDIRECT COSTS	
	Copy of a negotiated indirect cost agreement (NICRA) or facilities and administration (F&A) agreement (if applicable)
	Written policies and procedures regarding identification of and accounting for indirect costs
(11) PARTICIPANT SUPPORT	
	Written policies and procedures regarding the identification of and accounting for participant support activities
	Copy of any subsidiary ledger(s) used to record participant support activities
	Documentation supporting participant support charges (e.g., participant lists)
(12) PROCUREMENT	
	Organizational chart or other documentation showing all departments involved in the procurement process and their responsibilities
	Written policies and procedures regarding the execution of all types of procurement
	Documentation of Delegations of Authority authorizing individuals to approve procurement actions
(13) PROGRAM OR AWARD-RELATED INCOME	
	Written policies and procedures related to accounting for program or award-related income
	Copy of general ledger account codes used to record program or award-related income
	Copies of recipient records to verify that program income was used to achieve program objectives
(14) PROPERTY AND EQUIPMENT	
	Written policies and procedures regarding the administration/tracking of equipment and supplies
	Copies of records related to the most recently completed physical inventory
(15) SPECIAL TERMS AND CONDITIONS	
	Copies of any records related to special terms and conditions (Note: many special terms and conditions are covered in their own module, such as participant support and cost sharing)



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(16) SUBWARDS AND SUBRECIPIENT MONITORING	
	List of subawards charged to the selected NSF award(s)
	Copies of subaward agreements selected by reviewers
	Written policies and procedures on subawardee selection and cost/price analysis
	Written policies and procedures regarding how subawards are issued, managed, and monitored
	Documentation demonstrating compliance with subawardee monitoring requirements
	Copies of invoices paid for subawards under the selected NSF awards(s)
(17) DOCUMENTATION OF PERSONNEL COMPENSATION*	
	Copies of personnel compensation records for each category of personnel (e.g., exempt and/or non-exempt/hourly staff) charging time to the selected NSF award(s)
	Written policies and procedures related to completion and maintenance of personnel compensation records for each category of personnel (e.g., exempt and/or non-exempt/hourly staff) charging time to the selected NSF award(s)
(18) TRAVEL	
	Written policies and procedures related to incurring and accounting for travel costs and supporting documentation
	Copies of supporting travel documentation

*almost always selected