

CFO Talking Points for the B&O Advisory Committee Meeting (Fall 2014)

➤ Introduction:

- NSF recently closed out Fiscal Year (FY) 2014, which was a year of unprecedented challenges, including a disruptive 16-day government shutdown, an early close-out and culminating in the successful implementation of iTRAK, a financial management solution that replaces NSF's 25-year-old custom legacy Financial Accounting System (FAS) with a cloud-based commercial off-the-shelf Oracle Federal Financials system hosted in a shared service environment.
- We will also receive our 17th consecutive unqualified audit opinion, affirming NSF's financial statements for the year ending September 30, 2014.
- Most of the information that I would share with you in this update is actually included as an agenda item, such as the overarching issue of change management; sharing iTRAK's success story; and reporting on performance management and our strategic reviews process.
- I did want to briefly update you on the implementation of the new Uniform Guidance and the current appropriations status.

➤ Uniform Guidance:

- As you know the OMB *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance, 2 CFR § 200) streamlines the Federal Government's guidance on administrative requirements, cost principles and audit requirements for federal awards.
- Over the course of two-and-a-half years, the Head, Policy Office, and Branch Chief, Cost Analysis and Audit Resolution, worked closely with COFAR in developing the Uniform Guidance. NSF has rotated off COFAR; however, OMB still continues to rely on NSF/BFA staff as resource experts to assist in outreach and other efforts related to government-wide implementation.
- NSF is the only agency authorized to implement the Uniform Guidance via its policy documents and accompanying *Frequently Asked Questions*. Companion *Proposal and Award Policies and Procedures Guide* (PAPPG) and *Proposal & Award Manual* (PAM) have been formally disseminated to external research communities and internal NSF staff, respectively. NSF is working with other agencies to revise Research Terms & Conditions, and will meet the government-wide implementation deadline of December 26, 2014.
- NSF is well-positioned to address a number of significant requirements imposed on research agencies through our well-established policies and procedures (e.g., merit review; conflict of interest; risk assessment strategy; cost sharing) and obtained critical clarifications (e.g., contingency budgeting). BFA is now reviewing documentation of all internal processes to ensure alignment with the more administrative/operational aspects of the new guidance.
- Metrics
 - ❖ In June 2014, NSF comments to the draft OMB metrics document incorporated two themes arising from the AC/B&O discussion in Spring 2014: (1) Reframing of the early

evaluation effort to collect baseline information, and (2) gauging success of the Uniform Guidance with input from external stakeholder (grantee) communities.

- ❖ In September 2014, OMB Memorandum (M-14-17) on Metrics for Uniform Guidance was issued, noting that early efforts will be used to inform COFAR about the current impact of implementation.
- ❖ After review of first-year metrics, COFAR will consider establishment of goals or target outcomes.

➤ **Update: FY 2015 Appropriations**

- **Congressional Marks:** The table below shows NSF funding for FY 2015 provided by the House and the Senate relative to FY 2014:

FY 2015 Funding Comparison

(Dollars in Millions)

		Change over FY 2014	
		Amount	Percent
FY 2014 Funding	\$7,172	-	-
FY 2015 Request	\$7,255	\$83	1%
FY 2015 House Mark	\$7,394	\$222	3%
FY 2015 Senate Mark	\$7,255	\$83	1%

- ❖ In May, the full House voted to fund NSF at \$7.394 billion, which is 3 percent above the FY 2014 level and 2 percent over our FY 2015 Request.
- ❖ In June, the Senate Appropriations Committee recommended funding for NSF at \$7.255 billion, which is an increase of 1 percent above the FY 2014 level. This is equal to our FY 2015 request.
- ❖ Where are we now?
- ❖ A continuing resolution was passed in mid-September that funds the government through today, December 11th.