

CFO Update
B&O Advisory Committee Meeting Spring 2019
(May 17, 2019)

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➤ **BFA Senior Staff Changes**

- *Division of Acquisition and Cooperative Support (DACs)* - Patrick Breen was appointed as Division Director for DACs in December 2018. He has extensive expertise in managing, overseeing, and providing advice to senior leadership on acquisition, financial assistance, charge card programs, and space leasing programs. Patrick succeeded Jeff Lupis who retired in January 2019.
- *Division of Financial Management (DFM)* – Mr. Michael Howe is Acting Branch Chief, Cash Management Branch, taking over after the previous Branch Chief, John Sholhead, left NSF.

➤ **BFA Staff Awards**

Below is a summary of the many BFA staff who have recently received awards. Citations are attached in the Appendix.

- *Gears of Government Awards* - Congratulations to Gisele Holden and Alex Wynnyk for receiving 2018 *Gears of Government* awards.
- *2019 NSF Director's Awards* – Congratulations to the following BFA staff members who won a 2019 Director's Award: Christopher Andall, Keith Boyea, Kathleen Carpenter, Patrice Cousins, Nicole Cyrus, Jean Feldman, Jamie French, Zaneta Hargrove, Pamela Hawkins, Robert Hengst, Gisele Holden, Samantha Hunter, Jeremy Leffler, Elida Lynch, Jason Madigan, Rebecca Magowan, Denise Martin, JP McMullen, Anna-Lee Misiano, Margaret Moon, Cindy Paolillo, Willie Mae Powell, Aprile Roberson, Denise Robinson, Rebecca Yasky, Sarah Yatchoua.

➤ **FY 2019 Financial Statement Audit**

In April 2019, the Office of Inspector General (OIG) and its contractor, Kearney & Company, held an entrance conference to commence the audit of NSF's FY 2019 financial statements. During the upcoming weeks, NSF staff will work with the auditors to develop a schedule for meeting the audit and year-end reporting requirements.

As part of the FY 2019 Financial Statement audit and Federal Information Security Act review, Kearney and the OIG traveled to McMurdo and South Pole Stations in November 2018. DFM is coordinating the initial document request between the auditors, BFA, OIRM, and the Office of Polar Programs. The auditors are expected to provide observations in spring 2019.

➤ **Improper Payments Elimination and Recovery Act of 2010 (IPERA) Audit**

In May 2019 Kearney completed a performance audit of NSF's compliance with IPERA, as amended, for FY 2018. The report determined NSF's compliance with IPERA.

➤ **Digital Accountability and Transparency Act (DATA Act)**

NSF completed and issued its financial assistance data quality plan during the first quarter of FY 2019. This plan provides a foundation on which the agency and OIG will be able to verify and validate the completeness, timeliness, quality, and accuracy of NSF data. NSF is continuing to support cross-governmental efforts to develop government-wide DATA Act guidance via a data quality playbook. The OIG plans to review NSF-certified FY 2019 first quarter data. The OIG held its entrance conference for the review with NSF in April 2019. Also, GAO initiated its cross-governmental DATA Act data quality review, which will evaluate agencies' certified FY 2018 fourth quarter data. NSF is in the process of providing information requested by GAO.

➤ **Government Accountability Office (GAO) Review of NSF Major Projects**

In March 2019, GAO issued its final report: [National Science Foundation: Cost and Schedule Performance of Large Facilities Construction Projects and Opportunities to Improve Project Management](#) in compliance with Congressional direction (Senate Report 114-239 and House Report 114-605) that requires GAO to annually report on major research equipment and facilities construction at NSF.

The GAO recommendations for NSF are as follows: 1) assess the agency's large facilities oversight workforce to identify any project management competency gaps, develop a plan to address them and time frames for doing so, and monitor progress in closing them; 2) establish criteria for the project management expertise of large facilities project recipients and incorporate the criteria in project requirements and external panel reviews; 3) ensure, through a requirement or other means, that large facilities project recipients provide information to NSF on lessons learned or best practices; and 4) ensure that the Large Synoptic Survey Telescope project's schedule meets the well-constructed and credible characteristics of a reliable schedule, as defined in GAO's schedule guide.

A corrective action plan is under development.

➤ **Evaluation of NSF’s Enhanced Cost Surveillance Policies and Procedures via a Subcommittee of BOAC**

The subcommittee submitted its final report to BOAC and presented its findings at the December 2018 BOAC Meeting. BOAC voted to accept the report, and NSF is currently evaluating, and, in some cases already implementing, the subcommittee’s recommendations. An update will be provided by the Large Facilities Office at this meeting.

Background: This BOAC subcommittee was formed to independently evaluate the effectiveness of NSF’s current cost surveillance policies and procedures in providing sound oversight of all NSF major facility construction and operations awards.

➤ **President’s Management Agenda (PMA)**

NSF continues to support the PMA through its participation and leadership on Cross Agency Priority (CAP) goals. NSF is one of the agency executive sponsors on the PMA CAP Goal #8, Results Oriented Accountability for Grants, and is supporting the effort through each of its four work lanes: Process and Data Standards, Shared Services and Infrastructure, Managing Risk, and Performance Based Awards. Recent milestones include the Federal Audit Clearing House demonstration days and posting 417 financial assistance data standards for public comment.

➤ **Program Management Improvement Accountability Act (PMIAA)**

In December 2016, the Program Management Improvement Accountability Act (PMIAA) was signed into law. PMIAA aims to improve program and project management practices within the Federal Government. PMIAA requires that agencies conduct annual portfolio reviews to ensure major programs are being managed effectively, and that OMB conduct reviews of areas identified by GAO as “high risk.” OMB’s current portfolio focus is on major acquisitions, and NSF currently has no “high risk” portfolios.

To date, NSF has submitted its PMIAA Implementation Plan (November 2018), and NSF has engaged with OMB in providing Earned Value Management metrics for its major facilities projects in support of a federal project status dashboard pilot. Next steps for NSF will include a Human Capital Development/Workforce Planning effort that will help identify and address any competency gaps for NSF staff engaged in major acquisition and major facilities oversight. This effort aligns well with GAO’s report recommendations from its review of major facilities oversight (see related *GAO Review of NSF Major Projects* item above).

NSF’s efforts undertaken in strengthening oversight processes since receipt of the 2015 NAPA report, *Use of Cooperative Agreements to Support Large Scale Investment in Research*, have left the agency well-positioned for PMIAA Implementation.

➤ **Enterprise Risk Management (ERM)**

NSF’s ERM efforts are currently focused on implementing its Data Quality Plan, as required by OMB Circular No. A-123, Appendix A, *Management of Reporting and Data Integrity Risk* (see related *DATA Act* item above); developing a data analytic and assurance program; updating risks related to OIG Management Challenges areas; and, most significantly, leveraging risk management activities from

the 2019 lapse in appropriations for OMB's ERM reporting requirements. We look forward to providing BOAC with more information during future Board meetings.

➤ **Shared Services**

In April 2019, NSF and Treasury completed a pre-engagement project for exploring shared services. The scope of the project includes financial management, acquisition, and travel systems and services (the scope does not include grant mission systems). The objectives of the project are to: 1) identify critical gaps and preliminary solutions for gap closures; 2) foster open-minded and outside-the-box thinking for gap solutioning; and 3) develop a preliminary target state environment and migration strategy. OMB has also recently released a new shared service Memo 19-16, *Centralized Mission Support Capabilities for the Federal Government*, and BFA will provide BOAC with more information on next steps at future meetings.

➤ **Robotic Process Automation (RPA)**

The Division of Financial Management (DFM) is using RPA to automate routine and repetitive processes performed by DFM staff. Through the use of RPA, staff can focus on high-value/high-return activities resulting in enhanced operational efficiency and productivity. In partnership with NSF's Division of Information System and the Department of Treasury, DFM has piloted several automations: Invoice Aging Reporting and two automations for Intra-Governmental Payment and Collection analysis and review. DFM will continue to explore RPA technology to automate other manual activities performed within the division as part of two *Renewing NSF* priorities: *Making information technology work for all* and *Adapting the workforce and the work*.

➤ **Smart Pay 3 Initiative**

On November 30, 2018, the Citibank travel and purchase card programs were implemented agency-wide. In addition to successful system integration testing and on-time implementation and issuance of purchase cards and travel cards, the updated *NSF Government Travel Charge Card Guide* was issued; and the online travel card training was updated through LearnNSF. DFM made the first Citibank test purchase card payment in late November, and all subsequent payments have been successful.

➤ **iTRAK Re compete**

The new contract for NSF's financial system, iTRAK, was awarded to Accenture Federal Services on March 25, 2019. The award is for a base-year plus 6 option-years, annual price of approximately \$7 million; and the total overall price, inclusive of all option periods, is almost \$50 million. The awarded amount is approximately 10 percent below our government estimate, and the total price is approximately \$6 million less than was paid for iTRAK over the past 6.5 years. NSF believes it was able to achieve these price reductions through competition and the use of the GSA's new Alliant 2 government-wide acquisition contracts.

➤ **Certificate of Excellence in Accountability Reporting (CEAR) Award**

In April, NSF was awarded the Association of Government Accountant's (AGA) prestigious Certificate of Excellence in Accountability Reporting for NSF's [FY 2018 Agency Financial Report \(AFR\)](#). The Certificate of Excellence recognizes outstanding accountability reporting and is the highest form of recognition in federal government management reporting. In addition to commending the AFR's

visual appeal and well organized and easily understood explanations of financial and performance matters, AGA also noted that the report presentation facilitated full disclosure, transparency, and accountability. As part of its review of the AFR, AGA has provided recommendations to further enhance future AFRs.

➤ **Performance**

Publication of Performance Information in the FY 2020 Budget Request to Congress

NSF's [FY 2018 Annual Performance Report and FY 2020 Annual Performance Plan](#) were published in March with the *FY 2020 Budget Request*. NSF achieved or partially achieved six of its seven performance goals in FY 2018. The report also includes NSF's FY 2018 Management Challenges progress report and the FY 2018 Strategic Objective progress update.

Priority Goals

The FY 2018 - 2019 Priority Goal, "Expand public and private partnerships," is on track to achieve its target to increase formal partnerships with external U.S. entities by 5 percent over the FY 2017 baseline. NSF is selecting topics to propose to OMB in May for its next round of Priority Goals. The next round of Priority Goals will begin implementation in FY 2020, with results delivered in FY 2021.

FY 2018 Strategic Reviews

In the summer of 2018, the Strategic Review process supported the visioning and planning of *Renewing NSF*, NSF's agency reform plan under OMB Memo M-17-22, and Learning Agendas, a required component of Strategic Plans under the Foundations for Evidence-Based Policymaking Act of 2018, passed in December 2018. The progress update described the work done since summer 2018 to implement these activities within the Foundation.

FY 2019 Strategic Reviews

The funding lapse did not affect the OMB deadlines for the FY 2019 Strategic Review. Agencies are expected to submit the results of this process in May and to discuss results with OMB in June. To adjust to this timeline, NSF is conducting Strategic Reviews of two areas in FY 2019, instead of one review for each of the six Strategic Objectives in the Strategic Plan.

Performance Integration with Other Processes

The Performance team works with the agency teams responsible for the implementation of ERM, PMIAA, and the Foundations for Evidence-Based Policymaking Act of 2018. Guidance for these activities all require coordination with the performance function. ERM is institutionally housed within BFA, Evaluation is institutionally housed within OIA, and PMIAA is housed within both OIA and BFA. The Performance team works with each of the three implementation teams to ensure that guidance is followed without undue burden on staff. For example, in FY 2019, a risk-based approach was used to select the subset of Strategic Review topics, given the shortened timeframe; and one review will cover the same topic as our pilot PMIAA implementation.

➤ **FY 2019 Appropriations**

- The full year appropriation bill supporting NSF was passed on February 14, 2019.
- In FY 2019, NSF received a funding level that exceeded \$8 billion for the first time.
- The total of \$8.075 billion is an increase of +\$603 million compared to the FY 2019 Request and +\$308 million above the FY 2018 Current Plan level.
- NSF’s FY 2019 Current Plan, which provides allocations below the account level was submitted on April 1st and is currently under consideration by the appropriations committees.
- Account level details are below:

FY 2018 and FY 2019 NSF Account Summary Table

(dollars in millions)

Account	FY 2018 Current Plan	FY 2019 Request	FY2019 Enacted
RRA	\$6,334.48	\$6,150.68	\$6,520.00
EHR	902.00	873.37	910.00
MREFC	182.80	94.65	295.74
AOAM	328.51	333.63	329.54
NSB	4.37	4.32	4.37
OIG	15.20	15.35	15.35
Total	\$7,767.36	\$7,472.00	\$8,075.00

➤ **FY 2020 President’s Budget Request**

- NSF total for FY 2020 is \$7.066 billion
 - -\$406 million or -5 percent below FY 2019 Request
 - -\$1.009 billion or -12 percent below the FY 2019 Enacted
 - -\$752.45 million or -10 percent below FY 2018 Actual
- The Director testified on the FY 2020 Request both in front of the House Appropriations Subcommittee on Commerce, Justice, Science and Related Agencies on March 26th and the House Science Space and Technology Committee on May 8th.
- **Budget Request highlights:**
 - Continues NSF’s commitment to basic research that contributes to human knowledge and provides the scientific understanding necessary to spur innovation across all fields of science and engineering (S&E).
 - In FY 2020, NSF expects that 93 percent of the annual budget will be used to fund research and education grants and research infrastructure in the science and education communities.
 - In FY 2020, NSF expects to invest \$4.92 billion dollars, or 66 percent of NSF’s total budget, in basic research.
 - Supports approximately 8,000 new research grants.
 - Funds NSF investments in the S&E foundations for quantum information science (\$106 million).
 - Continues to support its 10 Big Ideas, research agendas that identify areas at the frontiers of S&E which promise to be among the most transformative in the coming decade. Nearly \$300 million will be invested across the agency to support the development of the foundational science and technology that will be necessary to propel the Big Ideas forward.

- In FY 2020, the Convergence Accelerator will focus on topics shared by two of the 10 Big Ideas. One Accelerator track will focus on *Harnessing the Data Revolution for 21st-Century Science and Engineering*, and a second will focus on the *Future of Work at the Human-Technology Frontier*. Each will be funded at \$30.0 million, plus each will seek to leverage \$20.0 million in external partnerships.
- Invests in transformative research in artificial intelligence (\$492 million).
- Provides funds to enhance understanding and application of microelectronics and semiconductors (\$68 million).
- Provides the first year of funding for the construction of the High Luminosity – Large Hadron Collider Upgrade (\$33 million/year for 5 years).
- Provides ongoing support for the Antarctic Infrastructure Modernization for Science construction project to modernize major facilities at McMurdo Station (\$98 million), and funding for the Large Synoptic Survey Telescope major research facility construction project (\$46 million).
- Supports investments in students and a future-focused workforce by funding CyberCorps®: Scholarship for Service (\$55 million) and Advanced Technological Education (\$75 million) and other education and workforce programs.

FY 2020 NSF Account Summary Table

(dollars in millions)

Account	FY 2020 Budget	Request +/- FY 2019 Request	Request +/- FY 2019 Enacted	Request +/- FY 2018 Actual
RRA	\$5,662.96	-\$487.72	-\$857.04	-\$717.42
EHR	823.47	-49.90	-86.53	-80.40
MREFC	223.23	128.58	-72.51	36.93
AOAM	336.89	3.26	7.35	8.38
NSB	4.1	-0.22	-0.27	-0.20
OIG	15.35	0.00	0.00	0.26
Total	\$7,066.00	-\$406.00	-\$1,009.00	-\$752.45

➤ **FY 2020 Appropriations**

- The House Appropriations Subcommittee on Commerce, Justice, Science approved its FY 2020 bill on May 17th. The legislation funds NSF at \$8.64 billion, \$561.14 million above the FY 2019 Enacted level. Next, the bill heads to the full Committee for markup.
- The Senate has not taken similar steps. A decision is still pending on what level will be used for an overall funding target for FY 2020. Options include flat with the FY 2019 Enacted Level or in line with current law discretionary caps.

BFA Staff Awards

Gears of Government Awards

The Gears of Government Awards recognize and honor outstanding individuals who have made significant contributions across the Federal workforce. These individuals and teams have served as key drivers for results and made meaningful contributions to progress on Cross-Agency Priority Goals, Agency Priority Goals, or other efforts that have advanced the President's Management Agenda.

Individual Award

- *Gisele Holden*
 - Led the implementation of robotic processing automation and service provider reporting to allow employees to spend more time on achieving mission outcomes.

Team Award

- *BFA recipient: Alexander Wynnyk*. HHS, NASA, Ed recipients: Yolanda Jones, Lakisa Carter, Carolyn Beins, Christos Motsiopoulos, Chuck Laster and Richard Brundage.
 - Modernized and digitized grants management across government. The team's efforts allow grant recipients to spend more time and effort on driving results in areas such as public health, science, infrastructure, and economic development.

2019 NSF Director's Award of Excellence

The Director's Awards of Excellence are given for demonstrating outstanding accomplishments. Each year, the NSF Director looks forward to honoring NSF staff who have excelled at their jobs and made special contributions to the Foundation and the community.

Meritorious

- *Denise Robinson*
 - For exceptional proactive leadership supporting the Engineering Education and Centers (EEC) division, as well as the wider engineering community, with comprehensive knowledge, expert insight, and timely guidance for complex and transformative engineering projects.

Superior Accomplishment (Individual)

- *Christopher Andall*
 - For high quality work on the review and timely completion of oversight activities, thereby protecting NSF's reputation; reducing risk of fraud, waste, and abuse; and building trust with oversight communities.
- *Rebecca Yasky*
 - For excellence, collaboration and integrity in successfully implementing NSF's Knowledge Management and Earned Value Management Verification, Acceptance and Surveillance Programs in support of major facilities oversight.

Superior Accomplishment (Group)

- *BFA recipients: Robert Hengst, Anna-Lee Misiano.* Other NSF recipients: Steven Ellis, Montona Futrell-Griggs, Roland Roberts, James Deshler, Benjamin Klein, Benjamin, Caroline Blanco.
 - For exceptional skill and leadership in the completion of NEON's construction and transition to operations of a path-breaking, large-scale ecological science project.
- *BFA recipients: Keith Boyea, Kathleen Carpenter, Patrice Cousins, Nicole Cyrus, Zaneta Hargrove, Gisele Holden, Elida Lynch, Rebecca Magowan, JP McMullen, Margaret Moon, Cindy Paolillo, Sarah Yatchoua.* Other NSF recipients: Anju Anand, Elanchezhian Sivagnanam, Teresa Guillot.
 - For excellence in innovation through Robotic Processing Automation that advances the agency goals in creative tools and practices for an evolving workplace and solidifies NSF's leadership at the nexus of workforce and technology solutions.

Equal Opportunity or Diversity (Group)

- *BFA recipients: Jamie French, Pamela Hawkins, Jason Madigan, Denise Martin, Willie Mae Powell, Aprile Roberson.* Other NSF recipients: Sharon Alston, Ryan Bael, Eric Bell, Kimberly Bryant, Sabrina Caraway, Velma Lawson, Donna O'Malley, Gloria Yancey.
 - For excellence in the implementation of the New Inclusion Quotient program which cultivates behaviors around the five habits of inclusion—fair, open, cooperative, supportive, and empowering.
- *BFA recipients: Jean Feldman, Samantha Hunter, Jeremy Leffler.* Other NSF recipients: Bernice Anderson, Zita Barnett, Sarah Bates, Scott Bohnhoff, Lisa Clough, Robert Cosgrove, Rhonda Davis, Erin Dawson, Richard Dickinson, Kelly Dubose, Sarah Edwards, Anne Emig, Jeremy Epstein, Sonia Esperanca, Kelly Falkner, Rebecca Ferrell, Peggy Hoyle, Jolaina Jeff-Cartier, (Michael) Brandon Jones, Patricia Knezek, Anne Kornahrens, Robert Moller, Karen Pearce, Suzanne Plimpton, Leslie Rissler, Elizabeth Rom, Sandra Scholar, Deanne Sobczak, Alan Tessier.
 - For excellence in pioneering unprecedented strategies and publishing promising practices that further bolster the Director's commitment to ensuring science and scientists funded by NSF is conducted in a safe research environment free of harassment.