BFA Updates

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Business & Operations Advisory Committee

November 19-20, 2008

Year in review & a look ahead…

- ❖ FY 2008 in review
- ❖ Update on the BSR Subcommittee
- ❖ FY 2009 Budget & Plans for FY 2010
- ❖ Government-wide Initiatives
  - GMLOB Update
  - Research.gov
  - FFATA

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Results of Performance Goals in FY 2008

❖ Strategic Outcome Goals: <u>Successful</u>

- ◼ Discovery
- ◼ Learning
- ◼ Research Infrastructure

❖ Annual Goals

- ◼ Stewardship: <u>Successful</u>
  - • Majority of qualitative milestones and quantitative performance measures were achieved
- ◼ NSF's PART goals: 70% were successful
  - • 14 out of 20 quantitative goals were achieved

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Strategic Outcome Goals
Discovery, Learning, Research Infrastructure

- ❖ Evaluated in June 2008 by the Advisory Committee for GPRA Performance Assessment (AC/GPA)

  - Reviewed program "highlights" and COV reports

  - Concluded that NSF had *demonstrated significant achievement* under all three goals in FY 2008

  - Recommended that NSF track investments in people we fund and convey the long view of investments in science and engineering (to supplement the Committee's annual review of "highlights")

- ❖ AC/GPA Report is available at:

  http://www.nsf.gov/about/performance/

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Annual Goals

Stewardship and PART

❖ Stewardship: 8 performance areas

FS 2008 Result: Successful

- A majority of milestones and measures under all the performance areas were achieved
- Focus on effective and efficient management processes that benefit the scientific community

❖ PART goals:

FY 2008 Result: Successful in 14 of 20 goals (70%)

- Goals are program-specific; output and efficiency goals
- Established during NSF's PART evaluations that began in 2003
- While PART may not continue in the Obama Administration, performance management will continue to be emphasized

BFA's Overall Management Goal

❖ Purpose: To improve NSF and BFA's business and operations efficiencies while ensuring effective stewardship of Federal funds

❖ Development began in FY 2008

BFA's Performance Management Goals

❖ **Administrative Officers (AO)/Equivalent Positions Training**

Provide training to AO/equivalents (e.g., AFS participants) to help stay current in critical areas, e.g., FAS, Simplified Acquisition, EIS, policies and procedures *(includes processing related discussions)*

❖ **Award Process**

Improve NSF's award-making process to facilitate stewardship by improving efficiency of close out and communications between programs and BFA

❖ **Coordinated Internal Outreach Series**

Educate NSF program staff on critical BFA policy and procedural updates *(includes overview of topics in the Proposal and Award Manual and Proposal and Award Policies and Procedures Guide)*

BFA's Goals (cont'd)

❖ **Document Clearance**

Improve NSF's clearance process by establishing performance metrics and streamlined processes

❖ **E-Jacket (EJ)**

Full implementation of EJ *(paperless proposal and awards processing)*

❖ **Travel Vouchers**

Approve payment of travel vouchers within 5 business days, if no questioned costs

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Summary

- ❖ Goal development and implementation
  - ▪ Short-term and long-term activities
  - ▪ Subject to development of other E-projects
  - ▪ Coordination and participation outside BFA
  - ▪ Subject to availability of funds
- ❖ Progress continues
- ❖ Ideas / suggestions welcome

NSF Financial Management

- ❖ FY 2008 Audit Results
  - ▪ 11th Consecutive Clean Opinion
  - ▪ Contract Monitoring and Property, Plant and Equipment (PP&E) accounting and reporting are no longer considered Significant Deficiencies
  - ▪ Removed from Audit Report due to hard work by too many to mention, but especially accomplished through teamwork among the following staff:
    - – Division of Financial Management
    - – Division of Acquisition and Cooperative Support
    - – Office of Polar Programs
  - ▪ No Significant Deficiencies
- ❖ Next Step: Management Letter Report

Post-award Monitoring: Financial Assistance
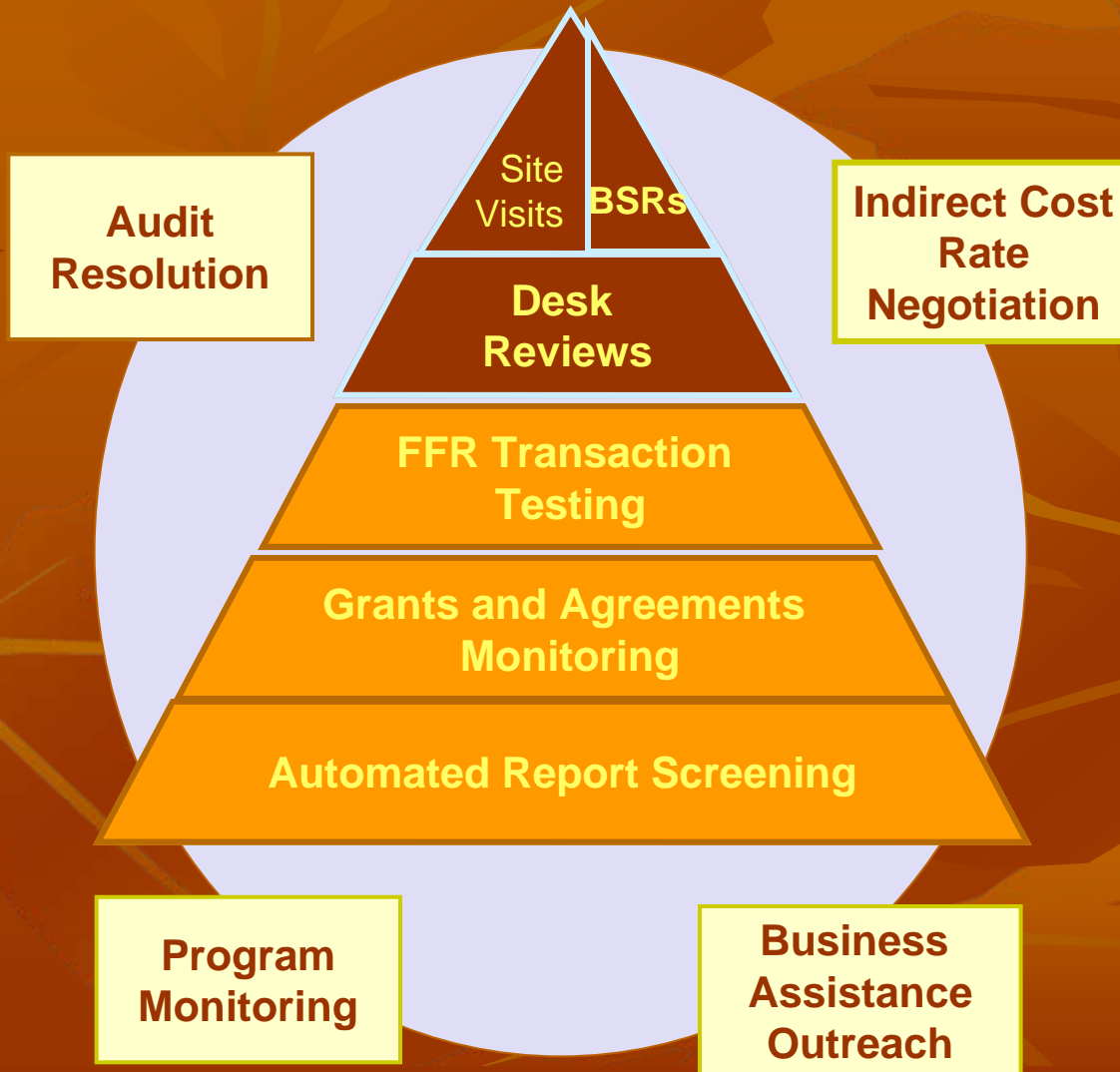
Award Monitoring & Business Assistance Program (AMBAP)

- ❖ Successes:
  - ■ NSF has sustained clean "bill of health" on annual financial statement audits since addressing reportable condition on post-award monitoring
  - ■ AMBAP products increasingly sought after by other NSF organizations to assist in addressing their accountability responsibilities

- ❖ Next Steps: Build out follow-up efforts; refine risk assessment model; upgrade Standard Operating Guidance to ensure standardized, comprehensive monitoring processes

FY 2008 Pre- & Post-Award Monitoring Activities

❖ AMBAP
- 30 site visits
- 51 desk reviews

❖ Pre-award Activities
- 60 negotiated indirect cost rates
- Special expertise provided in the review of 154 complex grant & contract actions
- 109 SBIR reviews

❖ 242 Audit Reports Resolved

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Close BFA / DIS Partnership on NSF Award Systems (New & Legacy)

❖ DIS / BFA / Program Offices are working to finalize integration of PO Recommend- & DD-Concur functions into e-Jacket.

❖ BFA works with DIS developers to ensure:

- Correct interpretation & systematic implementation of NSF policies

- System validation to prevent incorrect coding

- System compliance to implement proposal submission & award processes correctly

- Correct definition & implementation of workflow processes

- System interfaces that reduce data errors

- Clarification on requirements that lowers production system maintenance risks

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Growth in Other BFA Award Systems Activities

- ❖ Special Analyses & Tracking of Award-related Data
  - ▪ Weekly monitoring of FY spend out by program office
  - ▪ Ad hoc grants & cooperative agreement statistics
  - ▪ Policy-related analyses (e.g., cost share)
  - ▪ Development of risk assessment baseline statistics
- ❖ Customer service (internal & external)
  - ▪ Over 1,400 e-mail inquiries since count began in June 2008
  - ▪ For use in assessing training & customer service needs
- ❖ Outreach (e.g., NSF Regionals, professional association meetings, BFA/NSF staff training)
- ❖ Interagency Policy Standardization Efforts
- ❖ Intra-agency Working Groups

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FY 2008 Budget in Review

- Supplemental funding - $62.5 million total
  - Enacted June 30, 2008 – just 3 months to obligate
  - $40 million for EHR
    - split between Robert Noyce Teacher Scholarship program and
    - new component for Teaching Fellows & Master Teaching Fellows
  - $22.5 million for R&RA
    - $5 million mandated for EPSCoR
    - Remaining allocated by NSF for CAREER/REU, fuel costs, facilities operations, CDI complex systems, and SGER
- Total FY 2008 Funding: $6,127.5M

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Status of FY 2009

- ❖ Continuing resolution through March 6th

  > Working under FY 2008 level (without supplemental) of $6,065 million

- ❖ Budget Request of $6,854.10 million

  > Status of Appropriations Bill in Congress: House and Senate CJS Subcommittees each approved NSF's full request – though each moved funding within the total

- ❖ Final result is unclear

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FY 2009 Congressional Marks

(Dollars in Millions)

Account	FY 2009 Budget Request	FY 2009 House Mark	Change over FY 2009 Request	FY 2009 Senate Mark	Change over FY 2009 Request
R&RA	$5,593.99	$5,544.14	($49.85)	$5,593.99	$0.00
EHR	$790.41	$840.26	$49.85	$790.41	$0.00
MREFC	$147.51	$147.51	$0.00	$152.01	$4.50
AOAM	$305.06	$305.06	$0.00	$300.56	($4.50)
NSB	$4.03	$4.03	($0.00)	$4.03	($0.00)
OIG	$13.10	$13.10	($0.00)	$13.10	($0.00)
Total, NSF	$6,854.10	$6,854.10	($0.00)	$6,854.10	($0.00)

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Looking Ahead…

❖ **FY 2010**

- Presidential transition year – no formal budget submission to OMB in September

    - Working with OMB to understand and evaluate NSF's FY 2010 framework before new administration is in place

    - Expect to work with transition officials soon – prepared to make the case for NSF funding

- Anticipate February/March as timeframe to submit to Congress – precise schedule unknown

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Business System Review (BSR) update

❖ **BSR Background History**

- Developed in response to 2004 NSF audit
- Way to strengthen the capabilities of awardees hosting major facilities to strengthen their business processes
- Compliance assistance to help meet *2 CFR Part 215* business standards
- Conduct at least once at each Awardee hosting a large facility per 5-year award cycle
- A relatively new process for NSF, although some related activities had occurred earlier, but not routinely

BSR Subcommittee Status

❖ Subcommittee Actions

- Reconvened April 28-29, 2008

- Final report submitted to NSF in June 2008 and posted on B&O Advisory Committee website

❖ Key Recommendations

- Limit BSR Guide revisions to annual

- BSR Staff should proceed with the plan to have the next revision of the Guide completed by the end of FY 2008

- Endorse the "scoping" concept as a critical element in the BSR process

- Enhance coordination of BSR activities with the Awardee's cognizant federal audit agency

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Key Recommendations continued…

- Strongly support participation by experienced SMEs
- Consider ways to effectively use outside experts in the BSR process
- Maintain the five year cycle for BSR unless there are exceptional circumstances
- Schedule BSR in 1st or 2nd year of new project period
- BSR Staff should adopt the "Procurement Systems Review" module, as revised, as a model for the system reviews of the other BSR review modules
- NSF Senior Management should insist on coordination of business-related program division reviews of large facilities within the BSR process

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BFA Engagement in Government-wide Policy Working Groups

- ❖ Proactive NSF leadership involvement is essential to ensure Agency needs are well-represented
- ❖ BFA represents NSF in over 15 Federal working groups (WGs), including:
  - Co-managing Partner, Grants Management Line of Business
  - Chair, R&R Subcommittee (SF 424 R&R)
  - Chair, NSTC/RBM Subcommittee on Research Performance Progress Reports
  - Co-Chair, Grants Policy Committee (GPC), Audit Policy WG
  - Co-Chair, GPC, Federal Audit Clearinghouse WG
  - Co-Chair, Professional Profiles Subcommittee, Federal Demonstration Partnership

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Research Terms & Conditions

❖ Common set of Research Terms & Conditions are now applied to award conditions across Federal research agencies

❖ Institutions that follow A-110 (2 CFR Part 215) are subject to these Research Terms & Conditions –

- Institutions of Higher Education

- Hospitals

- Non-profit Organizations

❖ State & local governments remain subject to GC-1

❖ FDP Terms & Conditions are superseded by the new Research Terms & Conditions

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Grants Management Line of Business (GMLOB)

- ❖ Since 2004, GMLOB has worked to develop a government-wide solution supporting end-to-end grants management, promoting…
    - ■ citizen access
    - ■ customer service
    - ■ agency financial & technical stewardship
- ❖ GMLOB's objectives are to
    - ■ Improve service to internal and external customers
    - ■ Increase standardization and streamlining
    - ■ Increase value delivered through IT to agencies, grantees, and the public
    - ■ Reduce the number of grants systems, government-wide

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GMLOB continued…

❖ **NSF's Role**

- Selected as a Consortium Lead along with the Department of Education and HHS/ Administration for Children and Families

- NSF's solution, Research.gov, serves needs of the research community

- NSF provides leadership as co-managing partner of the Program Management Office (PMO)

- NSF manages all contract & interagency support for the PMO

❖ **GMLOB Current Status**

- 22-of-26 Federal grant-making agencies have formally partnered with a Consortium Lead, or have an approved alternative streamlining solution

- GMLoB is developing standards to facilitate system consolidation, including interface standards between grants management and financial management systems

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Research.gov

- ❖ BFA and OIRM are NSF's co-sponsors of Research.gov
- ❖ BFA provides
  - ▪ Expertise on & analysis of NSF business practices
  - ▪ Program management expertise
  - ▪ Outreach & communication support
  - ▪ Policy guidance & support for harmonizing policies across partnering agencies

Status of Research.gov

- ❖ Partners include USDA CSREES, NASA, and DoD Research components

- ❖ Grants Application Status is in a beta test with select NSF and CSREES grantee institutions

- ❖ Army Research Office will implement Grants Application Status in December

- ❖ New Federal Financial Report also available. Over the next year, all NSF grantee institutions will transition to the FFR on Research.gov

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Federal Funding Accountability & Transparency Act (FFATA)

❖ *USAspending.gov* launched Feb. 2007

❖ Sub-award pilot closed Nov. 2008

❖ RFI issued to solicit options for sub-award reporting

❖ Next step: OMB likely to delay sub-award reporting after analyzing pilot results

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Into the Future…

❖ Transition under the Obama Administration

❖ New focus for the B&O Committee