



# Business Assistance

NSF Workshop for Sponsored Project Administrators  
at Hispanic Serving Institutions

April 13, 2007 - Miami, FL

April 20, 2007 – Albuquerque, NM



**NSF – HSI Workshop**



# Ask Early, Ask Often!!

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# Oversight and Monitoring of Federal Awards

- Emphasis on Stewardship of Federal Funds
- NSF Gold Standard Model for Monitoring and Business Assistance
- Compliance & Common Areas of Concern



## **Cost Analysis & Audit Resolution (CAAR) Post Award Monitoring & Business Assistance Program Site Visits**

- Each year we lead a number of site visits
- Locations to visit are determined based on risk assessment of the active award portfolio and on program or administrative input
- Core Review Areas
  - General Management, Accounting and Financial System Review, FCTR Reconciliation
- Targeted Review Areas
  - Examples are cost sharing, participant support and sub-awards/sub-recipient monitoring



# Compliance & Common Areas of Concern

- **Time and Effort Reporting**  
(A-21, J.10)
- **Participant Support**  
(GC-1, Article 7 & GPM, Section 618)
- **Consultants**  
(GPM, Section 616; A-21, J.37)
- **Subrecipient Monitoring**  
(OMB A-133, C.\_.51)
- **Cost Sharing [A-110, \_.23(a)]**



# Time & Effort Reporting

- System to document and support salary charges to Federal awards – labor is a primary driver on most NSF awards
- Valuable for awardees – a management tool - know what activities employees are spending their time on
- **Time & attendance records** – vacation, sick, or present for duty vs. **Time & effort reports** – what activity the employee was working on



# OMB Circular A-21 Time & Effort Reporting

## Plan Confirmation

- Initially based on budget or assigned work which is then adjusted to actual if there are modifications
- Includes statement confirming that work was performed as budgeted.

## After the Fact Activity Reports

- Prepared each academic term for faculty and professional staff
- Other employees at least monthly and coincide with payroll



# OMB Circular A-21 Time & Effort Reporting

- Official records – by academic periods - semester, quarter
- Reasonably reflect activities employee is compensated for
- Encompass both sponsored projects and other activities





# Time & Effort Reports Should Contain:

- Employee name or identification code
- Project name / number or account code, total effort that pay period
- Hours or percentage charged to different projects
- Employee or supervisor signature (can be electronic)
- Not – determined based on budget but developed after the fact based on actual activities performed



# Participant Support Costs

- Participants or Trainees (not employees – exception school districts – teacher training)
- Stipends, subsistence allowance, travel, registration fees, copies, tuition
- Funds may not be re-budgeted to other expense categories with out prior written approval of the NSF program officer (via Fastlane)



# Participant Support Costs

- Awardee organizations must be able to identify participant support costs.
- Participant Support Costs ***are not*** a normal account classification
- Highly recommended that separate accounts, sub-accounts sub-task or sub-ledgers be established accumulate these costs.
- Should have written policies & procedures



# Participant Support Costs

- Typically excluded by NSF from application of the indirect cost rate (MDTC – and pass through funds – such as stipends)
- Participant support – eligibility – what did participants have to do to receive the payment
- Documentation of attendees at conferences or workshops

\*\* (See GC-1, Article 7; A-21, J.17 and J.48)\*\*



# Purchased Services

- Vendor – “off the shelf” technical services
- Subcontractor – responsible for piece of the work
- Consultant – provides specific, professional expertise on a project



# Consultants

- Members of particular profession or possess certain skill
- Technical advice & support – work under awardee organization's direction (generally not responsible for a deliverable)
- Reasonableness of consultant rate of pay – NSF's daily limitation does not become de facto minimal payment



# Consultants

## Consultant Services

- Payments to individuals for consultant services under this cooperative agreement shall not exceed the daily equivalent of the then current maximum rate paid to an Executive Schedule
- Level IV Federal employee (exclusive of indirect cost, travel, per diem, clerical services, fringe benefits and supplies). Web site at:  
<http://www.nsf.gov/bfa/dga/policy/start.htm>



# Consultants

## Consultant Services-Elimination

- **Past:** Appropriations Acts limited the maximum rate of compensation paid to consultants.
- **Now:** Appropriation Act applicable to NSF for FY 2006 contains no limitation on payments to consultants under NSF awards; therefore, eliminating this constraint from the FY 2006 appropriated funds.
- **However:** Funds prior to March 15, 2006, are still subject to the consultant pay limitation.
- **For further information:** (see the Personnel Manual (NSF Manual 14) Chapter II, Subchapter 300, *Employment of Experts and Consultants*. This section can be accessed electronically at:

[http://www.inside.nsf.gov/oirm/hrm/general\\_information/personnel\\_manual/index.cfm](http://www.inside.nsf.gov/oirm/hrm/general_information/personnel_manual/index.cfm)).





# Consultant - Agreement

- Name of Consultant - Business or organization
- Rate of pay
- Period of performance
- Description of service to be provided
- Cost information on indirect costs, travel (per diem rates), supplies other expenses



# Consultant - Invoice

- Consultant Name - Organizations
- Rate charged and time worked - hourly or daily rate
- Short description of services provided
- Include all hours (example - preparation time & response time for speakers)



## Sub-awards & Sub-Recipient Monitoring

- Characteristics indicative of a Federal award received by a subrecipient:
  - Has its performance measured against whether the objectives of the Federal award are met;
  - Has responsibility for programmatic decision making;
  - Has responsibility for adherence to applicable Federal program compliance requirements



# Vendors

- **Payment for goods and services.** Characteristics indicative of a payment for goods and services received by a vendor are when the organization:
  1. Provides the goods and services within normal business operations;
  2. Provides similar goods or services to many different purchasers;
  3. Operates in a competitive environment;
  4. Provides goods or services that are ancillary to the operation of the Federal program; and
  5. Is not subject to compliance requirements of the Federal program.



# Prime Awardee Responsibilities

- Determining that the amount paid is reasonable for the work performed
- Some form of cost or price analysis should be documented
- Cost Analysis – review of individual elements of cost
  - Indirect Cost rate used
- Price Analysis – comparison of different offers if adequate competition



# Prime Pre-award Procedures

- Ensure that the subawardee:
- Ability to perform both technically and administratively (project cost accounting system for cost reimbursement)
- Financial capability to perform
- Appropriate indirect cost rate & base
- Not Debarred or suspended by Federal Government



# Flow Through Provisions

- Audit & access to records
- Prime awardee – perform on site technical & administrative reviews
- Cost Principles (A-87, A-122, A-21, FAR)
- Administrative Requirements (A-110, A-102 – “The Common Rule”)
- Statutory & Regulatory – COI, human subjects, drug-free workplace, CA-1 Article 8



# Subrecipient OMB A-133 Audits

- Receive OMB A-133 audit reports or access Federal Audit Clearinghouse data by CFDA number to determine if there are findings if organization expended more than \$500,000 in total Federal funds in that awardees fiscal year
- <http://harvester.census.gov/sac/>
- Resolve those findings that apply to your subcontract if any





# NSF Expectations

- System in place for monitoring subrecipients – “risk based approach” encouraged
- Evidence University is monitoring subawards
- Technical, Financial, and Compliance reviews



# How does NSF Management work with the OIG when resolving audit findings?

- NSF management resolves audit findings on audit reports referred to it for resolution by the Office of Inspector General (OIG)
- Cost Analysis and Audit Resolution Branch (CAAR) represents NSF management in this regard, and, in doing so we are involved in the following activities:
  - We are experts in interpreting OMB Circulars
  - We coordinate with NSF Program Managers
  - We coordinate with NSF Grants Officers & Specialists
  - We coordinate with NSF Finance Staff



## Where can I get information on-line?

- General

<http://www.nsf.gov>

- Division of Institution & Award Support

<http://www.nsf.gov/bfa/dias/index.jsp>

- Cost Analysis & Audit Resolution

<http://www.nsf.gov/bfa/dias/caar/index.jsp>

- Policy Office

<http://www.nsf.gov/bfa/dias/policy/index.jsp>



## 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 program and grant officials