Highlights

- ❖ **NSF Efforts**
  - ▪ BFA Performance Management Goals
  - ▪ Financial Audits (FY 2007 & 2008) and Internal Controls
  - ▪ Post Award Management
  - ▪ Audit Resolution
  - ▪ NSF Merit Review Web Site
  - ▪ Transformative Research
  - ▪ In-reach Activities – OIRM/BFA Customer Survey
  - ▪ BFA Policy Council
- ❖ **Government-wide Initiatives**
  - ▪ Federal Demonstration Partnership
  - ▪ Grants Policy Committee Update
  - ▪ Federal Funding Accountability & Transparency Act (FFATA)
  - ▪ Grants Management Line of Business (GMLoB)

BFA Performance Management Goals

- Training for Administrative Officers (AO) or Equivalent Positions
- Award Process Improvement
- Coordinated Internal Outreach Series
- Improving the NSF-wide Document Clearance Process
- Paperless Award Processing as part of the move toward all-electronic transactions
- Faster Payment of Travel Vouchers

FY 2007 Financial Statement Audit

- **Received comments from Office of Inspector General on Corrective Action Plan for Significant Deficiencies; issued response on April 30th**

  - **Contract Monitoring**
    - Resolved all recommendations with exception of Rec. 4 involving testing for higher risk contracts
    - Proposed additional actions to accomplish resolution

  - **Property Plant & Equipment (PP&E) Accounting and Reporting**
    - Resolved four of seven recommendations; three recommendations continue to be discussed involving entity-wide property management systems and changes to U.S. Antarctic Program contract

FY 2008 Financial Statement Audit

- **Process of responding to requests for information has commenced**

    - Provided initial input to Clifton Gunderson (CG) on Annual Financial Report and Audit Timeline and Prepared by Client List

    - Planning to meet with CG during May to finalize timelines for reporting and providing supporting documentation

Internal Controls
OMB Circular A-123

- New in FY 2008
  - One new Business Process (BP)
    - Accounts Payable
  - 16 new Sub-Processes
    - Five under the Accounts Payable BP
    - Six under the Awards Management BP
    - Four under the External (USAP) PP&E BP
    - One under the Quarterly & Year-end Close BP
  - Documenting Financial Controls in the Program Area
  - Document Financial Controls managed by the U.S. Antarctic Program Contractor
  - Modified the Risk Assessment Process
  - Annual Assessment of Key Controls Process

Internal Controls (cont'd)

- **FY 2008 List of Business Processes** (# of sub-processes)

  - Awards Management – (17)
  - Budget – (5)
  - Cash Management – (2)
  - Contracts Management – (7)
  - External (U.S. Antarctic Program) PP&E – (5)
  - Internal PP&E – (4)
  - Payroll – (4)
  - Quarterly & Year-end Reporting – (4)
 - Accounts Payable – (5)

Internal Controls (cont'd)

9 New Audit Compliance Requirements

(OMB Guidance – Bulletin 07-04 "Audit Requirements for Federal Financial Statements")

1. Organizational Structure

2. Evaluation Process

3. Determining Scope

4. Evaluate & Document Business Processes and Controls

5. Documenting Management Decisions

6. Design and Effectiveness of Controls

7. Management Assurance Statement Reporting

8. Defined Internal Controls Program

9. Defined Corrective Action Process

Internal Controls (cont'd)

|	FY 2006	FY 2007	FY 2008
# of Business Processes	8	8	9
# of Sub-Processes	39	43	57
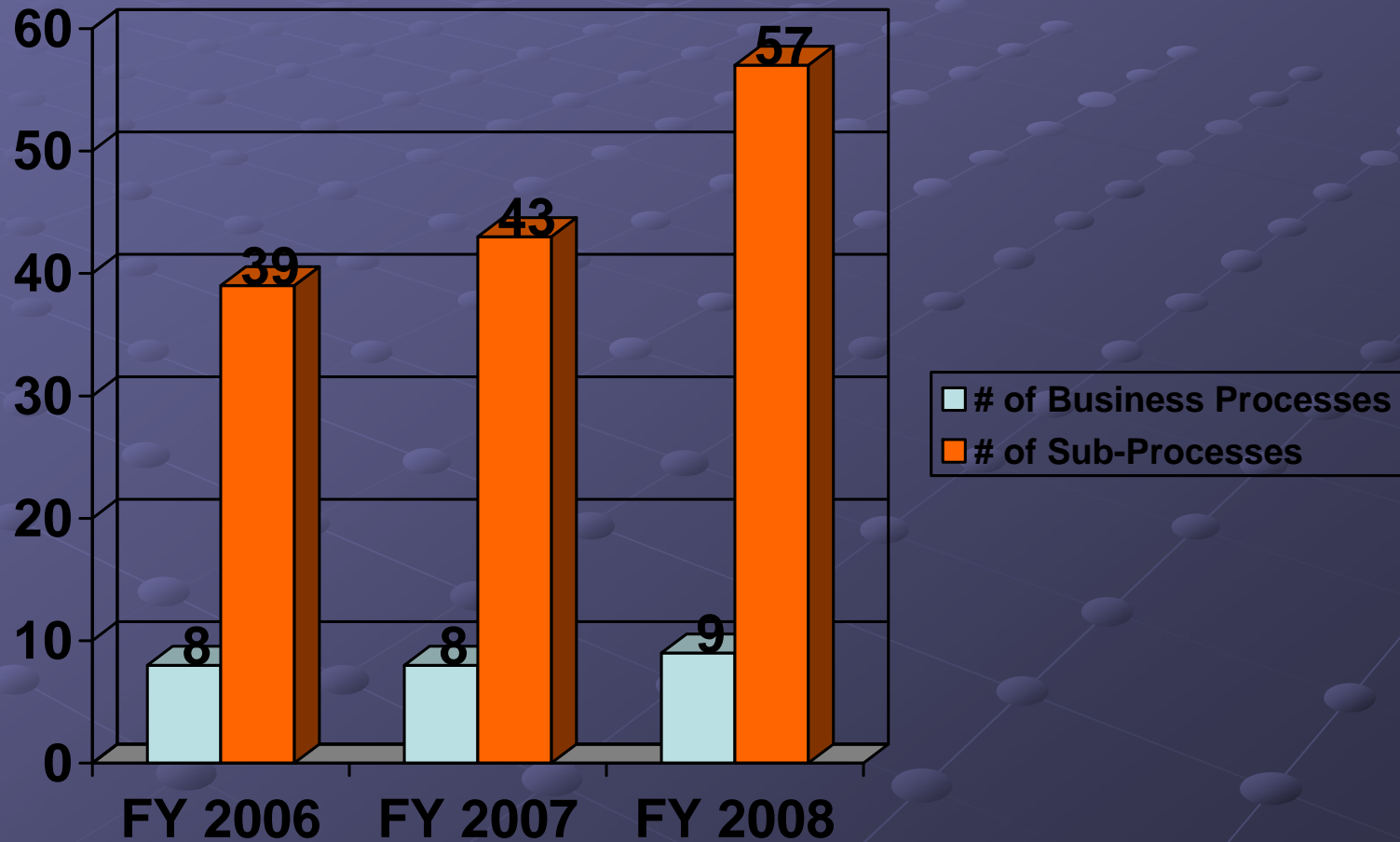
Post Award Management

- Award Monitoring and Business Assistance Program (AMBAP)
    - Risk-based assessment covers over 90% of NSF award dollars while ensuring greater oversight of NSF's nearly 3,000 awardees
    - 30 site visits per year; 150 desk reviews per year
    - Follow-up activities related to site visits and desk reviews; standard operating guidance (SOG) protocols and templates ensure consistent, comprehensive information

- Future plans: Expanded follow-up activities; continued analysis of institutional surveys leading to further refinement of AMBAP activities

Audit Resolution

- On May 12, 2008, the OIG announced intent to audit NSF's Audit Resolution Process to determine the adequacy of process controls and whether controls are followed in an effective and timely manner.
- NSF is participating in an OMB interagency work group to re-write OMB Audit Follow-up Circular A-50…
  - Intent: To clarify resolution for different report categories (e.g., performance audits, financial statement audits, investigative reviews, OIG external audits, and GAO audits).
  - NSF is seeking a better definition of the "cognizant agency" concept in order to clarify resolution of cross-cutting findings issued by OIGs of non-cognizant agencies.

NSF Merit Review Website

- A link to the new merit review website is now live on the NSF Homepage.

- The goal of the Merit Review website is to help you better understand the NSF merit review process as well as identify resources for additional information (including applicable chapters in the Grant Proposal Guide).
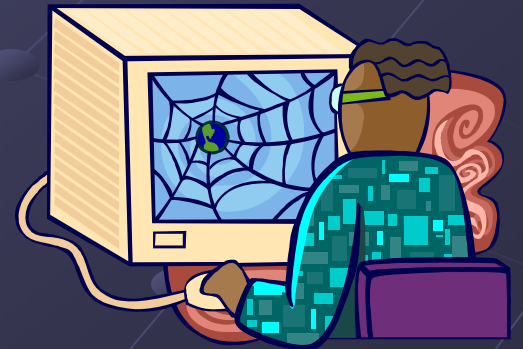
Transformative Research

- The National Science Board (Board) unanimously approved a motion by NSF Director Arden Bement to enhance support of transformative research at the NSF.

- Additionally, NSF Director proposed – and the Board adopted – a change to the intellectual merit review criterion to specifically include evaluation of proposals for potentially transformative concepts.

The Term Transformative Research is being used to describe…

- Transformative research involves ideas, discoveries, or tools that radically change our understanding of an important existing scientific or engineering concept or educational practice or leads to the creation of a new paradigm or field of science, engineering, or education. Such research challenges current understanding or provides pathways to new frontiers.

Transformative Research Implementation Details

- Issued Important Notice No. 130 (dated 09/24/07) to the community that describes the Foundation's efforts in the area of Transformative Research

- An NSF working group was created to develop the framework and recommend implementation details for a new funding mechanism for "early-concept" research projects:
  - Early-Concept Grants for Exploratory Research (EAGER)
  - Grants for Rapid Response Research (RAPID)

- NSF will broadly advertise the new funding mechanisms to the community once they have been finalized.

Transformative Research Implementation Details (Cont'd)

- Effective January 5, 2008, all proposals will be reviewed against the newly revised criterion

- Necessary changes also have been made to NSF reviewer systems to incorporate the revised language

- For additional information see *Enhancing Support of Transformative Research at the National Science Foundation*:
http://www.nsf.gov/nsb/documents/2007/tr_report.pdf

OIRM/BFA Customer Survey

- Two (2) customer service areas measured overall satisfaction for BFA
  - Communications
  - Services

- Seven (7) customer service areas surveyed
  - Assistance Awards
  - Clearance Process
  - Contracts and Acquisitions
  - Cooperative Agreements
  - Financial Services
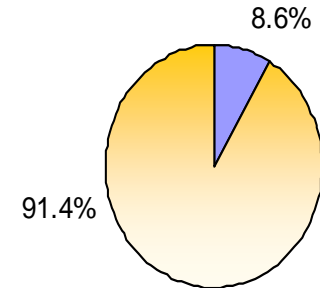 - Information on Funding & Program Trends
  - Policies and Procedures

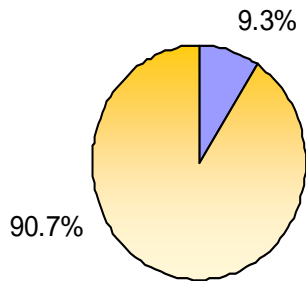# BFA Services, by Level of Satisfaction: OIRM Survey 2007
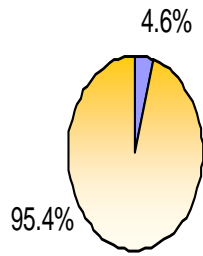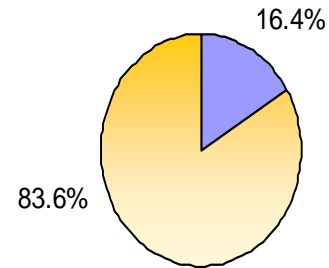
Assistance Awards
(Total Response = 175)

- 4.6%
- 95.4%
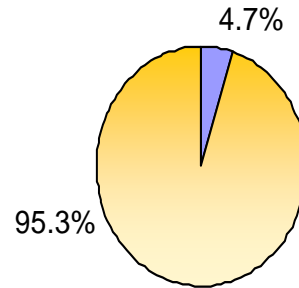
Coop Agreements: DGA
(Total Response = 129)

- 4.7%
- 95.3%

Coop Agreements: DACS
(Total Response = 104)

- 8.6%
- 91.4%

Policies and Procedures
(Total Response = 289)

- 9.3%
- 90.7%

Clearance Process
(Total Response = 243)

- 16.4%
- 83.6%
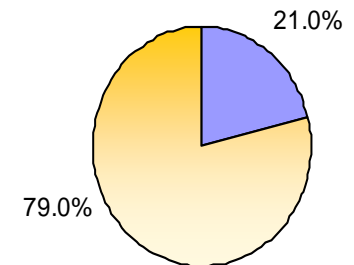
Contracts and Acquisitions
(Total Response = 190)

- 21.0%
- 79.0%
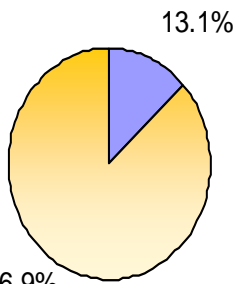
Information on Funding and Program Trends
(Total Response = 229)

- 13.1%
- 86.9%
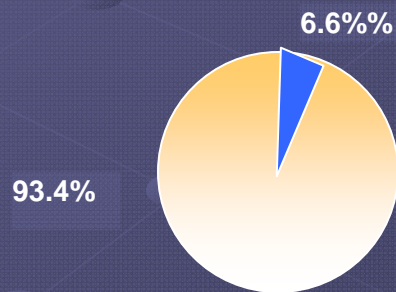
Financial Services
(Total Response = 259)

- 6.6%%
- 93.4%

Satisfied/Neutral

Dissatisified

BFA: Customer Survey Results

- Overall satisfaction with BFA was positive
- No surprises
- BFA staff doing a great job
- Identified areas for more detailed assessment
- Thinking about a future survey…

BFA Policy Council

Established April 2008 to…

- ensure fluency among all BFA policy staff on the various types of policies and procedures developed and implemented by BFA;
- begin a dialog among BFA policy staff regarding the various policy-related decisions being made in BFA;
- gain an understanding of the areas where BFA policies overlap with one another;
- identify any "gaps" where policy development is deemed appropriate;
- assist with standardizing policy development, clearance and issuance processes, where appropriate;
- provide a vehicle to educate BFA staff regarding BFA policies and procedures; and
- provide a forum to discuss how we can effectively communicate best practices.

Federal Demonstration Partnership

- **Highlights about FDP/NSF connection…**
  - Celebrating 20 years of ongoing dialogue among researchers, administrators, and government
  - NSF origins – Bob Newton, former Policy Office head
  - Kathie Olsen keynote speaker at upcoming anniversary celebration in September
- **BFA involvement with FDP…**
  - BFA staff actively involved in solicitation and selection process for Phase V
  - Important to understanding the community – testbed for new ideas
  - Excited by renewed enthusiasm for Phase V – unprecedented & diverse national interest
  - More information at: http://thefdp.org/

Grants Policy Committee Update

- Stakeholder webcast held March 18, 2008
  - FFATA Subaward pilot update
  - Post Award Work Group update regarding the Performance Progress Report Form
  - GPC update on Strategic Planning and Product Development
    - http://www.grants.gov/aboutgrants/grants_news.jsp

- Next webcast: Fall 2008

Federal Funding Accountability & Transparency Act (FFATA)

- Task Force formed (Nov. 2006 - led by OMB)
- *FederalSpending.gov* launched (Feb. 2007)
- Data elements defined
- Impact: Place of performance; subawardee data entry
- Next Step: Pilot grantee and sub-awardee data
- Federal Register Notice to be posted imminently

GMLoB's Background, Vision, and Goals

Background

- High volume of grants money spread over many agencies/programs:
  - Over $ 526 billion spent on grants in FY04
  - 26 primary grant-making agencies
  - Over 900 programs

Vision

- A government-wide solution supporting end-to-end grants management activities

Goals

- Improve customer service
- Reduce cost
- Increase standards and streamlining

Consortium-Based Operating Model

- **Operating Model**
  - Grants management community will process grants in a decentralized way using common business processes supported by shared technical services.
- **Consortia-based implementation approach**
  - Consortia are agency work teams that align around shared business interests to define a common solution to meet its members needs. Each consortium will have one lead agency and one or more member agencies.
- **Consortium Leads**
  - National Science Foundation: Research.gov
  - Department of Education: G5
  - Administration for Children and Families under Health and Human Services: GrantSolutions.gov

GMLoB Current Status

- Agencies have begun partnering with Consortia. They are developing implementation plans for migration.

- Agencies with unique requirements outside the scope of Consortia are implementing grants management solutions in line with GMLoB's goals.

- Benefits to grantees:
    - Reduction in paper based processes
    - Reduction in redundant reporting requirements
    - Standardized application and post-award processes
    - Increased help-desk knowledge and availability

Why NSF was Chosen as a Consortium Lead

- Focus on the research community
- Recognized for high standards by customers
- Leadership position in the grants community
- 12 years of experience and capabilities as shown by FastLane
- Unique operating model—menu of high-value services for both Federal partners and the research community
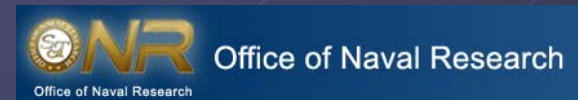
NSF GMLoB Consortium Guiding Principles

- The approach will be deliberate, modular, conservative, and research community focused.

- Research community must directly benefit from this initiative.

- Whatever we do, we are going to do it well.

- Low cost, high impact offerings that deliver value to grantees will be implemented first.

- The initiative must focus on improvement; cost avoidance, not just cost savings.