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

➢ **Government Shutdown**
  o **SHUTDOWN EXTENDED FROM OCTOBER 1 – 16, 2013**. The lapse in appropriations severely interrupted NSF business and operations; we were the federal agency most impacted with 99% of our staff furloughed. No payments were made to awardees during the funding hiatus. NSF had a narrow list of excepted activities, e.g. guards in the building, minimal IT systems, and support of individuals in the Antarctic.
  o **RESUMING OPERATIONS.** Dr. Marrett directed staff to take time and extra effort to work through the backlog of activities. Pursuant to the directive we established priorities enabling us to resume normal operations as quickly as possible while minimizing extra burden on staff. Payments resumed, and we minimized impact on awardees. Most Advisory Committee meetings were cancelled. Operations are now back to normal.

➢ **Recompetition**
  The B&O Committee Co-Chairs asked for an update on NSF's disposition of the issues in the Recompetition of Major Research Facilities Subcommittee Report that was presented at the Spring 2012 meeting. We very much appreciate the hard work that went into that report. NSF is still considering it.

➢ **ARRA Is Winding Down**
  o **ARRA IS COMING TO A CLOSE GOVERNMENT-WIDE.** Recipient Reporting for ARRA awards was repealed by Congress as of February 1, 2014, with the enactment of the Federal Government's Fiscal Year 2014 Omnibus Spending bill. Final ARRA data will be posted to Recovery.gov on May 1, 2014. NSF will continue its post-award monitoring efforts for its 503 open ARRA awards that received OMB waivers. We have removed their ARRA provisions, and they will continue to operate pursuant to their terms and conditions.

  o **SUMMARY REPORT.** BFA is currently working on a report summarizing our ARRA implementation to document, for historical purposes, some of our business processes, performance outcomes and lessons learned.

➢ **Uniform Guidance Published/NSF's Two-Year COFAR Term Has Ended**
  o OMB and the Council on Financial Assistance Reform (COFAR), of which NSF was a member, sponsored this effort to streamline government wide financial assistance policy. We're now preparing for the implementation of this Guidance. You will hear more about the Guidance and later in the meeting.
  o NSF transitioned off of the COFAR, and OMB selected the Department of State to succeed us.
  o NSF will remain apprised of and engaged in government-wide grants policy matters through its membership on the Financial Assistance Committee for eGov (FACE), which COFAR and OMB use as a federal grant-making agency stakeholder group.

➢ **NSF Budget**

Budget/Request	Amount	Notes
FY 2014 Appropriation	$7.18B	• 4.2% ($288M) above FY 2013 level
FY 2015 Budget Request (transmitted 3/10/14)	$7.26B	• 1.2% ($83M) above FY 2014 enacted
FY 2015 Opportunity, Growth, and Security Initiative	$552M	• 1,000 additional standard awards

➢ **Travel**
  o **FY 2013 TRAVEL REDUCTION GOAL.** For FY 2013, NSF exceeded its travel reduction goal and reduced travel by $12.1 million, or 38 percent, below the FY 2010 baseline of $31.6 million. The "cost" of merit review panel travel is a key factor in achieving such significant travel savings. In FY 2013, NSF held 25 percent of panels virtually, which contributed to $5.5 million in panel travel savings compared to FY 2010, a reduction of 46 percent.
  o **FY 2014 TRAVEL TARGETS.** NSF's travel target is the same amount as it was during FY 2013 -- $27.03 million. As of the end of the first quarter, travel obligations were $4.48 million, or 17 percent, of the established

target. As a reminder, all federal agencies are required to maintain a reduced level of travel spending each year through FY 2016. For NSF, the travel cap of $27.03 million remains in place for the next three years.

- o **NSTC DATA CALL**. On April 2, 2014, the National Science and Technology Council issued a data call to characterize agency implementation of travel and conference policies and the resulting impact on the health of the science and technology (S&T) workforce and on the agency's ability to achieve its mission. These data will be consolidated and used in a forum convened by the NSTC to share best practices for policy implementation across the federal government.   NSF is currently preparing its response to this data call.

- ➢ **Conferences**
  - o **FY 2013 ANNUAL REPORT.** On February 6th, NSF published its FY 2013 Annual Conference Report on all agency-sponsored conferences where the net expenses for each single conference were in excess of $100,000. NSF sponsored five conferences, attended by 2,028 individuals, at a total cost of $2.8 million.
  - o **REVISED NSF BULLETIN.** On March 24th, NSF issued a revised Bulletin on *Conference Planning, Approval and Reporting Requirements*. The new Bulletin excludes from reporting mission-critical activities, such as merit review panels, Advisory Committee meetings, and certain site visits, thereby greatly reducing the excessive reporting burden for conferences less than $100,000 that captured mission-oriented activities far beyond the type of conference events the Administration and Congress had intended to target.
  - o **OIG AUDIT**. Finally, the NSF OIG announced an audit, with a yet-to-be-announced start date, of NSF's conference spending to determine if conference spending and related reporting is compliant with NSF and OMB conference policies.

- ➢ **NSF Financial Management**
  - o **iTRAK.** The iTRAK project (modernizing NSF's core financial management system and associated processes) is set to go live for FY 2015 in early October 2014.
    - ✓ The Development phase will be complete as of April 30, 2014. Key accomplishments during the design phase include: designed the Oracle system, finalized iTRAK' s technical and functional designs, conducted a successful simulated (mock) data conversion, and completed a Transformation Plan which assesses key changes that will affect *roles*, *workload*, and required *skillsets*, as well as new *policies.*
    - ✓ iTRAK is undergoing very rigorous testing that will continue once the system becomes operational to ensure the system meets functional and technical requirements and operates as intended.
    - ✓ The iTRAK Team developed a white paper, included in the committee briefing materials, that discusses Parallel Processing, project risks, data ownership and provides information on the testing phase.
    - ✓ iTRAK is currently on schedule and under budget.

  - o **iTRAK IMPLEMENTATION'S IMPACT ON NSF FY2014 CLOSEOUT AND FY2015 START-UP**
    - ✓ The changeover to iTRAK will have a major impact on agency financial operations.
    - ✓ Two OD memos issued by Dr. Marrett as Acting Director to garner agency-wide support of iTRAK implementation and a second companion notice informed staff that NSF will need approximately 3 weeks to perform the cutover.
    - ✓ September 19th will be treated as the end of the fiscal year - unlike past years, there will be no exceptions to the critical deadlines.
    - ✓ Affects all financial transactions!! But still have over 5 months to plan for these 3 weeks so that NSF's business continues uninterrupted.
    - ✓ As for startup in October for FY 2015 – our real ability to operate will depend upon the enactment of an appropriation or continuing resolution like any year. The fact that the financial system is not up and running will not affect our ability to operate. However, we are deferring processing of financial transactions (such as awardee payments and grant obligations) until startup on October 14.
    - ✓ Travel and facilities are the main areas requiring substantial planning and coordination with our program offices to ensure a minimal disruption in regular business operations.

  - o **AWARD CASH MANAGEMENT SERVICE (ACM$)** Since the last B&O meeting, NSF launched ACM$ which ended our

long-standing "pooling" method for paying awards, changing it to the submission of payment amounts at the award level each time funds are requested.

- ✓ Over 1,700 awardee institutions now use ACM$ to access their NSF grant funds. Each day ACM$ is processing an average of $25 million made up of approximately 2,000 individual award payments.
- ✓ A recent ACM$ user survey, with nearly 800 respondents, showed that 92% of the awardee institutions like the way ACM$ is performing and that the majority of users believe ACM$ has improved their capability to track their NSF award funds.
- ✓ ACM$ represents a new approach to award payments that significantly improves the timeliness of award financial data available to NSF. This is creating new opportunities to augment our stewardship activities through the implementation of new award monitoring processes, as well as enabling our awardee institutions to leverage ACM$ capabilities to improve their internal business processes by enhancing cash management practices and making updated award data available and accessible to their systems on a daily basis.

➢ **NSF Strategic Plan**
- o **PLAN RELEASED.** NSF's new strategic plan was released in March with the budget (available on NSF.gov). The process of developing the plan was very inclusive with input coming from all levels of the agency.
- o **NEXT STEPS.** Required Strategic Reviews to assess how NSF is progressing toward our Strategic Goals and Objectives in the Strategic Plan. This is a new requirement of GPRA Modernization.
  - ✓ A Strategic Review is a process involving the highest level of agency leadership that <u>uses evidence </u>and <u>data</u> to annually assess performance on the strategic objectives in the Strategic Plan. These reviews should inform agency <u>strategy and budget </u>formulation, and they must identify <u>opportunities for improvement </u>and "<u>significant challenges</u>" that must be reported back to OMB.
  - ✓ Over the last few months we have had seven strategic review teams working on NSF's Strategic Review. A summary of findings will be submitted to OMB on May 16th, and we will also be giving a presentation for OMB on the results of our strategic reviews on May 28th.