



**NSF Post Award Monitoring & Compliance**

***NSF Grants Conference***

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***Chicago***

**Hosted by: Loyola University Chicago and Northwestern University**



**Division of Institution & Award Support**  
**Cost Analysis & Audit Resolution Branch**

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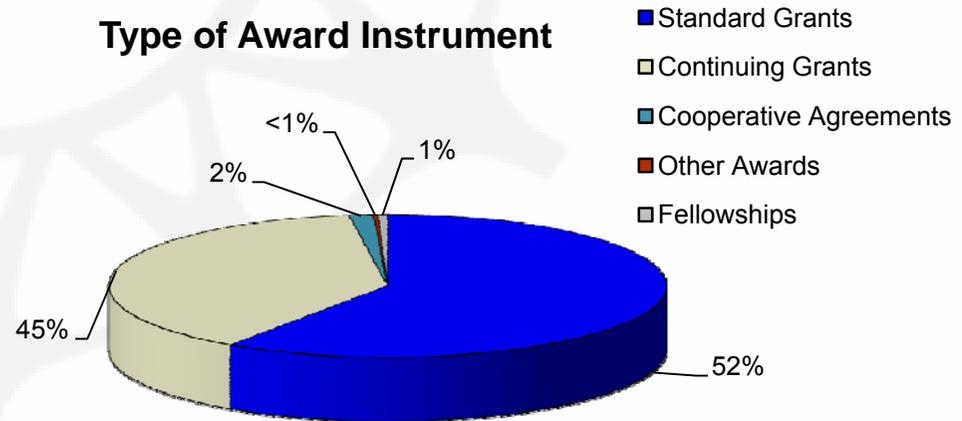
## Discussion Points

- ▶ NSF's Risk Assessment
- ▶ Overview of Award Monitoring and Business Assistance Program (AMBAP)
- ▶ Advanced Monitoring Description and Highlights

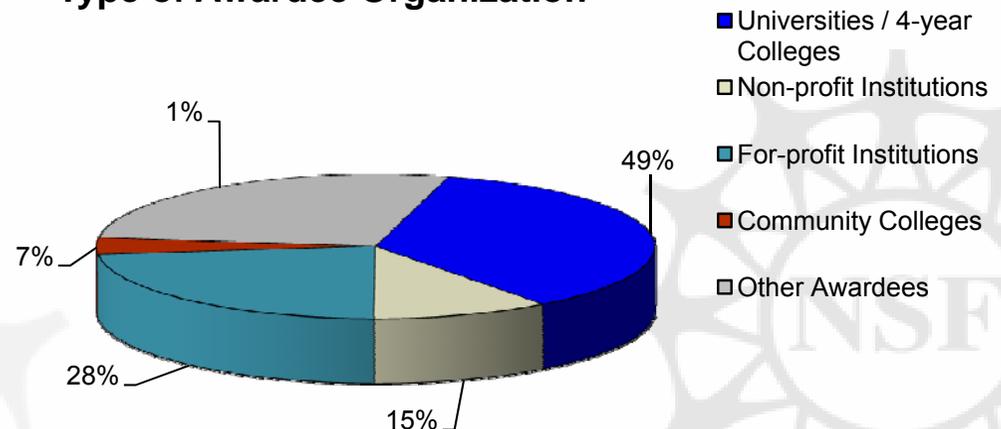
# Spurred by increased funding to support research in science, engineering, and education, NSF's award portfolio has been increasing over the past decade

- ▶ \$25.5 billion in total award funding
- ▶ 42,192 active awards
  - Standard and continuing grants
  - Cooperative agreements
  - Graduate research fellowships
  - Other awards
- ▶ 3,197 awardees
  - Universities / 4-year colleges
  - Non-profit organizations
  - For-profit organizations
  - Community colleges
  - Other awardees

**Type of Award Instrument**



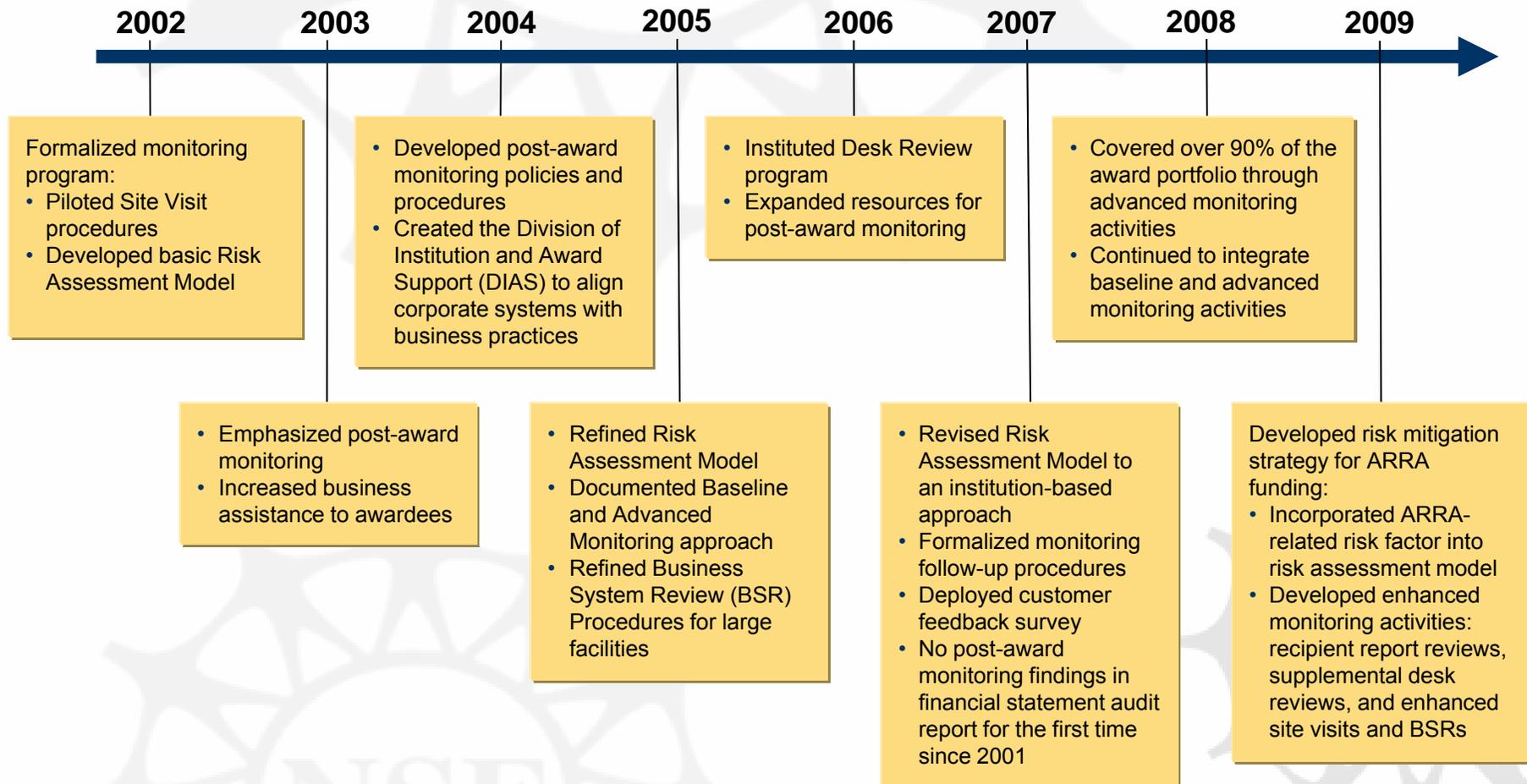
**Type of Awardee Organization**



Award information as of July 2, 2010

# NSF has transformed its post-award monitoring approach to meet evolving oversight needs

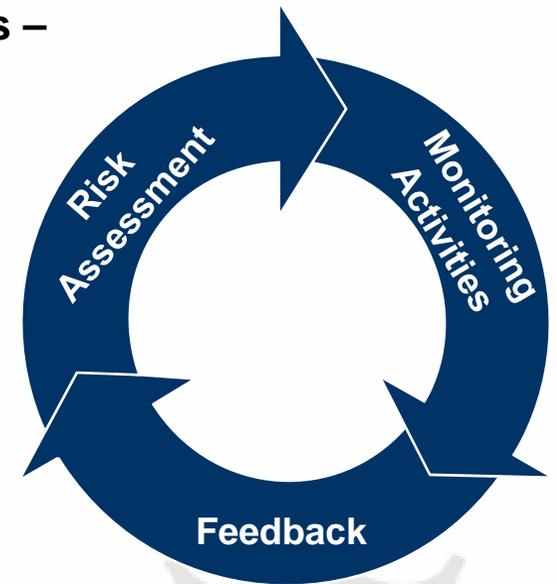
## Evolution of NSF Post-Award Monitoring Processes



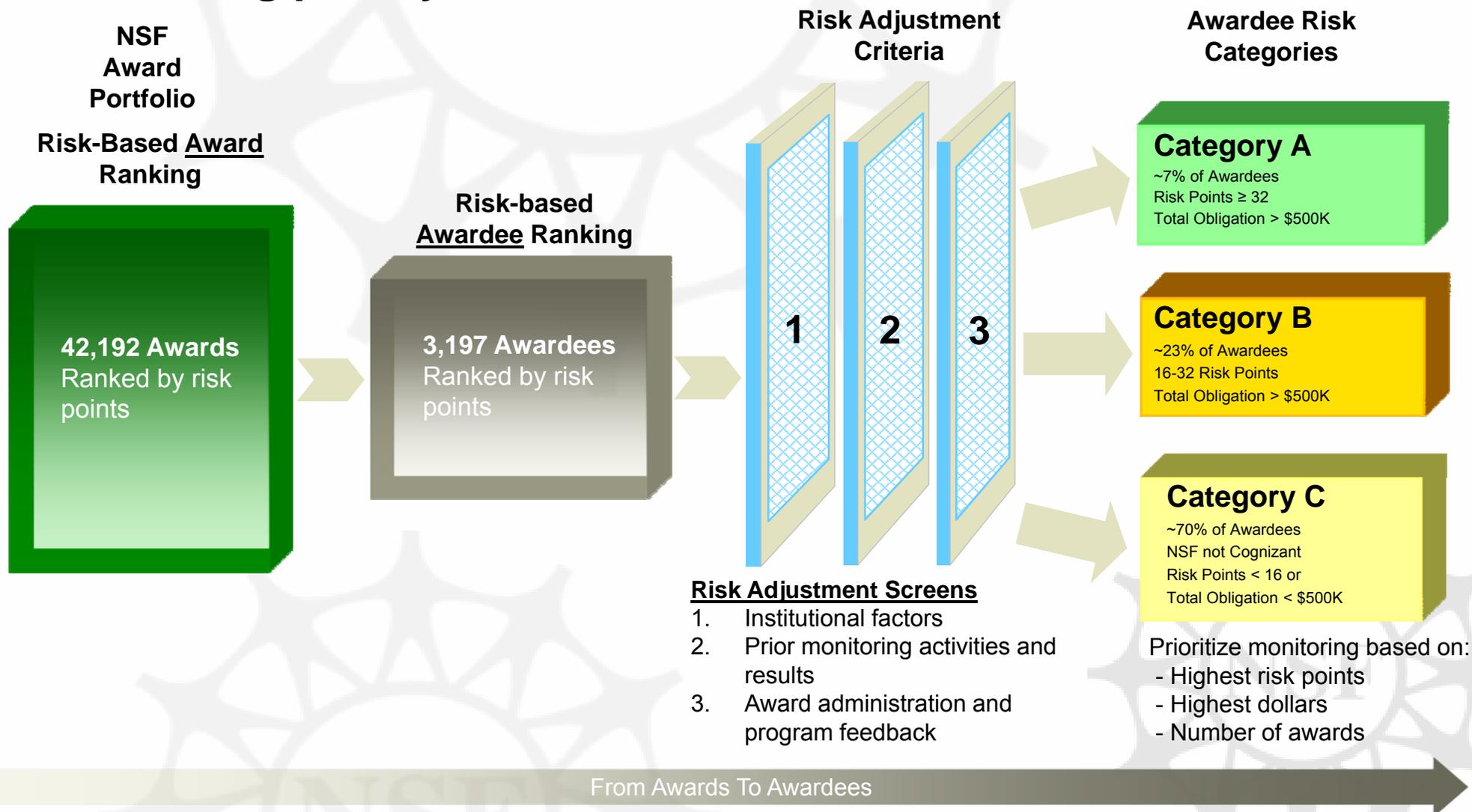
# NSF has developed a risk-based portfolio monitoring strategy that integrates post-award monitoring activities and focuses limited resources on institutions administering higher risk awards

The portfolio monitoring strategy contains three key components –

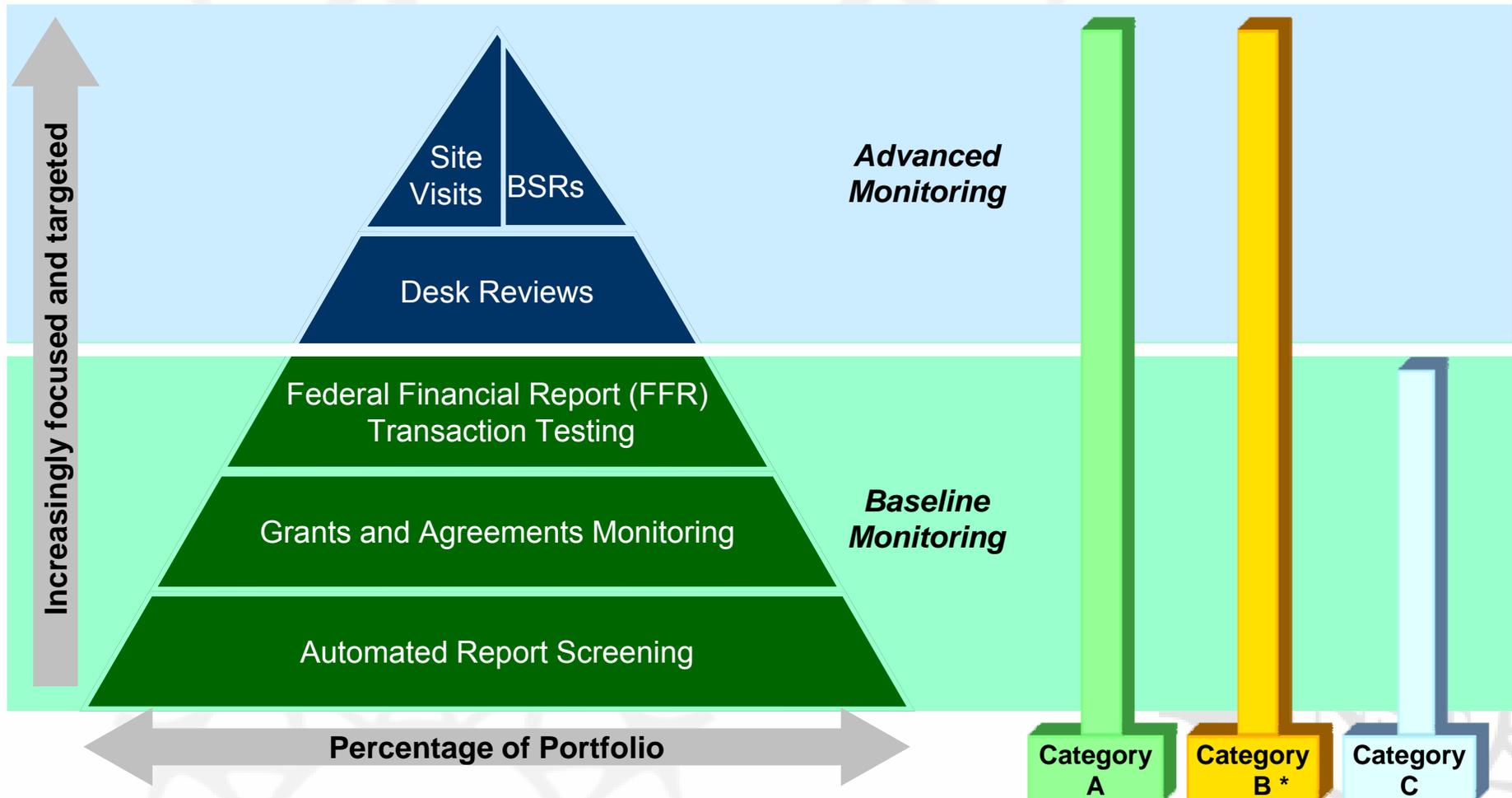
- ▶ **Risk Assessment** – Enables NSF to focus limited advanced monitoring resources on awardees managing higher risk awards
- ▶ **Comprehensive Monitoring Activities** – Supplements largely automated baseline activities with focused advanced monitoring activities to provide broad coverage of the award portfolio. These activities are designed to mitigate the risk of non compliance with federal and NSF award administration requirements
- ▶ **Tracking Monitoring Results and Gathering Feedback** – Enables NSF to better target business assistance activities and to make continuous improvements to the risk assessment model and monitoring procedures



# NSF conducts an annual risk assessment of the awards and awardee institutions within its award portfolio to determine monitoring priority for each awardee



# NSF has developed an integrated set of monitoring activities that provide broad coverage of its award portfolio



\* Category B selected for advanced monitoring on resource-available basis

# Baseline monitoring activities incorporate day-to-day award administration with automated monitoring to provide broad coverage of the entire award portfolio



- ▶ Baseline Monitoring activities are:
  - Largely streamlined or automated
  - Designed to identify exceptions and potential issues that require immediate research, resolution, or further scrutiny through advanced monitoring
  - Focused on one or more awards rather than the awardee institution's grant management systems
- ▶ Baseline Monitoring activities consist of:
  - Automated financial report screening
  - Grants and Agreements Officer award administration
  - FFR transaction testing

# Advanced monitoring focuses on award administration practices of selected awardees managing higher risk awards



- ▶ Advanced monitoring consists of:
  - Desk Reviews – Assess general management environment, review selected accounting and financial management policies and procedures and obtain financial information submitted by awardees
  - Site Visits - Conduct onsite review of selected higher risk award administration areas and follow up on desk review results as needed
  - BSRs – Combine desk and onsite reviews of large facility business systems to determine whether the operation of those facilities meet NSF’s expectations for business and administrative management
  
- ▶ Advanced Monitoring activities are:
  - Designed to develop reasonable assurance that awardees possess adequate policies, processes, and systems to properly manage federal awards
  - Focused on grant administration and accounting practices rather than technical or programmatic achievement
  - Intended to provide value-added business assistance (programmatic and technical assistance is provided by NSF’s program directorates)

# Desk Reviews enable NSF to gain insights into awardees' core award administration policies, procedures, and practices

## Core Functional Review Areas

- ▶ General Management Survey
- ▶ Accounting and Financial Management Review
- ▶ FFR Reconciliation



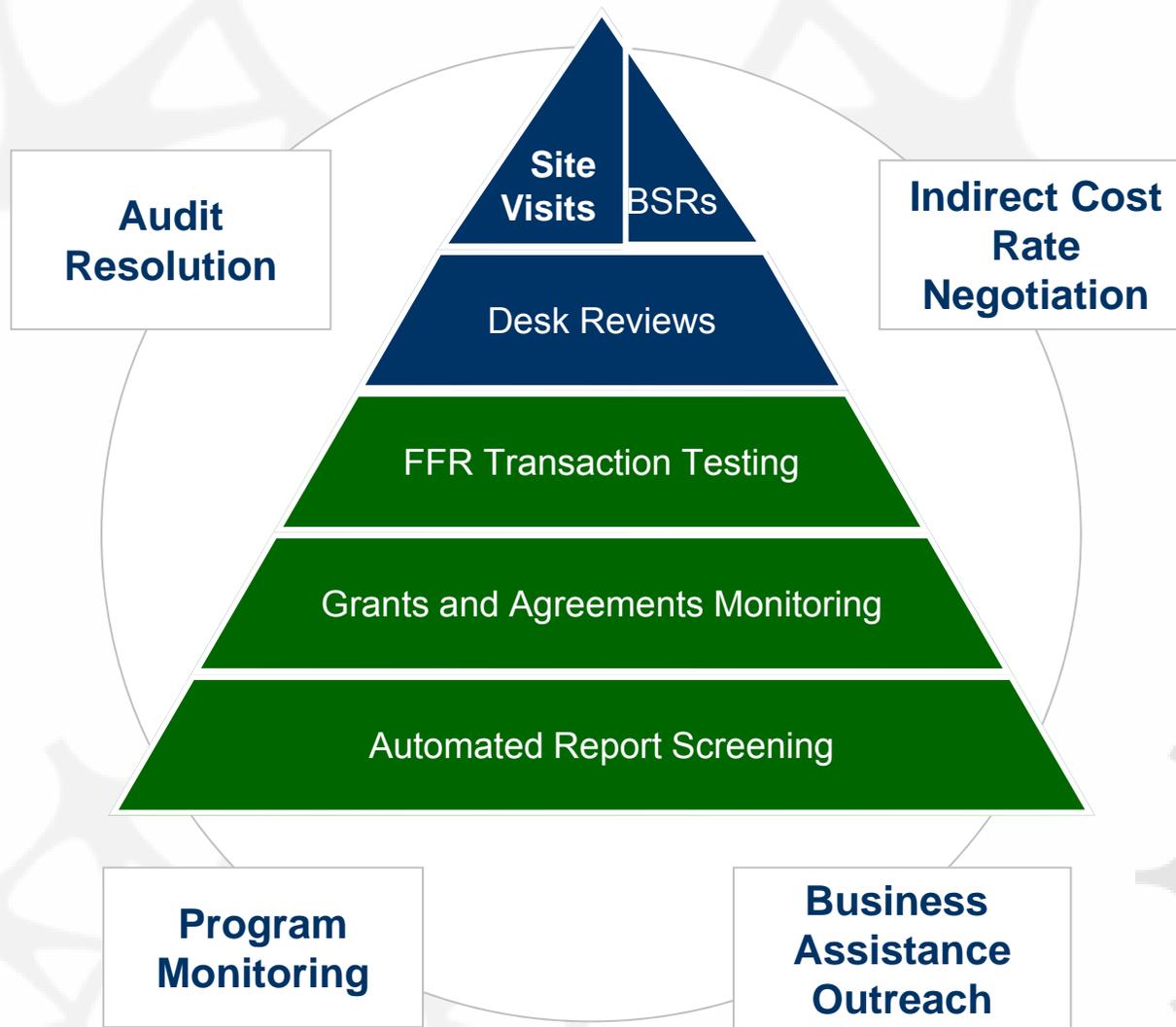
# Site Visits enable NSF to focus on selected, higher risk aspects of an institution's award management practices



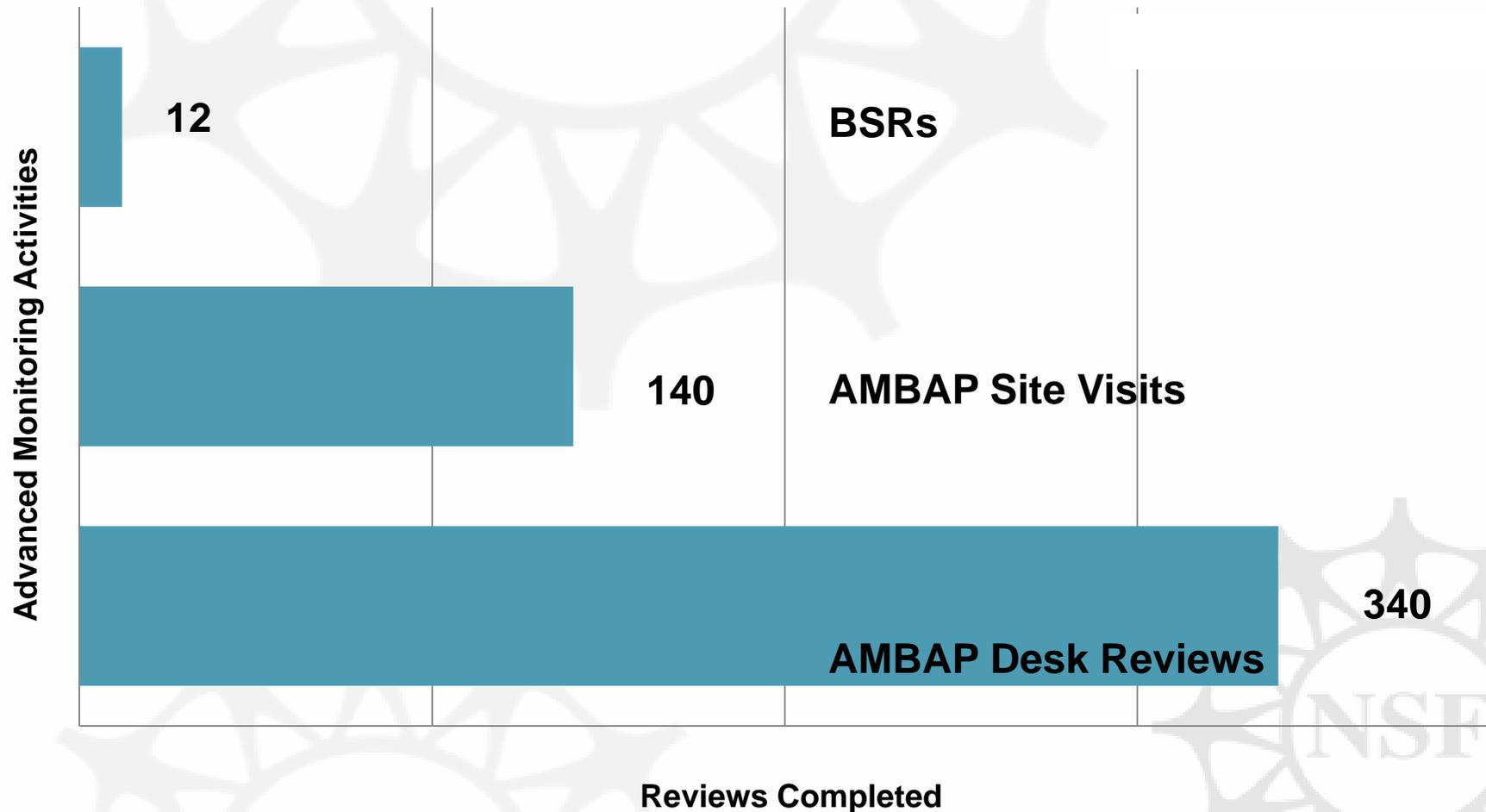
Targeted Review Areas
Consultants
Cost Sharing
Final Project Reports
Fringe Benefits
Indirect Costs
Participant Support Costs
Procurement
Program or Award-Related Income
Property and Equipment
Special Terms and Conditions
Subawards and Subrecipient Monitoring
Time and Effort Records
Travel



# NSF increases the impact of its monitoring efforts through collaboration among departments responsible for monitoring and other awardee-related activities



***Over the past five years, NSF's advanced monitoring activities have covered the 24% of awardees that manage 94% of all funds awarded***



NOTE: Some awardees have participated in multiple advanced monitoring activities; e.g. a desk review and a site visit.

## **NSF tracks the results of its monitoring efforts and gathers feedback to improve its monitoring processes and business assistance efforts**

- ▶ *Adjust risk assessment methodology to reflect monitoring priorities*
- ▶ *Update monitoring procedures to efficiently focus on topical issues*
- ▶ *Identify award administration trends to better focus business assistance*

**In FY 2010, NSF augmented its post-award monitoring tool kit to provide additional monitoring oversight for ARRA-funded awards including:**

- ▶ *Review of ARRA-funded recipient reports*
- ▶ *Enhanced Desk Reviews*
- ▶ *Enhanced Site Visits*
- ▶ *Enhanced BSR's*
- ▶ *Piloting Virtual Site visits through internet Web camera applications*

## **Looking to the future, NSF will continue to strengthen the effectiveness of its monitoring system**

- ▶ *Growing and Diversified Portfolio of Awards*
- ▶ *Maintain comprehensive coverage*
- ▶ *Further integrate post – award monitoring activities*
- ▶ *Enhance managements systems to better track monitoring data*
- ▶ *Develop knowledge base of lessons learned*
- ▶ *Share best practices with other agencies*

## Keys to Success for Awardees

- ▶ Know requirements (award letter, award terms and conditions, OMB Circulars)
- ▶ Good accounting practices – accumulation & segregation of costs
- ▶ Focus on the objectives of the project/program
- ▶ Document approvals and conversations between the awardee and NSF
- ▶ *Ask Early and Ask Often!*



## Where can I get information on-line?

- ▶ Cost Analysis & Audit Resolution Branch : <http://www.nsf.gov/bfa/dias/caar/index.jsp>
- ▶ Division of Institution & Award Support : <http://www.nsf.gov/bfa/dias/index.jsp>
- ▶ General : <http://www.nsf.gov>
- ▶ Policy Office : <http://www.nsf.gov/bfa/dias/policy/index.jsp>



## Our Contact information

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# Thank You!!

