

BFA Updates ~ Supplemental Information

Stewardship Strategic Outcome Goal

- The Advisory Committee for GPRA Performance Assessment (AC/GPA) met in June 2007 and issued a report to the Director of NSF. The report is available on NSF's Performance Website <http://www.nsf.gov/about/performance/> and will be incorporated into the Foundation's FY 2007 annual performance report in its FY 2009 Budget Request to Congress.
- The agency's GPRA goals consist of three long-term strategic outcome goals: Discovery, Learning, and Research Infrastructure, and a fourth strategic outcome goal, Stewardship, under which several annual performance measures have been established.
- Accountability and Performance Integration Council (APIC) reviews annual GPRA performance goals and results before they are presented to NSF senior management.
- New goals for FY08 are being developed by the BFA-led GPRA Working Group, may be based on the results of the FY 2007 goals and will be discussed with APIC, the Deputy Director, and NSF senior management within the next few months.
- BFA is also developing internal management goals focused on services to NSF staff; these will not be reported as GPRA goals

Financial Management Line of Business (FMLoB)

- Through FMLoB, BFA continues to support OMB in working toward a Federal government financial arena that is standardized and transparent;
- Provides access to financial information and adopts effective and consistent controls;
- Established government-wide standards and performance measures (e.g., accounting codes and payment processes) during past year initiative; and
- Focusing on Key Concern: definition of standards between financial and grants systems.

Internal Controls Program

- NSF is responsible for developing and maintaining effective and efficient internal controls.
- NSF is improving its current internal controls program to ensure it will be fully compliant with OMB Circular A-123 – “*Management's Responsibility for Internal Control*” by the end of FY08.
- There are several internal control items that the financial community is currently focusing on:
 - Developing an internal control program which institutes effectiveness and efficiency of operations;
 - Integrating OMB Circular A-123, Appendix A work with other control work (i.e., FISMA - Federal Information Security Management Act and IPIA - Improper Payments Information Act); and
 - Ensuring proper documentation of programmatic controls. The current focus has been financial controls.
- NSF must make sure we direct our focus on these items as well. NSF can start by extending internal control training to all NSF employees.
- NSF needs to also ensure we have buy-in from “Top Management”.

Financial Statement Audit

- NSF received its tenth consecutive “clean audit” in FY07; maintaining its record of excellence in financial management.
- Recent changes in auditing standards have increased the challenge to maintain a clean opinion by redefining internal control deficiencies leading to the potential of capturing more weaknesses for reporting purposes.
- In FY07, NSF achieved the following:
 - Succeeded in getting the Post Award Monitoring reportable condition removed from the audit report and reduced to a management letter comment;
 - Made progress in closing reportable conditions on contract monitoring (currently reflected as two significant deficiencies); and
 - Enhanced its effort to complete activities in its corrective action plans.
- NSF maintained “green” from initial baseline ratings in 2001 due to proactive approach to financial challenges.

Federal Financial Accountability and Transparency Act (FFATA)

- “Google for Government Spending” requires Federal government to create and maintain publicly available online database about entities that have Federal awards.
- Intent: easy, accessible way for public to learn about Federal agencies’ spending of their tax dollars.
- Challenges:
 - Resources devoted to FFATA implementation issues; and
 - Potential changes in reporting requirements and deadlines for recipients.
- NSF participates on the OMB-established interagency task force, which is intended to ensure effective execution of requirements.

Federal Demonstration Partnership (FDP)

- Purpose: identifying ways to reduce administrative burdens associated with Federal research grants and contracts.
- Unique perspective: universities and nonprofits work collaboratively with Federal agencies to improve national research enterprise – Researchers, Program Managers, Administrators, and IT Specialists are all “at the table”.
- NSF has relied on FDP community for...
 - Help implementing electronic signatures;
 - Improving project reporting system; and
 - Providing feedback on new policies.
- Preparing for fifth phase to begin in FY08.

Large Facilities Manual

- Released in May 2007;
- Combines into a single reference, material in Guidelines for Planning and Managing the Major Research Equipment and Facilities Construction (MREFC) Account with that from the Facilities Management and Oversight Guide; and
- Outlines a formal process for planning and development, construction and operation of prospective large facilities and the NSF role for oversight.

Financial and Award Management Training

- BFA, with support from NSF Academy and the Administrative Officer's Management Group (AOMG), is planning a training program on BFA-related systems in early 2008:
 - Training is expected to be conducted annually; and
 - Topics include: overviews of Financial Accounting System, Enterprise Information System, procurement procedures, and grant policy documentation integration.

DGA Portfolio Facilitation

- Completed initial Fiscal Year closeout using Portfolio Facilitation Model – FY08 will be first full year under this Model.
- DGA senior leadership and staff are evaluating impact and execution of Portfolio Facilitation in preparation for the first full year implementation.
- Desired Results: Improved familiarity with clients and programs, continuously improving internal NSF operations, and improved communication and support of the awardee community.

Post-Award Administration

- Reportable condition on grants post-award administration -- BFA considers this finding closed for purposes of the FY07 audit report.
- Advances in post-award financial/administrative monitoring ensure NSF's stewardship over taxpayer investments.
- Award Monitoring and Business Assistance Program (AMBAP), now fully implemented, serves as a standard of excellence across the Federal government:
 - Risk-based assessment covers over 90% of NSF award dollars;
 - Unified Standard Operating Guidance upgrades protocols and templates ensuring consistent, comprehensive information;
 - Post-award monitoring and desk review database implemented; and
 - Surveys of visited institutions facilitated formative assessment.
- Future plans: Expanded implementation of follow-up activities and continued analysis of institutional surveys leading to further refinement of AMBAP activities.

Project Reporting

- Re-engineering of report tracking and notification resolves all findings under OIG Audit Report of December 2004.
- Advanced capabilities in annual and final reporting implemented through IT systems and external/internal policy documents.
- First web-based project reporting and notification system incorporated into FastLane (November 2006):
 - Modules accessible through e-Jacket; and
 - Tools benefit NSF's external research community and internal scientific staff (i.e., sends reminder notices to NSF POs, PIs, co-PIs, SROs).
- Business rules reflecting policies incorporated into back office IT systems (i.e., blocks funding and administrative award actions when reports are overdue).
- Future plans: Expansion to special award categories, e.g., [post doctorate] post doctoral fellowship programs, Presidential Mentoring Awards.

Grants Management Line of Business (GMLoB)

- Government-wide solution for end-to-end grants management works to advantage of research and education communities. Objectives:
 - Servicing the grants community;
 - Reducing costs through standardization and streamlining; and
 - Fostering financial and technical stewardship.
- 26 participating grants-making agencies manage over 150 back-office systems, 900 programs, and \$525 billion in federal financial assistance. GMLoB strategy:
 - Utilizes consortia-based operating model: 3 OMB-appointed Consortia Leads (CLs) – Dept of Education, NSF (*Research.gov*), DHHS/Administration for Children and Families;
 - Consortium-driven service centers integrate with agencies' IT systems; and
 - Promotes government-wide streamlining through focus on consolidation.
- GMLoB Program Management Office (PMO) is co-managed by NSF and DHHS and supports governance, reporting, communications, consortia and migrating efforts, standards, and streamlining.
- In August 2007, Grants Executive Board extended PMO support to Grants Policy Committee and Subcommittee for Federal Funding Accountability and Transparency Act (FFATA).
- Current activity focused on implementing OMB milestones: Agencies submit high-level fit/gap analyses; sign Memoranda of Understanding (MOUs) with Consortia Leads for migration or submit OMB Appeals (FY08/Qtr 1); and submit agency implementation strategies (FY08/Qtr 2).

Federal Financial Report (FFR)

- OMB initiative under the Federal Financial Assistance Management Improvement Act of 1999 (aka P.L 106–107), which:
 - Consolidates and replaces the SF-269 Financial Status Report (FSR) and SF-272 Federal Cash Transactions Report (FCTR) with a single Federal Financial Report (FFR); and
 - Provides Federal agencies and grant recipients with a standard format and consistent reporting requirements.
- Timeline: September 2006 - March 2007 testing and pilots; April 2007 - December 2007 Dual FFR and FCTR available; January 2008 - March 2008 full FFR implementation.
- For first production, Quarter ending June 30, 2007, 191 grantees submitted the FFR. This was largest FFR production in the Federal Government.

Merit Review Web site

- At Office of the NSF Director's request, a new NSF Website puts a public face on NSF's merit review process, making the federal "gold standard" fully transparent:
 - Answers: How reviewers are selected; who makes funding decisions; how long it takes to make funding decisions; what information PIs receive
 - Went live: October 1, 2007 after 4 months of development
 - See <http://www.nsf.gov/bfa/dias/policy/meritreview/>

- Describes 3 phases of the merit review process:
 - Proposal preparation and submission;
 - Proposal review and processing; and
 - Award processing.
- In addition, the Website:
 - Describes non-award decisions and transactions;
 - Provides merit review “facts”;
 - Gives reasons for volunteering as a reviewer; and
 - Provides links to related resources, including policy documents such as the *Proposal and Award Policies and Procedure Guide (PAPPG)*.
- Future plans: Complementary Website for use by NSF staff focusing on best practices, roles and responsibilities, and FAQs.