



## what's inside

### Updates

*Click on a topic to navigate to its page*

NSF's Stewardship Performance Goal	1
Succession Planning	2
Administrative Functions Study Update	2
HRM Service Team Update	2
Teleworking at NSF	3
HSPD-12 Update	3
IT Security and Privacy at NSF	4
eBusiness at NSF	5
NSF's Internal Control Program	6
NSF's Pivotal Role in Research Grants Committees	7
Large Facilities Manual	7
Advisory Committee for GPRA	8
Business Systems Review	8

This newsletter serves as an update on all related NSF business between biannual B&O Advisory meetings.

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## NSF's Stewardship Goal

The Stewardship strategic outcome goal is to support excellence in science and engineering research and education through a capable and responsive organization. This goal is fundamental to NSF's leadership in achieving success through its investments in science, engineering, and education research. It complements the Foundation's other three long-term strategic outcome goals of Discovery, Learning, and Research Infrastructure that are highlighted in the new Strategic Plan.

At the beginning of FY 2007, the Foundation set priorities for program and management staff, establishing eight annual Stewardship performance goals that aim to support the agency's focus on promoting continuous performance improvement. These goals are related to the priorities that NSF has defined to allocate funds and internal resources effectively.

Program or administrative units throughout the Foundation assumed leadership for achieving specific Stewardship targets/milestones for FY 2007 that are based on several of the long-term investment priorities in the Strategic Plan: improving the transparency and quality of the merit review process, improving customer service, broadening participation from underrepresented groups and diverse institutions throughout the United States, improving the management of large facilities, and improving the efficiency and effectiveness of administrative and management procedures. The results for the FY 2007 Stewardship goals are positive, with only two of the 20 performance measures under the eight goals not meeting their targets. With these results in hand, Foundation staff are now identifying enhanced or new goals for FY 2008 that will build upon last year's successful achievements.

Stewardship also reinforces the Foundation's core value of being *Dedicated to Excellence*: continually improving our ability to identify opportunities; investing optimally the resources entrusted to us; managing a diverse, capable, motivated organization; rewarding accomplishment; and sharing our best insights with others.

## Succession Planning

Given today's knowledge-intensive global economy, NSF is more committed than ever to strengthening its world-class workforce -- one that is highly skilled, diverse, visionary and dedicated to excellence. Earlier this year, an NSF committee, chaired by Dr. Kathie L. Olsen and composed of NSF senior executives, was established to focus on NSF succession planning -- a key facet of NSF's human capital management activities. The Succession Planning Working Group (SPWG) is examining current NSF succession planning activities and defining new strategies and initiatives to enhance NSF's ability to develop and recruit high-quality candidates for critical positions throughout the agency and quickly and effectively orient new, incoming staff.

During the Summer of 2007, the SPWG began developing the framework for an NSF succession plan. Discussions with individual directorates and offices and the SPWG's coordinator, Kathryn Sullivan, began taking place in September 2007. The SPWG will produce an initial draft succession plan that will be made available to NSF staff for comment later in the year. Dr. Olsen will report to the National Science Board in December 2007 on the group's efforts. The NSF succession plan will enhance NSF's capacity to address the challenges of a constantly transforming scientific landscape and to execute the Foundation's responsibilities as stewards of national research and education programs.

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## Administrative Functions Study Update

OIRM's Division of Human Resource Management (HRM) rolled out the Administrative Functions Study (AFS) Management Pilot on October 1, 2007, to test an Administrative Career Model that identifies potential career paths for employees and better aligns administrative functions to support NSF's mission and strategic goals.

Four Directorates will be testing the pilot and each has hired a temporary Pilot Coordinator to help manage pilot activities in the Directorates. Two pilot positions have been staffed in each participating Division: a Program Support Manager (PSM) and an Operations Specialist (OS) and approximately 30 staff members are serving in these new positions. Administrative Officer and Financial Operations Specialist positions will not exist in participating Divisions during the pilot. All other administrative positions will remain the same for the duration of the pilot, which will last one year.

The AFS Learning and Development Program, a structured learning program, will provide PSMs and OSs with coaching, classroom training, and group activities to help them succeed in their new positions. Feedback will be collected and both participants and NSF staff will be provided updates throughout the pilot.

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## HRM Service Team Update

To enhance the services it provides to the NSF, OIRM's Division of Human Resource Management (HRM) significantly increased the number of permanent and contractor staff providing the Foundation with staffing and recruitment services. HRM established Service Teams to more efficiently and effectively address Directorate and Office needs.

Under the Service Team structure, each Directorate and Office are provided with a dedicated Service Team, which is composed of: a Customer Account Representative, a Lead Staffing and a Backup Staffing Specialist, a Rotator Specialist, and a Human Resource Assistant. This broad range of staffing ensures that each Directorate and Office is provided with program-specific expertise and timely customer-service.

## Teleworking at NSF

NSF has had a “flexiplace” policy in effect since 1996. Then in 2004, with the support of the Office of the Director, and after successful negotiations with AFGE Local 3403 -- the union representing more than 60 percent of NSF employees -- a new telework policy was adopted. Under this policy, all NSF employees are eligible for telework, provided that they meet the required criteria.

Every teleworker is required to have a Telework Agreement in place. The teleworker may request to be a “core” teleworker, having a regular and recurring telework day of one day per week or more; a “situational” teleworker, having an occasional, non-routine work at home schedule; or both “core and situational.” OPM’s A Guide to Telework in the Federal Government states that agencies may, at their own discretion, define the use and types of telework that best fits their business needs. Telework is not an employee right. Federal law requires agencies to have telework programs in place, but does not give individual employees a legal right to telework. An employee’s supervisor must approve of the arrangement.

Statistics from July 2007 show that NSF has 793 telework agreements on file, which represents 57 percent of the employee population. Of those, 580 agreements are for “situational” telework while 213 are for “core” or “core and situational” arrangements. NSF’s statistics compare extremely favorably to OPM’s governmentwide statistics for FY 2005, which indicated that only 6.6 percent of Federal employees teleworked one day per month or more.

Recently NSF, in conjunction with AFGE Local 3403, conducted a telework survey to better assess and help make improvements to the telework program. We had a very high response rate (81%) of both teleworkers and non-teleworkers, supervisors, and non-supervisors. Survey highlights include:

- 88 percent have the telework arrangement they desire;
- 87 percent view telework as positive or very positive;
- 73 percent believe NSF’s computer systems and work processes support telework;
- 70 percent have teleworked in the past 3 months;
- 63 percent believe telework assists in accomplishing the mission of their office;
- 56 percent are interested in teleworking on a more frequent basis;
- 35 percent of supervisors believe telework makes their employees more effective; and
- 18 percent are not interested in teleworking.

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## Homeland Security Presidential Directive (HSPD) - 12 Update

In August 2004, the President signed Homeland Security Presidential Directive (HSPD) - 12 to “enhance security, increase Government efficiency, reduce identity fraud, and protect personal privacy by establishing a mandatory, Government-wide standard for secure and reliable forms of identification issued by the Federal Government to its employees and contractors...”

In August 2007, OIRM began issuing new photo identification cards, which will be used in conjunction with current NSF badges and will eventually replace the NSF identification badge. As of the beginning of October 2007, nearly 264 cards have been issued. By the end of October 2007, new Federal identification cards will be issued to all contractors, staff serving on Intergovernmental Personnel Act (IPA) assignments, and to 25 percent of employees with 15 years of Federal service or less. By October 2008, new Federal identification cards will be issued to all current staff.

## IT Security and Privacy at NSF

NSF's strong and extensive IT Security and Privacy Program ensures that the Foundation's infrastructure and technology assets are appropriately protected, while maintaining an open and collaborative environment for scientific research and discovery.

In response to the increased need to prevent unauthorized disclosures and security breaches, many new and emerging governmentwide mandates have been issued regarding security. NSF is working to implement these changes as seamlessly as possible. Some of the Foundation's key initiatives to secure NSF's computing environment include:

### IT Security Awareness Training

IT Security Awareness Training is one way NSF empowers its staff and contractors to help meet security mandates. The FY 2007 training program was updated to reflect practical measures for protecting personal information, safely handling portable media (such as PDAs and removable drives), and safeguarding against malicious events and threats.

The final FY 2007 NSF staff and contractor training completion rate (for those employees stationed in Arlington) reached 99.2%.

### SSN Be Gone

To protect the privacy of its customers, the Foundation's *SSN Be Gone* project is using a phased approach to eliminate the unnecessary use of social security numbers (SSNs) in NSF IT systems.

The first phase, released in August 2007, stopped the collection of SSNs in all new FastLane registrations, removed the ability of Principal Investigators (PIs) to add co-PIs to the FastLane proposal cover sheet by entering the co-PIs' SSN, and introduced the term "NSF ID," which replaced the term "pseudo-SSN."

Subsequent phases of *SSN Be Gone* will replace the use of SSNs with NSF IDs in all processes, systems, and files where no business need exists, and will further strengthen data security where SSNs must be used.

### NSF Privacy Program

In the past year, NSF has greatly enhanced its privacy program through the following new policies:

- NSF Policy on Reporting the Breach of Personally Identifiable Information – Defines responsibilities and requirements related to addressing a suspected, or confirmed breach of personal information;
- NSF Policy on Encryption for Mobile Computing Devices – Addresses need to encrypt all data on portable computers and devices that carry NSF data;
- NSF Policy Regarding the Privacy of Sensitive Information – Discusses additional protective measures for personal information transported in electronic form;
- Publication of Sensitive Information Rules of Behavior – Provides NSF staff and contractors that have access to personal information with guidelines for handling that information; and
- Inclusion of sensitive information handling in NSF's annual IT Security Awareness Training – Discusses topics such as physical handling, disclosure, need to know, and transport of sensitive information in electronic form.

## eBusiness at NSF

### Budget Formulation and Execution Line of Business

NSF participates in the Budget Formulation and Execution Line of Business (BFELoB), which allows staff at NSF to work with other agencies to strengthen the Federal budgeting profession through a community of practice, establish a clearinghouse for sharing best practices, improve tools for governmentwide budget exercises and collaboration, and establish standards for exchanging data. NSF is using a new “Budget Community” website to collaborate with colleagues and facilitate exchanges with OMB and other agencies.

### Financial Management Lines of Business

The Office of Management and Budget, through the FMLoB, continues to work toward a Federal government that is standardized and transparent, provides access to accurate financial information and adopts effective and consistent internal controls. NSF continues to support these goals and objectives through our involvement in a variety of workgroups and providing funding to support FMLoB.

During the past year, a number of standards and performance measurements have been established governmentwide along with a new governmentwide accounting code and standard processes for payments. NSF is also reporting our financial system performance in a number of information technology and financial reporting areas.

In the upcoming year, FMLoB will continue to identify standard business processes in a number of areas. A key area of concern for NSF is the definition of standards between the financial and grant systems. It will be critical that this effort coordinates with the Grants Management Line of Business and Grant Policy Committee to ensure that the integration supports NSF GMLoB consortia approach.

### NSF Business Applications - eJacket, FastLane, and Research.gov

NSF’s business applications help the Foundation accomplish its mission to advance science, as well as help support employees’ roles as effective stewards by facilitating more effective and efficient business practices and policies.

**eJacket** is the business application used by program officers. It facilitates electronic cross-program collaboration, which enables Program Officers to use electronic signatures and share documents in a more efficient way. eJacket is fully 508 compliant and is accessible to all NSF staff anytime and anywhere.

In FY 2007, NSF staff members accessed eJacket approximately 2.6 million times; Division Directors electronically approved approximately 40,000 proposals (100 percent of non-award actions); NSF staff members distributed nearly 25,000 pieces of electric correspondence; and, visitors from over 45 Committee of Visitor meetings used eJacket to view proposal and award documentation.

**FastLane**, NSF’s award winning, external facing, Web-based proposal management system, is used by over 250,000 scientists, educators, administrators and technology experts. In the last year over 42,000 electronic proposals were received via FastLane; over 216,000 pieces of correspondence were sent electronically; over 7,000 organizations registered with FastLane; and, IT support to over 100,000 FastLane customers was provided.

**Research.gov** is another important initiative that will modernize FastLane. The goal of Research.gov is twofold: to fulfill the Foundation’s need for more modern proposal and awards management capabilities and to meet the research grantee community’s demand for common grants management tools and business processes. Research.gov will provide a menu of services focused on the needs of research institutions and will enable NSF to comply with recent governmentwide mandates and guidelines. Research.gov is important because it continues our leadership in advancing electronic grants management initiatives; evolves our grants applications and work processes; and helps NSF provide improved electronic services throughout the research community.

## NSF's Internal Control Program

NSF has a fundamental responsibility to develop and maintain effective internal controls. These controls ensure proper stewardship of Federal resources by determining these resources are used efficiently and effectively to achieve the Foundation's mission.

### OMB Circular A-123: Management's Responsibility for Internal Control

The Office of Management and Budget's (OMB) Circular A-123 requires that each agency ensure compliance with laws and regulations, adequate controls over financial reporting, and efficiency and effectiveness of operations related to these issues. A-123 guidance recommended establishing a senior assessment team to implement the requirements of the circular and a senior management council to provide oversight to the implementation process. In FY 2005, Dr. Arden Bement, Jr., NSF Director, designated the Accountability and Performance Integration Council (APIC) as a senior assessment team. The council is chaired by Chief Financial Officer Thomas Cooley and reports to Chief Operating Officer Dr. Kathie L. Olsen. Dr. Olsen briefs the Senior Management Advisory Roundtable.

NSF is in the process of developing a plan to ensure its internal controls program is fully implemented by the end of FY 2008. NSF conducted training for the APIC Internal Controls Working Group, which is a sub-group representing APIC on the day-to-day implementation requirements, and individual business process owners who manage the key business functions. In the upcoming years, NSF would like to extend training to all employees because each employee has a responsibility to understand and meet all requirements related to internal controls.

### Financial Statement Audit

NSF continues to receive clean audit opinions in its financial statements with no material weaknesses reported. In FY 2006, the Foundation received its ninth consecutive clean opinion, maintaining its record of excellence in financial management. The audit report repeated two prior year reportable conditions: post-award monitoring and contract monitoring. NSF is making significant progress in closing these conditions during FY 2007 and has enhanced its efforts to complete the activities in its corrective action plans. However, recent changes in auditing standards have increased the challenge to maintain a clean opinion by redefining internal control deficiencies. These changes in definition have widened the net to capture more weaknesses for reporting purposes; for example, material weaknesses and significant deficiency was a previously reportable condition.

Excellence in financial management enables NSF to pursue critical investments in science and engineering research and education that ultimately help ensure the nation's security, prosperity and well being. The Foundation plans to sustain its leadership in the government financial community and its "green" ratings of success in the President's Management Agenda. NSF has maintained its "green" from the initial baseline ratings in 2001 due to a proactive approach to financial challenges.

### Federal Financial Accountability and Transparency Act (FFATA)

On September 26, 2006, President Bush signed into law the FFATA, which requires the Federal government to create and maintain a publicly available online database containing information about entities that are awarded Federal grants, loans and contracts. The idea is to create an easy and accessible way for the public to learn how Federal agencies are spending their tax dollars. The theory is that transparency and accountability will allow the American people to have more confidence in the government, and that the database will deter frivolous and pork barrel spending.

To ensure effective execution of reporting requirements, OMB established an interagency taskforce and required each agency to appoint a senior level official to participate. The taskforce is committed to reaching out to the broadest possible spectrum of stakeholders who may be impacted by the FFATA. The taskforce has also created a website where citizens can provide feedback on how they would like to see the FFATA implemented.

## NSF Plays Pivotal Role in Research Grants Committees

### Federal Demonstration Partnership (FDP)

The FDP is a cooperative initiative among key Federal research agencies and approximately 100 institutional recipients of Federal funds, which range from major research universities to small, emerging research institutions. Its purpose is to reduce the administrative burdens associated with research grants and contracts and, in particular, to serve as a test bed for new procedures and policies. NSF has been an active participant in the FDP since its inception in 1986.

NSF has relied on the FDP community for help implementing electronic signatures, improving the project reporting system and providing frank feedback on new policies. The interaction among university and Federal members takes place at periodic meetings in Washington, D.C. and throughout the country and, more extensively, in the many collaborative working groups and task forces. The FDP is a unique forum for individuals from universities and nonprofits to work collaboratively with Federal agency officials to improve the national research enterprise. NSF is represented by a team of NSF staff including senior program officials, as well as The Office of Budget, Finance and Award Management (BFA) and Office of Information and Resource Management (OIRM) staff.

### Grants Policy Committee (GPC)

NSF has continued to advance government-wide grants management issues through its leadership of key interagency committees charged with streamlining and implementing Federal grants policy and standards. NSF's Chief Financial Officer chairs the Grants Policy Committee of the US CFO Council, as well as the grants committee of the FFATA Task Force. GPC activities in FY 2007 placed special emphasis on outreach to the grants community, including universities, nonprofit organizations, states and local governments.

During this fiscal year, the GPC fulfilled its vision to do more outreach and be more inclusive of stakeholders' points of view by planning and executing three successful webcasts in October, March and June. All three webcasts exceeded expectations and garnered significant stakeholder participation and feedback. Webcast topics were guided by community interest and concern, and in the case of the March webcast, stakeholder representatives formally presented their concerns to the GPC. NSF will continue to lead the Federal government in this regard. In the coming fiscal year NSF will lead Federal grant making agencies in a strategic planning exercise around grant policy streamlining, organize additional webcasts, and continue to guide governmentwide FFATA activities. NSF's leadership on these issues gives the Foundation maximum input into the development governmentwide grants policy and allows us to ensure that those policies remain consistent and supportive of NSF's mission, core values, goals and objectives.

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## Large Facilities Manual

NSF publicly released the "Large Facilities Manual" in May 2007. This document defines, to NSF staff and research community advocates, a sequence of recommended steps for the planning and development, construction and operation of prospective new facilities.

The Large Facilities Manual combines into a single reference document the material found in NSF's "Guidelines for Planning and Managing the MREFC Account" along with updated material from the Facilities Management and Oversight Guide.

## NSF's Advisory Committee for GPRA

NSF's Advisory Committee for GPRA Performance Assessment (AC/GPA) held its annual meeting in June 2007, to discuss the Foundation's achievement as it relates to the strategic outcome goals of Discovery, Learning, and Research Infrastructure as outlined in NSF's 2006-2011 Strategic Plan. While NSF has a number of advisory committees, the AC/GPA is the only committee that addresses the Foundation's entire award portfolio and reports directly to the Director. As in prior years, NSF program officers submitted results in the form of performance highlights of NSF investments in basic science, engineering, and education research for the period between March 1, 2006, and March 1, 2007. These performance highlights were a primary means for committee members to assess NSF's performance.

The committee concluded that NSF demonstrated significant achievement under the Discovery, Learning, and Research Infrastructure goals. According to the Committee's report, "From novel discoveries in the basic sciences and engineering to educational advancements across the Science, Technology, Engineering and Mathematics disciplines, NSF has demonstrated continued commitment to its basic goals of pursuing the highest quality research, in innovative and transformative ways, while broadening the participation in science and engineering of people from all parts of society."

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## Business Systems Review

The Business Systems Review (BSR) process was developed by the Office of Budget, Finance and Award Management (BFA) to provide compliance assistance to awardees, which are Federally Funded Research and Development Centers and other large facilities, so that they are better able to satisfy the portfolio of administrative standards set forth in 2 CFR Part 215. The BSR process provides mentoring assistance to awardees, where necessary.

The BSR was established as part of a corrective action plan for addressing the high risks associated with funding very large or complex projects and includes an assessment of business systems utilized by large facilities. Through a combination of desk and on-site reviews, these systems are evaluated to determine whether they meet NSF's expectations and follow-up support is provided to awardees when remediation is found to be necessary. Each large facility is subject to a BSR at least once per five-year award cycle. Approximately four BSR's are conducted each year under the direction of the Deputy Director for Large Facilities Projects and in coordination with program staff responsible for large facilities.

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## We welcome your feedback!

For more information about these articles, or should you have any questions, comments or suggestions, please contact:

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