

**National Science Foundation
Office of Budget, Finance, and Award Management
Standing Operating Guidance (SOG)**

BFA 2005-2

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Award Types: Grants and Cooperative Agreements

Applicable BFA Organizations: Office of Large Facilities Projects, DCCA, DFM, DGA, DIAS

Subject: BFA Post Award Monitoring

I. Purpose

This document provides a consolidated reference for the financial and administrative policies, procedures, and activities for post-award monitoring conducted within the Office of Budget, Finance, and Award Management.

II. Background

NSF's award monitoring and oversight is an integrated process of programmatic, financial and administrative management that occurs throughout the award lifecycle from solicitation through the close-out of the program activity. Several factors informed NSF's decision in FY 2002 to augment this process with additional post-award monitoring activities and to make already existing post-award monitoring standard operating procedures more visible. Catalytic factors included the growth of NSF's budget, the changing portfolio of award recipients, and increased emphasis on federal award oversight and accountability throughout the Federal Government.

III. Introduction – BFA Post Award Monitoring

Post award monitoring is a shared activity among BFA's Division of Contracts and Complex Agreements, Division of Financial Management, Division of Grants and Agreements, and the Division of Institution and Award Support. It is comprised of baseline and advanced monitoring activities designed to ensure financial and administrative oversight of the NSF award portfolio.

IV. Baseline Post-Award Monitoring

Baseline monitoring is the set of activities that would be applied to the entire award portfolio. This includes Federal Cash Transaction Report (FCTR) monitoring and award terms and conditions that are carried out by the cognizant BFA Staff.

A. Division of Financial Management (DFM)

The Division of Financial Management (DFM) is responsible for conducting post award grant recipient FCTR monitoring that is applicable to all NSF grant recipients using the FastLane financial functions. DFM Post Award Grant Recipient Monitoring activities are comprised of Realtime Grantee Monitoring and Post Activity Grantee Monitoring.

1. DFM Realtime Grantee Monitoring

[DFM Realtime Monitoring Procedures](#) are applied to all grant recipient accounts and are primarily focused on cash requests and financial reports as they are processed. These procedures utilize a comprehensive system of automated and manual edits and internal controls that ensure the data is processed efficiently and correctly.

2. DFM Post Activity Monitoring

[DFM Post Activity Monitoring Procedures](#) are primarily oriented on validating data integrity and on compliance with NSF and Federal guidelines for grant financial management policy. These procedures utilize reports and manual procedures developed specifically for this function. Post Activity Monitoring is completed for grant recipient accounts and provides assurance that grantees follow appropriate cash management procedures, complete all financial reporting requirements, and that the information reported is valid and consistent with the intent of NSF grant policy.

B. Division of Grants and Agreements (DGA)

[DGA Post Award Monitoring Activities](#) The Division of Grants and Agreements is responsible for performing the bulk of NSF's overall post-award management assistance activities; in part, this is handled through liaisons to Programs on a continuing daily basis. DGA is responsible for Baseline Monitoring activities as outlined in the Proposal and Award Manual (PAM) and Standard Operating Guidance (SOGs), and Advanced Monitoring activities as indicated in a variety of NSF's guidance including the Grant Policy Manual (GPM), award-specific terms and conditions, and other specialized terms and conditions such as Grant General Conditions (GC-1), Cooperative Agreement Financial and Administrative Terms and Conditions (CA-FATC), Federal Demonstration Project Terms and Conditions (FDP), and Small Business and Innovative Research (SBIR) Terms and Conditions.

C. Division of Contracts and Complex Agreements (DCCA)

[DCCA Post Award Monitoring Standard Operating Guidance BFA 2005-1](#)

DCCA's Complex Agreements Office (CAO) is charged with providing in depth award oversight and administration to NSF's large complex agreements. The office is charged with conducting aggressive post-award monitoring and oversight as a routine part of award administration, ensuring timely receipt of deliverables, suggesting corrective actions, including compliance with terms and conditions, and directing necessary action to ensure performance. CAO provides advice and assistance to programs through planning and formal and informal lines of communication with program staff; meeting as required with Division Directors to ascertain needs and requirements. The staff participates and actively supports strategic planning meetings for major facilities and centers. A critical performance requirement of positions within this office is to improve award administration by proactively engaging in post-award monitoring and oversight activities and to improve service to the Foundation by increasing value added business process leadership.

Because the mission of CAO is to provide dedicated support tailored to meet the award and administration needs of each Federally Funded Research and Development Center (FFRDC) and facility that it has responsibility for, the overwhelming preponderance of award monitoring and oversight performed by CAO is conducted within these baseline-monitoring activities. These activities are memorialized through file documentation, email and periodic status reports and reviews.

V. Low and Medium Risk Award Monitoring--FCTR Transactional Testing

Division of Financial Management and Division of Institution and Award Support

In order to augment the NSF resources focused on post award monitoring, NSF retained contract support. Contracted services for medium/low risk grant FCTR expenditure sampling include: (1) establishing an appropriate statistical sample for both the medium and low FCTR grant universe, (2) obtaining expenditure supporting documentation for selected awards from grantees, (3) reviewing the supporting documentation for selected expenditures from the grantees in accordance with cost principles, and (4) determining a statistical estimate of FCTR expenditure reporting errors and reporting results of the review. Contractor responsibility found at <http://www.inside.nsf.gov/bfa/dias/caar/docs/sowfctr.pdf>.

VI. Advanced Post-Award Monitoring

Advanced post award monitoring is comprised of two major oversight activities, the AMBAP and the TBSR.

A. Award Monitoring and Business Assistance Program (AMBAP)

The Division of Institution and Award Support (DIAS) has overall responsibility for implementation of the NSF Award Monitoring and Business Assistance Program

(AMBAP). Under AMBAP, NSF conducts site visits to NSF awardee institutions that are managing high risk awards and/or have high risk institutional characteristics, and/or are identified by NSF Program Officers. The purpose of the site visits is to review the awardee's general financial and management systems to assure NSF that its awardees understand and comply with the requirements of their award agreement and Federal regulations. The reviews also provide an opportunity to provide business assistance as needed.

Resources: [Post-AMBAP Risk Assessment Guide](#)

[Post-AMBAP Site Visit Review Guide](#)

B. Total Business System Reviews

The Division of Contracts and Complex Agreements has lead responsibility for conducting Total Business System Reviews (TBSR's) for all FFRDC's and large facilities administered by DCCA's Complex Agreements Office. The TBSR cycle for FFRDC's will be performed at the rate of one per year so that each FFRDC will be reviewed once every 4 years. Staff members from the BFA Large Facilities Office and the DIAS Cost Analysis and Audit Resolution Branch will participate in these reviews. In addition, staff from other NSF Directorates will support reviews as appropriate. Program Office participation will also be solicited as needed. Resources:

[DCCA Post Award Monitoring Standard Operating Guidance BFA 2005-1](#)

Implementation: Partial implementation beginning in FY 2005 with full implementation for FY 2006 and thereafter until amended.

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