



National Science Foundation  
WHERE DISCOVERIES BEGIN

# BUSINESS SYSTEMS REVIEW (BSR) GUIDE

NSF Large Facilities Office  
Office of Budget, Finance, and Award Management

NSF 22-102

June 2022

Draft for OMB Approval

Credit: Nicolle Rager Fuller, National Science Foundation



## Summary of Significant Changes

### Business Systems Review Guide – NSF 22-102

Revisions to terminology have been made in response to promulgation of the 2 CFR 200 *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

Editorial changes have been made throughout the document to either clarify or enhance the intended meaning of a sentence or section to improve the assistive nature of the BSR Guide for targeted users. A summary of the significant changes for this revision is given below.

#### **Part I – Business Systems Review Process**

- In **Section 1.1, BSR Benefits**, narrative was added to include knowledge management.
- In **Section 1.4, Duration of the BSR**, the narrative was clarified to align with the timeline shown in Figure 2.
- In **Figure 1, Stakeholders**, the figure was revised to include the Recipient stakeholders and to illustrate the BSR Stakeholders' working relationships to one another.
- In **Table 1, BSR Stakeholders' Roles and Responsibilities**, the responsibilities of the BSR Lead, Contractor Operational Lead and Content Specialists were clarified.
- In **Section 2.2, Recipient Stakeholders**, the narrative of Recipient roles was expanded to more fully explain Recipient activity throughout the BSR.
- In **Figure 2, Overview of the BSR Process**, the image was updated to identify revised names of BSR process phases and to align the milestones and major process steps within each BSR phase.
- In **Section 3.1, Scheduling and Planning**, the narrative was realigned to more fully identify the BSR roles and activities involved in developing an annual schedule for the BSRs, including coordination within NSF and providing notification to the Recipient.
- In **Section 3.2, Scoping**, and **Section 3.3, Desk Review**, the narrative was revised to clarify the activities that occur in each of the two phases.
- In **Section 3.6, Report Generation**, the timeframe for resolving high-priority items was clarified.
- **Section 3.7, Develop and Execute Implementation Plan**, replaces the previous "Follow-up and Monitoring" section to identify this as a separate phase of the BSR process. The narrative was revised to clarify the process and timing for development and execution of the Implementation Plan.
- **Section 3.8, Administrative Closeout**, was renumbered to identify this as a separate BSR phase and the narrative was revised to clarify the associated activities.
- **Section 4.0, Program Management and Oversight** was removed, as this is part of NSF's normal oversight activities and is not specific to the BSR process as part of NSF's advanced monitoring program.

#### **Part II – Core Functional Area Review Modules**

- The introductory narrative was clarified to align with Part I.
- In **Section 4. Financial Management Review Module**, Practice 2.7 was added to address the application of Federally negotiated indirect cost rates (2 CFR §200.414 Indirect (F&A) Costs and Appendices to Part 200).
- In **Section 6. Procurement Review Module**, Principle 5 and Practice 5.1 were revised to include domestic preference requirements (2 CFR §200.322 Domestic preferences for procurements).

**Appendices**

- **Appendix A** was updated to add or modify principles, practices, and citations to align with the Uniform Guidance, NSF terms and conditions, and the changes in Part II of this Guide.
- In **Appendix A, Table 2, Citations/References and Abbreviations Used in Matrices**, references to authorities were updated.
- In **Appendix A**, a question under Principle 1 for each of the CFAs was revised to include the sharing of lessons learned as part of continued training (CA-FATC Knowledge Management).
- In **Appendix A**, under Principle 2 of General Management, a question was added regarding the standards for internal control (2 CFR §200.303 Internal controls).
- In **Appendix A**, under Principle 2 of Award Management, a question was added regarding relating data to performance goals (2 CFR §200.329 Monitoring and reporting program performance).
- In **Appendix A**, under Principle 4 of Award Management, a question was moved from Principle 2 of Award Management into Principle 4 and modified to include compliance with “statutory and national policy requirements for federal awards.”
- In **Appendix A**, under Principle 4 of Award Management, three questions were added related to partnerships with foreign collaborations (CA-FATC Partnerships with Foreign Collaborators).
- In **Appendix A**, under Principle 2 of Financial Management, a question was added associated with the new Practice 2.7 on indirect rates (2 CFR §200.414 Indirect (F&A) Costs and Appendices to Part 200).
- In **Appendix A**, under Principle 4 of Human Resources, a question was added regarding professional competencies (CA-FATC Project Personnel and Competencies).
- In **Appendix A**, under Practices 2.7, 5.1, and 6.2 of Procurement, the Infrastructure Investment and Jobs Act (IIJA), Title IX Build America, Buy America Uniform Guidance was added to the list of citations.
- In **Appendix A**, under Principle 5 of Procurement, three questions on bonding requirements were moved to Principle 6 of Procurement.
- In **Appendix A**, under Principle 5 of Procurement, one question was added to address the requirements of Uniform Guidance 2 CFR 200.321.
- In **Appendix A**, under Principle 5 of Procurement, two questions were added associated with the revised Principle 5 and Practice 5.1 on domestic preference procurement requirements (2 CFR §200.322 Domestic preferences for procurements and CA-FATC Made in America).
- In **Appendix A**, under Principle 5 of Procurement, one question was added associated with Build America, Buy America waiver requests (IIJA and CA-FATC Build America, Buy America).
- In **Appendix A**, under Principle 6 of Procurement, a question was added regarding the prohibition on certain telecommunications (2 CFR §200.216 Prohibition on certain telecommunications).
- In **Appendix A**, under Principle 6 of Procurement, four questions were deleted because they duplicated questions under Principle 7 of Procurement and one duplicate question was deleted under Principle 6 of Procurement.
- In **Appendix A**, under Principle 2 of Property Management, a question was added regarding property valuation (CA-FATC Federally-owned Property).
- In **Appendix A**, under Practice 3.2 of Property Management, Uniform Guidance 2 CFR 200.315 was added to the list of citations.

## SIGNIFICANT CHANGES – BUSINESS SYSTEMS REVIEW GUIDE – NSF 22-102

- In Appendix A, under Principle 4 of Property Management, two questions were deleted because they duplicated questions under Principle 5 of Property Management.
- In **Appendix A**, under Principle 4 of Property Management, two questions were added regarding insurance coverage and reporting on property (CA-FATCs Federally-owned Property and 68. Recipient-titled Property).
- In **Appendix C**, a glossary of terms and definitions was updated to align with the Uniform Guidance and include property management terminology and classifications.

## PURPOSE OF THE BUSINESS SYSTEMS REVIEW AND GUIDE

Business Systems Reviews (BSR) of National Science Foundation's (NSF) Major Facilities are an integral part of NSF's advanced monitoring program. The NSF Large Facilities Office (LFO) within the Office of Budget, Finance, and Award Management (BFA), has the lead role in executing the BSR process. These reviews are designed to provide reasonable assurance that the business systems (people, processes, and technologies) of NSF Recipients are effective in meeting administrative responsibilities and satisfying Federal regulatory requirements, including those listed in NSF's *Proposal and Award Policies and Procedures Guide* (PAPPG). **These reviews are not considered audits but are intended to be assistive in nature; aiding the Recipient in following good practices where appropriate and bringing them into compliance, if needed.** LFO assembles a team, including expert Content Specialists, to assess the Recipient's policies, procedures, and practices to determine whether, taken collectively, these administrative business systems used in managing the Major Facility meet NSF award expectations and comply with Federal regulations. The BSR Guide is designed for use by both our customer community and NSF staff for guidance in conducting these reviews.

The BSR Guide defines the overall framework and summarizes the details outlined in the internal operating guidelines and procedures used to execute the review process. Management principles and practices are specified for seven core functional areas (CFA) and are used by NSF in performing these evaluations. Roles and responsibilities of the NSF stakeholders involved in the process are outlined in the BSR Guide, including expectations of the Recipient.

The BSR Guide is divided into three parts:

1. **Part I – Business Systems Review Process.** This part outlines the planning, execution, and completion activities of a BSR, and defines the roles and responsibilities of the individuals involved in the process.
2. **Part II – Core Functional Area Review Modules.** This part, divided into seven CFA modules, includes guidance that is used by Content Specialists to evaluate the administrative business systems supporting the Major Facility. The framework for each module includes specific principles and practices as well as a list of suggested questions to guide the review. However, these modules are designed to be flexible to allow opportunities to explore additional review areas deemed necessary to complete the evaluation.
3. **Appendices.** The appendices include a matrix of references and questions, a list of acronyms, and glossary of terms used throughout the BSR Guide.

The BSR Guide is used in conjunction with relevant Uniform Guidance (2 CFR 200 – *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*), Federal Property Management Systems (41 CFR Part 101-39 – *Interagency Fleet Management Systems*), and documents such as the *Research Infrastructure Guide* (RIG). The referenced Uniform Guidance sections are accessible at [Part 200—Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards](#). The referenced Federal Property Management Systems sections are accessible at [Part 101-39—Interagency Fleet Management Systems](#). NSF-related material, such as the PAPPG and the financial and administrative terms and conditions of the award, are located on NSF's external website at [Proposal and Award Policies and Procedures Guide \(PAPPG\)](#). The BSR Guide is based broadly on the principles and practices framework contained in the document, [Managing Externally Funded Research Programs: A Guide to Effective Management Practices](#), developed by the Council on Government Relations (COGR).

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# **PART I – BUSINESS SYSTEMS REVIEW PROCESS**



## 1. INTRODUCTION

The projects subject to a BSR are major multi-user research facilities (Major Facilities) as defined in Section 1.4.3 of the *Research Infrastructure Guide* (RIG).

The inherent risks associated with funding Major Facility awards come from operational complexity, the regulatory environment, and their long-term funding commitment. As a result, greater controls and more complex business systems are necessary for the Recipient. Due to the complex nature of these awards, NSF recognized that there was a need to provide additional business oversight to monitor the Recipient's stewardship of the appropriated funds and give assistance with compliance. The BSR process was developed to meet these needs.

NSF has identified seven core functional areas (CFAs) that structure the review of the administrative business systems supporting a Major Facility:

- General Management (GM)
- Award Management (AM)
- Budget Planning and Execution (BPE)
- Financial Management (FM)
- Human Resources Management (HRM)
- Procurement (PR)
- Property Management (PM)

A BSR may include a combination of these CFAs and may cover multiple business functions of an organization. Each Major Facility is distinct, presenting a variety of challenges and concerns. The BSR process is flexible and takes these differences into consideration. Each BSR is tailored to address the unique aspects of the business arrangements used to support the Facility, although not all Facilities receive the same level of scrutiny. The scope and level of review for each core functional area are based on consideration of the risks identified. NSF works with experts to refine the review strategy used to examine the complexities of the administrative business systems employed.

### 1.1 BSR Benefits

The BSR helps the Recipient implement and maintain compliant business systems supporting the Major Facility. Specifically, a BSR: verifies that administrative, including financial, policies and procedures, are written; evaluates the extent to which these policies and procedures conform to OMB requirements, NSF expectations, and other applicable Federal regulations; and validates they are being used to administratively manage the Major Facility in each of the CFAs. Concerns that are identified during the review are shared immediately with the Recipient so that actions can be initiated quickly to address the issues and implement recommendations to improve the processes.

The BSR perspective differs substantially from an NSF programmatic review or financial audit. The focus of the review is on the business infrastructure that supports the daily administrative management of the Major Facility rather than on the scientific activity. From a financial perspective, BSRs are not intended to certify or provide any type of assurance concerning the Recipient's business systems to third parties and do not follow the Government Accountability Office (GAO) Yellow Book standards. BSRs are also not part of the NSF Audit Resolution process, which is handled by the Resolution and Advanced Monitoring (RAM) Branch in the Division of Institution and Award Support (DIAS). Rather, they are a due diligence effort designed to give NSF stakeholders reasonable assurance that the business systems in place are capable of administratively supporting Major Facilities and have met Federal and NSF award requirements.

BSRs are intended to provide an opportunity for cross-fertilization of ideas through the identification of good practices and serve to refocus Recipients on the importance of administrative quality. The BSR also serves as a forum for NSF and the Recipient to discuss administrative and compliance issues and exchange information and ideas. Exceptionally good Major Facility business practices are noted and may be shared with other Facility managers to help them improve their respective systems. This collaboration

is intended to strengthen the relationship between NSF and the Recipient and support NSF’s monitoring responsibilities. Recipients should engage in knowledge management opportunities including sharing of lessons learned and good practices in order to further improve the quality of business systems supporting the Major Facility.

## 1.2 BSR Focus: Administrative Business Systems Supporting the Major Facility

NSF makes awards to a variety of institutions—universities, consortia of institutions, and nonprofit organizations—to design, construct or acquire, operate, and manage Major Facilities. These NSF Recipients assume legal and financial responsibility for the stewardship of the Federal funds which are provided to support the Facility infrastructure and operating activities.

The BSR focus is on the selected administrative business systems that support the Major Facility. For the most part, these are the existing business infrastructures that are already in place at an institution. However, there are situations when systems are designed to support a unique business operation or to address the needs of multiple institutions that partner in the management of the Major Facility. In these cases, the BSR focuses primarily on the integration of the specific system into the management of the Recipient’s overall business structure.

## 1.3 Frequency of BSRs

The need for BSRs is based on NSF’s internal annual Major Facility Portfolio Risk Assessment, including the risks associated with readiness for construction. As a result, BSRs can be considered as a means of strengthening institutional capacity in advance of a construction award. Risk factors reviewed during the annual Major Facility Portfolio Risk Assessment typically include:

- The timing and associated findings of other related reviews or audits of administrative business systems
- Management structure providing administrative business systems support
- Significant changes in funding levels or the Recipient’s award administration

## 1.4 Duration of the BSR

Generally, each BSR requires four to five months to complete and spans the period from Recipient notification or the Recipient Kickoff through issuance of the final BSR Report, although duration may vary depending on the scope and complexity of the review. Each phase in the review process is designed to build upon the preceding phase so that, at the end of the review, the Recipient clearly understands and adheres to governing Federal and NSF requirements. Additionally, a period of approximately one year, commencing with issuance of the final BSR Report, is allotted for completion of the Implementation Plan prior to Administrative Closeout of the BSR. Agreement, prioritization and execution of the Implementation Plan is coordinated with the Recipient by the Core Integrated Project Team (IPT) Members<sup>1</sup> during the Develop and Execute Implementation Plan phase.

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<sup>1</sup> The Core IPT Members include the Program Officer, Grants and Agreements or Contracts Officer, and the LFO Liaison, who typically serves as BSR Lead (RIG, NSF 21-107, December 2021, Section 2, Table 2.1.6-1 Summary of Principal Roles and Responsibilities of the core members of the IPT (PO, G/AO or CO, and LFO Liaison) by Facility Life Cycle Stage).

## 2. ROLES AND RESPONSIBILITIES

Each BSR has a number of internal and external stakeholders involved in the review process to ensure that the assessment is complete, and areas of non-compliance are addressed. An organizational structure showing BSR stakeholders is shown in Figure 1 below.

Figure 1. BSR Stakeholders

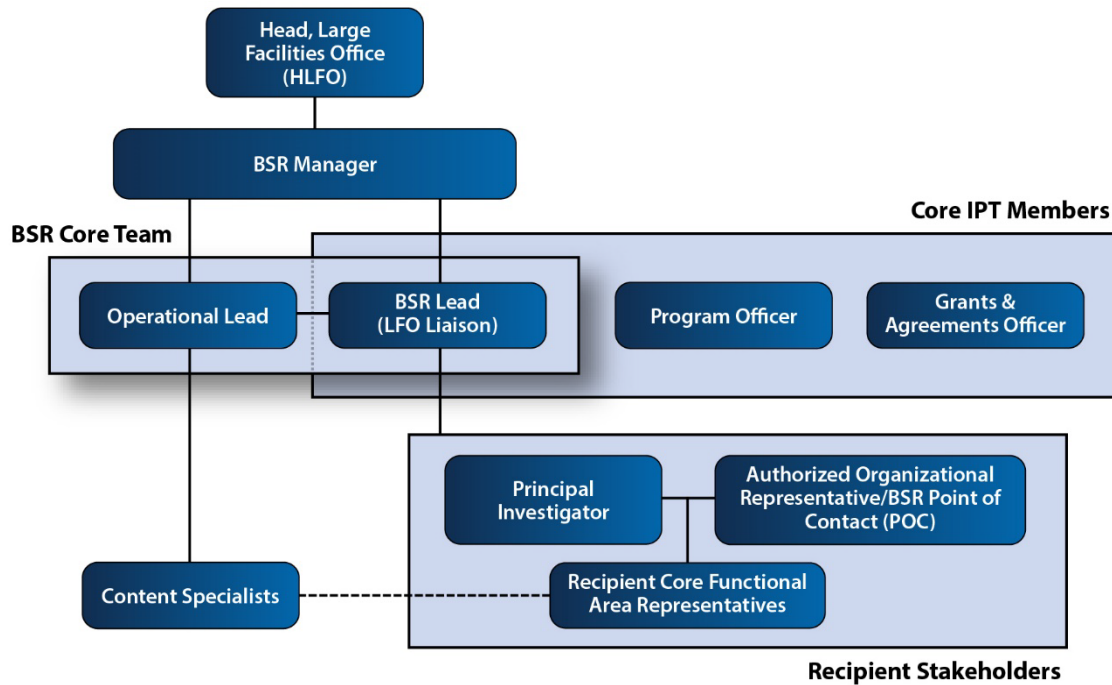


Table 1 summarizes the BSR Stakeholders’ roles and responsibilities.

Table 1. BSR Stakeholders’ Roles and Responsibilities

STAKEHOLDERS	ROLES AND RESPONSIBILITIES
<b>NSF STAKEHOLDERS</b>	
Head, Large Facilities Office (HLFO)	<ul style="list-style-type: none"> <li>• Approves annual BSR schedule with Division Director, Division of Acquisition and Cooperative Support (DACs)</li> <li>• Approves BSR Guide Revisions, Standard Operating Guidance (SOG) and Standard Operating Procedures (SOP)</li> <li>• Documents final resolution of the BSR through a Closure Memorandum to the Program Officer</li> </ul>
BSR Manager	<ul style="list-style-type: none"> <li>• Maintains document control over BSR Guide, BSR SOG, and SOPs</li> <li>• Develops BSR schedule based on the annual Major Facility Portfolio Risk Assessment</li> <li>• Coordinates BSRs with other NSF oversight (e.g., Office of Inspector General [OIG])</li> <li>• Approves BSR scope</li> <li>• Confirms assignment of BSR roles and responsibilities</li> <li>• Monitors BSR progress and closeout of recommendations with BSR Leads</li> </ul>

STAKEHOLDERS	ROLES AND RESPONSIBILITIES
BSR Lead*†	<ul style="list-style-type: none"> <li>Serves as the primary NSF administrative point of contact with Recipient</li> <li>Facilitates and coordinates BSR activities and leads BSR Core Team</li> <li>Liaises with Core IPT Members on BSR activities</li> <li>Recommends final BSR scope to BSR Manager</li> <li>Develops and refines the review strategy</li> <li>Approves draft and final report and associated coordination with Recipient</li> <li>Develops and works Implementation Plan for resolution of recommendations</li> </ul>
Program Officer †	<ul style="list-style-type: none"> <li>Advises on BSR scheduling/timeline</li> <li>Provides programmatic background/context and risk perspectives</li> <li>Reviews draft BSR Report and Implementation Plan</li> <li>Recommends any needed award actions to the G/AO</li> </ul>
Grants and Agreements Officer (G/AO) †	<ul style="list-style-type: none"> <li>Provides insight on administrative management and Recipient compliance with terms and conditions</li> <li>Notifies BSR Core Team of pending award actions</li> <li>Identifies and outlines special award terms and conditions</li> <li>Reviews draft BSR Report and Implementation Plan</li> <li>Participates in monitoring and resolution of recommendations</li> <li>Directs any necessary actions by the Recipient as part of on-going award management, particularly around any areas of non-compliance</li> </ul>
Contractor Operational Lead*	<ul style="list-style-type: none"> <li>Serves as the primary point of contact for the BSR Manager and the BSR Lead</li> <li>Provides expert guidance throughout the BSR process</li> <li>Provides administrative and operational support to facilitate effective and efficient execution of an BSR process</li> <li>Makes recommendations on the BSR scope or review strategy as requested by BSR Lead</li> <li>Coordinates contractor support for the BSR including oversight of the Content Specialists</li> </ul>
Content Specialist(s)	<ul style="list-style-type: none"> <li>Serves as subject matter expert for one or more BSR CFAs on a BSR</li> <li>Reviews BSR scope and develops the BSR Document Request</li> <li>Analyzes documentation including sampling artifacts and highlights compliance issues, concerns and gaps</li> <li>Maintains supporting review documentation</li> <li>Explores themes or concerns with Recipient during teleconference or onsite</li> <li>Authors assigned CFA sections of draft and final BSR Reports</li> <li>Suggests remedial action on issues of non-compliance, if any</li> <li>Makes recommendations for improvement of Recipient Business Systems supporting the Major Facility</li> <li>Provides advice on Implementation Plan or resolution of recommendations as requested by BSR Lead</li> </ul>
<b>RECIPIENT STAKEHOLDERS</b>	
Principal Investigator	<ul style="list-style-type: none"> <li>Determines the scientific and technical direction of the Major Facility</li> <li>Designates a BSR Point of Contract (POC)</li> <li>Provides scientific/technical background on the Facility</li> </ul>
Authorized Organizational Representative (AOR)	<ul style="list-style-type: none"> <li>Oversees Recipient compliance with Federal award requirements</li> <li>Monitors resolution of BSR recommendations</li> <li>May also serve as the BSR POC</li> </ul>
BSR Point of Contact (POC)	<ul style="list-style-type: none"> <li>Designates CFA representatives</li> <li>Facilitates onsite review activities and logistics working with BSR Lead</li> <li>Consolidates comments on draft BSR report and interfaces with BSR Lead</li> <li>Coordinates resolution of recommendations in coordination with BSR Lead</li> </ul>



STAKEHOLDERS	ROLES AND RESPONSIBILITIES
Core Functional Area Representative	<ul style="list-style-type: none"> <li>• Explains Recipient business processes to the BSR Core Team</li> <li>• Provides requested documentation</li> <li>• Participates in teleconferences and site visits</li> <li>• Supports BSR Core Team onsite</li> <li>• Consulted with or implements corrective actions or recommendations</li> </ul>
* BSR Core Team Member; † Core IPT Member	

## 2.1 NSF Stakeholders

### 2.1.1 Large Facilities Office

The NSF Large Facilities Office (LFO) is responsible for leading the BSR process. The Head of LFO (HLFO) manages the NSF staff responsible for conducting and closing out the BSRs. With the Division Director for Acquisition and Cooperative Support, the HLFO recommends the BSRs to be conducted, in a given year, to the Chief Financial Officer (CFO) and Chief Officer for Research Facilities. The HLFO is supported in this process by the BSR Manager, who develops the annual BSR schedule, approves BSR scopes, confirms assignment of BSR roles and responsibilities, and monitors BSR report delivery and closeout activities. Each BSR is planned and organized by the BSR Lead, who is typically the LFO Liaison assigned to the Major Facility and serves as the principal Point of Contact (POC) with the Recipient throughout the process.

The BSR is conducted by a team of government and contractor personnel (Contractor Operational Lead and Content Specialists) that executes all phases of the BSR process, including operational logistics, scoping, document requests, desk reviews, teleconferences, site visits, and generation of draft and final reports. The BSR Lead signals the end of each BSR process phase and progression to the next. NSF makes all inherently governmental final approvals of the various work products developed.

The BSR Manager ensures that the Content Specialists assigned to each CFA have the necessary skills, background, and competencies. The Content Specialists are selected based on their specialized knowledge in the CFA as well as their understanding of applicable Uniform Guidance, other Federal requirements, and NSF terms and conditions. They should also be skilled technical writers who can complete their Reports in the required timeframe. Content Specialists can be NSF staff, other government agency representatives, or contractor personnel. The BSR Lead can serve as a Content Specialist, but this is generally not preferable.

The BSR Core Team and Content Specialists execute the Desk Review phase by performing an analysis of the written policies, procedures, and process documents provided by the Recipient, identifying any potential compliance or risk issues. At the end of the Site Visit, the BSR Core Team and Content Specialists conduct a Recipient debrief to explain any compliance concerns to the Recipient's senior management and to summarize potential recommendations for improvement.

### 2.1.2 Other NSF Stakeholders

Other NSF staff play important roles in the BSR process. For example, the Program Officer is a key resource for critical background information on Major Facility operations and administrative business systems and provides input during the annual Major Facility Portfolio Risk Assessment. Other staff in the Science Directorates may contribute additional background information. The Grants and Agreements Officer (G/AO) provides background on award management issues and may also participate as one of the Content Specialists. Other BFA Divisions may also provide valuable information on the Recipient's business systems from a historical perspective and, on occasion, may also participate as one of the Content Specialists in the BSR. These other NSF stakeholders are often relied upon to assist the Core IPT Members in gathering information for the scoping process and may be called upon to provide their insights or participate in discussions during any phase of the BSR, including draft BSR Report review.

## 2.2 Recipient Stakeholders

NSF proactively engages with the Recipient to select a timeframe and coordinate the BSR. The Recipient selects a POC to collaborate with the BSR Lead and Recipient stakeholders on planning for the review. NSF provides notification of the BSR, to the Recipient. Timeframes for milestones and major process steps are projected with consideration of internal and external reviews that may impact the Recipient.

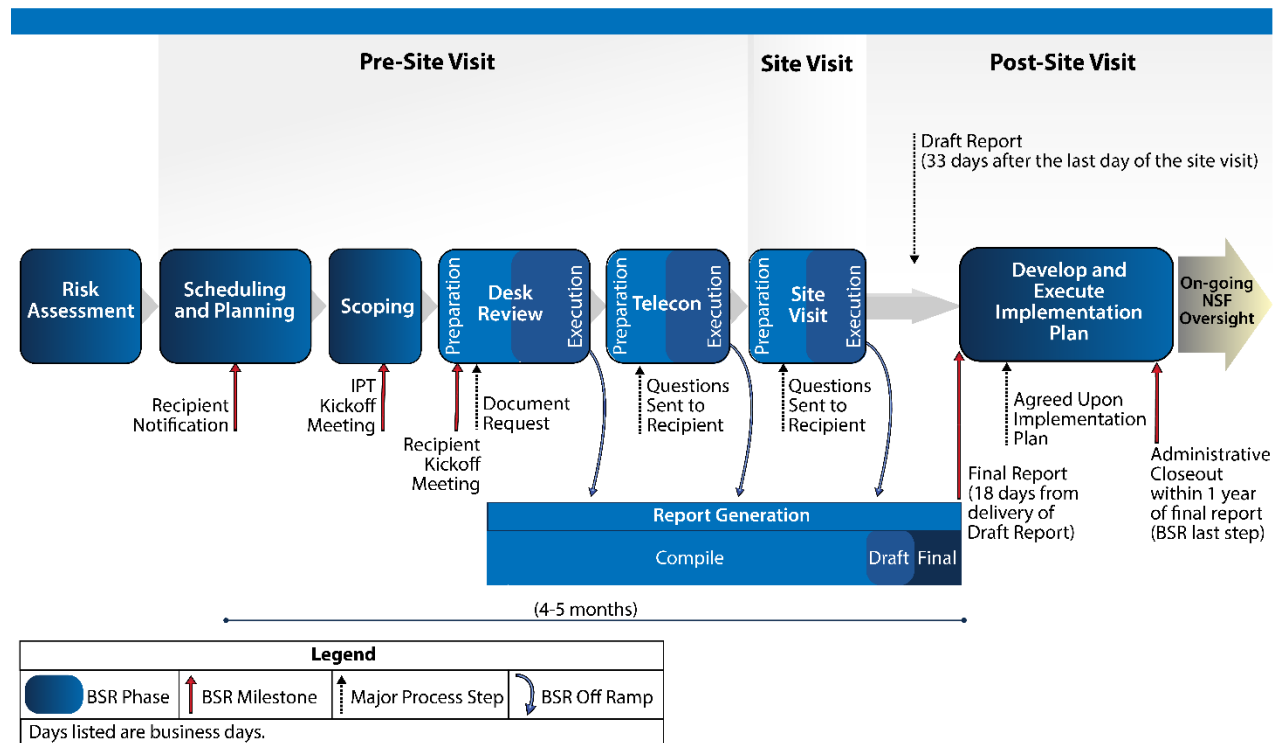
It is critical that the Recipient assign adequate staff who are directly involved in the operations or management of the business systems supporting the Major Facility and can provide the time necessary to interact with the BSR Core Team, Core IPT Members, and Content Specialists in all aspects of the review. The award Principal Investigator is a key role in the BSR process. The Recipient's stakeholders typically include an Authorized Organizational Representative (AOR), who may be the Chief Financial Officer (CFO), or the Head of the Sponsored Research Office, or the Facility Business Manager, and who may also serve as the Recipient POC. This individual works with the BSR Lead to coordinate the scheduling process and provide the logistical support to the team during a site visit. The Recipient POC may coordinate identification of the Recipient's CFA Representatives to identify documents, answer questions, or explain administrative business processes.

The Recipient is active in certain phases of the BSR process. The Recipient reviews, selects, and provides appropriate documentation in alignment with the scope of the review. Recipient stakeholders are invited to attend the Desk Review debriefing, when preliminary observations are presented to NSF. Typically, Major Facility and Recipient staff (CFA Representatives) who are knowledgeable regarding business processes are called upon at teleconferences or the site visit to explain or demonstrate processes and answer questions raised by the Content Specialists. Recipient stakeholders are encouraged to review the CFA modules in this BSR Guide to prepare for the BSR. The Recipient should seek opportunities to maintain awareness of governing documents identified in [Table 2](#) of this Guide and how their processes meet the requirements. NSF asks the Recipient to review the draft BSR Report and to work with the Core IPT Members on development and completion of the Implementation Plan following issuance of the final BSR Report.

### 3. BSR PROCESS PHASES

The annual BSR program is informed by the outcomes from the internal NSF annual Major Facility Portfolio Risk Assessment. The BSR Manager works with the BSR Core Teams to develop a preliminary schedule of the BSRs for the upcoming fiscal year. The BSR Leads begin the process to plan and scope their assigned BSR(s). Each BSR progresses through several phases and concludes with administrative closeout. The BSR Lead is responsible for ensuring that the entire process of a BSR follows internal standard operating guidance and procedures. The following provides an overview of each phase in the process.

Figure 2. Overview of the BSR Process



#### 3.1 Scheduling and Planning

Whenever possible, BSRs are scheduled according to the approved NSF internal administrative reviews and audits plan, although it may not always be possible to meet these goals. For example, scheduling may be deferred when the Recipient is involved in another audit or review because a BSR, if conducted, might burden the Recipient or compromise the independence of the other ongoing review process. To stay current on factors that may have an impact on proposed BSRs, the BSR Manager holds regular discussions with the HLFO and BSR Leads. The BSR Leads share information on the planning process with the BSR Manager. The BSR Manager monitors Office of Inspector General (OIG) plans to minimize possible conflicts with any OIG active or planned work at the Recipient site. The location(s) of onsite reviews are discussed to determine the impact on the Recipient and the BSR timeline. The BSR Manager, BSR Leads, and Operational Lead then compile the preliminary BSR timeline. Once the preliminary BSR timeline is established and approved by the BSR Manager, the BSR Leads work with the Operational Lead to initiate each review, including articulation of the initial review strategy and assignment of BSR Content Specialists. BSR scheduling is an on-going process and the BSR timeline is continuously reevaluated as circumstances change.

The BSR Lead meets with the other Core IPT Members and gathers information from the variety of sources discussed below. These activities may not necessarily be performed in the order listed here.

**Determination of Recipients and Award** — Most of NSF’s Major Facilities are managed by a single Recipient, although some are administered by several Recipients under multiple awards. In these cases, the specific roles and Recipient’s responsibilities pertaining to various aspects of construction and/or operations and maintenance (O&M) activities are detailed in each Recipient’s cooperative agreements or subaward agreements. Owing to limited resources, the BSR may not be able to review all Recipient’s business systems supporting the Facility. In these instances, the BSR Lead consults with the NSF Program Officer and the G/AO for their guidance on conducting the review. Factors to be considered in making the determination may include risks identified, overall level of the Recipient’s fiduciary responsibility for construction or operation of the Facility, or oversight responsibilities for the management of multiple contracts or subawards.

**Coordination with the RAM Branch and the NSF OIG** — The BSR Manager notifies the NSF OIG of the planned BSRs to facilitate coordination of NSF oversight activities. The BSR Lead or the G/AO reviews RAM’s database for any pertinent or more recent audit reports that are available to determine if the findings overlap with any of the proposed CFA’s principles or practices. If so, the findings may inform the review strategy and final scope. The BSR Lead highlights the significant reporting findings for the Content Specialists to consider as they conduct their independent reviews.

**Notification to the Recipient** — The Recipient is notified early by the BSR Lead of the planned review in upcoming year and the proposed timeframe. Discussions are held with the Recipient to explain the BSR process and to get feedback on the proposed high-level schedule. NSF provides the Recipient with the BSR Guide, which should be reviewed by the Recipient in preparation for the BSR. The BSR Guide explains the BSR, establishes the principles, practices, and questions for each CFA, and list examples of supporting documentation.

## 3.2 Scoping

The first step in this phase is for the BSR Lead to draft the scope of the review. This is an iterative process and starts with the initial review strategy which is informed by Core IPT discussions held during the annual Major Facility Risk Assessment. Each Major Facility is unique regarding the risks identified and each BSR is scoped accordingly to take these differences into consideration. The scoping process objectives are shown in the table below.

Objectives of the Scoping Process
<ul style="list-style-type: none"> <li>• Tailor the BSR to the specific Major Facility by aligning the BSR activities with the highest risks identified using a systematic approach.</li> </ul>
<ul style="list-style-type: none"> <li>• Leverage and build on recent audits and other assessments of the Major Facility’s business systems to enhance the BSR and avoid duplication of effort and unnecessary administrative burden for NSF and the Recipient.</li> </ul>
<ul style="list-style-type: none"> <li>• Develop a comprehensive review plan, including the sampling strategy for each CFA, based on risk factors.</li> </ul>

As the BSR approaches, the BSR Lead meets with the other core NSF IPT members and discusses additional information gathered since the annual Major Facility Risk Assessment. Information from the sources listed above is considered in defining the scope for the review.

### 3.2.1 IPT Kickoff

To begin the review process, a kickoff meeting is held with the BSR Core Team, BSR Core IPT Members, and Content Specialists to discuss the review scope and expectations. The BSR Lead explains the BSR process, facilitates a discussion to finalize the review strategy and scope, and identifies the proposed milestones. The Program Officer provides a brief overview of the scientific activities at the Major Facility, describes the management structure in place that supports Facility administration, and provides high-level insights into any unique aspects and administrative challenges. The G/AO provides a briefing on the relevant awards, shares observations on the administrative management of the Major Facility, and identifies any upcoming award actions that might affect the scope of the BSR.



The initial review strategy and scope are discussed, including the inclusion of CFA principles and practices. Content Specialists should be involved in these scoping discussions to provide professional knowledge of the Uniform Guidance and other Federal regulations that might be beneficial. After the kickoff, the BSR Core Team may refine the scope of the BSR.

### **3.3 Desk Review**

The purpose of the desk review is to conduct an initial assessment of the written administrative business system's policies, procedures, and processes that support the Major Facility to identify compliance gaps with the Uniform Guidance, other Federal regulations, and NSF award terms and conditions.

#### **3.3.1 Desk Review Preparation**

The BSR Lead facilitates a Recipient kickoff meeting to orient the Recipient to the BSR process, the scope of the BSR, and the BSR timeline. Shortly after the Recipient kickoff meeting, the Recipient is provided with an official document request, outlining the background information requested by NSF, such as internal guidance documents, policies, procedures, and processes, and any other materials deemed relevant. The Recipient POC, working with their CFA representatives as needed, collects documents that respond to the document request and provides them electronically prior to the desk review.

#### **3.3.2 Desk Review Execution**

The desk review normally takes place over a one-week period, during which the documents provided by the Recipient are evaluated. Content Specialists focus their attention on independently analyzing the materials collected from various sources to understand the business systems applicable to their respective CFAs and to identify any additional risks, potential problems, or gaps with compliance. This assessment can only be based on the quality of the documentation available at the time. The Content Specialists document any gaps, concerns, or common themes and frame questions for the Recipient to clarify, as needed.

When the desk review is complete, the Content Specialists debrief the BSR Lead, Program Officer, and the G/AO on the results of their independent assessment, describing any issues, concerns, or gaps. At this point, the Desk Review phase is complete. The initial observations are then shared with NSF and may be used by the BSR Lead to further refine the review strategy.

### **3.4 Teleconference**

Before the site visit, teleconferences may be arranged between the Content Specialists and the Recipient CFA Representatives to clarify initial observations and issues identified during the desk review and to gain a better understanding of the applicable policies, procedures, and processes for the CFA under review. For example, the Content Specialists may ask the Recipient to walk through a process or procedure, or request forms or tools that support a business process. Recipient stakeholders are not expected to provide written responses in advance of the scheduled meeting. The Recipient stakeholders' responses may lead to a request for additional documents. If any issues of potential non-compliance were identified during the desk review, the Content Specialists would share them with the Recipient so that they could begin taking action.

### **3.5 Site Visit**

The site visit is conducted to gain a more detailed understanding of the business operations supporting the Major Facility, to clarify issues identified during the desk review, and to test business processes to ensure appropriate internal controls are in place. It typically spans three to five business days. The BSR Lead provides a site visit agenda to the Recipient in advance of the site visit. Onsite activities include an entrance conference, interviews, and a Recipient debrief and may include a Facility tour. Core IPT Members may attend.

Some Facilities have remote sites or business functions conducted in locations other than Recipient headquarters or the primary business offices of the Major Facility. Additional sites may be considered if there are specific business systems in place designed to accommodate the special needs of a remote

site. If additional sites were to be reviewed, the visits would generally occur immediately prior to or after the main site visit in conjunction with the other BSR activities.

### 3.5.1 Site Visit Preparation

**Initial Preparations** — Given the results of the desk review and teleconferences, if held, and the available BSR Core Team resources, the BSR Lead confirms that a site visit is necessary. If so, the BSR Core Team identifies the Content Specialists who should participate in the site visit. The Content Specialists review the desk review and teleconference results to determine which principles and practices of the CFA have been addressed and which areas require further evaluation, so that a strategy can be developed by the BSR Core Team to assess any outstanding issues. For example, if there are gaps in documentation, the Content Specialists will provide a list of missing documentation to the BSR Lead, who will forward it to the Recipient. There may also be a need to test the Recipient’s practices by sampling transactions, to ensure that policies and procedures are followed. In these cases, the Content Specialists will choose a selected period (e.g., the last quarter of the fiscal year) and will request that the Recipient provide a listing of transactions (also known as a “sampling universe”). Sample transactions will be selected from the list and the Recipient will be requested to provide source-supporting documentation to illustrate examples of the application of policies, procedures, or processes.

The review strategy and scope are periodically evaluated by the BSR Lead with input from the Content Specialists and updated as additional materials become available. There may also be occasions where the review may be expanded to assess items that have been identified by NSF staff for special consideration.

**Final Preparations** — The BSR Core Team, Core IPT Members, and Content Specialists meet to finalize plans, address logistical issues, and discuss the main areas and concerns that will be addressed onsite. Final logistics are coordinated with the Recipient and the site visit agenda is set. The Recipient POC is contacted to verify that a conference room is available for private meetings throughout the site visit and that a separate room is accessible to conduct interviews and other BSR-related activities. Teleconference and internet access also should be available, as well as print, copy, and scan capabilities.

### 3.5.2 Site Visit Execution

**Entrance Conference** — The BSR Core Team leads an entrance conference on the first day of the site visit with the Core IPT Members, Content Specialists, Recipient POC, Facility Director, and Recipient CFA representatives. The BSR Lead reiterates the purpose of the BSR and provides a brief overview of the planned activities. The Recipient POC or Facility Director is invited to provide a high-level overview of the Major Facility activities and describe the administrative management structure.

**Facility Tour** — A Facility tour may be arranged if the BSR Lead and Recipient POC determine that the tour would provide insight into the business systems required to support the operations.

**Individual Interviews and Group Discussions** — The Content Specialists interview their Recipient counterparts to gain insight into issues identified during the desk review process, to clarify the application of the policies and procedures on the existing business systems, and to gather additional information that may be necessary to support the conclusions in the draft BSR Report. The agenda is set in advance and takes into consideration the time required to conduct the CFA review and sample analysis, the availability of the Recipient’s CFA representatives, and the instances when the Content Specialists may be reviewing multiple CFAs. Additional sample transactions may be requested to identify if there were multiple occurrences of the questioned activity or whether the occurrence was an anomaly with mitigating factors.

**Daily Assessments** — Time is set aside at the end of each day for the BSR Core Team, Core IPT Members, and Content Specialists to meet privately and discuss their results and observations. This time is also used to organize meeting notes, prepare for the next day’s activities, consolidate supporting documentation, and draft the BSR report sections. The Recipient is invited to join the daily assessment for a discussion of the status of the BSR and the needs for the next day.

**Exit Conference** — At the end of the Site Visit, the BSR Core Team and Content Specialists provide feedback to the Recipient on observations and preliminary findings. The BSR Recipient debrief document is then provided to explain any compliance concerns and to summarize potential recommendations.

### 3.6 Report Generation

After the site visit, the Content Specialists draft the BSR report, identifying the high-priority areas, recommendations for improvement, and any good practices observed. These observations are shared by the BSR Core Team with the Program Officer and G/AO. The draft BSR Report is provided to the Recipient after completion of the site visit so that action to address any high-priority areas identified can be initiated as soon as possible. Areas of non-compliance with Federal regulation are automatically categorized as high-priority items and must be resolved within two (2) months (45 business days) following the delivery of the draft BSR Report.

Report Version	Delivery to Recipient
Draft BSR Report	33 business days after the last day of the site visit
Final BSR Report	18 business days after delivery of draft BSR Report

#### 3.6.1 Draft BSR Report Preparation

Each Content Specialist develops the assigned CFA section of the draft BSR Report based on an assessment of the reviewed materials from the desk review, teleconferences, and site visit observations. The BSR Core Team and Core IPT Members review the draft BSR Report. The draft BSR Report is sent to the Recipient for comment approximately 33 business days after the last day of the site visit. Recipient comments are expected within 10 business days of transmittal of the draft BSR Report to the Recipient. The Recipient's review of the draft report is intended to identify major factual errors. NSF expects the Recipient to address any BSR Report findings during the Implementation Plan phase.

#### 3.6.2 Final BSR Report Preparation

The final BSR Report serves as an historical record and is normally completed and released to the Recipient approximately 18 business days following delivery of the draft BSR Report. The report summarizes the entire BSR process and contains the following key sections:

BSR Report Section	Section Contents
<i>Executive Summary</i>	Overview of the BSR and a summary of the results
<i>1.0 Background</i>	Synopsis of the key scientific activities, business structure, and roles and responsibilities of Recipient stakeholders supporting the Major Facility
<i>2.0 Scoping</i>	The process used and materials examined to develop the review strategy
<i>3.0 Review Strategy</i>	The overview approach, activities, and methods used in the review
<i>4.0 Cross-Cutting Areas</i>	The themes, issues or items impacting at least two core functional areas. For Major Facilities with distributed sites, the themes, issues, or items common to at least two of their sites
<i>5.0 Core Functional Areas</i>	The specific observations and results for each CFA, addressing principles and practices. Detailed results highlight any issues of non-compliance, recommended areas for improvement, and good practices observed that exceed expectations of a proficient business system
<i>6.0 Implementation Plan</i>	Description of the Implementation Plan for resolution of findings specified in the Oversight Tracking List
<i>7.0 Summary and Conclusions</i>	NSF's overall impressions of the administrative business systems supporting the Major Facility and the results of the BSR
<i>Appendices A and B</i>	Tabular summary of the supporting documentation used in the review along with a consolidated list of findings, presented in the Oversight Tracking List and used as the basis for the Implementation Plan

### 3.7 Develop and Execute Implementation Plan

NSF delivers the draft Implementation Plan to the Recipient after the final BSR report is issued. The Recipient should be prepared to respond to the findings, in writing, with resolution actions to establish an agreed upon Implementation Plan with NSF.

#### 3.7.1 Implementation Plan Development

After the final BSR Report is issued, the BSR Lead works collaboratively with the other Core IPT Members to develop and reach consensus on the recommendations in the Oversight Tracking List. The Core IPT Members prioritize these recommendations based on NSF's judgment. This list forms the basis for the Implementation Plan, which becomes the blueprint for resolving any issues and recommendations over the coming year. The final Implementation Plan includes prioritization, assigned responsibilities, due dates, and deliverables, and is typically agreed upon shortly after issuance of the final BSR report. Prioritization for resolution and the acceptability of the method of resolution will be established by NSF in consultation with the Recipient, based on experience and knowledge of applicable practices.

The draft Implementation Plan is sent to the Recipient for input on resolution actions and completion dates to ensure that the actions and associated timelines for each recommendation are practicable. Based on discussions between NSF and the Recipient, reasonable adjustments are made before the final Implementation Plan is issued and execution begins. Any specific actions resulting from the Implementation Plan, particularly those that are a result of non-compliance, will be directed by either the Program Officer or G/AO based on their responsibilities for award management under the Uniform Guidance and the terms and conditions of the award (see also Section 2 of the RIG).

#### 3.7.2 Implementation Plan Execution

Areas of non-compliance with Federal regulation are automatically categorized as high-priority items and must be resolved within two months (45 business days) following the delivery of the draft BSR Report. With respect to all other findings and recommendations, these items are required to be resolved in some mutually agreeable fashion within one year from issuance of the final BSR Report. The primary point of contact for coordinating the resolution of the findings and recommendations is the BSR Lead. The Recipient should assign a similar primary point of contact to aid in the resolution process.

The BSR Lead and other Core IPT Members monitor progress against the Implementation Plan to ensure that all actions identified for resolution are appropriately resolved. The Core IPT Members play a key role in the monitoring and resolution process, along with other subject matter experts as needed. Based on the agreed-on schedule, the Recipient provides periodic updates and supporting documentation reflecting progress made in resolving the outstanding issues. The reports and documents are reviewed to ensure that NSF and the Recipient have a mutual understanding of the finding or recommendation and its resolution, and that progress is consistent with the Implementation Plan.

### 3.8 Administrative Closeout

Closeout is the final phase in the BSR process and commences once the resolution actions agreed upon in the Implementation Plan have been completed by the Recipient and are considered resolved by NSF. The BSR Lead notifies the BSR Manager that all the resolution actions have been appropriately resolved. The BSR Manager reviews the Implementation Plan and confirms the action items have been resolved and determines the BSR is ready for administrative closeout. Once this review is completed, and based upon the recommendation of the BSR Manager, the HLFO executes a Closure Memorandum to the Program Officer. The Program Officer may share the Closure Memorandum with the Recipient or other stakeholders, signaling the formal closure of the BSR.



## PART II – CORE FUNCTIONAL AREA REVIEW MODULES

Part II lists the core functional area review modules for use as a reference in the execution of desk review, teleconference, and site visit activities. Supporting questions are provided for these modules in Appendix A along with citations to Federal statutes, Federal regulations, NSF policies, and other guidance.

Each module contains the following sections:

1. **Scope of Review** – Highlights the key topics and issues that are assessed for each particular CFA module.
2. **Supporting Documentation** – Lists examples of specific CFA supporting materials that are obtained from the Recipient and evaluated during the Desk Review phase of the process. If additional documents are required by the Content Specialists in order to complete the scope of the review, these will be obtained by the BSR Lead prior to the site visit or provided by the Recipient onsite.
3. **Procedures** – Outlines the framework used by the BSR participants in reviewing each CFA module. The responsibilities listed below are activities to be performed by the Content Specialist in the execution of the desk review and site visit:

### ***Desk Review Responsibilities (Content Specialists)***

- Comprehend Uniform Guidance and other applicable Federal regulations and guidance.
- Conduct the desk review for one or more CFA Modules.
- Assess the various CFA policy, procedural, and process documentation for compliance with governing regulations and use in support of the Major Facility.
- Note any observations, issues, or concerns for each principle/practice included in the scope of the CFA module.
- Organize and index supporting documentation used in the desk review.
- Provide input on the draft BSR Report and Implementation Plan, as necessary.

### ***Pre-Site and Site Visit Responsibilities (Content Specialists)***

- Comprehend Uniform Guidance and other applicable Regulations and Guidance.
- Formulate a strategy (e.g., personnel to interview, additional documentation to obtain) to investigate and address issues requiring onsite follow-up.
- Review supporting materials and noting any gaps or additional concerns.
- Prepare a list of questions for discussion during the Recipient teleconference session in order to obtain clarification on any outstanding issues noted during the desk review.
- Participate in site visit review and compare practices to desk review observations. Note and discuss reasons for inconsistencies.
- Retain and organize supporting documentation collected during the site visit.
- Explore issues and concerns with Recipient during teleconference and/or onsite.
- Suggest remedial action on issues of non-compliance and make recommendations for improvements.
- Author CFA sections of draft BSR Report and Implementation Plan if requested.

**Sampling Activities**

For select CFAs, the Content Specialist may need to sample some transactions and reports in order to assess whether outlined policies and procedures are being followed. If necessary, the Content Specialist will choose a sample from a list of transactions provided by the Recipient and notify the BSR Lead of the selection. The BSR Lead will forward the list to the Recipient and ask them to have the source supporting material available for review by the BSR participants during the site visit. The Content Specialist is expected to document the sampling methodology used in the review, note the transactions tested, and include these observations in the final BSR report.

4. **Framework Contents** – Includes focused principles and practices that are assessed for the specific CFA, using guidance contained in the review focus areas and the desk review and site visit procedures.

Document Area	Links to Document Area
To view the <b>review module</b> relevant to your area, click on the appropriate link:	<ul style="list-style-type: none"> <li>• <a href="#">General Management Review Module</a></li> <li>• <a href="#">Award Management Review Module</a></li> <li>• <a href="#">Budget Planning and Execution Review Module</a></li> <li>• <a href="#">Financial Management Review Module</a></li> <li>• <a href="#">Human Resources Management Review Module</a></li> <li>• <a href="#">Procurement Review Module</a></li> <li>• <a href="#">Property Management Review Module</a></li> </ul>
To view the <b>references</b> relevant to your area, click on the appropriate link:	<ul style="list-style-type: none"> <li>• <a href="#">General Management References</a></li> <li>• <a href="#">Award Management References</a></li> <li>• <a href="#">Budget Planning and Execution References</a></li> <li>• <a href="#">Financial Management References</a></li> <li>• <a href="#">Human Resources Management References</a></li> <li>• <a href="#">Procurement References</a></li> <li>• <a href="#">Property Management References</a></li> </ul>
To view the <b>review questions</b> relevant to your area, click on the appropriate link:	<ul style="list-style-type: none"> <li>• <a href="#">General Management Review Questions</a></li> <li>• <a href="#">Award Management Review Questions</a></li> <li>• <a href="#">Budget Planning and Execution Review Questions</a></li> <li>• <a href="#">Financial Management Review Questions</a></li> <li>• <a href="#">Human Resources Management Review Questions</a></li> <li>• <a href="#">Procurement Review Questions</a></li> <li>• <a href="#">Property Management Review Questions</a></li> </ul>
To view the <b>Acronym List</b> :	<p><a href="#">List of Acronyms</a></p>
To view the <b>Glossary</b> :	<p><a href="#">Glossary</a></p>

## 1. GENERAL MANAGEMENT REVIEW MODULE

This module is used by the Content Specialist to assess the administrative business systems supporting general management for the Major Facility. It includes areas which are organized in a framework consisting of several overarching principles, each of which is broken down into detailed practices. A mapping of the corresponding sources used as references is provided along with a list of focus topics and key sample questions to facilitate consistent interpretation of the practices by the reader.

### 1.1 Scope of Review

The scope of this review covers the administrative business system that provides general management support for the Major Facility and covers the execution through and communication by the people, policies and processes, and information technology. It involves elements of the Recipient's control environment such as ethics, conflicts of interest, advice gathered through autonomous committees, Recipient's risk assessment, records retention and physical safety. The Recipient's and Major Facility's management structure specific to this functional area is also assessed along with the alignment of the policies, processes and procedural documentation with Federal regulations, and the coordination and use in supporting the Facility construction and/or operations. The breadth and depth of the review is tailored to the unique aspects of the Major Facility and determined through a scoping process. Findings of previous internal and external reviews and audits are considered to avoid duplication of effort.

### 1.2 Supporting Documentation

The Recipient submits "end-to-end" business process materials that are made available for the BSR prior to the desk review. Examples of commonly requested information are outlined in the bulleted list below. This list of examples is not comprehensive and does not replace the formal BSR Document Request.

#### ***Examples of Supporting Materials***

- Names and titles of key personnel listed in the Terms and Conditions and personnel that have significant responsibilities for elements of general management
- Description of functional duties and responsibilities of the personnel associated with general management supporting the Major Facility
- Organizational charts specific to general management functions
- Information on continuing education for staff members responsible for general management on matters such as ethics (e.g., standards of conduct, conflict of interest [COI], records retention and Whistleblower policy)
- Policies and procedural documents such as flowcharts, templates, and forms related to the general management functions, highlighting the roles and responsibilities specific to the support of the Major Facility
- Description of mechanism for tracking and monitoring the reports and other general management-related requirements and/or deliverables specified in the cooperative agreement terms and conditions
- Published statement of the Recipient's key entities and Major Facility's objectives
- Documentation on the powers that have been granted to the Recipient to enter into contractual relationships (e.g., articles of incorporation, by-laws)
- Delegated authority information
- Strategic planning process maps and other materials
- Copies of performance reports that address administrative business capabilities
- Description of the Major Facility's advisory structure or Board of Directors

- Summaries of the advisory groups and meetings
- Any other documentation identified by the Recipient as pertinent to this core functional area

### 1.3 Procedures

The desk review and site visit procedures for each module are described in the BSR Guide Part I, above.

### 1.4 Framework Contents

#### **PRINCIPLE 1. A COMPLIANT STRUCTURE OF GENERAL MANAGEMENT FUNCTIONS SUPPORTS THE MAJOR FACILITY.**

**Practice 1.1.** The Recipient's and Major Facility's organizational structure responsible for general management is documented and clearly outlined.

**Practice 1.2.** The collective positions in the general management organizational structure are documented, and for each, the role, duties, authorities and reporting lines are clearly defined.

**Practice 1.3.** Documented policies and procedures ensure that staff with significant responsibilities in general management receive continuing education and development opportunities to allow them to successfully support the functions.

#### **PRINCIPLE 2. A COMPLIANT CONTROL ENVIRONMENT SUPPORTS THE MAJOR FACILITY.**

**Practice 2.1.** Documented policies and procedures address integrity, ethical values and conflicts of interest.

**Practice 2.2.** Documented policies and procedures outline the autonomous entities that provide oversight on the development and performance of internal control.

**Practice 2.3.** Documented policies and procedures specify the establishment of internal entities or structures with clear reporting lines, authorities and responsibilities.

**Practice 2.4.** Documented policies and procedures address the information necessary to carry-out day-to-day controls through internal and external communications.

**Practice 2.5.** Documented policies and procedures address the monitoring and assessment of internal control components.

#### **PRINCIPLE 3. A COMPLIANT RISK ASSESSMENT IS CONDUCTED AND SUPPORTS THE MAJOR FACILITY.**

**Practice 3.1.** Documented policies and procedures specify the identification, management, and assessment of risk.

**Practice 3.2.** Documented policies and procedures address the control activities (broad actions) taken to mitigate risks.

**Practice 3.3.** Documented policies and procedure highlight that confidential expressions of concern about fraud, waste, or abuse can be made without fear of reprisal.

#### **PRINCIPLE 4. A COMPLIANT SYSTEM FOR RECORDS RETENTION AND ACCESS SUPPORTS THE MAJOR FACILITY.**

**Practice 4.1.** Documented policies and procedures address the handling and retention of financial records, supporting documents, statistical records and all other records pertinent to Federal awards, and address with the exceptions.

**Practice 4.2.** Documented policies and procedures address records transfer from Federal awarding agency to non-Federal entity, and arrangements for the records needed for continuous joint-use.

**Practice 4.3.** Documented policies and procedures specify the Recipient’s methods for collecting, transmitting and storing Federal award-related information.

**Practice 4.4.** Documented policies and procedures address the right of timely and reasonable access to documents, papers or other records pertinent to the Federal award and to non-Federal entity’s personnel for interviews or discussions of documents.

**Practice 4.5.** Documented policies and procedures address public access to the records pertinent to the Federal award.

#### **PRINCIPLE 5. OTHER COMPLIANT GENERAL MANAGEMENT AREAS SUPPORT THE MAJOR FACILITY.**

**Practice 5.1.** Documented policies and procedures to address technology needs associated with internal controls.

**Practice 5.2.** Documented policies and procedures assure the safety and security of buildings, equipment, information systems, and employee and public.

**Practice 5.3.** Documented policies and procedures demonstrate emergency preparedness related to catastrophic events and natural disasters, and address how the related plans are created, monitored and evaluated.

#### **PRINCIPLE 6. INTERNAL CONTROLS FOR GENERAL MANAGEMENT ARE COMPLIANT AND SUPPORT THE MAJOR FACILITY.**

**Practice 6.1.** Documented policies and procedures outline transaction-level actions and reporting to assure compliance with Federal statutes, and the terms and conditions of awards and other general management responsibilities.

**Practice 6.2.** Documented policies and procedures explain the evaluation and monitoring and timely actions for instances of non-compliance.

#### **OTHER REVIEW AREAS**

As part of scoping or during execution of the review, NSF may need to explore additional administrative business topics which are not included in the module. For these cases, the BSR Lead evaluates the expanded scope. If agreed upon, the review of the additional issue/s follows the same approach used for the other focus areas. This includes documentation of the observations and results in the BSR Report.

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Click the [Appendix A link](#) to view the references and sample review questions for this module.

To view the Acronym List, click the [Appendix B link](#). To view the Glossary, click the [Appendix C link](#).



## 2. AWARD MANAGEMENT REVIEW MODULE

This module is used by the Content Specialist to assess the administrative business systems supporting award management for the Major Facility. It includes areas covered which are organized in a framework consisting of several overarching principles, each of which is broken down into detailed practices. A mapping of the corresponding sources used as references is provided, along with a list of focus topics and key sample questions to facilitate consistent interpretation of the practices by the reader.

### 2.1 Scope of Review

The scope of this review covers the administrative business system that provides award management support for the Major Facility and covers the execution through and communication by the people, policies and processes, and information technology. It involves award administration, subrecipient oversight, and the monitoring of the terms and conditions specific to the award/s. The Recipient's and Major Facility's management structure specific to this functional area is also assessed, along with the alignment of the policies, processes and procedural documentation with Federal regulations, and the coordination and use in supporting the Major Facility's construction and/or operations. The breadth and depth of the review is tailored to the unique aspects of the Major Facility and determined through a scoping process. Findings of previous internal and external reviews and audits are considered to avoid duplication of effort.

### 2.2 Supporting Documentation

The Recipient submits business process materials that are made available for the BSR prior to the desk review. Examples of commonly requested information are outlined in the bulleted list below. This list of examples is not comprehensive and does not replace the formal BSR Document Request.

#### ***Examples of Supporting Materials***

- Names and titles of personnel with significant responsibilities for administering the NSF award
- Description of functional duties and responsibilities of the personnel associated with award management supporting the Major Facility
- Organizational charts specific to award management functions
- Information on continuing education opportunities for staff members responsible for award management functions
- Policies and procedural documents such as flowcharts, templates, forms related to the award management functions (e.g., pre-award, post award, closeout, subrecipient monitoring), highlighting the roles and responsibilities specific to the support of the Major Facility
- Description of mechanism for tracking and monitoring the reports and other award management- related requirements and/or deliverables specified in the cooperative agreement terms and conditions
- Any other documentation identified by the Recipient as pertinent to this core functional area

### 2.3 Procedures

The desk review and site visit procedures for each module are described in the BSR Guide Part I, above.

## 2.4 Framework Contents

### **PRINCIPLE 1. A COMPLIANT STRUCTURE OF AWARD MANAGEMENT FUNCTIONS SUPPORTS THE MAJOR FACILITY.**

**Practice 1.1.** The Recipient's and Major Facility's organizational structure responsible for award management is documented and clearly outlined.

**Practice 1.2.** The collective positions in the award management organizational structure are documented, and for each, the role, duties, authorities and reporting lines are clearly defined.

**Practice 1.3.** Documented policies and procedures ensure that staff with significant responsibilities in managing awards receive continuing education and development opportunities to allow them to successfully support the functions.

### **PRINCIPLE 2. A COMPLIANT MANAGEMENT APPROACH FOR ALL AWARD/S LIFECYCLE STAGES SUPPORTS THE MAJOR FACILITY.**

**Practice 2.1.** Documented policies and procedures specify pre-award management requirements.

**Practice 2.2.** Documented policies and procedures address post-award management requirements.

**Practice 2.3.** Documented policies and procedures address closeout requirements, and the post-closeout adjustments and continuing responsibilities.

### **PRINCIPLE 3. MANAGEMENT AND MONITORING OF SUBRECIPIENTS IS COMPLIANT AND SUPPORTS THE MAJOR FACILITY.**

**Practice 3.1.** Documented policies and procedures specify the considerations for appropriately classifying award agreements.

**Practice 3.2.** Documented policies and procedures outline all information to be included such as the data elements, requirements on use, support of financial and performance reporting, approved indirect cost rate, applicable flow-down requirements, record access by auditors and closeout terms.

**Practice 3.3.** Documented policies and procedures outline the steps and factors used to assess the risk of noncompliance.

**Practice 3.4.** Documented policies and procedures specify the monitoring and tools used to ensure award is used for authorized purposes, accountability and compliance with program requirements and achievement of performance goals.

**Practice 3.5.** Documented policies and procedures specify requirements for audits, the conditions necessary to adjust pass-through entity's records, and enforcement actions for noncompliance.

**Practice 3.6.** Documented policies and procedures explain the requirements and process to provide fixed amount subawards.

### **PRINCIPLE 4. INTERNAL CONTROLS FOR AWARD MANAGEMENT ARE COMPLIANT AND SUPPORT THE MAJOR FACILITY.**

**Practice 4.1.** Documented policies and procedures outline transaction-level actions and reporting to assure compliance with Federal statutes, and the terms and conditions of awards and other award management responsibilities.

**Practice 4.2.** Documented policies and procedures explain the evaluation and monitoring and timely actions for instances of noncompliance.

**OTHER REVIEW AREAS**

As part of scoping or during execution of the review, NSF may need to explore additional administrative business topics which are not included in the module. For these cases, the BSR Lead evaluates the expanded scope. If agreed upon, the review of the additional issue/s follows the same approach used for the other focus areas. This includes documentation of the observations and results in the BSR Report.

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Click the [Appendix A link](#) to view the references and sample review questions for this module.

To view the Acronym List, click the [Appendix B link](#). To view the Glossary, click the [Appendix C link](#).

### 3. BUDGET PLANNING AND EXECUTION REVIEW MODULE

This module is used by the Content Specialist to assess the administrative business systems supporting budget planning and execution supporting the Major Facility. It includes areas which are organized in a framework consisting of several overarching principles, each of which is broken down into detailed practices. A mapping of the corresponding sources used as references is provided along with a list of focus topics and key sample questions to facilitate consistent interpretation of the practices by the reader and Content Specialist.

#### 3.1 Scope of Review

The scope of this review covers the administrative business system that provides budget planning and execution support for the Major Facility and covers the execution through and communication by the people, policies and processes, and information technology. It involves cost estimation and schedule during formulation, and the tracking and reconciliation of expenditures during execution. The Recipient's and Major Facility's management structure specific to this functional area is also assessed along with the alignment of the policies, processes and procedural documentation with Federal regulations, and the coordination and use in supporting the Facility construction and/or operations. The breadth and depth of the review is tailored to the unique aspects of the Major Facility and determined through a scoping process. Findings of previous internal and external reviews and audits are considered to avoid duplication of effort.

#### 3.2 Supporting Documentation

The Recipient submits business process materials that are made available for the BSR prior to the desk review. Examples of commonly requested information are outlined in the bulleted list below. This list of examples is not comprehensive and does not replace the formal BSR Document Request.

##### *Examples of Supporting Materials*

- Names and titles of personnel with significant responsibilities for the budget planning and execution process support the Major Facility
- Description of functional duties and responsibilities of the personnel associated with budget planning and execution supporting the Major Facility
- Organizational charts specific to budget planning and execution functions supporting the Major Facility
- Information on continuing education opportunities for staff members responsible for budget planning and execution functions supporting the Major Facility
- Policies and procedural documents related to the budget planning and execution functions, highlighting the roles and responsibilities specific to the support of the Major Facility
- Description of mechanism for tracking and monitoring the reports and other budget planning and execution-related requirements and/or deliverables specified in the cooperative agreement terms and conditions
- Processes, procedures, templates and flowcharts outlining the Major Facility's internal budget planning formulation activities (e.g., cost estimates development), allocation, and execution such as tracking expenditures
- A timeline of budget exercises performed throughout the fiscal year (e.g., future-year strategic planning and formulation, periodic monitoring reviews, year-end)
- Facility budgets for construction and/or operations for the specified budget period
- Documentation that illustrates the management and implementation of NSF-funded awards at the Major Facility

- Materials to illustrate the evolution of cost estimate reports/cost books and cost estimating plan over the life cycle stages (e.g., construction design phases, transition to operations, operations etc.)
- Project Execution Plan
- Annual Project Reports
- Any other documentation identified by the Recipient as pertinent to this core functional area

### 3.3 Procedures

The desk review and site visit procedures for each module are described in the BSR Guide Part I, above.

### 3.4 Framework Contents

#### **PRINCIPLE 1. A COMPLIANT STRUCTURE OF BUDGET PLANNING AND EXECUTION FUNCTIONS SUPPORTS THE MAJOR FACILITY.**

**Practice 1.1.** The Recipient's and Major Facility's organizational structure responsible for budget planning and execution is documented and clearly outlined.

**Practice 1.2.** The collective positions in the budget planning and execution organizational structure are documented, and for each, the role, duties, authorities and reporting lines are clearly defined.

**Practice 1.3.** Documented policies and procedures ensure that staff with significant responsibilities in budget planning and execution receive continuing education and development opportunities to allow them to successfully support the functions.

#### **PRINCIPLE 2. A COMPLIANT SYSTEM EXISTS FOR DEVELOPING A BUDGET TO SUPPORT THE MAJOR FACILITY'S VARIOUS LIFE-CYCLE STAGES.**

**Practice 2.1.** Documented strategic planning policies and procedures integrate and align process outputs with the established scope, activities, objectives and performance of the Major Facility (e.g., completed templates, cost categories).

**Practice 2.2.** Documented policies and procedures assure the reliability of the budget through the identification and application of the appropriate formulation methodology.

**Practice 2.3.** Documented policies and procedures address the documentation, accuracy, comprehensiveness and credibility of cost estimates.

**Practice 2.4.** Documented policies and procedures specify the format, structure and supporting justification for all related budget process products.

**Practice 2.5.** Documented policies and procedures summarize the internal pre-submission reviews of the Recipient's/subrecipient's budget to assure accuracy and compliance with Federal regulations and requirements and needed refinement.

#### **PRINCIPLE 3. A COMPLIANT SYSTEM EXISTS TO EXECUTE THE APPROVED BUDGET SUPPORTING THE MAJOR FACILITY'S VARIOUS LIFE-CYCLE STAGES.**

**Practice 3.1.** Documented policies and procedures require the tracking and reporting of expenditures against each approved award budget including the identification and implementation of revisions.

**Practice 3.2.** Documented policies and procedures address deviations from the budget and the conditions for obtaining prior approval.

**Practice 3.3.** Documented policies and procedures ensure that routinely scheduled and relevant reports (budget and financial) are produced and used by the Major Facility and Recipient-level stakeholders such as management, program, and budget personnel.



**Practice 3.4.** Documented policies and procedures specify the evaluation of approved budget and actions taken on variances identified throughout (beginning to end) the annual award budget period.

**PRINCIPLE 4. INTERNAL CONTROLS FOR BUDGET PLANNING AND EXECUTION ARE COMPLIANT AND SUPPORT THE MAJOR FACILITY.**

**Practice 4.1.** Documented policies and procedures outline transaction-level actions and reporting to assure compliance with Federal statutes, and the terms and conditions of awards and other budget planning and execution responsibilities.

**Practice 4.2.** Documented policies and procedures explain the evaluation and monitoring and timely actions for instances of non-compliance.

**OTHER REVIEW AREAS**

As part of scoping or during execution of the review, NSF may need to explore additional administrative business topics which are not included in the module. For these cases, the BSR Lead evaluates the expanded scope. If agreed upon, the review of the additional issue/s follows the same approach used for the other focus areas. This includes documentation of the observations and results in the BSR Report.

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Click the [Appendix A link](#) to view the references and sample review questions for this module.

To view the Acronym List, click the [Appendix B link](#). To view the Glossary, click the [Appendix C link](#).

## 4. FINANCIAL MANAGEMENT REVIEW MODULE

This module is used by the Content Specialist to assess the administrative business systems supporting financial management supporting the Major Facility. It includes areas which are organized in a framework consisting of several overarching principles, each of which is broken down into detailed practices. A mapping of the corresponding sources used as references is provided along with a list of focus topics and key sample questions to facilitate consistent interpretation of the practices by the reader and Content Specialist.

### 4.1 Scope of Review

The scope of this review covers the administrative business system that provides financial management support for the Major Facility and covers the execution through and communication by the people, policies and processes, and information technology. It involves cost allowability, financial reporting and record keeping and cash management. The Recipient's and Major Facility's management structure specific to this functional area is also assessed along with the alignment of the policies, processes and procedural documentation with Federal regulations, and the coordination and use in supporting the Facility construction and/or operations. The breadth and depth of the review is tailored to the unique aspects of the Major Facility and determined through a scoping process. Findings of previous internal and external reviews and audits are considered to avoid duplication of effort.

### 4.2 Supporting Documentation

The Recipient submits business process materials that are made available for the BSR prior to the desk review. Examples of commonly requested information are outlined in the bulleted list below. This list of examples is not comprehensive and does not replace the formal BSR Document Request.

#### *Examples of Supporting Materials*

- Names and titles of personnel with significant responsibilities for financial management of the Major Facility, including the delegated authority levels
- Description of functional duties and responsibilities for the personnel with the financial management supporting the Major Facility
- Organizational charts specific to financial management functions supporting the Major Facility
- Information on continuing education opportunities for staff members responsible for financial management functions supporting the Major Facility
- Policies and procedural documents such as flowcharts, templates, forms related to the financial management functions, highlighting the roles and responsibilities specific to the support of the Major Facility
- Description of mechanism for tracking and monitoring the reports and other financial management- related requirements and/or deliverables specified in the cooperative agreement terms and conditions
- Copies of the written policies and procedures for manual and/or computerized processing of transactions from origination, authorization, approval, ordering, receipt and payment, ultimately ending in charges to the sponsored Major Facility project/s
- Information on any recently implemented changes to the financial management system
- Chart of accounts and the accounting code(s) identified with the NSF award/s
- Explanation of cost classifications where more than one account code is used to track or monitor expenses in the chart of accounts
- Time and effort reporting policies and procedures, including documentation of employee base salary, the threshold for making changes from budgeted to actual effort in the after-the-fact verification, suitable means of verification (where reports are not signed by the

employee or the supervisor), and a definition of the types of activities that should not be charged to Federal awards (e.g., Bid and Proposal costs)

- Copies of any recent internal audits or reviews of the Recipient accounting and/or financial management systems, including time and effort reporting
- Copies of any recent cognizant or oversight agency for audit reports or review and analysis related to accounting systems and financial management. Examples of accounting system reports, spreadsheets, and other documents or subsystems used by the Recipient stakeholders to manage and track expenditures and labor distribution for the Major Facility (e.g., monthly expense reports provided to the Principal Investigator [PI] and/or Departmental Research Administrators)
- Summary of costs claimed, by expense category charged to the NSF award
- List of salary charges to the NSF award from the project cost summary for the last fiscal year by amount and by employee name, position, and level of effort (e.g., percentage, hours)
- The Recipient’s Cost Accounting Standard Board’s (CASB) disclosure statement or cost policy statement
- Documents that the Recipient uses for managing the financial reporting and payment functions, including a description of the internal control policies and procedures
- Summary of costs claimed by expense category for a specified time period
- List of accounting transactions from the general ledger related to the NSF award for a specified period
- Any other documentation identified by the Recipient as pertinent to this core functional area

### 4.3 Procedures

The desk review and site visit procedures for each module are described in the BSR Guide Part I, above.

### 4.4 Framework Contents

#### **PRINCIPLE 1. A COMPLIANT STRUCTURE OF FINANCIAL MANAGEMENT FUNCTIONS SUPPORTS THE MAJOR FACILITY.**

**Practice 1.1.** The Recipient’s and Major Facility’s organizational structure responsible for financial management is documented and clearly outlined.

**Practice 1.2.** The collective positions in the financial management organizational structure are documented, and for each, the role, duties, authorities and reporting lines are clearly defined.

**Practice 1.3.** Documented policies and procedures ensure that staff with significant responsibilities in financial management receive continuing education and development opportunities to allow them to successfully support the functions.

#### **PRINCIPLE 2. A COMPLIANT FINANCIAL MANAGEMENT SYSTEM SUPPORTS THE MAJOR FACILITY.**

**Practice 2.1.** Documented policies and procedures specify the identification of components of Federal awards received and expended, and the related Federal Programs under which they were received.

**Practice 2.2.** Documented policies and procedures require that records identify the source and application of funds for Federally-funded activities through a chart of accounts.

**Practice 2.3.** Documented policies and procedures address the generation of required reports and specify the use of detailed receipt and expenditure of funds related to the award.

**Practice 2.4.** Documented policies and procedures specify how accurate, current and complete reporting of the financial results of the Federal award or Program is assured.

**Practice 2.5.** Documented policies and procedures implement the required payment methods.

**Practice 2.6.** Documented policies and procedures explain how the allowability of cost is determined and reviewed.

**Practice 2.7.** Documented policies and procedures address how the Recipient correctly applies current Federally negotiated indirect cost rates.

### **PRINCIPLE 3. A COMPLIANT SYSTEM OF CASH MANAGEMENT SUPPORTS THE MAJOR FACILITY.**

**Practice 3.1.** Documented policies and procedures discuss the handling of advance payments or reimbursement requests.

**Practice 3.2.** Documented policies and procedures discuss program income and the related reporting requirements.

**Practice 3.3.** Documented policies and procedures discuss how responsibilities for access and permissions to the financial functions of the award cash management service (ACM\$) are controlled and segregated.

### **PRINCIPLE 4. INTERNAL CONTROLS FOR FINANCIAL MANAGEMENT ARE COMPLIANT AND SUPPORT THE MAJOR FACILITY.**

**Practice 4.1.** Documented policies and procedures outline transaction-level actions and reporting to assure compliance with Federal statutes, and the terms and conditions of awards and other financial management responsibilities.

**Practice 4.2.** Documented policies and procedures explain the evaluation and monitoring and timely actions for instances of non-compliance requirements are defined and documented.

### **OTHER REVIEW AREAS**

As part of scoping or during execution of the review, NSF may need to explore additional administrative business topics which are not included in the module. For these cases, the BSR Lead evaluates the expanded scope. If agreed upon, the review of the additional issue/s follows the same approach used for the other focus areas. This includes documentation of the observations and results in the BSR Report.

Below are examples of additional areas that could be considered for BSR review:

- *Construction and Operations of NSF Funded Research Platforms* (applicable for Major Research Equipment and Facilities Construction [MREFC] funded projects). Some NSF facilities may be funded with different appropriated accounts which must be segregated. Typically, construction costs are funded with MREFC appropriations whereas operational funding is through Research and Related Activities (R&RA) accounts. Facility records would be reviewed to ensure that separate accounts are established for construction (MREFC) and operations (R&RA) costs and funding are segregated.
- *Post-Retirement Benefits* (applicable for NSF Federally Funded Research and Development Centers [FFRDCs]). Financial Accounting Standards Board (FASB) Statement 106 requires that Recipients who provide post-retirement healthcare benefits must accrue for this liability for both current employees and retirees. In this situation, post-retirement benefit costs would be reviewed to determine how these costs are accrued and noted on the Recipient's financial statements.
- *Accrued Vacation Liability* (applicable for NSF FFRDC). Determine whether there is any liability to NSF for accrued vacation costs.

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Click the [Appendix A link](#) to view the references and sample review questions for this module.

To view the Acronym List, click the [Appendix B link](#). To view the Glossary, click the [Appendix C link](#).



## 5. HUMAN RESOURCES MANAGEMENT REVIEW MODULE

This module is used by the Content Specialist to assess the administrative business systems supporting human resources management supporting the Major Facility. It includes areas covered in the review which are organized in a framework consisting of several overarching principles, each of which is broken down into detailed practices. A mapping of the corresponding sources used as references is provided along with a list of focus topics and key sample questions to facilitate consistent interpretation of the practices by the reader and Content Specialist.

### 5.1 Scope of Review

The scope of this review covers the administrative business system that provides human resources management support for the Major Facility and covers the execution through and communication by the people, policies and processes, and information technology. It involves the expectations for non-discrimination, a drug-free workplace, and the mechanisms to plan for, recruit, hire, employ, and evaluate the workforce. The Recipient's and Major Facility's management structure specific to this functional area is also assessed along with the alignment of the policies, processes and procedural documentation with Federal regulations, and the coordination and use in supporting the Facility construction and/or operations. The breadth and depth of the review is tailored to the unique aspects of the Major Facility and determined through a scoping process. Findings of previous internal and external reviews and audits are considered to avoid duplication of effort.

### 5.2 Supporting Documentation

The Recipient submits business process materials that are made available for the BSR prior to the desk review. Examples of commonly requested information are outlined in the bulleted list below. This list of examples is not comprehensive and does not replace the formal BSR Document Request.

#### ***Examples of Supporting Materials***

- Names and titles of personnel responsible for providing a significant level of human resources management support for the Major Facility
- Description of functional duties and responsibilities for the personnel with the human resources management supporting the Major Facility
- Organizational charts or other documents specific to human resources management functions
- Information on continuing education opportunities for staff members responsible for human resources management functions
- Policies and procedural documents such as flowcharts, templates, forms related to the human resources management functions, highlighting the roles and responsibilities specific to the support of the Major Facility
- Description of mechanism for tracking and monitoring the reports and other human resources management-related requirements and/or deliverables specified in the cooperative agreement terms and conditions
- HR policies and procedures, handbooks, manuals, or employee communications related to the following:
  - Drug-free workplace
  - Non-discrimination regulations and policies:
    - Prohibition on basis of race, color, or national origin
    - Prohibition on basis of disability
    - Prohibition on basis of sex in Federally assisted education programs or activities

- Sexual harassment
- Strategic human capital or workforce planning (i.e., strategic human capital or workforce plans)
- Operational human capital or workforce planning (e.g., recruiting, hiring or staffing plans, staff development plans)
  - Applicant recruitment, screening, and selection (e.g., position requisitions, advertisements/vacancy announcements, interview and selection guides, applicant applications, hiring letter)
  - Recognition and reward systems
  - Vacation and sick leave benefits
  - Employee development (e.g., course listings, training records)
  - Whistleblowing protection policy
- Compensation and employee benefit descriptions and analyses
- Required government filings for the previous 3 years which may include:
  - *Employer Information Report EEO-1*
  - *Form 5500 Annual Return/Report of Employee Benefit Plan*
  - Summary Plan Descriptions
- Discrimination complaints filed within the recent years, including subsequent notification to NSF's Office of Diversity and Inclusion (ODI) Equal Opportunity
- Employee convictions for violations related to the Recipient's drug-free workplace policy, including subsequent notifications to the NSF G/AO or designee
- Workplace accidents and how they were resolved and if any improvements were made to address the situation
- Documentation describing recent trends in employee vacancies, hiring, and attrition
- Any other documentation identified by the Recipient as pertinent to this core functional area

### 5.3 Procedures

The desk review and site visit procedures for each module are described in the BSR Guide Part I, above.

### 5.4 Framework Contents

#### **PRINCIPLE 1. A COMPLIANT SYSTEM TO SUPPORT HUMAN RESOURCES MANAGEMENT FUNCTIONS SUPPORTS THE MAJOR FACILITY.**

**Practice 1.1.** The Recipient's and Major Facility's organizational structure responsible for human resources management is documented and clearly outlined.

**Practice 1.2.** The collective positions in the human resources management organizational structure are documented, and for each, the role, duties, authorities and reporting lines are clearly defined.

**Practice 1.3.** Documented policies and procedures ensure that staff with significant responsibilities in human resources management receive continuing education and development opportunities to allow them to successfully support the functions.

**PRINCIPLE 2. COMPLIANT MECHANISMS ENSURE THAT NO PERSON IS DISCRIMINATED AGAINST BASED ON RACE, COLOR, NATIONAL ORIGIN, SEX, OR DISABILITY SUPPORT THE MAJOR FACILITY.**

**Practice 2.1.** Documented policies and procedures ensure applicants and employees are aware of the Recipient’s non-discrimination policies and practices.

**Practice 2.2.** Documented policies and procedures train selection officials and managers in their responsibilities in complying with non-discrimination policies and practices.

**Practice 2.3.** Documented policies and procedures specify and assure compliance with specific non-discrimination practices as described in relevant Federal regulations (e.g., making reasonable accommodations for people with disabilities, instituting policies and practices to resolve discrimination complaints).

**PRINCIPLE 3. A COMPLIANT DRUG-FREE WORKPLACE SUPPORTS THE MAJOR FACILITY.**

**Practice 3.1.** Documented policies and procedures provide each employee engaged in the performance of the award, a published statement notifying employees of the requirements of the Recipient’s policies and processes regarding a drug-free workplace.

**Practice 3.2.** Documented policies and procedures outlined the response to violations of the drug-free workplace policy.

**Practice 3.3.** Documented policies and procedures specify the ongoing drug-free awareness program that addresses key elements outlined in drug-free workplace certification.

**PRINCIPLE 4. A COMPLIANT SYSTEM FOR WORKFORCE PLANNING SUPPORTS THE MAJOR FACILITY.**

**Practice 4.1.** Documented policies and procedures set the strategic direction by linking the workforce planning process with the entity’s strategic plan, annual performance/business plan, and work activities required to carry out the goals and objectives of the strategic plan (long term) and performance plan (short term).

**Practice 4.2.** Documented policies and procedures address a workforce planning mechanism to analyze the current and future workforce supply and determine the gaps and surpluses in achieving the desired future state, based on an agile, balanced and capable mission-ready workforce in the necessary geographic locations to accomplish the entity’s strategic requirements.

**Practice 4.3.** Documented policies and procedures address the process to prioritize gaps and surpluses and develop an action plan with strategies and measurable outcomes to assess progress in support of the Major Facility needs.

**Practice 4.4.** Documented policies and procedures address a monitoring and evaluation process to assess the effectiveness of the strategies and revisions of the plan, as needed.

**PRINCIPLE 5. A COMPLIANT AND SYSTEMATIC MECHANISM FOR RECRUITMENT, HIRING, AND EMPLOYMENT SUPPORTS THE MAJOR FACILITY.**

**Practice 5.1.** Documented policies and procedure guide the recruitment, hiring and employment supporting the human capital needs of the Major Facility.

**PRINCIPLE 6. A COMPLIANT MECHANISM FOR PERFORMANCE MANAGEMENT SUPPORTS THE MAJOR FACILITY.**

**Practice 6.1.** Documented policies and procedures address written performance goals, objectives and metrics/expectations for the established performance period.

**Practice 6.2.** Documented policies and procedures address the communication and action taken in relation to the results of performance evaluations reprisal.

**Practice 6.3.** Documented policies and procedures address the compensation practices including rewards and the connection with the compensation philosophy of the Recipient and market pricing information.

**PRINCIPLE 7. INTERNAL CONTROLS FOR HUMAN RESOURCES MANAGEMENT ARE COMPLIANT AND SUPPORT THE MAJOR FACILITY.**

**Practice 7.1.** Documented policies and procedures outline transaction-level actions and reporting to assure compliance with Federal statutes, and the terms and conditions of awards and other human resources management responsibilities (e.g., notification when changes in key personnel, reporting of violations with drug-free workplace or sexual harassment).

**Practice 7.2.** Documented policies and procedures explain the evaluation and monitoring and timely actions for instances of non-compliance.

**OTHER REVIEW AREAS**

As part of scoping or during execution of the review, NSF may need to explore additional administrative business topics which are not included in the module. For these cases, the BSR Lead evaluates the expanded scope. If agreed upon, the review of the additional issue/s follows the same approach used for the other focus areas. This includes documentation of the observations and results in the BSR Report.

Below is an example of an additional area that could be considered for review: Davis-Bacon Act (applicable for construction projects). Some NSF Major Facilities may include funding for construction requiring the Recipient to comply with the provisions of the Davis-Bacon Act. The Davis-Bacon Act (40 USC §§276a et seq.) establishes minimum wages to be paid to laborers and mechanics on construction contracts to which the United States is a party, involving public buildings or public works within the United States. A number of other statutes have extended this provision to specific Federal grant programs involving construction. However, unless specifically stated in the grant, the Davis-Bacon Act does not normally apply to NSF grants since grantees normally retain title to property acquired under the grant and the construction, if any, is normally on non-Government land.

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Click the [Appendix A link](#) to view the references and sample review questions for this module.

To view the Acronym List, click the [Appendix B link](#). To view the Glossary, click the [Appendix C link](#).

## 6. PROCUREMENT REVIEW MODULE

This module is used by the Content Specialist to assess the administrative business systems supporting procurement supporting the Major Facility. It includes areas which are organized in a framework consisting of several overarching principles, each of which is broken down into detailed practices. A mapping of the corresponding sources used as references is provided along with a list of focus topics and key sample questions to facilitate consistent interpretation of the practices by the reader and Content Specialist.

### 6.1 Scope of Review

The scope of this review covers the administrative business system that provides procurement support for the Major Facility and covers the execution through and communication by the people, policies and processes, and information technology. It involves procurement actions and methods, competition, inclusion of small and disadvantaged businesses, contract costs and clauses, and pass-through entity reviews. The Recipient's and Major Facility's management structure specific to this functional area is also assessed along with the alignment of the policies, processes and procedural documentation with Federal regulations, and the coordination and use in supporting the Facility construction and/or operations. The breadth and depth of the review is tailored to the unique aspects of the Major Facility and determined through a scoping process. Findings of previous internal and external reviews and audits are considered to avoid duplication of effort.

### 6.2 Supporting Documentation

The Recipient submits business process materials that are made available for the BSR prior to the desk review. Examples of commonly requested information are outlined in the bulleted list below. This list of examples is not comprehensive and does not replace the formal BSR Document Request.

#### *Examples of Supporting Materials*

- Names and titles of personnel with significant responsibilities for procurement activities supporting the Major Facility
- Description of functional duties and responsibilities for the personnel associated with procurement supporting the Major Facility
- Organizational charts specific to procurement functions
- Information on continuing education opportunities for staff members responsible for procurement functions supporting the Major Facility
- Policies and procedural documents such as flowcharts, templates, forms related to the procurement functions, highlighting the roles and responsibilities specific to the support of the Major Facility
- List of procurement transactions: contracts, leases, purchasing card transactions, and purchase orders awarded for the (specified) period for activities funded under the specified cooperative agreement
- Description of mechanism for tracking and monitoring the reports and other procurement-related requirements and/or deliverables specified in the cooperative agreement terms and conditions
- Any other documentation identified by the Recipient as pertinent to this core functional area

### 6.3 Procedures

The desk review and site visit procedures for each module are described in the BSR Guide Part I, above.



## 6.4 Framework Contents

### **PRINCIPLE 1. A COMPLIANT STRUCTURE OF PROCUREMENT FUNCTIONS SUPPORTS THE MAJOR FACILITY.**

**Practice 1.1.** The Recipient's and Major Facility's organizational structure responsible for procurement is documented and clearly outlined.

**Practice 1.2.** The collective positions in the procurement organizational structure are documented, and for each, the role, duties, authorities and reporting lines are clearly defined.

**Practice 1.3.** Documented policies and procedures ensure that staff with significant responsibilities in procurement receive continuing education and development opportunities to allow them to successfully support the functions.

### **PRINCIPLE 2. GENERAL STANDARDS FOR PROCUREMENT ACTIONS SUPPORTING THE MAJOR FACILITY ARE COMPLIANT.**

**Practice 2.1.** Documented policies and procedures address the use of local procurement procedures and reviews to assure compliance with governing regulations.

**Practice 2.2.** Documented policies and procedures address the considerations for determining responsible contractors.

**Practice 2.3.** Documented policies and procedures specify oversight of contractors' performance.

**Practice 2.4.** Documented policies and procedures outline the standards of conduct for employees who are engaged in the selection, award and administration of contracts, and Organizational conflicts of interest if applicable, and the disciplinary actions for violations of standards.

**Practice 2.5.** Documented policies and procedures address steps to avoid unnecessary purchases or duplicative items, and appropriate analysis to determine the most economical approach.

**Practice 2.6.** Documented policies and procedures promote greater economy and efficiency through use of shared goods and services, use of Federal excess and surplus property, and value engineering clauses construction contracts.

**Practice 2.7.** Documented policies and procedures require the maintenance of records with details required to show the procurement history.

**Practice 2.8.** Documented policies and procedures specify conditions for use of time and materials contract types.

**Practice 2.9.** Documented policies and procedures require settlement of all contractual and administrative issues arising out of procurements.

### **PRINCIPLE 3. COMPLIANT PROCUREMENTS PROVIDE FULL AND OPEN COMPETITION TO SUPPORT THE MAJOR FACILITY.**

**Practice 3.1.** Documented policies and procedures ensure objective assessment of contractor performance and elimination of unfair competitive advantage.

**Practice 3.2.** Documented policies and procedures specify the prohibition of statutorily or administratively imposed state, local, or tribal geographical preferences in the evaluation of bids or proposals, except where mandated.

**Practice 3.3.** Documented policies and procedures transactions ensure that all solicitations incorporate a description of technical requirements for the material, product or service to be procured, and identify all requirements which offerors must fulfill and all other factors used in evaluating bids or proposals.

**Practice 3.4.** Documented policies and procedures ensure that the prequalified lists of persons, firms or products acquiring goods and services are current, include enough qualified sources to ensure maximum open and free competition, and do not preclude the qualification of potential bidders.

**PRINCIPLE 4. COMPLIANT PROCUREMENTS SUPPORTING THE MAJOR FACILITY FOLLOW ONE OF THE SPECIFIED METHODS.**

**Practice 4.1.** Documented policies and procedures for micro-purchases cover the acquisition of supplies or services which do not exceed the published threshold and contain strategy for equitable distribution strategy among qualified suppliers.

**Practice 4.2.** Documented policies and procedures for small purchases address the requirements around securing of services, supplies or other property not costing more than the published acquisition threshold.

**Practice 4.3.** Documented policies and procedures for sealed bids specify the conditions for use, the award type and requirements of responsible bidders and bids.

**Practice 4.4.** Documented policies and procedures for proposals address the conditions for use and applicable requirements of proposals, technical evaluations, award selection and application to architectural/engineering professional services.

**Practice 4.5.** Documented policies and procedures for noncompetitive procurement should address the required circumstances for use.

**PRINCIPLE 5. COMPLIANT CONTRACTING ACTIVITIES ASSURE THE USE OF SMALL AND MINORITY BUSINESSES, WOMEN’S BUSINESS ENTERPRISES, LABOR SURPLUS AREA FIRMS, AND DOMESTIC PREFERENCE REQUIREMENTS TO SUPPORT THE MAJOR FACILITY.**

**Practice 5.1.** Documented policies and procedures address the affirmative steps that must be taken to assure that diverse resources for procuring and acquiring goods and services are sought and that domestic preference requirements for the purchase, acquisition, or use of goods, products, or materials are met.

**PRINCIPLE 6. COMPLIANT FLOW-DOWN PROVISIONS AND FUNDING ENTITY-SPECIFIC AWARD TERMS AND CONDITIONS ARE USED IN CONTRACTS TO SUPPORT THE MAJOR FACILITY.**

**Practice 6.1.** Documented policies and procedures address procurement of items in compliance with the Solid Waste Disposal Act.

**Practice 6.2.** Documented policies and procedures address the inclusion of applicable provisions in contracts.

**Practice 6.3.** Documented policies and procedures address bonding requirements, including award flow-down provisions, for construction or facility improvement contracts or subcontracts exceeding the simplified acquisition threshold.

**PRINCIPLE 7. COMPLIANT CONTRACT COSTS AND PRICES SUPPORT THE MAJOR FACILITY.**

**Practice 7.1.** Documented policies and procedures address cost or price analyses for procurements in excess of the simplified acquisition threshold including contract modifications.

**Practice 7.2.** Documented policies and procedures address the negotiation of profit for contracts in which there is no price competition, and in all cases where cost analysis is performed.

**Practice 7.3.** Documented policies and procedures address the allowability of using estimated costs for contracts.

**Practice 7.4.** Documented policies and procedures address the exclusion of cost plus a percentage of cost and percentage of construction costs contracting methods.

**PRINCIPLE 8. COMPLIANT SUBMISSIONS TO FEDERAL AWARD AGENCY OR PASS-THROUGH ENTITY REVIEWS SUPPORT THE MAJOR FACILITY.**

**Practice 8.1.** Documented policies and procedures address the availability of technical specifications on proposed procurements when requested.

**Practice 8.2.** Documented policies and procedures specify the deliverables to the Federal awarding agency per the award terms and conditions.

**Practice 8.3.** Documented policies address the management review and approval of deliverables prior to submission to the Federal awarding agency.

**PRINCIPLE 9. INTERNAL CONTROLS FOR PROCUREMENT ARE COMPLIANT AND SUPPORT THE MAJOR FACILITY.**

**Practice 9.1.** Documented policies and procedures outline transaction-level actions and reporting to assure compliance with Federal statutes, and the terms and conditions of awards and other procurement responsibilities.

**Practice 9.2.** Documented policies and procedures explain the evaluation and monitoring and timely actions for instances of non-compliance.

**OTHER REVIEW AREAS**

As part of scoping or during execution of the review, NSF may need to explore additional administrative business topics which are not included in the module. For these cases, the BSR Lead evaluates the expanded scope. If agreed upon, the review of the additional issue/s follows the same approach used for the other focus areas. This includes documentation of the observations and results in the BSR Report.

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Click the [Appendix A link](#) to view the references and sample review questions for this module.

To view the Acronym List, click the [Appendix B link](#). To view the Glossary, click the [Appendix C link](#).

## 7. PROPERTY MANAGEMENT REVIEW MODULE

This module is used by the Content Specialist to assess the administrative business systems associated with the property management supporting the Major Facility. It includes areas which are organized in a framework consisting of several overarching principles, each of which is broken down into detailed practices. A mapping of the corresponding sources used as references is provided along with a list of focus topics and key sample questions to facilitate consistent interpretation of the practices by the reader and Content Specialist.

### 7.1 Scope of Review

The scope of this review covers the administrative business system that relates to property management and oversight which consists of real and personal/equipment, supporting the Major Facility and covers the execution through and communication by the people, policies and processes, and information technology. It involves acquisition, use and disposition, security and maintenance, and record keeping specific to the property supported by the award/s. The Recipient's and Major Facility's management structure specific to this functional area is also assessed along with the alignment of the policies, processes and procedural documentation with Federal regulations, and the coordination and use in supporting the Facility construction and/or operations. The breadth and depth of the review is tailored to the unique aspects of the Major Facility and determined through a scoping process. Findings of previous internal and external reviews and audits are considered to avoid duplication of effort.

### 7.2 Supporting Documentation

The Recipient submits business process materials that are made available for the BSR prior to the desk review. Examples of commonly requested information are outlined in the bulleted list below. This list of examples is not comprehensive and does not replace the formal BSR Document Request.

#### ***Examples of Supporting Materials***

- Names and titles of personnel with significant responsibilities for supporting the management and oversight of property supporting the Major Facility
- Description of functional duties and responsibilities for the personnel associated with property management and oversight supporting the Major Facility
- Organizational charts specific to property management and oversight functions
- Information on continuing education opportunities for staff members responsible for property management and oversight
- Policies and procedural documents such as flowcharts, templates, checklists and forms related to the property management and oversight functions, highlighting the roles and responsibilities specific to the support of the Major Facility
- Description of mechanism for tracking and monitoring the reports and other property management and oversight -related requirements and/or deliverables specified in the cooperative agreement terms and conditions
- Recipient's property classification and definitions to illustrate alignment with NSF's lexicon for terms such as Federally-owned, Recipient-titled and Recipient-owned
- Screenshots or electronic system data dictionaries that may be helpful in understanding the IT application system
- List of personnel authorized to review, approve, and purchase property
- Electronic download from property IT system showing roles and assigned personnel authorized to enter, modify, or alter Major Facility's property records

- Recent reports for reviews conducted by other Federal agencies (e.g., property system reviews conducted by the Defense Contract Audit Agency (DCAA), Office of Naval Research (ONR))
- Recent internal audits or reviews of property management systems
- A listing of all property, both Recipient-titled and Federally-owned property with information fields required by Uniform Guidance (UG) such as acquisition document identifier, acquisition date, physical location, and cost
- Reports of lost, damaged, or destroyed property (LDD)
- Evidence of non-Federal entity insurance coverage for real property and equipment acquired or improved with Federal funds equivalent to that provided for property owned by the non-Federal entity
- Most recent annual Federally-owned property inventory report submissions for the Major Facility
- Most recent fiscal year real property inventory report
- Most recent submission to GSA Federal Automotive Statistical Tool (FAST)
- Any other documentation identified by the Recipient as pertinent to this core functional area

### 7.3 Procedures

The desk review and site visit procedures for each module are described in the BSR Guide Part I, above.

### 7.4 Framework Contents

#### **PRINCIPLE 1. A COMPLIANT SYSTEM OF PROPERTY SUPPORTS THE MAJOR FACILITY.**

**Practice 1.1.** The Recipient's and Major Facility's organizational structure responsible for property management is documented and clearly outlined.

**Practice 1.2.** The collective positions in the property management organizational structure are documented, and for each, the role, duties, authorities and reporting lines are clearly defined.

**Practice 1.3.** Documented policies and procedures ensure that staff with significant responsibilities in property management receive continuing education and development opportunities to allow them to successfully support the functions.

#### **PRINCIPLE 2. ACQUISITION OF PROPERTY TO SUPPORT THE MAJOR FACILITY IS COMPLIANT.**

**Practice 2.1.** Documented policies and procedures classify the types of property and supplies.

**Practice 2.2.** Documented policies and procedures ensure acquisition requirements are met and the property trust relationship is established.

**Practice 2.3.** Documented policies and procedures require the maintenance of documentation for new acquisitions, replacement and/or improvement of property and assure that information on the title and ownership is captured.

#### **PRINCIPLE 3. COMPLIANT USE AND DISPOSITION MECHANISMS ASSOCIATED WITH PROPERTY SUPPORT THE MAJOR FACILITY.**

**Practice 3.1.** Documented policies and procedures address the proper use of property.

**Practice 3.2.** Documented policies and procedures address disposition of property.

**PRINCIPLE 4. PROPERTY SUPPORTING THE MAJOR FACILITY IS SECURED AND MAINTAINED IN A COMPLIANT MANNER.**

**Practice 4.1.** Documented policies and procedures ensure that the property is maintained in good condition.

**Practice 4.2.** Documented policies and procedures address safeguards to prevent loss, damage or theft, and in instances of occurrence assure the required reporting and investigation of lost, damaged, or stolen property.

**Practice 4.3.** Documented policies and procedures should include information on the process for sharing property maintenance expectations and security requirements, with subrecipients.

**PRINCIPLE 5. INVENTORY AND RECORD KEEPING MECHANISMS OF PROPERTY SUPPORTING THE MAJOR FACILITY ARE COMPLIANT.**

**Practice 5.1.** Documented policies and procedures address the capture and maintenance of information and data elements.

**Practice 5.2.** Documented policies and procedures address the required frequency of conducting the physical inventory review, and the reconciling of the results with the inventory records and reporting.

**PRINCIPLE 6. INTERNAL CONTROLS FOR PROPERTY ARE COMPLIANT AND SUPPORT THE MAJOR FACILITY.**

**Practice 6.1.** Documented policies and procedures outline transaction-level actions and reporting specific to property management required to assure compliance with Federal statutes and the terms and conditions of awards.

**Practice 6.2.** Documented policies and procedures explain the evaluation and monitoring and timely actions for instances of non-compliance.

**OTHER REVIEW AREAS**

As part of scoping or during execution of the review, NSF may need to explore additional administrative business topics which are not included in the module. For these cases, the BSR Lead evaluates the expanded scope. If agreed upon, the review of the additional issue/s follows the same approach used for the other focus areas. This includes documentation of the observations and results in the BSR Report.

\* \* \* \* \*

Click the [Appendix A link](#) to view the references and sample review questions for this module.

To view the Acronym List, click the [Appendix B link](#). To view the Glossary, click the [Appendix C link](#).



# APPENDICES

## APPENDIX A: LIST OF REFERENCES AND QUESTIONS

This appendix identifies the hierarchy and key documents that have been used to develop the modules which are used by the experts in performing their review.

### Hierarchy of Primary Policies, Procedures, and other Guidance

The BSR requirements flow from Federal statutes, Federal regulations, NSF policies, and other guidance. The hierarchy of documentation, in order of precedence, is as follows:

- [2 CFR 200](#): *Uniform Administrative Requirements, Cost Principles, and Audit Requirement for Federal Awards* (Uniform Guidance)
- [41 CFR 101-39](#): *Interagency Fleet Management Systems*
- [NSF Proposal and Award Policies and Procedures Guide](#) (PAPPG): The PAPPG comprises documents relating to the NSF proposal and award process for the assistance programs of NSF. The PAPPG, in conjunction with [NSF's Grant General Conditions](#), serves as the Foundation's implementation of the Uniform Guidance
- [Research Infrastructure Guide](#) (RIG): Formerly known as the *Major Facilities Guide* (MFG), Referenced in the PAPPG section, Research Infrastructure Proposal

**Table 2. Citations/References and Abbreviations Used in Matrices**

Full Title of Citation/Reference	Citation/Abbreviations Used in Matrices
<i>United States Code of Federal Regulations</i> : Title 2, Subtitle A, Chapter II, Part 200 – Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards	Uniform Guidance
<i>United States Code of Federal Regulations</i> : Title 2, Subtitle A, Chapter II, XX (other than the Uniform Guidance)	2 CFR XX.xxx
<i>United States Code of Federal Regulations</i> : Title 41, Subtitle C, Chapter 101, Subchapter G, Part 101-39	41 CFR 101-39 – Interagency Fleet Management Systems
<i>United States Code</i> : Title 41, Subtitle IV, Chapter 81, §§8101-8106	41 USC 81 Drug-Free Workplace
<i>Federal Acquisition Regulation</i> : Title 48, Chapter 1, Subchapter E, Part 31	FAR Part 31 (Contract Cost Principles and Procedures)
<i>Cooperative Agreement Financial and Administrative Terms and Conditions</i>	CA-FATC
<i>Cooperative Agreement Modifications and Supplemental Financial and Administrative Terms and Conditions for Major Multi-User Research Facility Projects and Federally Funded Research and Development Centers</i>	CA Mod & Supp FATC for Major Facilities & FFRDC
NSF Award Specific Terms and Conditions	NSF Award Specific Terms and Conditions
NSF Programmatic Terms and Conditions	NSF Programmatic Terms and Conditions
<i>NSF Proposal and Award Policies and Procedures Guide</i> , NSF 22-1	PAPPG
<i>NSF Research Infrastructure Guide</i> , NSF 21-107	RIG
The Committee of Sponsoring Organizations of the Treadway Commission (COSO) <i>Internal Control – Integrated Framework</i>	COSO Control Environment
United States Government Accountability Office <i>Cost Estimating and Assessment Guide: Best Practices for Developing and Managing Program Costs</i>	GAO Cost Estimating Guide

A matrix with relevant citations/references specific to each principle/practice is provided. The citations/references reflect the version of the Uniform Guidance that was in force at the time of publication. Subsequent updates available after publication supersede those listed. A list with example questions is also included to illustrate the intended focus of the practice and overarching principle. To view these matrices, click on the appropriate link:

- [General Management Review References and Questions](#)
- [Award Management Review References and Questions](#)
- [Budget Planning and Execution Review References and Questions](#)
- [Financial Management Review References and Questions](#)
- [Human Resources Management Review References and Questions](#)
- [Procurement Review References and Questions](#)
- [Property Management Review References and Questions](#)

## A-1. General Management Principles, Practices, References, and Questions

General Management	Citation/Reference/ Subsequent Update
<b>PRINCIPLE 1. A COMPLIANT STRUCTURE OF GENERAL MANAGEMENT FUNCTIONS SUPPORTS THE MAJOR FACILITY.</b>	
Practice 1.1. The Recipient's and Major Facility's organizational structure responsible for general management is documented and clearly outlined.	<ul style="list-style-type: none"> <li>• COSO Control Environment Principle 3</li> </ul>
Practice 1.2. The collective positions in the general management organizational structure are documented, and for each, the role, duties, authorities and reporting lines are clearly defined.	<ul style="list-style-type: none"> <li>• COSO Control Environment Principle 3</li> </ul>
Practice 1.3. Documented policies and procedures ensure that staff with significant responsibilities in general management receive continuing education and development opportunities to allow them to successfully support the functions.	<ul style="list-style-type: none"> <li>• COSO Control Environment Principle 4</li> </ul>
<b>QUESTIONS/FOCUS AREAS PRINCIPLE 1.</b>	
<ul style="list-style-type: none"> <li>• How are the general management functions distributed at each of the levels, (central) Recipient and (local) Major Facility?</li> <li>• Demonstrate through use of organization charts, or other related documents, the depiction of the general management functions at each of the levels - Recipient and Major Facility - and how they support of the necessary functions, lines of authorities, and positions with reporting lines.</li> <li>• To what extent do individuals responsible for general management have the appropriate level of authority required to accomplish their duties?</li> <li>• How clear are the responsibilities of the Major Facility's PI, Project Manager (if construction), and other key personnel in the documentation?</li> <li>• Does the distribution of positions between the Recipient and Major Facility for this business function provide for sufficient support?</li> <li>• What tools are used to capture the position definitions and responsibilities?</li> <li>• Does every position, including those in senior management, have a position description that aligns with the position's responsibilities associated with supporting the Major Facility rather than the individual's appointment type?</li> <li>• How is the staff providing general management support made aware of NSF expectations and changes to the NSF award in relation to their specific duties and responsibilities?</li> <li>• What requirements or expectations do the Recipient or Major Facility have for continuing training to support this administrative business function, including sharing of lessons learned?</li> <li>• If there are no requirements for continuing training for the administrative business function, how do the staff stay up-to-date on Federal requirements?</li> <li>• How do the requirements or expectations determine what action is taken if they are not met?</li> </ul>	
<b>PRINCIPLE 2. A COMPLIANT CONTROL ENVIRONMENT SUPPORTS THE MAJOR FACILITY.</b>	
Practice 2.1. Documented policies and procedures address integrity, ethical values and conflicts of interest.	<ul style="list-style-type: none"> <li>• Uniform Guidance 2 CFR §200.112, Conflict of interest</li> <li>• Uniform Guidance 2 CFR §200.303, Internal controls</li> <li>• COSO Control Environment Principle 1</li> <li>• PAPPG Chapter IX A. Conflict of Interest Policies</li> <li>• PAPPG Chapter IX B. Responsible and Ethical Conduct of Research (RECR)</li> </ul>

General Management	Citation/Reference/ Subsequent Update
Practice 2.2. Documented policies and procedures outline the autonomous entities that provide oversight on the development and performance of internal control.	<ul style="list-style-type: none"> <li>• Uniform Guidance 2 CFR §200.303, Internal controls</li> <li>• COSO Control Environment Principle 2</li> </ul>
Practice 2.3. Documented policies and procedures specify the establishment of internal entities or structures with clear reporting lines, authorities and responsibilities.	<ul style="list-style-type: none"> <li>• Uniform Guidance 2 CFR §200.303, Internal controls</li> <li>• COSO Control Environment Principle 3</li> </ul>
Practice 2.4. Documented policies and procedures address the information necessary to carry-out day-to-day controls through internal and external communications.	<ul style="list-style-type: none"> <li>• COSO Information and Communication Principle 13</li> </ul>
Practice 2.5. Documented policies and procedures address the monitoring and assessment of internal control components.	<ul style="list-style-type: none"> <li>• Uniform Guidance 2 CFR §200.501, Audit requirements</li> <li>• Uniform Guidance 2 CFR §200.502, Basis for determining Federal awards expended</li> </ul>
<b>QUESTIONS/FOCUS AREAS PRINCIPLE 2.</b>	
<ul style="list-style-type: none"> <li>• How are employees apprised of the standards of conduct?</li> <li>• How is adherence to the standards of conduct measured, and deviations addressed?</li> <li>• What independent entities such as Committee or a Board have been established to support the Major Facility?</li> <li>• How do these Committee or Board entities maintain their independence to provide advice and guidance?</li> <li>• How are members selected to assure that they have and exercise relevant expertise?</li> <li>• How have the Recipient and Major Facility evaluated the current internal Recipient entities' reporting lines authorities and responsibilities at every level (Board, Senior Management, Management, Personnel, and external service provider)?</li> <li>• When was the last evaluation conducted for the Major Facility, what was the outcome and associated adjustments?</li> <li>• What broad philosophy guides the Recipient and Major Facility's policies on internal and external communications?</li> <li>• What entities within the Recipient or Major Facility are responsible for evaluating the effectiveness of the Recipient or Major Facility's communication strategies?</li> <li>• How does the Recipient fulfill its audit requirements?</li> <li>• How does the Major Facility engage in the Recipient's audits?</li> <li>• What support does the Recipient provide to the Major Facility to help support its participation in an audit?</li> <li>• What Recipient or Major Facility entity is responsible for the monitoring and assessment of various internal control components?</li> <li>• How does the entity/ies responsible for monitoring and assessing internal controls convey the results and expectations to the Major Facility?</li> <li>• How does the Recipient or Major Facility handle the monitoring and assessment of internal controls at its remote locations?</li> <li>• What standards (i.e., Standards for Internal Control, COSO) does the Recipient follow in managing its entity level control activities?</li> </ul>	

General Management	Citation/Reference/ Subsequent Update
<b>PRINCIPLE 3. A COMPLIANT RISK ASSESSMENT IS CONDUCTED AND SUPPORTS THE MAJOR FACILITY.</b>	
Practice 3.1. Documented policies and procedures specify the identification, management, and assessment of risk.	<ul style="list-style-type: none"> <li>• COSO Risk Assessment Principle 6</li> <li>• COSO Risk Assessment Principle 7</li> <li>• COSO Risk Assessment Principle 8</li> </ul>
Practice 3.2. Documented policies and procedures address the control activities (broad actions) taken to mitigate risks.	<ul style="list-style-type: none"> <li>• COSO Risk Assessment Principle 8</li> <li>• COSO Control Activities Principle 10</li> </ul>
Practice 3.3. Documented policies and procedure highlight that confidential expressions of concern about fraud, waste, or abuse can be made without fear of reprisal.	<ul style="list-style-type: none"> <li>• COSO Control Environment Principle 1</li> <li>• COSO Information and Communication Principle 14</li> <li>• COSO Information and Communication Principle 15</li> </ul>
<b>QUESTIONS/FOCUS AREAS PRINCIPLE 3.</b>	
<ul style="list-style-type: none"> <li>• How does the Recipient and Major Facility assure that its administrative business objectives are sufficiently clear to enable the identification and assessment of related risks?</li> <li>• What entity in the Recipient and Major Facility is responsible for identifying, managing and assessing the administrative business risks, both at the entity and transaction level?</li> <li>• How and what administrative business performance measures are used to help the Recipient and Major Facility operate within the established risk tolerance?</li> <li>• How is the potential for various types of fraud (e.g., fraudulent reporting, safeguarding of assets, corruption) incorporated into the Recipient and Major Facility's risk assessment?</li> <li>• How do the policies and procedures treat confidential expressions about fraud, waste, or abuse to assure they can be made without fear of reprisal?</li> <li>• How does the Major Facility assure that its control activities are aligned with the established risk assessment for the Recipient?</li> <li>• In determining the needed control activities, how does the Recipient communicate changes to the broad ones that affect the Major Facility?</li> </ul>	
<b>PRINCIPLE 4. A COMPLIANT SYSTEM FOR RECORDS RETENTION AND ACCESS SUPPORTS THE MAJOR FACILITY.</b>	
Practice 4.1. Documented policies and procedures address the handling and retention of financial records, supporting documents, statistical records and all other records pertinent to Federal awards, and address with the exceptions.	<ul style="list-style-type: none"> <li>• Uniform Guidance 2 CFR §200.334, Retention requirements for records</li> <li>• Uniform Guidance 2 CFR §200.335, Requests for transfer of records</li> <li>• Uniform Guidance 2 CFR §200.336, Methods for collection, transmission, and storage of information</li> <li>• Uniform Guidance 2 CFR §200.337, Access to records</li> <li>• Uniform Guidance 2 CFR §200.338, Restrictions on public access to records</li> </ul>
Practice 4.2. Documented policies and procedures address records transfer from Federal awarding agency to non-Federal entity, and arrangements for the records needed for continuous joint-use.	<ul style="list-style-type: none"> <li>• Uniform Guidance 2 CFR §200.334, Retention requirements for records</li> <li>• Uniform Guidance 2 CFR §200.335, Requests for transfer of records</li> <li>• Uniform Guidance 2 CFR §200.336, Methods for collection, transmission, and storage of information</li> <li>• Uniform Guidance 2 CFR §200.337, Access to records</li> <li>• Uniform Guidance 2 CFR §200.338, Restrictions on public access to records</li> </ul>



General Management	Citation/Reference/ Subsequent Update
Practice 4.3. Documented policies and procedures specify the Recipient's methods for collecting, transmitting and storing Federal award-related information.	<ul style="list-style-type: none"> <li>• Uniform Guidance 2 CFR §200.334, Retention requirements for records</li> <li>• Uniform Guidance 2 CFR §200.335, Requests for transfer of records</li> <li>• Uniform Guidance 2 CFR §200.336, Methods for collection, transmission, and storage of information</li> <li>• Uniform Guidance 2 CFR §200.337, Access to records</li> <li>• Uniform Guidance 2 CFR §200.338, Restrictions on public access to records</li> </ul>
Practice 4.4. Documented policies and procedures address the right of timely and reasonable access to documents, papers or other records pertinent to the Federal award and to non-Federal entity's personnel for interviews or discussions of documents.	<ul style="list-style-type: none"> <li>• Uniform Guidance 2 CFR §200.334, Retention requirements for records</li> <li>• Uniform Guidance 2 CFR §200.335, Requests for transfer of records</li> <li>• Uniform Guidance 2 CFR §200.336, Methods for collection, transmission, and storage of information</li> <li>• Uniform Guidance 2 CFR §200.337, Access to records</li> <li>• Uniform Guidance 2 CFR §200.338, Restrictions on public access to records</li> </ul>
Practice 4.5. Documented policies and procedures address public access to the records pertinent to the Federal award.	<ul style="list-style-type: none"> <li>• Uniform Guidance 2 CFR §200.334, Retention requirements for records</li> <li>• Uniform Guidance 2 CFR §200.335, Requests for transfer of records</li> <li>• Uniform Guidance 2 CFR §200.336, Methods for collection, transmission, and storage of information</li> <li>• Uniform Guidance 2 CFR §200.337, Access to records</li> <li>• Uniform Guidance 2 CFR §200.338, Restrictions on public access to records</li> </ul>

General Management	Citation/Reference/ Subsequent Update
<b>QUESTIONS/FOCUS AREAS PRINCIPLE 4.</b>	
<ul style="list-style-type: none"> <li>• How does the Recipient convey the records retention requirements and assure that its entities, such as the Major Facility, are aware of and properly trained on the requirements?</li> <li>• How does the Major Facility reconcile the retention record requirements during development, design and construction against the Recipient’s written requirements?</li> <li>• What kind of exceptions, to the three-year records’ retention requirements, has its Federal award agency (NSF) imposed on the Major Facility?</li> <li>• What discussions has the Major Facility had with Federal award agency (NSF) regarding its records?</li> <li>• What considerations does the Major Facility take in determining the long-term retention value of its records?</li> <li>• What are the unique challenges that the Major Facility has with regard to its records retention practices?</li> <li>• Approximately what percentage of the Recipient’s records are available in full electronic format?</li> <li>• What challenges has the Recipient and Major Facility experienced in meeting the Federal Government’s Executive Order on “Making Open and Machine-Readable Government Information”?</li> <li>• How does the Recipient and Major Facility handle a request for paper copies?</li> <li>• What steps do the Recipient and Major Facility take to assure that the Federal award agency, IG, Comptroller General of the United States, and the pass-through entity or their authorized representative has access to the Recipient’s documents, papers or other records pertinent to the Federal award?</li> <li>• In practice, how does the Major Facility handle records access requests from a Federal award agency, IG, Comptroller General of the United States, and the pass-through entity or their authorized representatives?</li> <li>• What are the most challenging aspects of providing access, and how have the Recipient and Major Facility addressed these challenges?</li> <li>• How do the Recipient and Major Facility protect sensitive information and assure that it is aligned with governing regulations?</li> <li>• What steps has the Recipient and Major Facility taken to protect personally identifiable information (PII)?</li> <li>• How do the Recipient and Major Facility discern personally identifiable information (PII)?</li> <li>• How do the Recipient and Major Facility handle FOIA requests?</li> </ul>	
<b>PRINCIPLE 5. OTHER COMPLIANT GENERAL MANAGEMENT AREAS SUPPORT THE MAJOR FACILITY.</b>	
Practice 5.1. Documented policies and procedures to address technology needs associated with internal controls.	• COSO Control Activities Principle 11
Practice 5.2. Documented policies and procedures assure the safety and security of buildings, equipment, information systems, and employee and public.	• COSO Control Activities Principle 11
Practice 5.3. Documented policies and procedures demonstrate emergency preparedness related to catastrophic events and natural disasters, and address how the related plans are created, monitored and evaluated.	• NSF Programmatic Terms and Conditions

General Management	Citation/Reference/ Subsequent Update
<b>QUESTIONS/FOCUS AREAS PRINCIPLE 5.</b>	
<ul style="list-style-type: none"> <li>• How does the Major Facility systematically address its technology needs and integrate with its annual budget planning process?</li> <li>• To what extent does the Recipient get involved in determining and assessing the Major Facility's information technology needs?</li> <li>• What Recipient entities are responsible for assuring that the information technology adequately supports the execution of entity and/or transactional-level internal controls?</li> <li>• What entity-level business process control activities are in-place to assess the Recipient's success at assuring the safety and security of buildings, equipment, information systems etc.?</li> <li>• Does the Major Facility also have business process control activities to measure its success at assuring the safety and security of buildings, equipment, etc.?</li> <li>• What kinds of challenges have the Recipient and Major Facility experienced with historical control activities, and how were they modified to improve upon them?</li> <li>• How and when are safety and security systems reviewed and by whom?</li> <li>• How does the Recipient protect itself or others through insurance as noted in the terms and conditions?</li> <li>• How do the Recipient's policies and procedures address notification of suits or actions filed?</li> <li>• What kinds of health and safety reviews are conducted by the Major Facility or Recipient, and how are these determined?</li> </ul>	
<b>PRINCIPLE 6. INTERNAL CONTROLS FOR GENERAL MANAGEMENT ARE COMPLIANT AND SUPPORT THE MAJOR FACILITY.</b>	
Practice 6.1. Documented policies and procedures outline transaction-level actions and reporting to assure compliance with Federal statutes, and the terms and conditions of awards and other general management responsibilities.	<ul style="list-style-type: none"> <li>• Uniform Guidance 2 CFR §200.303, Internal controls</li> </ul>
Practice 6.2. Documented policies and procedures explain the evaluation and monitoring and timely actions for instances of non-compliance.	<ul style="list-style-type: none"> <li>• Uniform Guidance 2 CFR §200.303, Internal controls</li> </ul>
<b>QUESTIONS/FOCUS AREAS PRINCIPLE 6.</b>	
<ul style="list-style-type: none"> <li>• How does the Recipient maintain an awareness of and get involved in taking action on instances of noncompliance with the Major Facility?</li> <li>• What local steps are taken by the Major Facility to evaluate and monitor the transaction-level and reporting of internal controls related to award terms and conditions?</li> <li>• How is information technology used, either automated or manually implemented, to facilitate the distribution of responsibilities between the Recipient and Major Facility?</li> <li>• How do the Recipient and Major Facility use formal feedback from various stakeholder entities (e.g., internal audit, funding agency reviews, etc.) to understand possible systemic problems?</li> <li>• How does the Major Facility assure that the information used to monitor its awards is accurate?</li> </ul>	

To return to the *module review*, click [General Management Review Module](#).

## A-2. Award Management Principles, Practices, References, and Questions

Award Management	Citation/Reference/ Subsequent Update
<b>PRINCIPLE 1. A COMPLIANT STRUCTURE OF AWARD MANAGEMENT FUNCTIONS SUPPORTS THE MAJOR FACILITY.</b>	
Practice 1.1. The Recipient's and Major Facility's organizational structure responsible for award management is documented and clearly outlined.	<ul style="list-style-type: none"> <li>• COSO Control Environment Principle 3</li> </ul>
Practice 1.2. The collective positions in the award management organizational structure are documented, and for each, the role, duties, authorities and reporting lines are clearly defined.	<ul style="list-style-type: none"> <li>• COSO Control Environment Principle 3</li> </ul>
Practice 1.3. Documented policies and procedures ensure that staff with significant responsibilities in managing awards receive continuing education and development opportunities to allow them to successfully support the functions.	<ul style="list-style-type: none"> <li>• COSO Control Environment Principle 4</li> </ul>
<b>QUESTIONS/FOCUS AREAS PRINCIPLE 1.</b>	
<ul style="list-style-type: none"> <li>• How are the award management functions distributed at each of the levels, Recipient and Major Facility?</li> <li>• Demonstrate through use of organization charts, or other related documents, the depiction of the award management functions at each of the levels, Recipient and Major Facility, and how they support the necessary functions, lines of authorities, and positions with reporting lines.</li> <li>• Where does the authority to commit the Recipient lie, at the Major Facility level or is it vested only in one of the "central" Administrative Business Offices?</li> <li>• To what extent do individuals responsible for award management have the appropriate level of authority required to accomplish their duties?</li> <li>• How clear are the responsibilities of the Major Facility's PI, Project Manager (if construction), and other key personnel in the documentation?</li> <li>• Does the distribution of positions between the Recipient and Major Facility for this business function provide for sufficient support?</li> <li>• What tools are used to capture the position definitions and responsibilities?</li> <li>• Does every position, including those in senior management, have a position description that aligns with the position's responsibilities associated with supporting the Major Facility rather than the individual's appointment type?</li> <li>• How are staff members made aware of their specific duties and responsibilities?</li> <li>• How is the staff providing award management support made aware of NSF expectations and changes to the NSF award?</li> <li>• What requirements or expectations do the Recipient or Major Facility have for continuing training to support this administrative business function, including sharing of lessons learned?</li> <li>• If there are no requirements for continuing training for the administrative business function, how do the staff stay up-to-date on Federal requirements?</li> <li>• How do the requirements or expectations determine what action is taken if they are not met?</li> <li>• Do individuals responsible for award management have the appropriate level of authority required to accomplish their duties?</li> </ul>	

Award Management	Citation/Reference/ Subsequent Update
<b>PRINCIPLE 2. A COMPLIANT MANAGEMENT APPROACH FOR ALL AWARD/S LIFECYCLE STAGES SUPPORTS THE MAJOR FACILITY.</b>	
Practice 2.1. Documented policies and procedures specify pre-award management requirements.	<ul style="list-style-type: none"> <li>• Uniform Guidance 2 CFR §200.213, Reporting a determination that a non-Federal entity is not qualified for a Federal award</li> <li>• Uniform Guidance 2 CFR §200.214, Suspension and debarment</li> <li>• Uniform Guidance 2 CFR §200.300, Statutory and national policy requirements</li> <li>• Uniform Guidance 2 CFR §200.458, Pre-award costs</li> <li>• 2 CFR §25.200, Requirements for notice of funding opportunities, regulations, and application instructions</li> <li>• 2 CFR §25.205, Effect of noncompliance with a requirement to obtain a unique entity identifier or register in the SAM</li> <li>• 2 CFR §25.APPENDIX A to Part 25—Award Term</li> </ul>
Practice 2.2. Documented policies and procedures address post-award management requirements.	<ul style="list-style-type: none"> <li>• Uniform Guidance 2 CFR §200.300, Statutory and national policy requirements</li> <li>• Uniform Guidance 2 CFR §200.302, Financial management</li> <li>• Uniform Guidance 2 CFR §200.308, Revision of budget and program plans</li> <li>• Uniform Guidance 2 CFR §200.309, Modifications to Period of Performance</li> <li>• Uniform Guidance 2 CFR §200.329, Monitoring and reporting program performance</li> <li>• 2 CFR §25.APPENDIX A to Part 25—Award Term</li> </ul>
Practice 2.3. Documented policies and procedures address closeout requirements, and the post-closeout adjustments and continuing responsibilities.	<ul style="list-style-type: none"> <li>• Uniform Guidance 2 CFR §200.209, Certifications and representations</li> <li>• Uniform Guidance 2 CFR §200.344, Closeout</li> <li>• Uniform Guidance 2 CFR §200.345, Post-closeout adjustments and continuing responsibilities</li> <li>• Uniform Guidance 2 CFR §200.346, Collection of amounts due</li> </ul>

Award Management	Citation/Reference/ Subsequent Update
<b>QUESTIONS/FOCUS AREAS PRINCIPLE 2.</b>	
<ul style="list-style-type: none"> <li>• Where in the process do the Recipient and Major Facility stakeholders verify that they are not making an award or subaward with parties that have been debarred, suspended or excluded from participation in Federal assistance programs or activities?</li> <li>• If the Recipient serves as a pass-through entity, how are requirements for certification and representation submissions determined?</li> <li>• With what frequency does the Recipient access the System of Award Management (SAM) through the recipient integrity and performance portal and review information about itself to ensure it is current, accurate and complete?</li> <li>• What internal interactions do the Major Facility stakeholders have with the Recipient on performance goals, indicators, and milestones contained in its awards to present cohesive picture?</li> <li>• What is the process for distributing the information on award compliance issues within the Major Facility?</li> <li>• What level of participation does the Recipient have with the Federal Demonstration Partnership and how does this impact its ability to leverage templates etc. for administrative business activities?</li> <li>• Where would the Major Facility stakeholders find guidance on award-related information such as deviations from the approved budget or project scope or objective, prior approvals, waivers, incurrence of pre-award costs, one-time extension of period of performance, and carry forwards?</li> <li>• Who is responsible for coordinating the prior approval submissions? Do they have the delegated authority to submit these requests on behalf of the Recipient?</li> <li>• How does the Recipient keep track of report deadlines to ensure that all reports are submitted in a timely manner?</li> <li>• What are the Recipient's review and approval procedures for reports and other required requests prior to submission to NSF?</li> <li>• How does the Recipient track the required posting (by the Federal Funding Accountability and Transparency Act of 2006 [FFATA]) of its Federal awards, specifically the subaward activity and executive compensation information?</li> <li>• Does the Recipient verify that the Major Facility's internal financial management and other systems are able to record compliance with the governing statutes, and terms and conditions of the awards?</li> <li>• Does the Recipient have an automated alert that reminds stakeholders of impending deadlines and deliverables due in relation to closeout? Examples include: submission no later than 90 calendar days after the end date of performance; all reports required by T/Cs, and liquidations of obligations incurred under the Federal award no later than 90 days after the end date of the period of performance.</li> <li>• Has the Recipient refunded any balance of unobligated and unapproved cash paid in advance, and how was it accomplished?</li> <li>• How do the stakeholders involved in award management learn about funds returned to the funding Agency?</li> <li>• Is the collection of amounts due handled in a special fashion by either the Recipient or the Major Facility?</li> <li>• How does the Recipient relate financial data and accomplishments to performance goals and objectives of the Federal award, demonstrating cost effective practices?</li> <li>• What mechanisms does the Recipient have in place to review and negotiate award terms and conditions?</li> </ul>	



Award Management	Citation/Reference/ Subsequent Update
<b>PRINCIPLE 3. MANAGEMENT AND MONITORING OF SUBRECIPIENTS IS COMPLIANT AND SUPPORTS THE MAJOR FACILITY.</b>	
Practice 3.1. Documented policies and procedures specify the considerations for appropriately classifying award agreements.	<ul style="list-style-type: none"> <li>• Uniform Guidance 2 CFR §200.331, Subrecipient and contractor determinations</li> </ul>
Practice 3.2. Documented policies and procedures outline all information to be included such as the data elements, requirements on use, support of financial and performance reporting, approved indirect cost rate, applicable flow-down requirements, record access by auditors and closeout terms.	<ul style="list-style-type: none"> <li>• Uniform Guidance 2 CFR §200.206, Federal awarding agency review of risk posed by applicants</li> <li>• Uniform Guidance 2 CFR §200.303, Internal controls</li> <li>• Uniform Guidance 2 CFR §200.329, Monitoring and reporting program performance</li> <li>• Uniform Guidance 2 CFR §200.332, Requirements for pass-through entities</li> <li>• 2 CFR §25.300, Requirement for recipients to ensure subrecipients have a unique entity identifier</li> <li>• COSO Control Environment Principles 1–5</li> </ul>
Practice 3.3. Documented policies and procedures outline the steps and factors used to assess the risk of noncompliance.	<ul style="list-style-type: none"> <li>• Uniform Guidance 2 CFR §200.332, Requirements for pass-through entities</li> </ul>
Practice 3.4. Documented policies and procedures specify the monitoring and tools used to ensure award is used for authorized purposes, accountability and compliance with program requirements and achievement of performance goals.	<ul style="list-style-type: none"> <li>• 2 CFR §183.25, Responsibilities of recipients</li> <li>• 2 CFR §183.APPENDIX A to Part 183—Award Terms for Never Contract With the Enemy</li> <li>• Uniform Guidance 2 CFR §200.202, Program planning and design</li> <li>• Uniform Guidance 2 CFR §200.215, Never contract with the enemy</li> <li>• Uniform Guidance 2 CFR §200.216, Prohibition on certain telecommunications and video surveillance services or equipment</li> <li>• Uniform Guidance 2 CFR §200.300, Statutory and national policy requirements</li> <li>• Uniform Guidance 2 CFR §200.301, Performance measurement</li> <li>• Uniform Guidance 2 CFR §200.329, Monitoring and reporting program performance</li> <li>• Uniform Guidance 2 CFR §200.332, Requirements for pass-through entities</li> </ul>
Practice 3.5. Documented policies and procedures specify requirements for audits, the conditions necessary to adjust pass-through entity’s records, and enforcement actions for noncompliance.	<ul style="list-style-type: none"> <li>• Uniform Guidance 2 CFR §200.332, Requirements for pass-through entities</li> <li>• Uniform Guidance 2 CFR §200.339, Remedies for noncompliance</li> <li>• Uniform Guidance 2 CFR §200.340, Termination</li> <li>• Uniform Guidance 2 CFR §200.341, Notification of termination requirement</li> <li>• Uniform Guidance 2 CFR §200.342, Opportunities to object, hearings, and appeals</li> <li>• Uniform Guidance 2 CFR §200.343, Effects of suspension and termination</li> </ul>

Award Management	Citation/Reference/ Subsequent Update
Practice 3.6. Documented policies and procedures explain the requirements and process to provide fixed amount subawards.	<ul style="list-style-type: none"> <li>• Uniform Guidance 2 CFR §200.333, Fixed amount subawards</li> </ul>
<b>QUESTIONS/FOCUS AREAS PRINCIPLE 3.</b>	
<ul style="list-style-type: none"> <li>• How much judgement are stakeholders permitted to use in classifying an agreement as a subaward or procurement?</li> <li>• Who is responsible for alerting subrecipients that they must provide unique entity identifiers to the Recipient?</li> <li>• How do the Recipient and Major Facility stakeholders coordinate the assessment of risk of noncompliance for potential subrecipients?</li> <li>• How does the Recipient learn about the timeliness/not submission of required reports (monthly status, annual progress, or final technical)?</li> <li>• How are Major Facility stakeholders involved in the oversight and monitoring of subrecipients?</li> <li>• Which of the tools available for monitoring, training and technical assistance, onsite reviews of program operations, or procedures engagements, has the Recipient or Major Facility used in monitoring or assessing risk?</li> <li>• Is there documentation that demonstrates that the subrecipient monitoring plan is being implemented?</li> <li>• How does the Recipient verify when an audit is required?</li> <li>• Does the Recipient have any fixed amount subawards? How do these align with the published conditions for them?</li> <li>• In its capacity as a pass-through entity, how does the Recipient carry out and document the various requirements with its subrecipients?</li> </ul>	
<b>PRINCIPLE 4. INTERNAL CONTROLS FOR AWARD MANAGEMENT ARE COMPLIANT AND SUPPORT THE MAJOR FACILITY.</b>	
Practice 4.1. Documented policies and procedures outline transaction-level actions and reporting to assure compliance with Federal statutes, and the terms and conditions of awards and other award management responsibilities.	<ul style="list-style-type: none"> <li>• Uniform Guidance 2 CFR §200.303, Internal controls</li> </ul>
Practice 4.2. Documented policies and procedures explain the evaluation and monitoring and timely actions for instances of noncompliance.	<ul style="list-style-type: none"> <li>• Uniform Guidance 2 CFR §200.303, Internal controls</li> <li>• Uniform Guidance 2 CFR §200.339, Remedies for noncompliance</li> <li>• Uniform Guidance 2 CFR §200.340, Termination</li> <li>• Uniform Guidance 2 CFR §200.341, Notification of termination requirement</li> <li>• Uniform Guidance 2 CFR §200.342, Opportunities to object, hearings, and appeals</li> <li>• Uniform Guidance 2 CFR §200.343, Effects of suspension and termination</li> </ul>

Award Management	Citation/Reference/ Subsequent Update
<b>QUESTIONS/FOCUS AREAS PRINCIPLE 4.</b>	
<ul style="list-style-type: none"> <li>• What mechanisms does the Recipient have in place to monitor the NSF award, websites, publications, and policy issuances to keep current and to manage the statutory and national policy requirements included in the Federal award?</li> <li>• How does the Recipient maintain an awareness of and get involved in taking action on instances of noncompliance with the Major Facility?</li> <li>• What local steps are taken by the Major Facility to evaluate and monitor the transaction-level and reporting internal controls related to award terms and conditions?</li> <li>• How is information technology used, either automated or manually implemented, to facilitate the distribution of responsibilities between the Recipient and Major Facility?</li> <li>• How does the Recipient and Major Facility use formal feedback from various stakeholder entities (e.g., internal audit, funding agency reviews etc.) to understand possible systemic problems?</li> <li>• How does the Major Facility assure that the information used to monitor its awards is accurate?</li> <li>• How does the Recipient's and Major Facility's policies and procedures address the NSF term and condition on foreign collaborators?</li> <li>• What reviews are conducted of foreign collaborations listed in the current and pending support of proposals and other staff disclosures such as conflict of interest and/or commitment?</li> <li>• What records are maintained to document the review and monitoring of the foreign collaborations?</li> </ul>	

To return to the *module review*, click [Award Management Review Module](#)

### A-3. Budget Planning and Execution Principles, Practices, References, and Questions

Budget Planning and Execution	Citation/Reference/ Subsequent Update
<b>PRINCIPLE 1. A COMPLIANT STRUCTURE OF BUDGET PLANNING AND EXECUTION FUNCTIONS SUPPORTS THE MAJOR FACILITY.</b>	
Practice 1.1. The Recipient's and Major Facility's organizational structure responsible for budget planning and execution is documented and clearly outlined.	<ul style="list-style-type: none"> <li>• COSO Control Environment Principle 3</li> </ul>
Practice 1.2. The collective positions in the budget planning and execution organizational structure are documented, and for each, the role, duties, authorities and reporting lines are clearly defined.	<ul style="list-style-type: none"> <li>• COSO Control Environment Principle 3</li> </ul>
Practice 1.3. Documented policies and procedures ensure that staff with significant responsibilities in budget planning and execution receive continuing education and development opportunities to allow them to successfully support the functions.	<ul style="list-style-type: none"> <li>• COSO Control Environment Principle 4</li> </ul>
<b>QUESTIONS/FOCUS AREAS PRINCIPLE 1.</b>	
<ul style="list-style-type: none"> <li>• How are the budget planning and execution functions distributed at each of the levels, Recipient and Major Facility?</li> <li>• Demonstrate through use of organization charts, or other related documents, the depiction of the budget planning and execution functions at each of the levels, Recipient and Major Facility, and how they support of the necessary functions, lines of authorities, and positions with reporting lines.</li> <li>• To what extent do individuals responsible for budget planning and execution have the appropriate level of authority required to accomplish their duties?</li> <li>• How clear are the responsibilities of the Major Facility's PI, Project Manager (if construction), and other key personnel in the documentation?</li> <li>• Does the distribution of positions between the Recipient and Major Facility for this business function provide for sufficient support?</li> <li>• What tools are used to capture the position definitions and responsibilities?</li> <li>• Does every position, including those in senior management, have a position description that aligns with the position's responsibilities associated with supporting the Major Facility rather than the individual's appointment type?</li> <li>• How is the staff providing budget planning and execution support made aware of NSF expectations and changes to the NSF award in relation to their specific duties and responsibilities?</li> <li>• What requirements or expectations do the Recipient or Major Facility have for continuing training to support this administrative business function, including sharing of lessons learned?</li> <li>• If there are no requirements for continuing training for the administrative business function, how do the staff stay up-to-date on Federal requirements?</li> <li>• How do the requirements or expectations determine what action is taken if they are not met?</li> </ul>	

Budget Planning and Execution	Citation/Reference/ Subsequent Update
<b>PRINCIPLE 2. A COMPLIANT SYSTEM EXISTS FOR DEVELOPING A BUDGET TO SUPPORT THE MAJOR FACILITY'S VARIOUS LIFE-CYCLE STAGES.</b>	
Practice 2.1. Documented strategic planning policies and procedures integrate and align process outputs with the established scope, activities, objectives and performance of the Major Facility (e.g., completed templates, cost categories).	<ul style="list-style-type: none"> <li>• GAO Cost Estimating Guide</li> <li>• PAPPG Chapter II C.2g Budget and Budget Justification</li> <li>• PAPPG Chapter II E.13 Research Infrastructure Proposal</li> <li>• RIG 4.2 Cost Estimating and Analysis</li> </ul>
Practice 2.2. Documented policies and procedures assure the reliability of the budget through the identification and application of the appropriate formulation methodology.	<ul style="list-style-type: none"> <li>• Uniform Guidance 2 CFR §200.308, Revision of budget and program plans</li> <li>• RIG 4.2.1 Overview of Guidance and Process for Both Construction and Operations Awards</li> </ul>
Practice 2.3. Documented policies and procedures address the documentation, accuracy, comprehensiveness and credibility of cost estimates.	<ul style="list-style-type: none"> <li>• GAO Cost Estimating Guide</li> <li>• RIG 4.2.2.6 Escalation</li> <li>• RIG 4.2.3 Additional Guidance for Construction Estimates</li> <li>• RIG 4.2.4 Additional Guidance for Operations Estimates</li> </ul>
Practice 2.4. Documented policies and procedures specify the format, structure and supporting justification for all related budget process products.	<ul style="list-style-type: none"> <li>• PAPPG Chapter II C.2g Budget and Budget Justification</li> <li>• RIG 4.2.2 Elements of Both Construction and Operations Estimates</li> <li>• RIG 4.2.2.1 Cost Estimating Plan</li> <li>• RIG 4.2.2.2 Estimate Formats</li> <li>• RIG 4.2.2.4 Supplementary Guidance for NSF Budget Categories from the PAPPG</li> <li>• RIG 4.2.2.5 Fee</li> <li>• RIG 4.2.2.7 Work Breakdown Structure (WBS)</li> </ul>
Practice 2.5. Documented policies and procedures summarize the internal pre-submission reviews of the Recipient's/subrecipient's budget to assure accuracy and compliance with Federal regulations and requirements and needed refinement.	<ul style="list-style-type: none"> <li>• Uniform Guidance 2 CFR §200.302, Financial management</li> </ul>

Budget Planning and Execution	Citation/Reference/ Subsequent Update
<b>QUESTIONS/FOCUS AREAS PRINCIPLE 2.</b>	
<ul style="list-style-type: none"> <li>• What are the primary outputs in Major Facility’s budget process (e.g., refinement of goals, completed templates, updates to historical cost records, identification of new initiatives with cost estimates, descriptive narratives)?</li> <li>• When in the budget process does the Major Facility verify that its budget aligns with the published scope, activities and performance, and how is this alignment accomplished?</li> <li>• When discrepancies are identified, how do they get resolved?</li> <li>• How has the process incorporated the best practices within the GAO Cost Estimating and Assessment Guide and GAO Schedule Assessment Guide incorporated into the Recipient’s and Major Facility formulation activities?</li> <li>• What kinds of procedural departures from the GAO Guides are permitted?</li> <li>• What kind of budgeting method is used by the Major Facility, and how does this assure the reliability of the budget?                         <ul style="list-style-type: none"> <li>◦ Incremental budgeting</li> <li>◦ Activity-based budgeting</li> <li>◦ Value proposition budgeting</li> <li>◦ Zero-based budgeting</li> </ul> </li> <li>• What steps are taken to assure that the formulation methodology is applied in a consistent manner?</li> <li>• Do the procedures encourage the inclusion of resources to provide a continuing program of advanced research and development (R&amp;D)?</li> <li>• What kind of systematic data and information gathering, including the use of and access to expert input, information technology systems, historical information, assumptions, and uncertainties, is used?</li> <li>• How does the Recipient’s structure reconcile initial estimate with independent estimates or reviews?</li> <li>• What steps are taken to protect against cost duplication and omissions?</li> <li>• How has the Recipient incorporated the use of a Cost Estimating Plan, Cost Model Data Set, Work Breakdown Structure (WBS) and WBS Dictionary, Basis of Estimate and supporting information?</li> <li>• Is the cost estimating plan informed by the budget information in the previously developed project execution plan (PEP)?</li> <li>• How are the Recipient entities (central administration) involved in the review process?</li> <li>• How does the process assure for the timely correction of errors?</li> <li>• How and who was involved in the development of the Segregation of Funding Plan?</li> </ul>	
<b>PRINCIPLE 3. A COMPLIANT SYSTEM EXISTS TO EXECUTE THE APPROVED BUDGET SUPPORTING THE MAJOR FACILITY’S VARIOUS LIFE-CYCLE STAGES.</b>	
Practice 3.1. Documented policies and procedures require the tracking and reporting of expenditures against each approved award budget including the identification and implementation of revisions.	<ul style="list-style-type: none"> <li>• Uniform Guidance 2 CFR §200.302, Financial management</li> </ul>
Practice 3.2. Documented policies and procedures address deviations from the budget and the conditions for obtaining prior approval.	<ul style="list-style-type: none"> <li>• Uniform Guidance 2 CFR §200.308, Revision of budget and program plans</li> </ul>
Practice 3.3. Documented policies and procedures ensure that routinely scheduled and relevant reports (budget and financial) are produced and used by the Major Facility and Recipient-level stakeholders such as management, program, and budget personnel.	<ul style="list-style-type: none"> <li>• Uniform Guidance 2 CFR §200.301, Performance measurement</li> </ul>



Budget Planning and Execution	Citation/Reference/ Subsequent Update
Practice 3.4. Documented policies and procedures specify the evaluation of approved budget and actions taken on variances identified throughout (beginning to end) the annual award budget period.	<ul style="list-style-type: none"> <li>• Uniform Guidance 2 CFR §200.302, Financial management</li> </ul>
<b>QUESTIONS/FOCUS AREAS PRINCIPLE 3.</b>	
<ul style="list-style-type: none"> <li>• What are the primary (automated or manual) tools used to track and report expenditures?</li> <li>• How quickly could the Major Facility identify a problem with an expenditure and correct it?</li> <li>• When revisions to the budget are needed for the Major Facility, how do they get initiated and who are the stakeholders that get involved in the process?</li> <li>• How does the Major Facility address Recipient or NSF requirements for prior approval?</li> <li>• How does the Major Facility address GAO requirements for use of schedule monitoring?</li> <li>• How do the procedures address the approval differences in requirements related to construction and non-construction awards?</li> <li>• How have the differences in prior approval conditions for construction and operations budgets been captured?</li> <li>• Which of the stakeholders are involved in the production and use of budget and financial reports, what kinds of roles do they play, and how is the overall process supervised?</li> <li>• How are the reports on the budget integrated with the Recipient’s financial system?</li> <li>• How are out-years handled in the process?</li> <li>• How is the Segregation of Funding Plan incorporated into execution of the Major Facility budget?</li> </ul>	
<b>PRINCIPLE 4. INTERNAL CONTROLS FOR BUDGET PLANNING AND EXECUTION ARE COMPLIANT AND SUPPORT THE MAJOR FACILITY.</b>	
Practice 4.1. Documented policies and procedures outline transaction-level actions and reporting to assure compliance with Federal statutes, and the terms and conditions of awards and other budget planning and execution responsibilities.	<ul style="list-style-type: none"> <li>• Uniform Guidance 2 CFR §200.303, Internal controls</li> </ul>
Practice 4.2. Documented policies and procedures explain the evaluation and monitoring and timely actions for instances of non-compliance.	<ul style="list-style-type: none"> <li>• Uniform Guidance 2 CFR §200.303, Internal controls</li> </ul>
<b>QUESTIONS/FOCUS AREAS PRINCIPLE 4.</b>	
<ul style="list-style-type: none"> <li>• How does the Recipient maintain an awareness of and get involved in taking action on instances of noncompliance with the Major Facility?</li> <li>• What local steps are taken by the Major Facility to evaluate and monitor the transaction-level and reporting internal controls related to award terms and conditions?</li> <li>• How is information technology used, either automated or manually implemented, to facilitate the distribution of responsibilities between the Recipient and Major Facility?</li> <li>• How do the Recipient and Major Facility use formal feedback from various stakeholder entities (e.g., internal audit, funding agency reviews etc.) to understand possible systemic problems?</li> <li>• How does the Major Facility assure that the information used to monitor its awards is accurate?</li> </ul>	

To return to the *module review*, click [Budget Planning and Execution Review Module](#).

## A-4. Financial Management Principles, Practices, References, and Questions

Financial Management	Citation/Reference/ Subsequent Update
<b>PRINCIPLE 1. A COMPLIANT STRUCTURE OF FINANCIAL MANAGEMENT FUNCTIONS SUPPORTS THE MAJOR FACILITY.</b>	
Practice 1.1. The Recipient's and Major Facility's organizational structure responsible for financial management is documented and clearly outlined.	<ul style="list-style-type: none"> <li>• COSO Control Environment Principle 3</li> </ul>
Practice 1.2. The collective positions in the financial management organizational structure are documented, and for each, the role, duties, authorities and reporting lines are clearly defined.	<ul style="list-style-type: none"> <li>• COSO Control Environment Principle 3</li> </ul>
Practice 1.3. Documented policies and procedures ensure that staff with significant responsibilities in financial management receive continuing education and development opportunities to allow them to successfully support the functions.	<ul style="list-style-type: none"> <li>• COSO Control Environment Principle 4</li> </ul>
<b>QUESTIONS/FOCUS AREAS PRINCIPLE 1.</b>	
<ul style="list-style-type: none"> <li>• How are the financial management functions distributed at each of the levels, Recipient and Major Facility?</li> <li>• Demonstrate through use of organization charts, or other related documents, the depiction of the financial management functions at each of the levels Recipient and Major Facility and how they support of the necessary functions, lines of authorities, and positions with reporting lines.</li> <li>• To what extent do individuals responsible for financial management have the appropriate level of authority required to accomplish their duties?</li> <li>• How clear are the responsibilities of the Major Facility's PI, Project Manager (if construction), and other key personnel in the documentation?</li> <li>• Does the distribution of positions between the Recipient and Major Facility for this business function provide for sufficient support?</li> <li>• How are the financial management responsibilities (e.g., accounts payable and cash disbursement) segregated from the entity requesting and receiving the item/service?</li> <li>• What tools are used to capture the position definitions and responsibilities?</li> <li>• Does every position, including those in senior management have a position description that aligns with the position's responsibilities associated with supporting the Major Facility rather than the individual's appointment type?</li> <li>• How is the staff providing financial management support made aware of NSF expectations and changes to the NSF award in relation to their specific duties and responsibilities?</li> <li>• What requirements or expectations do the Recipient or Major Facility have for continuing training to support this administrative business function, including sharing of lessons learned?</li> <li>• If there are no requirements for continuing training for the administrative business function, how do the staff stay up-to-date on Federal requirements?</li> <li>• How do the requirements or expectations determine what action is taken if they are not met?</li> </ul>	
<b>PRINCIPLE 2. A COMPLIANT FINANCIAL MANAGEMENT SYSTEM SUPPORTS THE MAJOR FACILITY.</b>	
Practice 2.1. Documented policies and procedures specify the identification of components of Federal awards received and expended, and the related Federal Programs under which they were received.	<ul style="list-style-type: none"> <li>• Uniform Guidance 2 CFR §200.302, Financial management</li> </ul>

Financial Management	Citation/Reference/ Subsequent Update
Practice 2.2. Documented policies and procedures require that records identify the source and application of funds for Federally-funded activities through a chart of accounts.	<ul style="list-style-type: none"> <li>• Uniform Guidance 2 CFR §200.302, Financial management</li> <li>• Uniform Guidance 2 CFR §200.414, Indirect (F&amp;A) costs</li> <li>• Uniform Guidance 2 CFR §200.418, Costs incurred by states and local governments</li> </ul>
Practice 2.3. Documented policies and procedures address the generation of required reports and specify the use of detailed receipt and expenditure of funds related to the award.	<ul style="list-style-type: none"> <li>• Uniform Guidance 2 CFR §200.301, Performance measurement</li> <li>• Uniform Guidance 2 CFR §200.302, Financial management</li> <li>• Uniform Guidance 2 CFR §200.403, Factors affecting allowability of costs</li> <li>• Uniform Guidance 2 CFR §200.415, Required certifications</li> <li>• Uniform Guidance 2 CFR §200.419, Cost accounting standards and disclosure statement</li> <li>• FAR Part 31</li> </ul>
Practice 2.4. Documented policies and procedures specify how accurate, current and complete reporting of the financial results of the Federal award or Program is assured.	<ul style="list-style-type: none"> <li>• Uniform Guidance 2 CFR §200.302, Financial management</li> </ul>
Practice 2.5. Documented policies and procedures implement the required payment methods.	<ul style="list-style-type: none"> <li>• Uniform Guidance 2 CFR §200.305, Federal payment</li> <li>• Uniform Guidance 2 CFR §200.415, Required certifications</li> </ul>
Practice 2.6. Documented policies and procedures explain how the allowability of cost is determined and reviewed.	<ul style="list-style-type: none"> <li>• Uniform Guidance 2 CFR §200.302, Financial management</li> <li>• Uniform Guidance 2 CFR §200.403, Factors affecting allowability of costs</li> <li>• Uniform Guidance 2 CFR §200 Subpart E— Cost Principles</li> </ul>
Practice 2.7. Documented policies and procedures address how the Recipient correctly applies current Federally negotiated indirect cost rates.	<ul style="list-style-type: none"> <li>• Uniform Guidance 2 CFR §200.APPENDIX III to Part 200—Indirect (F&amp;A) Costs Identification and Assignment, and Rate Determination for Institutions of Higher Education (IHEs)</li> <li>• Uniform Guidance 2 CFR §200.APPENDIX IV to Part 200—Indirect (F&amp;A) Costs Identification and Assignment, and Rate Determination for Nonprofit Organizations</li> <li>• Uniform Guidance 2 CFR §200.APPENDIX V to Part 200—State/Local Governmentwide Central Service Cost Allocation Plans</li> <li>• Uniform Guidance 2 CFR §200.APPENDIX VII to Part 200—States and Local Government and Indian Tribe Indirect Cost Proposals</li> <li>• Uniform Guidance 2 CFR §200.APPENDIX VIII to Part 200—Nonprofit Organizations Exempted From Subpart E of Part 200</li> </ul>

Financial Management	Citation/Reference/ Subsequent Update
<b>QUESTIONS/FOCUS AREAS PRINCIPLE 2.</b>	
<ul style="list-style-type: none"> <li>• Does the Major Facility in construction have a Segregation of Funding plan and have they followed it?</li> <li>• If the Major Facility is not under construction, how does the Recipient assure that funds are segregated per the terms/conditions of the award.</li> <li>• How does the accounting or other information technology system handle the generation of reports?</li> <li>• How does the process with the information technology systems support the tracing of funds at the expenditure level and demonstrate that funds have been used according to Federal and state requirements?</li> <li>• Where are the relevant data fields outlined and defined for users? (assistance listing program title and number, Federal award identification number and year, name of the Federal awarding agency, and name of the pass-through entity, if any).</li> <li>• How does the Recipient/subrecipient obtain and verify the accuracy and completeness of the financial results of the Federal awards?</li> <li>• How does the Recipient/subrecipient use documentation on-hand and develop accrual data (if required by Federal requirement) if it doesn't maintain its records on an "other than accrual basis"?</li> <li>• How do users learn about the required information related to Federal award authorizations, obligations, unobligated balances, assets and expenditures?</li> <li>• How does the Recipient comply with the requirement that time be minimized between transfer from Federal awarding agency and disbursement to non-Federal entity?</li> <li>• How does the Major Facility determine its cash needs?</li> <li>• What kinds of manual and electronic tools are used in the process of determining cash needs for the Major Facility?</li> <li>• Does the Recipient operate on an advanced or reimbursement basis?</li> <li>• If the Recipient operates on an advanced basis, what kind of bank account does the Recipient and/or Major Facility have?</li> <li>• When, and how do stakeholders verify that the allowability of costs is in alignment with the Cost Principles in the Uniform Guidance or other applicable guidance?</li> <li>• What key internal controls are in place to assure accountability and safeguard funds?</li> <li>• If a Recipient has a Federally negotiated indirect cost rate agreement (NICRA), how is it</li> </ul>	
<b>PRINCIPLE 3. A COMPLIANT SYSTEM OF CASH MANAGEMENT SUPPORTS THE MAJOR FACILITY.</b>	
Practice 3.1. Documented policies and procedures discuss the handling of advance payments or reimbursement requests.	<ul style="list-style-type: none"> <li>• Uniform Guidance 2 CFR §200.305, Federal payment</li> <li>• PAPPG Chapter VIII Financial Requirements and Payments</li> </ul>
Practice 3.2. Documented policies and procedures discuss program income and the related reporting requirements.	<ul style="list-style-type: none"> <li>• Uniform Guidance 2 CFR §200.307, Program income</li> <li>• PAPPG Chapter VIII Financial Requirements and Payments</li> </ul>
Practice 3.3. Documented policies and procedures discuss how responsibilities for access and permissions to the financial functions of the award cash management service (ACM\$) are controlled and segregated.	<ul style="list-style-type: none"> <li>• PAPPG Chapter VIII Financial Requirements and Payments</li> </ul>

Financial Management	Citation/Reference/ Subsequent Update
<b>QUESTIONS/FOCUS AREAS PRINCIPLE 3.</b>	
<ul style="list-style-type: none"> <li>• How are the amounts on the Federal Financial Report linked to the Recipient's general ledger?</li> <li>• Do the documented policies and procedures align with the payment type of the Recipient (working capital advanced or reimbursement) basis?</li> <li>• How are payments submitted for all NSF awards supporting the Major Facility?</li> <li>• How does the Recipient manage transactions in the Award Cash Management Service?</li> <li>• How frequently does the Recipient request payment?</li> <li>• How does the Recipient minimize the time elapsing between the transfer of funds and disbursement by the Recipient?</li> <li>• How are the immediate cash needs of the Major Facility determined and timed?</li> <li>• What steps are taken to assure timely payment to contractors, and how is this integrated with the timing of cash needs?</li> <li>• When and how was the last evaluation done to assess the current process to request cash?</li> <li>• How do the procedures assure that the program income is expended in accordance with NSF standard policy or other approach if specified in the award?</li> <li>• How does the Recipient determine and manage permissions to key information technology systems such as FastLane or Research.gov?</li> <li>• Given the likely multitude of information technology systems in research administration, how does the Recipient assure that segregation of duties is maintained?</li> <li>• When is the last time that an evaluation of permissions, for segregation of duties, alignment with roles etc., was conducted?</li> </ul>	
<b>PRINCIPLE 4. INTERNAL CONTROLS FOR FINANCIAL MANAGEMENT ARE COMPLIANT AND SUPPORT THE MAJOR FACILITY.</b>	
Practice 4.1. Documented policies and procedures outline transaction-level actions and reporting to assure compliance with Federal statutes, and the terms and conditions of awards and other financial management responsibilities.	<ul style="list-style-type: none"> <li>• Uniform Guidance 2 CFR §200.303, Internal controls</li> </ul>
Practice 4.2. Documented policies and procedures explain the evaluation and monitoring and timely actions for instances of non-compliance requirements are defined and documented.	<ul style="list-style-type: none"> <li>• Uniform Guidance 2 CFR §200.303, Internal controls</li> </ul>
<b>QUESTIONS/FOCUS AREAS PRINCIPLE 4.</b>	
<ul style="list-style-type: none"> <li>• How does the Recipient maintain an awareness of and get involved in taking action on instances of noncompliance with the Major Facility?</li> <li>• What local steps are taken by the Major Facility to evaluate and monitor the transaction-level and reporting internal controls related to award terms and conditions?</li> <li>• How is information technology used, either automated or manually implemented, to facilitate the distribution of responsibilities between the Recipient and Major Facility?</li> <li>• How do the Recipient and Major Facility use formal feedback from various stakeholder entities (e.g., internal audit, funding agency reviews etc.) to understand possible systemic problems?</li> <li>• How does the Major Facility assure that the information used to monitor its awards is accurate?</li> </ul>	

To return to the *module review*, click [Financial Management Review Module](#).

## A-5. Human Resources Management Principles, Practices, References, and Questions

Human Resources Management	Citation/Reference/ Subsequent Update
<b>PRINCIPLE 1. A COMPLIANT SYSTEM TO SUPPORT HUMAN RESOURCES MANAGEMENT FUNCTIONS SUPPORTS THE MAJOR FACILITY.</b>	
Practice 1.1. The Recipient's and Major Facility's organizational structure responsible for human resources management is documented and clearly outlined.	<ul style="list-style-type: none"> <li>• COSO Control Environment Principle 3</li> </ul>
Practice 1.2. The collective positions in the human resources management organizational structure are documented, and for each, the role, duties, authorities and reporting lines are clearly defined.	<ul style="list-style-type: none"> <li>• COSO Control Environment Principle 3</li> </ul>
Practice 1.3. Documented policies and procedures ensure that staff with significant responsibilities in human resources management receive continuing education and development opportunities to allow them to successfully support the functions.	<ul style="list-style-type: none"> <li>• COSO Control Environment Principle 4</li> </ul>
<b>QUESTIONS/FOCUS AREAS PRINCIPLE 1.</b>	
<ul style="list-style-type: none"> <li>• How are the human resources management functions distributed at each of the levels, Recipient and Major Facility?</li> <li>• Demonstrate through use of organization charts, or other related documents, the depiction of the human resources management functions at each of the levels, Recipient and Major Facility, and how they support of the necessary functions, lines of authorities, and positions with reporting lines.</li> <li>• To what extent do individuals responsible for human resources management have the appropriate level of authority required to accomplish their duties?</li> <li>• How clear are the responsibilities of the Major Facility's PI, Project Manager (if construction), and other key personnel in the documentation?</li> <li>• Does the distribution of positions between the Recipient and Major Facility for this business function provide for sufficient support?</li> <li>• What tools are used to capture the position definitions and responsibilities?</li> <li>• Does every position, including those in senior management have a position description that aligns with the position's responsibilities associated with supporting the Major Facility rather than the individual's appointment type?</li> <li>• How is the staff providing human resources management support made aware of NSF expectations and changes to the NSF award in relation to their specific duties and responsibilities?</li> <li>• What requirements or expectations do the Recipient or Major Facility have for continuing training to support this administrative business function, including sharing of lessons learned?</li> <li>• If there are no requirements for continuing training for the administrative business function, how do the staff stay up-to-date on Federal requirements?</li> <li>• How do the requirements or expectations determine what action is taken if they are not met?</li> </ul>	
<b>PRINCIPLE 2. COMPLIANT MECHANISMS ENSURE THAT NO PERSON IS DISCRIMINATED AGAINST BASED ON RACE, COLOR, NATIONAL ORIGIN, SEX, OR DISABILITY SUPPORT THE MAJOR FACILITY.</b>	
Practice 2.1. Documented policies and procedures ensure applicants and employees are aware of the Recipient's non-discrimination policies and practices.	<ul style="list-style-type: none"> <li>• PAPPG Chapter II C.1d Proposal Certifications</li> <li>• PAPPG Chapter XI A. Non-Discrimination Statutes and Regulations</li> </ul>



Human Resources Management	Citation/Reference/ Subsequent Update
Practice 2.2. Documented policies and procedures train selection officials and managers in their responsibilities in complying with non-discrimination policies and practices.	<ul style="list-style-type: none"> <li>• PAPPG Chapter II C.1d Proposal Certifications</li> <li>• PAPPG Chapter IX A. Conflict of Interest Policies</li> </ul>
Practice 2.3. Documented policies and procedures specify and assure compliance with specific non-discrimination practices as described in relevant Federal regulations (e.g., making reasonable accommodations for people with disabilities, instituting policies and practices to resolve discrimination complaints).	<ul style="list-style-type: none"> <li>• PAPPG Chapter II C.1d Proposal Certifications</li> <li>• PAPPG Chapter XI A. Non-Discrimination Statutes and Regulations</li> </ul>
<b>QUESTIONS/FOCUS AREAS PRINCIPLE 2.</b>	
<ul style="list-style-type: none"> <li>• What are the routine activities that the Major Facility takes to assure that applicants and employees are well informed about non-discrimination policies and procedures?</li> <li>• How does the Major Facility receive updates on new requirements such as the new NSF term and agreement on sexual harassment?</li> <li>• What kind of training do officials and managers receive on non-discrimination?</li> <li>• Of the training provided, which items are mandatory and for whom at the Major Facility?</li> <li>• Where do employees and applicants learn about non-discrimination policies and procedures?</li> <li>• How does the Recipient assure that the Major Facility is compliance with the non-discrimination requirements?</li> <li>• What kinds of Recipient resources are available to assist with Major Facility locations that are “off-campus” or located away from the prime location?</li> </ul>	
<b>PRINCIPLE 3. A COMPLIANT DRUG-FREE WORKPLACE SUPPORTS THE MAJOR FACILITY.</b>	
Practice 3.1. Documented policies and procedures provide each employee engaged in the performance of the award, a published statement notifying employees of the requirements of the Recipient’s policies and processes regarding a drug-free workplace.	<ul style="list-style-type: none"> <li>• 41 USC 81 Drug-Free Workplace</li> </ul>
Practice 3.2. Documented policies and procedures outlined the response to violations of the drug-free workplace policy.	<ul style="list-style-type: none"> <li>• 41 USC 81 Drug-Free Workplace</li> </ul>
Practice 3.3. Documented policies and procedures specify the ongoing drug-free awareness program that addresses key elements outlined in drug-free workplace certification.	<ul style="list-style-type: none"> <li>• 41 USC 81 Drug-Free Workplace</li> </ul>
<b>QUESTIONS/FOCUS AREAS PRINCIPLE 3.</b>	
<ul style="list-style-type: none"> <li>• When and how routinely do employees receive the published information on drug-free workplace requirements?</li> <li>• How does the Major Facility track the notifications given to employees?</li> <li>• What steps are taken if individuals violate the drug-free workplace policy?</li> <li>• What challenges does the Major Facility see with the current drug-free policies and how they are implemented by the Recipient?</li> <li>• How does the Major Facility integrate the awareness Program into its operations?</li> <li>• How often does the Recipient update its drug-free workplace program?</li> <li>• How do stakeholders provide input into the drug-free awareness program?</li> </ul>	



Human Resources Management	Citation/Reference/ Subsequent Update
<b>PRINCIPLE 4. A COMPLIANT SYSTEM FOR WORKFORCE PLANNING SUPPORTS THE MAJOR FACILITY.</b>	
Practice 4.1. Documented policies and procedures set the strategic direction by linking the workforce planning process with the entity's strategic plan, annual performance/business plan, and work activities required to carry out the goals and objectives of the strategic plan (long term) and performance plan (short term).	<ul style="list-style-type: none"> <li>• COSO Control Environment Principle 4</li> </ul>
Practice 4.2. Documented policies and procedures address a workforce planning mechanism to analyze the current and future workforce supply and determine the gaps and surpluses in achieving the desired future state, based on an agile, balanced and capable mission-ready workforce in the necessary geographic locations to accomplish the entity's strategic requirements.	<ul style="list-style-type: none"> <li>• COSO Control Environment Principle 4</li> </ul>
Practice 4.3. Documented policies and procedures address the process to prioritize gaps and surpluses and develop an action plan with strategies and measurable outcomes to assess progress in support of the Major Facility needs.	<ul style="list-style-type: none"> <li>• COSO Control Environment Principle 4</li> </ul>
Practice 4.4. Documented policies and procures address a monitoring and evaluation process to assess the effectiveness of the strategies and revisions of the plan, as needed.	<ul style="list-style-type: none"> <li>• COSO Control Environment Principle 4</li> </ul>

Human Resources Management	Citation/Reference/ Subsequent Update
<b>QUESTIONS/FOCUS AREAS PRINCIPLE 4.</b>	
<ul style="list-style-type: none"> <li>• How does the Major Facility coordinate its strategic planning processes with its workforce planning?</li> <li>• Where in the process does the Recipient provide expert input to the Major Facility on workforce planning?</li> <li>• How frequently does the Major Facility assess its workforce?</li> <li>• What challenges has the Major Facility experienced with its current workforce planning process?</li> <li>• How does the Recipient get involved the Major Facility’s workforce planning?</li> <li>• What kinds of centralized Recipient resources are available to facilitate the Major Facility’s workforce planning?</li> <li>• What expectations does the Recipient have for the Major Facility to conduct workforce planning, and how are they enforced?</li> <li>• What ongoing evaluations does the Major Facility conduct to understand the gaps and surpluses in its workforce?</li> <li>• How does the Major Facility engage the Recipient in analyzing its workforce demands?</li> <li>• How does the Major Facility prioritize its staffing needs?</li> <li>• When was the last action plan development for workforce planning and how was the progress assessed?</li> <li>• Who is responsible for leading development and maintenance of the Major Facility’s succession plan?</li> <li>• How do the workforce planning activities inform the succession planning?</li> <li>• What challenges does the Major Facility have with monitoring its workforce plan?</li> <li>• How does the Recipient take the information from the Major Facility and incorporate into broader plans?</li> <li>• When is the last time and how has the Recipient and Major Facility worked together on a monitoring and evaluation process?</li> <li>• How does the Recipient assure that its workforce collectively possesses a broad range of essential professional competencies to manage the Major Facility?</li> </ul>	
<b>PRINCIPLE 5. A COMPLIANT AND SYSTEMATIC MECHANISM FOR RECRUITMENT, HIRING, AND EMPLOYMENT SUPPORTS THE MAJOR FACILITY.</b>	
Practice 5.1. Documented policies and procedure guide the recruitment, hiring and employment supporting the human capital needs of the Major Facility.	<ul style="list-style-type: none"> <li>• COSO Control Environment Principle 4</li> </ul>
<b>QUESTIONS/FOCUS AREAS PRINCIPLE 5.</b>	
<ul style="list-style-type: none"> <li>• How does the Recipient convey its broad requirements for recruitment, hiring and employment to the Major Facility?</li> <li>• What kinds of challenges has the Major Facility experienced with the Recipient’s required hiring and employment policies and procedures?</li> <li>• What mechanisms does the Recipient have for addressing the Major Facility’s specialized needs?</li> </ul>	
<b>PRINCIPLE 6. A COMPLIANT MECHANISM FOR PERFORMANCE MANAGEMENT SUPPORTS THE MAJOR FACILITY.</b>	
Practice 6.1. Documented policies and procedures address written performance goals, objectives and metrics/expectations for the established performance period.	<ul style="list-style-type: none"> <li>• COSO Control Environment Principle 5</li> </ul>

Human Resources Management	Citation/Reference/ Subsequent Update
Practice 6.2. Documented policies and procedures address the communication and action taken in relation to the results of performance evaluations reprisal.	<ul style="list-style-type: none"> <li>• COSO Control Environment Principle 5</li> </ul>
Practice 6.3. Documented policies and procedures address the compensation practices including rewards and the connection with the compensation philosophy of the Recipient and market pricing information.	<ul style="list-style-type: none"> <li>• COSO Control Environment Principle 5</li> </ul>
<b>QUESTIONS/FOCUS AREAS PRINCIPLE 6.</b>	
<ul style="list-style-type: none"> <li>• How does the Major Facility incorporate performance goals that align with the performance management?</li> <li>• How is information cascaded through the Recipient and to the Major Facility staff?</li> <li>• What is the Major Facility's compensation policy and general practices?</li> <li>• What steps does the Major Facility take to assure that compensation is applied fairly to all staff, and is based on performance evaluation, competencies and skill acquisition, with the goal to retain high performers and encourage the attrition of low performers?</li> <li>• What kinds of flexibility does the Recipient allow for the Major Facility to establish its own compensation practices?</li> <li>• How are the Major Facility financial management and/or budget stakeholders brought into the discussion and determination of compensation and providing key information such as market pricing?</li> <li>• Does the Major Facility incorporate a discussion of compensation practices during budget formulation?</li> </ul>	
<b>PRINCIPLE 7. INTERNAL CONTROLS FOR HUMAN RESOURCES MANAGEMENT ARE COMPLIANT AND SUPPORT THE MAJOR FACILITY.</b>	
Practice 7.1. Documented policies and procedures outline transaction-level actions and reporting to assure compliance with Federal statutes, and the terms and conditions of awards and other human resources management responsibilities (e.g., notification when changes in key personnel, reporting of violations with drug-free workplace or sexual harassment).	<ul style="list-style-type: none"> <li>• Uniform Guidance 2 CFR §200.303, Internal controls</li> </ul>
Practice 7.2. Documented policies and procedures explain the evaluation and monitoring and timely actions for instances of non-compliance.	<ul style="list-style-type: none"> <li>• Uniform Guidance 2 CFR §200.303, Internal controls</li> </ul>
<b>QUESTIONS/FOCUS AREAS PRINCIPLE 7.</b>	
<ul style="list-style-type: none"> <li>• How does the Recipient maintain an awareness of and get involved in taking action on instances of noncompliance with the Major Facility?</li> <li>• What local steps are taken by the Major Facility to evaluate and monitor the transaction-level and reporting internal controls related to award terms and conditions?</li> <li>• How is information technology used, either automated or manually implemented, to facilitate the distribution of responsibilities between the Recipient and Major Facility?</li> <li>• How do the Recipient and Major Facility use formal feedback from various stakeholder entities (e.g., internal audit, funding agency reviews etc.) to understand possible systemic problems?</li> <li>• How does the Major Facility assure that the information used to monitor its awards is accurate?</li> </ul>	

To return to the *module review*, click [Human Resources Management Review Module](#).

## A-6. Procurement Principles, Practices, References, and Questions

Procurement	Citation/Reference/ Subsequent Update
<b>PRINCIPLE 1. A COMPLIANT STRUCTURE OF PROCUREMENT FUNCTIONS SUPPORTS THE MAJOR FACILITY.</b>	
Practice 1.1. The Recipient's and Major Facility's organizational structure responsible for procurement is documented and clearly outlined.	<ul style="list-style-type: none"> <li>• COSO Control Environment Principle 3</li> </ul>
Practice 1.2. The collective positions in the procurement organizational structure are documented, and for each, the role, duties, authorities and reporting lines are clearly defined.	<ul style="list-style-type: none"> <li>• COSO Control Environment Principle 3</li> </ul>
Practice 1.3. Documented policies and procedures ensure that staff with significant responsibilities in procurement receive continuing education and development opportunities to allow them to successfully support the functions.	<ul style="list-style-type: none"> <li>• COSO Control Environment Principle 4</li> </ul>
<b>QUESTIONS/FOCUS AREAS PRINCIPLE 1.</b>	
<ul style="list-style-type: none"> <li>• How are the procurement functions distributed at each of the levels, Recipient and Major Facility?</li> <li>• Demonstrate through use of organization charts, or other related documents, the depiction of the procurement functions at each of the levels, Recipient and Major Facility, and how they support of the necessary functions, lines of authorities, and positions with reporting lines.</li> <li>• To what extent do individuals responsible for procurement have the appropriate level of authority required to accomplish their duties?</li> <li>• How are procurement responsibilities segregated from the entity requesting and receiving the item/service and from the entity with financial management responsibilities (e.g., accounts payable and cash disbursement)?</li> <li>• How clear are the responsibilities of the Major Facility's PI, Project Manager (if construction), and other key personnel in the documentation?</li> <li>• Does the distribution of positions between the Recipient and Major Facility for this business function provide for sufficient support?</li> <li>• What tools are used to capture the position definitions and responsibilities?</li> <li>• How do the position descriptions and related information for this function align with the requirements related to approval thresholds and related delegations of authority?</li> <li>• How do the technologies enforce roles and responsibilities specific to procurement, such as delegated authorities, approval thresholds, etc.?</li> <li>• Does every position, including those in senior management have a position description that aligns with the position's responsibilities associated with supporting the Major Facility rather than the individual's appointment type?</li> <li>• How is the staff providing procurement support made aware of NSF expectations and changes to the NSF award in relation to their specific duties and responsibilities?</li> <li>• What requirements or expectations do the Recipient or Major Facility have for continuing training to support this administrative business function, including sharing of lessons learned?</li> <li>• If there are no requirements for continuing training for the administrative business function, how do the staff stay up-to-date on Federal requirements?</li> <li>• How do the requirements or expectations determine what action is taken if they are not met?</li> </ul>	

Procurement	Citation/Reference/ Subsequent Update
<b>PRINCIPLE 2. GENERAL STANDARDS FOR PROCUREMENT ACTIONS SUPPORTING THE MAJOR FACILITY ARE COMPLIANT.</b>	
Practice 2.1. Documented policies and procedures address the use of local procurement procedures and reviews to assure compliance with governing regulations.	<ul style="list-style-type: none"> <li>• Uniform Guidance 2 CFR §200.317, Procurements by states</li> <li>• Uniform Guidance 2 CFR §200.318, General procurement standards</li> </ul>
Practice 2.2. Documented policies and procedures address the considerations for determining responsible contractors.	<ul style="list-style-type: none"> <li>• Uniform Guidance 2 CFR §200.318, General procurement standards</li> </ul>
Practice 2.3. Documented policies and procedures specify oversight of contractors' performance.	<ul style="list-style-type: none"> <li>• Uniform Guidance 2 CFR §200.318, General procurement standards</li> <li>• Uniform Guidance 2 CFR §200.APPENDIX II to Part 200—Contract Provisions for Non-Federal Entity Contracts Under Federal Awards</li> </ul>
Practice 2.4. Documented policies and procedures outline the standards of conduct for employees who are engaged in the selection, award and administration of contracts, and Organizational conflicts of interest if applicable, and the disciplinary actions for violations of standards.	<ul style="list-style-type: none"> <li>• Uniform Guidance 2 CFR §200.318, General procurement standards</li> </ul>
Practice 2.5. Documented policies and procedures address steps to avoid unnecessary purchases or duplicative items, and appropriate analysis to determine the most economical approach.	<ul style="list-style-type: none"> <li>• Uniform Guidance 2 CFR §200.318, General procurement standards</li> </ul>
Practice 2.6. Documented policies and procedures promote greater economy and efficiency through use of shared goods and services, use of Federal excess and surplus property, and value engineering clauses construction contracts.	<ul style="list-style-type: none"> <li>• Uniform Guidance 2 CFR §200.318, General procurement standards</li> </ul>
Practice 2.7. Documented policies and procedures require the maintenance of records with details required to show the procurement history.	<ul style="list-style-type: none"> <li>• Uniform Guidance 2 CFR §200.318, General procurement standards</li> <li>• Uniform Guidance 2 CFR §200.322, Domestic preferences for procurements</li> <li>• Infrastructure Investment and Jobs Act, Public Law 117-58, §§70911-70917, Title IX Build America, Buy America</li> </ul>
Practice 2.8. Documented policies and procedures specify conditions for use of time and materials contract types.	<ul style="list-style-type: none"> <li>• Uniform Guidance 2 CFR §200.318, General procurement standards</li> </ul>
Practice 2.9. Documented policies and procedures require settlement of all contractual and administrative issues arising out of procurements.	<ul style="list-style-type: none"> <li>• Uniform Guidance 2 CFR §200.318, General procurement standards</li> </ul>

Procurement	Citation/Reference/ Subsequent Update
<b>QUESTIONS/FOCUS AREAS PRINCIPLE 2.</b>	
<ul style="list-style-type: none"> <li>• What steps are taken and how frequently does the Recipient assess the compliance and alignment of its state or local procurement procedures?</li> <li>• How are contractors overseen to assure compliance with terms and conditions of contracts or purchase orders?</li> <li>• How does the Recipient assure that the necessary stakeholders receive, review and understand the standards of conduct applicable for the Recipient?</li> <li>• With what kind of frequency are the assurance checks conducted?</li> <li>• In addition to lease versus purchase alternatives, what other types of analyses are available for stakeholders to consider using?</li> <li>• What guidance is provided to assist the individual in determining the best approach?</li> <li>• Does the Recipient have a broad strategy for employing the economic and efficiency measures such as local intergovernmental or inter-entity agreements or value engineering clauses?</li> <li>• How is an assessment done to assure that economic and efficient measures are being taken?</li> <li>• How are integrity, compliance with public policy, past performance records, and financial and technical resources considered when selecting contractors?</li> <li>• How does the Recipient assure that the contractor has not been debarred, suspended or excluded from or is ineligible for participation?</li> <li>• What checks are conducted to assure that procurement records contain information on the rationale for the method of procurement, selection of contract type, contractor selection or rejection and the basis for the contract price?</li> <li>• What kind of assessment is done to evaluate the suitability of a time and materials type contract and check for the inclusion of a ceiling price?</li> <li>• How does the degree of oversight differ for these in comparison to other types of contracts?</li> <li>• What is the guidance for contracts greater than the simplified acquisition threshold on issues such as source evaluation, protests, disputes, claims, and other issues, including provisions for contractual or legal remedies?</li> </ul>	
<b>PRINCIPLE 3. COMPLIANT PROCUREMENTS PROVIDE FULL AND OPEN COMPETITION TO SUPPORT THE MAJOR FACILITY.</b>	
Practice 3.1. Documented policies and procedures ensure objective assessment of contractor performance and elimination of unfair competitive advantage.	<ul style="list-style-type: none"> <li>• Uniform Guidance 2 CFR §200.319, Competition</li> </ul>
Practice 3.2. Documented policies and procedures specify the prohibition of statutorily or administratively imposed state, local, or tribal geographical preferences in the evaluation of bids or proposals, except where mandated.	<ul style="list-style-type: none"> <li>• Uniform Guidance 2 CFR §200.319, Competition</li> </ul>
Practice 3.3. Documented policies and procedures transactions ensure that all solicitations incorporate a description of technical requirements for the material, product or service to be procured, and identify all requirements which offerors must fulfill and all other factors used in evaluating bids or proposals.	<ul style="list-style-type: none"> <li>• Uniform Guidance 2 CFR §200.319, Competition</li> </ul>

Procurement	Citation/Reference/ Subsequent Update
Practice 3.4. Documented policies and procedures ensure that the prequalified lists of persons, firms or products acquiring goods and services are current, include enough qualified sources to ensure maximum open and free competition, and do not preclude the qualification of potential bidders.	<ul style="list-style-type: none"> <li>• Uniform Guidance 2 CFR §200.319, Competition</li> </ul>
<b>QUESTIONS/FOCUS AREAS PRINCIPLE 3.</b>	
<ul style="list-style-type: none"> <li>• When a competition-restrictive situation, such as: unreasonable requirements on firms, requiring unnecessary experience and excessive bonding, noncompetitive pricing practices between firms, noncompetitive contractors to consultants on retainer contracts, organizational conflicts, specifying brand-name products, or arbitrary actions in procurement process is identified, what steps are taken to exclude the contractors?</li> <li>• Does the Recipient have any instances of administratively imposed state, local or tribal geographical preferences, and how is the Major Facility made aware of these?</li> <li>• How frequently does the Recipient’s policy/procedures get updated?</li> <li>• What drives updates by the Recipient?</li> <li>• Have there been instances of the Major Facility identifying additional requirements that the Recipient was not aware of, and if so, how are these handled?</li> <li>• What checks are conducted to assure that the description of technical requirements does not unduly restrict competition?</li> <li>• What guidance is given to develop factors for evaluating bids or proposals?</li> <li>• What steps does the Recipient take to assure that the prequalified list of persons, firms or products is current?</li> <li>• How frequently is the prequalified list updated?</li> <li>• How does the Major Facility assure that its stakeholders are aware of and trained on the requirements associated with application of prequalified list in procurements?</li> <li>• What routine evaluations are done to assess the use of small and minority businesses, women’s business enterprises, and labor surplus area firms?</li> </ul>	
<b>PRINCIPLE 4. COMPLIANT PROCUREMENTS SUPPORTING THE MAJOR FACILITY FOLLOW ONE OF THE SPECIFIED METHODS.</b>	
Practice 4.1. Documented policies and procedures for micro-purchases cover the acquisition of supplies or services which do not exceed the published threshold and contain strategy for equitable distribution strategy among qualified suppliers.	<ul style="list-style-type: none"> <li>• Uniform Guidance 2 CFR §200.320, Methods of procurement to be followed</li> </ul>
Practice 4.2. Documented policies and procedures for small purchases address the requirements around securing of services, supplies or other property not costing more than the published acquisition threshold.	<ul style="list-style-type: none"> <li>• Uniform Guidance 2 CFR §200.320, Methods of procurement to be followed</li> </ul>
Practice 4.3. Documented policies and procedures for sealed bids specify the conditions for use, the award type and requirements of responsible bidders and bids.	<ul style="list-style-type: none"> <li>• Uniform Guidance 2 CFR §200.320, Methods of procurement to be followed</li> </ul>
Practice 4.4. Documented policies and procedures for proposals address the conditions for use and applicable requirements of proposals, technical evaluations, award selection and application to architectural/engineering professional services.	<ul style="list-style-type: none"> <li>• Uniform Guidance 2 CFR §200.320, Methods of procurement to be followed</li> </ul>



Procurement	Citation/Reference/ Subsequent Update
Practice 4.5. Documented policies and procedures for noncompetitive procurement should address the required circumstances for use.	<ul style="list-style-type: none"> <li>• Uniform Guidance 2 CFR §200.320, Methods of procurement to be followed</li> </ul>
<b>QUESTIONS/FOCUS AREAS PRINCIPLE 4.</b>	
<ul style="list-style-type: none"> <li>• In situations where competitive quotations are not solicited, how is price reasonableness evaluated?</li> <li>• When obtaining price or rate quotations, how many qualified sources are required?</li> <li>• What resources are used to check that conditions (following) are met: Availability of complete, adequate, and realistic specification or purchase description; two or more willing and responsible bidders to compete effectively; procurement that lends itself to a firm fixed price contract; and selection that can be made principally on the basis of price?</li> <li>• How are the collective sealed bid requirements met?</li> <li>• How does the Recipient determine that an adequate number of qualified sources has been received in response to the publicized request for proposals?</li> <li>• What role do Major Facility stakeholders have in the technical evaluations?</li> <li>• How do stakeholders verify that the required circumstances (following) are met: Available from only a single source; public exigency or emergency for requirement will not permit a delay; written request and permissions are granted from Federal awarding agency or pass-through entity; and inadequate competition after solicitation of sources.</li> </ul>	
<b>PRINCIPLE 5. COMPLIANT CONTRACTING ACTIVITIES ASSURE THE USE OF SMALL AND MINORITY BUSINESSES, WOMEN’S BUSINESS ENTERPRISES, LABOR SURPLUS AREA FIRMS, AND DOMESTIC PREFERENCE REQUIREMENTS TO SUPPORT THE MAJOR FACILITY.</b>	
Practice 5.1. Documented policies and procedures address the affirmative steps that must be taken to assure that diverse resources for procuring and acquiring goods and services are sought and that domestic preference requirements for the purchase, acquisition, or use of goods, products, or materials are met.	<ul style="list-style-type: none"> <li>• Uniform Guidance 2 CFR §200.321, Contracting with small and minority businesses, women's business enterprises, and labor surplus area firms</li> <li>• Uniform Guidance 2 CFR §200.322, Domestic preferences for procurements</li> <li>• Infrastructure Investment and Jobs Act, Public Law 117-58, §§70911-70917, Title IX Build America, Buy America</li> </ul>
<b>QUESTIONS/FOCUS AREAS PRINCIPLE 5.</b>	
<ul style="list-style-type: none"> <li>• How does the procurement process assure that minority businesses, women's business enterprises, and labor surplus area firms are used when possible?</li> <li>• How does the Recipient align with domestic preference procurement requirements. (e.g., domestic preferences, flow-down requirement, retention of records)?</li> <li>• For Research Infrastructure implementation awards, how does the Recipient document or substantiate any circumstance where it was not possible to acquire suitable U.S. domestic goods, products, or materials (i.e., domestic non-availability)?</li> <li>• How does the Recipient document any Build America, Buy America waiver requests, when not purchasing American made iron, steel, manufactured products, and construction materials to be used in any form of construction, alteration, maintenance, or repair of infrastructure in the United States?</li> </ul>	
<b>PRINCIPLE 6. COMPLIANT FLOW-DOWN PROVISIONS AND FUNDING ENTITY-SPECIFIC AWARD TERMS AND CONDITIONS ARE USED IN CONTRACTS TO SUPPORT THE MAJOR FACILITY.</b>	
Practice 6.1. Documented policies and procedures address procurement of items in compliance with the Solid Waste Disposal Act.	<ul style="list-style-type: none"> <li>• Uniform Guidance 2 CFR §200.323, Procurement of recovered materials</li> </ul>

Procurement	Citation/Reference/ Subsequent Update
Practice 6.2. Documented policies and procedures address the inclusion of applicable provisions in contracts.	<ul style="list-style-type: none"> <li>• Uniform Guidance 2 CFR §200.216, Prohibition on certain telecommunications and video surveillance services or equipment</li> <li>• Uniform Guidance 2 CFR §200.322, Domestic preferences for procurements</li> <li>• Uniform Guidance 2 CFR §200.324, Contract cost and price</li> <li>• Uniform Guidance 2 CFR §200.327, Contract provisions</li> <li>• Infrastructure Investment and Jobs Act, Public Law 117-58, §§70911-70917, Title IX Build America, Buy America</li> </ul>
Practice 6.3. Documented policies and procedures address bonding requirements, including award flow-down provisions, for construction or facility improvement contracts or subcontracts exceeding the simplified acquisition threshold.	<ul style="list-style-type: none"> <li>• Uniform Guidance 2 CFR §200.324, Contract cost and price</li> <li>• Uniform Guidance 2 CFR §200.326, Bonding requirements</li> </ul>
<b>QUESTIONS/FOCUS AREAS PRINCIPLE 6.</b>	
<ul style="list-style-type: none"> <li>• What checklists or tools are used to verify that procured items which meet specified requirements align with the guidelines of the EPA?</li> <li>• How do the Recipient or Major Facility stakeholders determine the correct contract provisions?</li> <li>• What is the Recipient’s requirement on bonding?</li> <li>• How does the Major Facility make its staff aware of the Recipient’s bonding requirements?</li> <li>• How does the Major Facility correct mistakes regarding use of the Recipients bonding requirements?</li> <li>• What training is required for staff who work with construction or Major Facility improvement contracts/subcontracts, and is bonding addressed?</li> <li>• How does the Recipient align with the prohibition on procuring or obtaining covered telecommunication equipment or services, including transition from covered equipment and services?</li> </ul>	
<b>PRINCIPLE 7. COMPLIANT CONTRACT COSTS AND PRICES SUPPORT THE MAJOR FACILITY.</b>	
Practice 7.1. Documented policies and procedures address cost or price analyses for procurements in excess of the simplified acquisition threshold including contract modifications.	<ul style="list-style-type: none"> <li>• Uniform Guidance 2 CFR §200.324, Contract cost and price</li> </ul>
Practice 7.2. Documented policies and procedures address the negotiation of profit for contracts in which there is no price competition, and in all cases where cost analysis is performed.	<ul style="list-style-type: none"> <li>• Uniform Guidance 2 CFR §200.325, Federal awarding agency or pass-through entity review</li> </ul>
Practice 7.3. Documented policies and procedures address the allowability of using estimated costs for contracts.	<ul style="list-style-type: none"> <li>• Uniform Guidance 2 CFR §200.324, Contract cost and price</li> </ul>
Practice 7.4. Documented policies and procedures address the exclusion of cost plus a percentage of cost and percentage of construction costs contracting methods.	<ul style="list-style-type: none"> <li>• Uniform Guidance 2 CFR §200.325, Federal awarding agency or pass-through entity review</li> </ul>

Procurement	Citation/Reference/ Subsequent Update
<b>QUESTIONS/FOCUS AREAS PRINCIPLE 7.</b>	
<ul style="list-style-type: none"> <li>• What degree of analysis is used for procurements in excess of the simplified acquisition threshold?</li> <li>• How are the considerations (following) incorporated into negotiations: work complexity, risk by contractor, contractor’s investment, subcontracting amount, record of past performance, and industry profit rates in surrounding areas?</li> <li>• What tools do stakeholders have to assess the allowability of and use of estimated cost in contracts?</li> <li>• What checks are conducted by either the Recipient or Major Facility to assure that the contracting methods are not used (i.e., cost plus a percentage of cost, and percentage of construction costs)?</li> </ul>	
<b>PRINCIPLE 8. COMPLIANT SUBMISSIONS TO FEDERAL AWARD AGENCY OR PASS-THROUGH ENTITY REVIEWS SUPPORT THE MAJOR FACILITY.</b>	
Practice 8.1. Documented policies and procedures address the availability of technical specifications on proposed procurements when requested.	<ul style="list-style-type: none"> <li>• Uniform Guidance 2 CFR §200.325, Federal awarding agency or pass-through entity review</li> </ul>
Practice 8.2. Documented policies and procedures specify the deliverables to the Federal awarding agency per the award terms and conditions.	<ul style="list-style-type: none"> <li>• Uniform Guidance 2 CFR §200.325, Federal awarding agency or pass-through entity review</li> </ul>
Practice 8.3. Documented policies address the management review and approval of deliverables prior to submission to the Federal awarding agency.	<ul style="list-style-type: none"> <li>• Uniform Guidance 2 CFR §200.325, Federal awarding agency or pass-through entity review</li> </ul>
<b>QUESTIONS/FOCUS AREAS PRINCIPLE 8.</b>	
<ul style="list-style-type: none"> <li>• If a review is requested, what documents are compiled for submission?</li> <li>• How do the Major Facility and Recipient stakeholders stay informed of requests for and results of pre-procurement reviews?</li> <li>• Has your Recipient pursued self-certification of its procurement system, and if so when?</li> </ul>	
<b>PRINCIPLE 9. INTERNAL CONTROLS FOR PROCUREMENT ARE COMPLIANT AND SUPPORT THE MAJOR FACILITY.</b>	
Practice 9.1. Documented policies and procedures outline transaction-level actions and reporting to assure compliance with Federal statutes, and the terms and conditions of awards and other procurement responsibilities.	<ul style="list-style-type: none"> <li>• Uniform Guidance 2 CFR §200.303, Internal controls</li> </ul>
Practice 9.2. Documented policies and procedures explain the evaluation and monitoring and timely actions for instances of non-compliance.	<ul style="list-style-type: none"> <li>• Uniform Guidance 2 CFR §200.303, Internal controls</li> </ul>
<b>QUESTIONS/FOCUS AREAS PRINCIPLE 9.</b>	
<ul style="list-style-type: none"> <li>• How does the Recipient maintain an awareness of and get involved in taking action on instances of non-compliance with the Major Facility?</li> <li>• What local steps are taken by the Major Facility to evaluate and monitor the transaction-level and reporting internal controls related to award terms and conditions?</li> <li>• How is information technology used, either automated or manually implemented, to facilitate the distribution of responsibilities between the Recipient and Major Facility?</li> <li>• How do the Recipient and Major Facility use formal feedback from various stakeholder entities (e.g., internal audit, funding agency reviews etc.) to understand possible systemic problems?</li> <li>• How does the Major Facility assure that the information used to monitor its awards is accurate?</li> </ul>	

To return to the *module review*, click [Procurement Review Module](#).

## A-7. Property Management Principles, Practices, References, and Questions

Property Management	Citation/Reference/ Subsequent Update
<b>PRINCIPLE 1. A COMPLIANT SYSTEM OF PROPERTY SUPPORTS THE MAJOR FACILITY.</b>	
Practice 1.1. The Recipient's and Major Facility's organizational structure responsible for property management is documented and clearly outlined.	<ul style="list-style-type: none"> <li>• COSO Control Environment Principle 3</li> </ul>
Practice 1.2. The collective positions in the property management organizational structure are documented, and for each, the role, duties, authorities and reporting lines are clearly defined.	<ul style="list-style-type: none"> <li>• COSO Control Environment Principle 3</li> </ul>
Practice 1.3. Documented policies and procedures ensure that staff with significant responsibilities in property management receive continuing education and development opportunities to allow them to successfully support the functions.	<ul style="list-style-type: none"> <li>• COSO Control Environment Principle 4</li> </ul>
<b>QUESTIONS/FOCUS AREAS PRINCIPLE 1.</b>	
<ul style="list-style-type: none"> <li>• How are the property and equipment functions distributed at each of the levels, Recipient and Major Facility?</li> <li>• Demonstrate through use of organization charts, or other related documents, the depiction of the property and equipment functions at each of the levels, Recipient and Major Facility, and how they support of the necessary functions, lines of authorities, and positions with reporting lines.</li> <li>• To what extent do individuals responsible for property have the appropriate level of authority required to accomplish their duties?</li> <li>• How clear are the responsibilities of the Major Facility's PI, Project Manager (if construction), and other key personnel in the documentation?</li> <li>• Does the distribution of positions between the Recipient and Major Facility for this business function provide for sufficient support?</li> <li>• What tools are used to capture the position definitions and responsibilities?</li> <li>• How do the position descriptions and related information for this function align with the requirements related to approval thresholds and related delegations of authority?</li> <li>• How do the technologies enforce roles and responsibilities specific to property and equipment, such as access to inventory records for editing, submission of external reports, etc.?</li> <li>• Does every position, including those in senior management have a position description that aligns with the position's responsibilities associated with supporting the Major Facility rather than the individual's appointment type?</li> <li>• How is the staff providing property and equipment support made aware of NSF expectations and changes to the NSF award in relation to their specific duties and responsibilities?</li> <li>• What requirements or expectations do the Recipient or Major Facility have for continuing training to support this administrative business function, including sharing of lessons learned?</li> <li>• If there are no requirements for continuing training for the administrative business function, how do the staff stay up-to-date on Federal requirements?</li> <li>• How do the requirements or expectations determine what action is taken if they are not met?</li> </ul>	

Property Management	Citation/Reference/ Subsequent Update
<b>PRINCIPLE 2. ACQUISITION OF PROPERTY TO SUPPORT THE MAJOR FACILITY IS COMPLIANT.</b>	
Practice 2.1. Documented policies and procedures classify the types of property and supplies.	<ul style="list-style-type: none"> <li>• Uniform Guidance 2 CFR §200.311, Real property</li> <li>• Uniform Guidance 2 CFR §200.312, Federally-owned and exempt property</li> <li>• Uniform Guidance 2 CFR §200.313, Equipment</li> <li>• Uniform Guidance 2 CFR §200.314, Supplies</li> <li>• Uniform Guidance 2 CFR §200.315, Intangible property</li> </ul>
Practice 2.2. Documented policies and procedures ensure acquisition requirements are met and the property trust relationship is established.	<ul style="list-style-type: none"> <li>• Uniform Guidance 2 CFR §200.316, Property trust relationship</li> </ul>
Practice 2.3. Documented policies and procedures require the maintenance of documentation for new acquisitions, replacement and/or improvement of property and assure that information on the title and ownership is captured.	<ul style="list-style-type: none"> <li>• Uniform Guidance 2 CFR §200.311, Real property</li> <li>• Uniform Guidance 2 CFR §200.313, Equipment</li> </ul>
<b>QUESTIONS/FOCUS AREAS PRINCIPLE 2.</b>	
<ul style="list-style-type: none"> <li>• Where and how does the Major Facility determine the classification of, and appropriate guidelines for, Federally-owned, Recipient-titled, and Recipient-owned: capital assets having a useful life of greater than one year, real property, personal property/equipment, exempt property, supplies, and intangible vs. tangible property?</li> <li>• How does the Major Facility align its documentation on property, particularly the definitions of Federally-owned, Recipient-titled, and Recipient-owned, with the guidance provided by NSF?</li> <li>• Does the financial disclosure statement show that the Recipient, as trustee for the beneficiaries of the project or program under which the property was acquired or improved, is holding the real property, personal property/equipment, and intangible property in trust?</li> <li>• Is the Recipient or Major Facility currently required to record liens or other notices of record to indicate that personal property/equipment or real property has been acquired or improved with Federal awards, and that disposition conditions apply to the property, and if so, what does this entail?</li> <li>• How are replacement acquisitions typically handled by the Recipient or Major Facility (e.g., trade-in or sell)?</li> <li>• How does the Recipient perform and document property valuation, including work-in-progress (WIP) and construction-in-progress (CIP)?</li> </ul>	
<b>PRINCIPLE 3. COMPLIANT USE AND DISPOSITION MECHANISMS ASSOCIATED WITH PROPERTY SUPPORT THE MAJOR FACILITY.</b>	
Practice 3.1. Documented policies and procedures address the proper use of property.	<ul style="list-style-type: none"> <li>• Uniform Guidance 2 CFR §200.311, Real property</li> <li>• Uniform Guidance 2 CFR §200.312, Federally-owned and exempt property</li> <li>• Uniform Guidance 2 CFR §200.313, Equipment</li> </ul>
Practice 3.2. Documented policies and procedures address disposition of property.	<ul style="list-style-type: none"> <li>• Uniform Guidance 2 CFR §200.311, Real property</li> <li>• Uniform Guidance 2 CFR §200.312, Federally-owned and exempt property</li> <li>• Uniform Guidance 2 CFR §200.313, Equipment</li> <li>• Uniform Guidance 2 CFR §200.315, Intangible property</li> </ul>

Property Management	Citation/Reference/ Subsequent Update
<b>QUESTIONS/FOCUS AREAS PRINCIPLE 3.</b>	
<ul style="list-style-type: none"> <li>• How does the Recipient assure that the property is used for its original intended purpose?</li> <li>• Please provide an instance when the property was not being used as intended, and steps taken to remedy.</li> <li>• How does the Major Facility make the property available for use on other projects or programs supported by the Federal government?</li> <li>• How are fee structures determined to avoid charging less than private industry for supplies and personal property/equipment?</li> <li>• How are requests from the Federal awarding agency handled for copyrighted work under a Federal award?</li> <li>• How do stakeholders determine the disposition requirements for the various types of property?</li> <li>• What considerations are given by the Major Facility before determining that Federally-owned property is no longer of use?</li> </ul>	
<b>PRINCIPLE 4. PROPERTY SUPPORTING THE MAJOR FACILITY IS SECURED AND MAINTAINED IN A COMPLIANT MANNER.</b>	
Practice 4.1. Documented policies and procedures ensure that the property is maintained in good condition.	<ul style="list-style-type: none"> <li>• Uniform Guidance 2 CFR §200.311, Real property</li> <li>• Uniform Guidance 2 CFR §200.313, Equipment</li> </ul>
Practice 4.2. Documented policies and procedures address safeguards to prevent loss, damage or theft, and in instances of occurrence assure the required reporting and investigation of lost, damaged, or stolen property.	<ul style="list-style-type: none"> <li>• Uniform Guidance 2 CFR §200.310, Insurance coverage</li> <li>• Uniform Guidance 2 CFR §200.313, Equipment</li> </ul>
Practice 4.3. Documented policies and procedures should include information on the process for sharing property maintenance expectations and security requirements, with subrecipients.	<ul style="list-style-type: none"> <li>• Uniform Guidance 2 CFR §200.332, Requirements for pass-through entities</li> </ul>

Property Management	Citation/Reference/ Subsequent Update
<b>QUESTIONS/FOCUS AREAS PRINCIPLE 4.</b>	
<ul style="list-style-type: none"> <li>• How does the Major Facility verify the condition of the property?</li> <li>• What steps are taken to assure that the requirements mandated by warranties are met?</li> <li>• What specialized steps, if any, does the Major Facility take for its remote locations or moveable Facilities like the research vessels?</li> <li>• What additional precautions does the Major Facility take to put safeguards in place during natural emergencies such as flooding, hurricanes etc.?</li> <li>• How does the Recipient assist its Major Facility on its plans for and recovering from natural emergencies such as flooding, hurricanes etc.?</li> <li>• How are the responsibilities for sharing the Federally-mandated property maintenance/security requirements distributed between the Recipient, Major Facility and its subrecipients?</li> <li>• Beyond a discussion of the Federally-mandated property maintenance/security requirements, what formal evidence does the Recipient, Major Facility and its subrecipients maintain on these matters?</li> <li>• What challenges do the Recipient, Major Facility and its subrecipients have with implementing the requirement to share Federally-mandated property maintenance/security requirements?</li> <li>• What kinds of cross-walks or checks are done to verify that the information and data elements align?</li> <li>• How do geographically dispersed stakeholder entities learn about the needed information and data elements, particularly where electronic integration cannot be done?</li> <li>• How does the Recipient make the determination on what to insure and the necessary coverage for real property and equipment acquired or improved with Federal funds?</li> <li>• How does the Recipient record and report on Federal ownership and NSF's conditional interest in property?</li> </ul>	
<b>PRINCIPLE 5. INVENTORY AND RECORD KEEPING MECHANISMS OF PROPERTY SUPPORTING THE MAJOR FACILITY ARE COMPLIANT.</b>	
Practice 5.1. Documented policies and procedures address the capture and maintenance of information and data elements.	<ul style="list-style-type: none"> <li>• Uniform Guidance 2 CFR §200.312, Federally-owned and exempt property</li> <li>• Uniform Guidance 2 CFR §200.313, Equipment</li> <li>• 41 CFR §101-39, Interagency Fleet Management Systems</li> </ul>
Practice 5.2. Documented policies and procedures address the required frequency of conducting the physical inventory review, and the reconciling of the results with the inventory records and reporting.	<ul style="list-style-type: none"> <li>• Uniform Guidance 2 CFR §200.1, Definitions</li> <li>• Uniform Guidance 2 CFR §200.313, Equipment</li> <li>• Uniform Guidance 2 CFR §200.330, Reporting on real property</li> <li>• 41 CFR §101-39, Interagency Fleet Management Systems</li> </ul>



Property Management	Citation/Reference/ Subsequent Update
<b>QUESTIONS/FOCUS AREAS PRINCIPLE 5.</b>	
<ul style="list-style-type: none"> <li>• How does the Major Facility assure adherence to requirements under 41 CFR 101-39 Interagency Fleet Management Systems?</li> <li>• How do geographically dispersed stakeholder entities learn about the needed information and data elements, particularly where electronic integration cannot be done?</li> <li>• What kinds of cross-walks or checks are done to verify that the information and data elements align?</li> <li>• How does the Recipient and Major Facility work together on addressing the physical inventory review especially for the Major Facility's remote locations?</li> <li>• What entity and stakeholders are responsible for reporting to NSF on any of the following items? <ul style="list-style-type: none"> <li>◦ EPACT 2005 Sec. 701 Waiver Requests (via FAST) as applicable</li> <li>◦ Annual Motor Vehicle Report via FAST (AMVFR A-11)</li> <li>◦ Motor Vehicle Inventory (via Federal Automotive Statistical Tool - FAST)</li> <li>◦ Negotiated/Exchange Sales</li> <li>◦ Construction in Progress/Work in Progress (CIP/WIP)</li> <li>◦ Federally-owned Property Inventory Submissions</li> </ul> </li> <li>• What are your current reporting requirements for real property and how are the required reports generated?</li> </ul>	
<b>PRINCIPLE 6. INTERNAL CONTROLS FOR PROPERTY ARE COMPLIANT AND SUPPORT THE MAJOR FACILITY.</b>	
Practice 6.1. Documented policies and procedures outline transaction-level actions and reporting specific to property management required to assure compliance with Federal statutes and the terms and conditions of awards.	<ul style="list-style-type: none"> <li>• Uniform Guidance 2 CFR §200.303, Internal controls</li> </ul>
Practice 6.2. Documented policies and procedures explain the evaluation and monitoring and timely actions for instances of non-compliance.	<ul style="list-style-type: none"> <li>• Uniform Guidance 2 CFR §200.303, Internal controls</li> </ul>
<b>QUESTIONS/FOCUS AREAS PRINCIPLE 6.</b>	
<ul style="list-style-type: none"> <li>• How does the Recipient maintain an awareness of and get involved in taking action on instances of noncompliance with the Major Facility?</li> <li>• What local steps are taken by the Major Facility to evaluate and monitor the transaction-level and reporting internal controls related to award terms and conditions?</li> <li>• How is information technology used, either automated or manually implemented, to facilitate the distribution of responsibilities between the Recipient and Major Facility?</li> <li>• How do the Recipient and Major Facility use formal feedback from various stakeholder entities (e.g., internal audit, funding agency reviews etc.) to understand possible systemic problems?</li> <li>• How does the Major Facility assure that the information used to monitor its awards is accurate?</li> </ul>	

To return to the *module review*, click [Property Management Review Module](#).

## APPENDIX B: LIST OF ACRONYMS

AM	Award Management
AOR	Authorized Organizational Representative
BFA	Office of Budget, Finance and Award Management
BPE	Budget Planning and Execution
BSR	Business Systems Review
CA	Cooperative Agreement
CA-FATC	Cooperative Agreement Financial and Administrative Terms and Conditions
CAP	Cost Analysis and Pre-Award Branch
CASB	Cost Accounting Standard Board
CFA	Core Functional Area
CFO	Chief Financial Officer
CFR	Code of Federal Regulations
CIP	Construction-in-Progress
COGR	Council on Government Relations
COI	Conflict of Interest
COSO	The Committee of Sponsoring Organizations of the Treadway Commission
DACS	Division of Acquisition and Cooperative Support
DCAA	Defense Contract Audit Agency
DIAS	Division of Institution and Award Support
FAR	Federal Acquisition Regulation
FASB	Financial Accounting Standards Board
FFRDC	Federally Funded Research and Development Center
FM	Financial Management
GAO	Government Accountability Office
G/AO	Grants and Agreements Officer
GM	General Management
HLFO	Head, Large Facilities Office
HRM	Human Resources Management
IPT	Integrated Project Team
LFO	Large Facilities Office
MREFC	Major Research Equipment and Facilities Construction
NSF	National Science Foundation
O&M	Operations and Maintenance
OIG	Office of Inspector General
OMB	Office of Management and Budget
ONR	Office of Naval Research
PAPPG	Proposal and Award Policies and Procedures Guide
PI	Principal Investigator
PII	Personally Identifiable Information
PM	Property Management
POC	Point of Contact
PR	Procurement
R&RA	Research and Related Activities
RAM	Resolution and Advanced Monitoring
RIG	Research Infrastructure Guide
SOG	Standard Operating Guidance
SOP	Standard Operating Procedure
USC	United States Code
WIP	Work-in-Progress

## APPENDIX C: GLOSSARY

Cooperative Agreement	<p>A legal instrument of financial assistance between NSF and a Recipient that, consistent with 31 USC 6302–6305:</p> <p>(1) Is used to enter into a relationship, the principal purpose of which is to transfer anything of value from NSF to the Recipient to carry out a public purpose authorized by a law of the United States (see 31 USC 6101(3)); and not to acquire property or services for NSF's direct benefit or use;</p> <p>(2) Is distinguished from a grant in that it provides for substantial involvement between NSF and the Recipient in carrying out the activity contemplated by the NSF award.<sup>2</sup></p>
Core functional area (CFA)	Part of the administrative business system framework which organizes the review focus by the business topics of General Management, Award Management, Financial Management, Budget Planning and Execution, Human Resource Management, Procurement, and Property Management.
Equipment	Tangible personal property (including information technology systems) having a useful life of more than one year and a per-unit acquisition cost which equals or exceeds the lesser of the capitalization level established by the non-Federal entity for financial statement purposes, or \$5,000. <sup>3</sup>
Expenditure	A charge made by a non-Federal entity to a project or program for which a Federal award was received. <sup>4</sup>
Facility Life Cycle	There are five stages in a facility's life cycle – development, design, construction, operations, and divestment. <sup>5</sup>
Federal awarding agency	The Federal agency that provides Federal financial assistance to recipients. <sup>6</sup>
Federal program	All Federal awards which are assigned a single Assistance Listings Number (formerly, CFDA number); includes clusters of programs such as Research and Development (R&D). <sup>7</sup>
Federally-owned property	Property where title to the property remains vested in the Federal Government. <sup>8</sup>
Fixed amount subaward	A type of grant or cooperative agreement under which the Federal awarding agency or pass-through entity provides a specific level of support without regard to actual costs incurred under the Federal award. This type of Federal award reduces some of the administrative burden and record-keeping requirements for both the non-Federal entity and Federal awarding agency or pass-through entity. Accountability is based primarily on performance and results. <sup>9</sup>

<sup>2</sup> *Uniform Guidance 2 CFR §200.1, Definitions. Cooperative Agreement; Proposal and Award Policies and Procedure Guide, NSF 22-1*

<sup>3</sup> *Uniform Guidance 2 CFR §200.1, Definitions. Equipment*

<sup>4</sup> *Uniform Guidance 2 CFR §200.1, Definitions. Expenditure*

<sup>5</sup> RIG, NSF 21-107, December 2021

<sup>6</sup> *Uniform Guidance 2 CFR §200.1, Definitions. Federal awarding agency*

<sup>7</sup> *Uniform Guidance 2 CFR §200.1, Definitions. Federal program*

<sup>8</sup> *Uniform Guidance 2 CFR §200.1, Definitions. Federally-owned property*

<sup>9</sup> *Uniform Guidance 2 CFR §200.1, Definitions. Fixed amount subaward*

Integrated Project Team	The Integrated Project Team (IPT) serves as a formal internal NSF coordinating body for major facilities oversight, chaired by the Program Officer. The IPT is composed of three subgroups, with appointed Award Management Group members from BFA, Science and Technology Group members from the sponsoring program offices, and Strategic Group members from the Office of the Director. The core members of the IPT are the Program Officer, Grants and Agreements Officer, and the LFO Liaison. <sup>10</sup>
Major Facility	Per Section 267 of the National Defense Authorization Act (NDAA) of FY 2021, a major multi-user research facility project (Major Facility) is a science and engineering facility project that exceeds \$100,000,000 in total construction, acquisition, or upgrade costs to NSF. NSF interprets the above to mean the Total Project Costs (TPC) as defined by the investment in construction or acquisition, not the operations or associated science program costs. If the TPC is above the major facility project threshold, it is considered a major facility throughout its full life cycle. <sup>11</sup>
Non-Federal entity	A state, local government, Indian tribe, institution of higher education (IHE), or nonprofit organization that carries out a Federal award as a recipient or subrecipient. <sup>12</sup>
Personally identifiable information	Information that can be used to distinguish or trace an individual's identity, either alone or when combined with other personal or identifying information that is linked or linkable to a specific individual. "Protected" personally identifiable information (PII) is a critical subcategory of PII that excludes PII required by law to be disclosed. Protected PII includes an individual's first name or first initial and last name in combination with any one or more of types of information, including, but not limited to, social security number, passport number, credit card numbers, clearances, bank numbers, biometrics, date and place of birth, mother's maiden name, criminal, medical and financial records, and educational transcripts. <sup>13</sup>
Property trust relationship	Real property, equipment, and intangible property that are acquired or improved with a Federal award must be held in trust by the non-Federal entity as trustee for the beneficiaries of the project or program under which the property was acquired or improved. <sup>14</sup>
Real property	Land, including land improvements, structures and appurtenances thereto, but excluding moveable machinery and equipment. <sup>15</sup>
Recipient	A non-Federal entity that receives a Federal award directly from a Federal awarding agency to carry out an activity under a Federal program. The term recipient does not include subrecipients. See also 2 CFR §200.1 Non-Federal entity. <sup>16</sup>
Scoping	An iterative process used to develop the review strategy which is the overall plan for conducting the BSR. Each Facility is unique regarding the risks identified and each BSR is scoped accordingly to take these differences into consideration.
Subaward	An award provided by a pass-through entity to a subrecipient for the subrecipient to carry out part of a Federal award received by the pass-through entity. It does not include payments to a contractor or payments to an individual that is a beneficiary of a Federal program. A subaward may be provided through any form of legal agreement, including an agreement that the pass-through entity considers a contract. <sup>17</sup>

<sup>10</sup> RIG, NSF 21-107, December 2021, Table 2.1.6-1 Summary of Principal Roles and Responsibilities of the core members of the IPT (PO, G/AO or CO, and LFO Liaison) by Facility Life Cycle Stage

<sup>11</sup> RIG, NSF 21-107, December 2021

<sup>12</sup> *Uniform Guidance 2 CFR §200.1, Definitions. Non-Federal entity*

<sup>13</sup> *Uniform Guidance 2 CFR §200.1, Definitions. Personally Identifiable Information; Protected Personally Identifiable Information*

<sup>14</sup> *Uniform Guidance 2 CFR §200.1, Definitions. Property trust relationship*

<sup>15</sup> *Uniform Guidance 2 CFR §200.1, Definitions. Real property*

<sup>16</sup> *Uniform Guidance 2 CFR §200.1, Definitions. Recipient*

<sup>17</sup> *Uniform Guidance 2 CFR §200.1, Definitions. Subaward*

Subrecipient	A non-Federal entity that receives a subaward from a pass-through entity to carry out part of a Federal program; but does not include an individual that is a beneficiary of such program. A subrecipient may also be a recipient of other Federal awards directly from a Federal awarding agency. <sup>18</sup>
Supplies	All tangible personal property other than property described in the definition of equipment in this section. A computing device is a supply if the acquisition cost is less than the lesser of the capitalization level established by the non-Federal entity for financial statement purposes or \$5,000, regardless of the length of its useful life. <sup>19</sup>

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<sup>18</sup> *Uniform Guidance 2 CFR §200.1, Definitions. Subrecipient*

<sup>19</sup> *Uniform Guidance 2 CFR §200.1, Definitions. Supplies*