

“Science and engineering are at the heart of the 21st century. New knowledge is a powerful driver of economic prosperity and a force for human progress. That makes new knowledge the most sought after prize in the world.”

Rita R. Colwell
Director
National Science Foundation



A MESSAGE FROM THE DIRECTOR

I am pleased to present the National Science Foundation's *FY 2001 Accountability Report*. I am delighted that this year we have been singled out by the Director of the Office of Management and Budget as "a true center of excellence...for reaching for real results and measuring and attaining those results...." It is a challenge to sustain that praise, one we take seriously and proudly. This report describes our core business priorities and accomplishments of the past year based on data that are complete and reliable. Because we are also committed to the highest standards of management integrity, we will continue to improve our data collection efforts and management processes.

Every year, for more than half a century, the Foundation's far-sighted investments continue to enrich Americans' health, security, environment, economy and general quality of life. And every year, the Foundation's optimal use of limited public funds relies on two conditions: ensuring that NSF's investments are aimed – and continuously re-aimed – at the frontiers of understanding; and certifying that they go to competitive, merit-reviewed, and time-limited awards with clear criteria for success. When these two conditions are met, our nation gets the most intellectual and economic leverage from its investments in research and education.

In the aftermath of the terrorist attacks on September 11, the stakes for our investments could not be higher. The future of America – indeed the future of the world – is more dependent upon advances in science and technology than ever before. An inspired scientific community is focused on ensuring not just our security, but our very quality of life. We well remember that our national security includes the condition of our spirit as much as the size of our arsenal, and we are heartened by the echo of President Franklin D. Roosevelt's words in his secret letter to Robert Oppenheimer in 1943: "Whatever the enemy may be planning, American science will be equal to the challenge."

We have always reached our distant horizons, and set out for new ones in our restless quest for knowledge. The Foundation's investments are essential to our national strategy for attaining our overarching national goals. It is impossible to predict which areas of science and engineering will yield groundbreaking discoveries, what those discoveries will be, or how they will impact other disciplines, and, eventually, our daily lives.

Who can be sure what will be needed to maintain our national security and our strong economy, and to clean up the environment, and develop a healthier and better-educated citizenry? What the National Science Foundation can ensure is that the United States remains at the forefront of scientific capability by sustaining our investments in basic research and education thereby enhancing our ability to shape a more prosperous and secure future for ourselves, our children, and future generations.

Rita R. Colwell

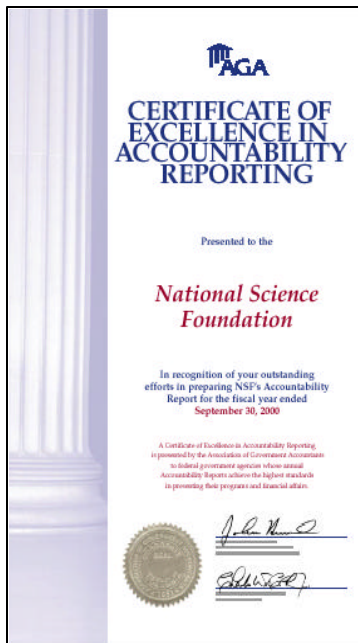
February 27, 2002



A MESSAGE FROM THE CFO

Thank you for your interest in our *FY 2001 Accountability Report*. I am pleased to report that FY 2001 was a very successful year for the Foundation's business operations. During the year, NSF:

- Received an unqualified opinion on its financial condition, providing a solid foundation for a discussion of agency performance and strategic investments in people, ideas, and tools;
- Was the only federal agency to receive a "green light" on OMB's Management Scorecard -- for outstanding financial management;
- Implemented a new finance and payroll system into NSF's enterprise architecture successfully and seamlessly;
- Became only the second agency to be awarded the Association of Government Accountants' Certificate of Excellence in Accountability Reporting for two consecutive years.



NSF continues to be an efficient operation. A small, dedicated staff of about 1,200—with an operating budget that is only 4.5 percent of the agency's total budget—manages a nearly \$5 billion operation. Technology fuels these efficiencies, and NSF has long been recognized as the leader in the federal use of information technology. In the past year alone, NSF electronically processed nearly 14,000 grantee payments (91 percent); received 32,000 proposals (99 percent) electronically; and accepted nearly 20,000 electronic signatures on incoming proposals.

In November 2001, the Director of OMB publicly commended NSF for both excellence in financial management and efficient operations. Clearly, the Foundation's leadership in advancing the frontiers of science and engineering is fueled by a commitment to leading edge excellence in administration and management processes. Looking ahead, while NSF's strategy is on target and implementation improves daily, NSF intends to continue to raise the bar for more effective and efficient management operations.

In the coming year, our focus will be on the government-wide initiatives outlined in the President's Management Agenda, including human capital, competitive sourcing, and electronic government. We will also be addressing issues identified during our annual financial statement audit such as improved cost accounting and grantee oversight, as well as the agency's management challenges.

For five decades NSF grants have led to historical breakthroughs. In 2002, NSF intends to continue to invest in innovations to our management operations to ensure that the agency is prepared for a new era of progress.

Thomas N. Cooley
Chief Financial Officer

February 27, 2002

The NSF Statutory Mission

To promote the progress of science; to advance the national health, prosperity, and welfare; and to secure the national defense.



The NSF Vision

Enabling the Nation's future through discovery, learning and innovation.

Realizing the promise of the 21st century depends in large measure on today's investments in science, engineering and mathematics research and education. NSF investment – in people, in their ideas, and in the tools they use – will catalyze the strong progress in science and engineering needed to secure the Nation's future.