Cost Analysis and Audit Resolution Branch (CAAR)

Advanced Monitoring Desk Reviews

Overview/Purpose

- Desk reviews are essentially an overarching appraisal of an institution's award administration capacity. CAAR assesses the extent that an awardee maintains a control environment within which awards are likely to be administered in compliance with Federal financial and administrative regulations and NSF agreement provisions.
- The desk review process is designed to provide a reference base to inform future NSF monitoring efforts, identify administration or compliance issues, and highlight the need for business assistance. The process also verifies that NSF's recipient institutions are using sound business and administrative practices to achieve the objectives of their grant-funded projects.
- CAAR performs approximately 120 desk reviews each year. CAAR prioritizes awardee institutions to participate in advanced monitoring (i.e., site visits or desk reviews) based on the results of its annual award portfolio risk assessment, monitoring requests from other NSF divisions, and professional judgment. Desk reviews are often scheduled in advance of monitoring site visits.

Timeframe/Roles

- Desk reviews are typically completed within 90 days of awardee notification; some reviews take longer. Abbreviated reviews of only American Recovery and Reinvestment Act (ARRA) related information are typically completed within 45 to 60 days.
- Desk reviews are prepared by an external contractor. CAAR staff review the draft report and work papers to verify that the review meets NSF standards and that any concerns identified in the report are adequately substantiated.
- Typically, two to four representatives from the awardee institution (e.g., two sponsored programs office staff and one accounting staff) participate in the desk review process. Since the review process focuses on award administration rather than award performance, the principal investigator of the award reviewed is not usually involved in the process.

Topics Covered

Desk reviews include three to four core review areas:

- **General Management Survey** – assess the extent to which an organization has a sound organizational structure that will protect assets, ensure against the incurrence of improper liabilities, and ensure the accuracy and reliability of financial and operating information
- **Accounting and Financial System Review** – assess the sufficiency of the awardee's financial management policies, procedures, and practices in accurately and completely disclosing and documenting the financial results of Federal awards; providing effective control and accountability of funds, property, and other assets; and determining the reasonableness, allocability, and allowability of costs
- **Award Cash Management Service (ACM$) Drawdown Process Review** – verify that sample awardee drawdowns do not exceed cumulative expenses as of the time reviewed and have not resulted in excess cash on hand
- **ARRA Module (if applicable)** – verify that the awardee has developed or adapted policies and procedures, and made appropriate changes to underlying financial and grant management systems to separately account for ARRA funding. The module also includes performing an ACM$ drawdown review of an ARRA-funded award.

For more information, visit: www.nsf.gov/bfa/dias/caar/deskrev.jsp.

IMPORTANT LINKS:

National Science Foundation
www.nsf.gov

Division of Institution and Award Support
www.nsf.gov/bfa/dias

Cost Analysis and Audit Resolution Branch
www.nsf.gov/bfa/dias/caar/index.jsp

NSF Proposal & Award Policies and Procedures Guide
www.nsf.gov/publications/pub_summ.jsp?ods_key=papp

Prospective New Awardee Guide
www.nsf.gov/publications/pub_summ.jsp?ods_key=pnag

General Federal Requirements
www.nsf.gov/bfa/dias/caar/fed.jsp

Questions may be directed to CAAR

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