



NATIONAL SCIENCE FOUNDATION
4201 Wilson Boulevard
Arlington, Virginia 22230-0001

Prospective New Awardee Guide

The National Science Foundation (NSF) funds research and education in most fields of science and engineering. Grantees are wholly responsible for conducting their project activities and preparing the results for publication. Thus, the Foundation does not assume responsibility for such findings or their interpretation.

NSF welcomes proposals from all qualified scientists, engineers and educators. The Foundation strongly encourages women, minorities, and persons with disabilities to compete fully in its programs. In accordance with federal statutes, regulations, and NSF policies, no person on grounds of race, color, age, sex, national origin, or disability shall be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving financial assistance from NSF (unless otherwise specified in the eligibility requirements for a particular program).

Activities in Science, Engineering and Mathematics for Persons with Disabilities provide funding for special assistance or equipment to enable persons with disabilities (investigators and other staff, including student research assistants) to work on NSF-supported projects. See the program announcement or contact the program coordinator at (703) 292-8636.

The National Science Foundation has telephonic devices for the hearing-impaired (TTY) and Federal Information Relay Service (FIRS) capabilities that enable individuals with hearing impairments to communicate with the Foundation regarding NSF programs, employment, or general information. TTY may be accessed at (703) 292-5090 or through FIRS on 1-800-877-8339.

PRIVACY ACT AND PUBLIC BURDEN STATEMENTS

The information requested on proposal forms and project reports is solicited under the authority of the National Science Foundation Act of 1950, as amended. The information on proposal forms will be used in connection with the selection of qualified proposals; project reports submitted by awardees will be used for program evaluation and reporting within the Executive Branch and to Congress. The information requested may be disclosed to qualified reviewers and staff assistants as part of the review process; to applicant institutions/grantees to provide or obtain data regarding the proposal review process, award decisions, or the administration of awards; to government contractors, experts, volunteers and researchers and educators as necessary to complete assigned work; to other government agencies needing information as part of the review process or in order to coordinate programs; and to another Federal agency, court or party in a court or Federal administrative proceeding if the government is a party. Information about Principal Investigators may be added to the Reviewer file and used to select potential candidates to serve as peer reviewers or advisory committee members. See Systems of Records, NSF- 50, "Principal Investigator/Proposal File and Associated Records," 63 Federal Register 267 (January 5, 1998), and NSF-51, "Reviewer/Proposal File and Associated Records," 63 Federal Register 268 (January 5, 1998). Submission of the information is voluntary. Failure to provide full and complete information, however, may reduce the possibility of receiving an award.

Public reporting burden for this collection of information is estimated to average 120 hours per response, including the time for reviewing instructions. Send comments regarding this burden estimate and any other aspect of this collection of information, including suggestions for reducing this burden, to: Suzanne H. Plimpton, Reports Clearance Officer; Division of Administrative Services; National Science Foundation; Arlington, VA 22230.

Checklist

- 1. Awardee Organization and Management Summary Form (*Appendix 1, See Section B.1 of Guide*).
- 2. Documents showing legal establishment and structure of organization (*See Section B.2 of Guide*).
- 3. Assurance of Compliance (F.L. 123) (*Appendix 2, See Section B.3 of Guide*).
- 4. Small Business Declaration or IRS exemption letter (*Appendix 3, See Section B.4 of Guide*).
- 5. Listing of Current or Recent Federal Awards (*See Section B.6 of Guide*).
- 6. Financial Management Systems Questionnaire (*Appendix 4, See Section C.1 of Guide*).
- 7. Indirect Cost Proposal or Negotiated Indirect Cost Rate Agreement (*Appendices 6 and 7, See Section D of Guide*).
- 8. Financial Statements (*See Section B.7 of Guide*).

Items 1-8 should only be submitted when requested by NSF. These items should be submitted within 15 days of the request, to the following:

National Science Foundation
Division of Grants and Agreements, Room 485
4201 Wilson Boulevard
Arlington, VA 22230-0001

Items 9 or 10 should only be submitted if NSF funds are awarded to your organization. Action on these items should be taken as soon as you receive a NSF award notification letter.

- 9. Recipients of the Small Business Innovation Research and Small Business Technology Transfer grants must supply banking information by completing and submitting the ACH Vendor/Miscellaneous Payment Enrollment Form (SF3881). See Appendix 5.
- 10. Recipients of all other NSF awards are required to use the Financial Functions on NSF's Fastlane system to provide banking information, request funds, and submit quarterly financial reports. Instructions for accessing the Fastlane Financial Functions are located at: <http://flacpt.nsf.gov:84/jsp/homepage/faulogin.js>.

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Appendix 1 - Awardee Organization and Management Summary Form (NSF 357)

Appendix 2 - Assurance of Compliance (F.L. 123)

Appendix 3 - Small Business Declaration Form

Appendix 4 - Financial Management Systems Questionnaire

Appendix 5 - ACH Vendor/Miscellaneous Payment Enrollment Form

Appendix 6 - Sample Indirect Cost Rate Proposal (Non-Profit Organization)

Appendix 7 - Sample Indirect Cost Rate Proposal (Profit Organization)

SECTION A – Overview and Basic Information

- 1. Overview** - The information provided in this guide will assist your organization in preparing documents, which the National Science Foundation (NSF) requires to conduct administrative and financial reviews of your organization. This guide also serves as a means of highlighting the accountability requirements associated with Federal awards. You should read this guide in its entirety since it contains information, which we have identified, based on past experience with prospective awardees, as being most helpful to them in working with the NSF.
- 2. Federal Requirements** - Various Federal requirements apply to awards made by NSF. These requirements are set forth in the following documents: (1) Federal **Cost Principles**; (2) **Federal Management Standards**; and, (3) **Federal Audit Requirements**. If your organization does not currently have a copy of the documents setting forth the requirements, which are applicable to your organization, they should be *obtained as soon as possible*.

Type of Organization & Applicable Federal Cost Principles

- Profit Organizations: Federal Acquisition Regulations (FAR), Part 31
- Educational: OMB Circular A-21
- Non-Profit: OMB Circular A-122
- State/Local Government: OMB Circular A-87

Type of Organization & Applicable Federal Management Standards

- Profit Organizations: OMB Circular A-110
- Educational: OMB Circular A-110
- Non-Profit: OMB Circular A-110
- State/Local Government: 45 CFR 602 (Common Rule)

Type of Organization & Applicable Federal Audit Requirements

- Profit Organizations: Cognizant Federal agency responsible
- Educational: OMB Circular A-133
- Non-Profit: OMB Circular A-133
- State/Local Government: OMB Circular A-133

These documents can be obtained as follows:

Policies and Procedures

Internet Address: <http://www.nsf.gov/bfa/dga/proced.htm>

OMB Circulars

Phone Contact: Office of Management and Budget @ (202) 395-7332.

Internet Address: <http://www.whitehouse.gov/WH/EOP/OMB/html/circular.html>

FAR, Part 31

Phone Contact: Government Printing Office @ (202) 783-3238

Internet Address: <http://www.gsa.gov/far/90-37/html/31.html>

- 3. NSF Points of Contact** - Answers to questions frequently asked by organizations are contained in this document; therefore we recommend that you read the entire guide before calling for assistance. NSF administrative offices and points of contact are as follows:

Division of Grants and Agreements (DGA) (703-292-8210)

Staff in this office is responsible for award of grants and grant administration. This office should be contacted with questions in those areas, which are not identified in the offices noted below.

Division of Acquisition & Cost Support (DACs)/Cost Analysis and Audit Resolution Branch (CAARB) (703-292-8244)

Staff in this office is responsible for conducting accounting system reviews, negotiating indirect cost rates, and resolving audit findings. This office should be contacted with questions concerning accounting systems requirements, indirect cost rates and indirect cost proposal preparation, financial statements, and audits conducted on Federal awards.

Division of Financial Management (DFM)/Institutional Ledger Section (ILS)

This office is responsible for assisting awardee organizations in requesting funds and filing quarterly financial reports of award activity. To contact the cognizant accountant for your organization refer to: http://www.nsf.gov/bfa/dfm/cmeab.htm#il_per.

SECTION B – Administrative and Management Information
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- 1. Awardee Organization and Management Summary Form 357 (Appendix 1) -** Self-explanatory. Complete Part I only.
- 2. Organizational Establishment and Structure -** Provide an official or published statement of the purpose of your organization and of the powers, which have been granted to it to enter into contractual relationships and/or accept awards (e.g. articles of incorporation, by-laws). This should include a brief description of your organization's objectives, and also an organization chart reflecting the structure of your organization.
- 3. Assurance of Compliance (Appendix 2) -** Enter the name of your organization and sign the form certifying that your organization is in compliance.
- 4. Small Business Declaration or IRS exemption letter (Appendix 3) -** If you are a for-profit organization, provide a signed copy of the Small Business Declaration form. If you are a nonprofit organization, provide a copy of the current Internal Revenue Service tax exemption letter, which certifies the organization's non-profit status.
- 5. Financial Management Systems Questionnaire (Appendix 4) -** Complete the questionnaire and provide the documentation as requested on the form.
- 6. Listing of Current or Recent Federal Awards -** Provide a listing of federal awards to your organization in the past two years. Show agency, award number, amount, and title of project.
- 7. Financial Statements -** Provide your organization's financial statements for the two most current ended accounting years.

SECTION C – Accounting System Requirements and Auditing Information

- 1. Accounting System Requirements** - Organizations receiving awards are required to have an adequate accounting system. Adequate accounting systems provide assurances to the Federal Government that organizations can support that expenditures of federal funds are in accordance with applicable regulations, and terms and conditions of the award.

At a minimum, adequate accounting systems provide for:

- Detailed budget preparation with proposed costs based on actual historical cost data;
- Identification of costs (budgeted costs and actual expenses) by project/grant;
- Identification of expenditures as direct, indirect, and unallowable;
- Complete and accurate financial reports (including balance sheets and income statements);
- Maintenance of adequate source documentation (purchase orders, invoices, canceled checks, etc.); and
- Maintenance of adequate documentation to support cost sharing (acceptable forms of cost sharing contributions are those which meet the criteria established in Section .23 of OMB Circular A-110).

Organizations being considered for a NSF award are required to support the existence of an adequate accounting system. If an organization has been audited by Defense Contract Audit Agency (DCAA), or has been audited by another Federal Agency, the organization should provide a copy of the review and/or audit report resulting from the audit or review.

All organizations should complete and provide the “Financial Management Systems Questionnaire,” (Appendix 4). The Cost Analysis and Audit Resolution Branch will review this form. Possible accounting system deficiencies in submissions, and suggestions for correcting deficiencies, will be discussed with the submitting organization.

- 2. Time and Effort Reporting** - Time and effort records must be maintained for an organization’s employees so that salary charges to an award can be adequately supported. An adequate time and effort record contains the following information: (1) the name and signature of the employee; (2) the hours, or percentage of effort, an employee worked each day during a given pay period; (3) the activities of the employee during the pay period (i.e., project, general and administrative, vacation, sick, leave without pay, etc.); and, (4) the name and signature of the employee’s supervisor.

Corrections to a time and effort record should be in ink and initialed by the employee.

Organizations should provide a copy of their time and effort record and the related procedures as an attachment to the “Financial Management Systems Questionnaire.” The following sample timesheet is provided to assist you in creating a time and effort record form should your organization not currently maintain these records.

Bi-Monthly Time Record (Sample)

Employee Name: _____ Employee Signature: _____

Supervisor Name: _____ Supervisor Signature: _____

Month:	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	Total
Project:																	
Holiday																	
Vacation																	
Sick Leave																	
Other:																	
Total																	

Note: Corrections should be made in ink and initialed by the employee.

3. Cost Sharing Requirements – Cost sharing (or matching) is that portion of allowable project or program costs that are not borne by the Federal Government. All cost sharing must be accounted for in the same manner as NSF-funded costs and are subject to audit. Specifically, accounting records must be maintained in accordance with OMB Circular A-110, Section .21, “Standards for Financial Management Systems.” Failure to provide the required cost sharing may result in grant costs being questioned, requiring repayment to NSF and/or termination of the NSF award.

The criteria and allowability of cost sharing is defined at OMB Circular A-110, Section .23, “Cost Sharing or Matching.” Cost sharing must meet all of the following criteria:

- Are verifiable from the recipient's records.
- Are not included as contributions for any other Federally assisted project or program.
- Are necessary and reasonable for proper and efficient accomplishment of project or program objectives.
- Are allowable under the applicable cost principles.
- Are not paid by the Federal government under another award, except where authorized by Federal statute to be used for cost sharing or matching.
- Are provided for in the approved budget.
- Conform to other provisions of OMB Circular A-110, as applicable.

Unsolicited research awards without specific cost sharing language in the award letter may be subject to a 1% statutory cost-sharing requirement. Refer to the NSF Grant Policy Manual Section 330 (<http://www.nsf.gov/pubs/2002/nsf02151/gpm3.htm#330>) to determine if this

requirement applies to your award. A specific cost-sharing requirement will be included in the award letter when (1) required by the program announcement or program solicitation, (2) when cost sharing is budgeted in excess of the 1% statutory requirement, or (3) when cost sharing is budgeted but not required.

4. Costs Unallowable on Federal Awards - Certain kinds of costs organizations incur cannot be charged to Federal awards, either as direct or indirect costs. A few examples of these costs are advertising (except for help wanted), bad debt, contributions and donations, fines, and penalties. The applicable cost principles listed in **Section A** above provide more information on unallowable costs.

5. Audits on Federal awards - Information on audit requirements are contained in the applicable Federal Audit Requirements listed in **Section A** above and are summarized below:

NSF Grant General Conditions (GC-1), section 22, 2e, states that, "Awardees that are States, Local Governments or Non-Profit Organizations, shall arrange for the conduct of audits as required by OMB Circular A-133 "*Audits of States, Local Governments, and Non-Profit Organizations*" (including colleges and universities.)"

OMB Circular A-133, Subpart B, section .200, further states the following:

(a) Audit required. Non-Federal entities that expend \$300,000 or more in a year in Federal awards shall have a single or program-specific audit conducted for that year in accordance with the provisions of this part. Guidance on determining Federal awards expended is provided in § .205.

(b) Single audit. Non-Federal entities that expend \$300,000 or more in a year in Federal awards shall have a single audit conducted in accordance with § .500 except when they elect to have a program-specific audit conducted in accordance with paragraph **(c)** of this section.

In addition to the audits outlined in these requirements, the NSF Office of the Inspector General (OIG) conducts audits of awards made to for-profit and non-profit organizations receiving NSF funding. Since these audits can result in cost disallowances and require organizations to make repayments to NSF, organizations should understand the importance of having adequate accounting documentation to support costs charged to NSF awards. **Audit findings** resulting in questioned costs (and, which generally require repayment to NSF) have been due to the following:

1. Lack of time records to support salary costs charged to awards.
2. Lack of consulting agreements and invoices to support that services were related to the award, and that the charges were reasonable and consistent with the NSF consultant rate limitations in effect.
3. Indirect cost recoveries were in excess of those allowed by the type of indirect cost rate and base reflected in the award.
4. Costs were unallowable in accordance with applicable cost principles and, therefore, could not be charged to Federal awards.
5. Proposed participant support amounts were expended in other cost categories without the required prior NSF written approval.

6. Adequate supporting documentation was not provided for cost sharing claimed.
7. Interest earned on NSF advances made to organizations was not remitted as required (see **Section E.4** below.)

Resolution of questioned cost audit findings is time-consuming and costly for both the organization and NSF. Therefore, ***you should contact the NSF Cost Analysis and Audit Resolution Branch*** (CAARB) at (703-292-8244) if you have any questions concerning audits, and/or supporting documentation, which should be maintained.

SECTION D – Indirect Cost Rates

1. **Indirect Cost Rate Proposals and Financial Statements** - ***Direct costs*** are those costs that can be identified specifically with a particular final cost objective, i.e., a particular award, project, service, or other direct activity of an organization. ***Indirect costs*** are those that have been incurred for common or joint objectives and cannot be readily identified with a particular final cost objective. After direct costs have been determined and assigned directly to awards or other work as appropriate, indirect costs are those remaining to be allocated to benefiting cost objectives.

Where an organization's major functions benefit from its indirect costs to approximately the same degree, the allocation of indirect costs may be accomplished by (1) separating the organization's total costs for the period as either direct or indirect and (2) dividing the total allowable indirect costs (net applicable credits) by an equitable distribution base. The distribution base may be total direct costs (excluding capital expenditures and other distorting items, such as major subawards and participant support costs), direct salaries and wages, or other base, which results in an equitable distribution. It should be noted that NSF does not fund Independent Research and Development (IR&D) costs either directly or indirectly. Therefore, while IR&D should not be proposed as a direct cost, these costs must be treated as a direct cost in indirect cost rate calculations.

Organizations are required to support their indirect cost rate(s) shown on their grant proposal budget by submission of a current indirect cost rate agreement negotiated with a Federal agency (with financial statements for the two most current ended accounting periods), or by submission of an indirect cost proposal and the related financial statements. ***Sample indirect cost proposals are shown on Appendices 6 and 7.***

2. **Types of Indirect Cost Rates Used on NSF Awards** - Depending on various information available (historical cost information), amount of funding being requested, etc., NSF will establish a negotiated indirect cost rate for an award (that rate which is negotiated with NSF or another Federal Agency) as one of the types of rates shown below. Since some types of rates limit indirect cost recoveries and require adjustments, organizations receiving awards should ensure that they determine the type of indirect cost rate applicable to the award. The type of rate will be specified in the award letter. Types of indirect cost rates used on NSF awards are as follows:

Maximum Provisional Indirect Cost Rate

A maximum provisional rate is a temporary rate established for an award to permit funding and reporting of indirect costs pending establishment of a final rate (that rate determined at the end of an accounting period using "actual" direct and indirect cost data). ***This type of***

rate limits indirect cost recoveries to the **LOWER** of the **maximum provisional rate** established at the time of award, **or the final rate**, established at the end of an accounting period.

As an example, if a maximum provisional indirect cost rate of 50% was established at the time of award, but an indirect cost rate of 65% was determined based on actual financial data for an accounting period, indirect cost recoveries would be limited to 50%. However, if a final indirect cost rate of 40% were determined, indirect costs recovered in excess of the 40% rate would need to be returned to NSF.

Predetermined (Fixed) Indirect Cost Rate

A predetermined (fixed) indirect cost rate is a permanent **funding** rate established for an award based on an estimate of costs for that period. Awardees may charge NSF projects at the rate(s) stipulated in the award. However, should negotiations between the organization and the cognizant Federal agency result in changes in the approved indirect cost rate not reflected in the NSF award, the organization may charge NSF projects at the newly negotiated rate in effect at the time direct cost expenditures are made, provided that this method of charging indirect costs is consistently applied and meets generally accepted accounting principles; and provided further that to do so would not:

1. Reduce or adversely affect the scope of the project;
2. Result in increased costs over the NSF award amount during the award period;
3. Decrease the period of support as contemplated in the award instrument; or
4. Be inconsistent with any special indirect cost provisions of the award.

Fixed Indirect Cost Rate

A fixed indirect cost rate is similar to a predetermined (fixed) indirect cost rate in that it is a permanent rate established for an award based on an estimate of costs for the award period. However, this rate is fixed both for **funding** and **reimbursement**. Accordingly, when NSF funds a project using a fixed indirect cost rate, the awardee is required to charge indirect costs at the fixed rate. Changes to fixed rates can only be made by an amendment to the award as approved the NSF Grants Officer.

Fixed Indirect Cost Dollar Amount

A fixed dollar amount limits organizations to that "amount" of indirect costs specified in the approved budget. It is not subject to adjustment.

- 3. NSF Cognizant Organizations** - Organizations for which NSF is their cognizant agency for negotiation of indirect cost rates are required to submit indirect cost proposals, reconciled to financial statements, within six months after the close of each accounting year during which NSF has active awards. These proposals should be sent to the Cost Analysis and Audit Resolution Branch (CAARB).

AWARDEE ORGANIZATION AND MANAGEMENT SUMMARY

PART I

1. Common Name of Organization:		
2a. Employer Identification Number (EIN):		2b. DUNS Number:
3. Legal Name (if different)		
4. Address (Street, City, State, Zip Code)		
5. Parent of Affiliated Organization (if any)		
6. Former Name (if any)		
7. Type of Organization (Check appropriate box)		(if Commercial, check appropriate boxes)
<input type="checkbox"/> Academic	<input type="checkbox"/> State/Local Government	<input type="checkbox"/> Small Business
<input type="checkbox"/> Hospital	<input type="checkbox"/> Other Non-Profit	<input type="checkbox"/> Minority Business
	<input type="checkbox"/> Commercial	<input type="checkbox"/> Other (Identify)
8. Awardee Organization		
a. President/Chief Executive Officer (Dr., Mr., Mrs., Ms., Miss)	Title	Telephone ()
b. Award Notification Addressee (Dr., Mr., Mrs., Ms., Miss)	Title	Telephone ()
c. Award Notification E-mail Address:		
9. Remarks:		
PART II (For NSF Use)		
10. NSF Institution Code:		
11. Organization appears to have the management and financial capabilities to administer NSF awards. <input type="checkbox"/> Yes <input type="checkbox"/> No		
12. Grants and Agreements Specialist Signature		Date

**NATIONAL SCIENCE FOUNDATION
ARLINGTON, VA 22230
ASSURANCE OF COMPLIANCE
with
NATIONAL SCIENCE FOUNDATION REGULATION
UNDER TITLE VI OF THE CIVIL RIGHTS ACT OF 1964**

_____ (hereinafter called the "Applicant")
HEREBY AGREES THAT it will comply with Title VI of the Civil Rights Act of 1964 (P.L. 88-352) and all requirements imposed by or pursuant to the Regulation of the National Science Foundation (45 CFR Part 611) issued pursuant to that title, to the end that, in accordance with Title VI of that Act and the Regulation, no person in the United States shall, on the ground of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under any program or activity for which the Applicant receives Federal financial assistance from the Foundation; and HEREBY GIVES ASSURANCE THAT it will immediately take any measures necessary to effectuate this agreement.

If any real property or structure thereon is provided or improved with the aid of Federal financial assistance extended to the Applicant by the Foundation, this Assurance shall obligate the Applicant, or in the case of any transfer of such property, any transferee, for the period during which the real property or structure is used for a purpose for which the Federal financial assistance is extended or for another purpose involving the provision of similar services or benefits. If any personal property is so provided, this Assurance shall obligate the Applicant for the period during which it retains ownership or possession of the property. In all other cases, this Assurance shall obligate the Applicant for the period during which the Federal financial assistance is extended to it by the Foundation.

THIS ASSURANCE is given in consideration of and for the purpose of obtaining any and all Federal grants, cooperative agreements, loans, contracts, property, discounts or other Federal financial assistance extended after the date hereof to the Applicant by the Foundation, including installment payments after such date on account of applications for Federal financial assistance which were approved before such date. The Applicant recognizes and agrees that such Federal financial assistance will be extended in reliance on the representations and agreements made in this Assurance, and that the United States shall have the right to seek judicial enforcement of this Assurance. This Assurance is binding on the Applicant, its successors, transferees, and assignees.

PLEASE TYPE OR PRINT	
NAME OF APPLICANT, STREET ADDRESS OR P.O. BOX, CITY, STATE, ZIP CODE	
I CERTIFY THAT THE ABOVE INFORMATION IS COMPLETE AND CORRECT TO THE BEST OF MY KNOWLEDGE	
SIGNATURE AND TITLE OF AUTHORIZED OFFICIAL	DATE

SMALL BUSINESS DECLARATION

The company named below **(IS _____) (IS NOT _____)** a small business concern. A small business concern by the Government definition is a concern, including its affiliates, which is independently owned and operated and is not dominant in the field of operation in which it is quoting on Government solicitations. The business concern can further qualify under the criteria concerning number of employees, average annual receipts, and other criteria, as prescribed by the Small Business Administration.

For detailed industry definition and related procedures, see Code of Federal Regulations, Title 13, Part 121, as amended, which contains detailed industry definitions and related procedures.

Name of Company:

Name of Chief Executive Officer or Designee:

(Signature of Chief Executive Officer or Designee) (Date)

FINANCIAL MANAGEMENT SYSTEMS QUESTIONNAIRE

===== **Organizational Data** =====

Name of Organization: _____

Address: _____

Representative Name and Title: _____

Phone: _____ Fax: _____ Email: _____

Year Established : _____ Employer Identification Number (EIN): _____

DUNS Number: _____

Organization Type: Non-Profit For Profit Educational State/Local Govt.

Description of Service/Product: _____

Approx. Number of Employees: Full Time _____ Part Time _____

===== **Federal Audit Data** =====

Prior Audits/Reviews:

OMB A-133 Incurred Cost Accounting System Timekeeping

Date of Last Federal Audit/Review: _____ Audit Agency/Firm: _____

If Findings Reported, Explain: _____

===== **Financial Statement Audit Data** =====

Date of Last Financial Statement Audit: _____ Fiscal Period Audited: _____

Audit Firm: _____

Auditor's Opinion on Financial Statements Qualified: Yes No

If Qualified Opinion, State Reason: _____

=====Accounting System Data=====

What books of account are maintained?

- General Ledger YES NO Cash Receipts Journal YES NO
 Project Cost Ledger YES NO Payroll Journal YES NO
 Cash Disbursements Journal YES NO

Does the accounting system provide for the recording of grant/contract costs according to categories of the approved budget? YES NO

Does the system identify the receipt and expenditure of funds separately for each grant or contract? YES NO

Does the system provide for the recording of cost sharing/matching for each project, and ensure that documentation is available to support recorded cost sharing/matching? YES NO

Does the system provide for the recording of participant support costs as a separate cost category? YES NO

=====Timekeeping System Data=====

Are time distribution records maintained for each employee to account for his/her TOTAL effort (100%)? YES NO

(Attach a sample timesheet and procedures for completing timesheets and for allocating salary and wage charges to Federal awards.)

Is your organization familiar with the time and effort reporting requirements related to Federal awards made to your type organization? YES NO

=====Purchasing System=====

Are asset inventory records maintained? YES NO

Does your organization have policies relating to buy/lease analysis and competitive purchases over \$25,000? YES NO

What is the dollar threshold for capitalization of equipment? \$ _____

=====Funds Management=====

Is a separate bank account maintained for Federal grant/contract funds? YES NO

If a separate bank account is not maintained, can the Federal grant/contract funds and related expenses be readily identified? YES NO

Does your organization have procedures in place to minimize the time elapsing between the transfer of funds to your organization by a Federal agency and your organization's expenditure of such funds? YES NO

Prepared by: _____ Date: _____
 Name & Signature

ACH VENDOR/MISCELLANEOUS PAYMENT ENROLLMENT FORM (SBIR - STTR GRANTEES)

This form is used for Automated Clearing House (ACH) payments with an addendum record that contains payment-related information processed through the Vendor Express Program. Recipients of these payments should bring this information to the attention of their financial institution when presenting this form for completion.

PRIVACY ACT STATEMENT

The following information is provided to comply with the Privacy Act of 1974 (P.L. 93-579). All information collected on this form is required under the provisions of 31 U.S.C. 322 and 31 CFR 210. This information will be used by the Treasury Department to transmit payment data, by electronic means to vendor's financial institution. Failure to provide the requested information may delay or prevent the receipt of payments through the Automated Clearing House Payment System.

AGENCY INFORMATION

FEDERAL PROGRAM AGENCY: National Science Foundation, Division of Financial Management		
AGENCY IDENTIFIER: 53-0206152	AGENCY LOCATION CODE (ALC): 49-00-0001	ACH FORMAT: CCD+
ADDRESS: 4201 Wilson Boulevard, Room 575 Arlington, Virginia 22230		
Arlington, Virginia 22230		
CONTACT PERSON NAME: Richard A. Noll		TELEPHONE NUMBER: 703-292-4458
ADDITIONAL INFORMATION: rnoll@nsf.gov		FAX NUMBER: 703-292-9005

PAYEE /COMPANY INFORMATION

NAME:	AWARD NUMBER:	EIN:
ADDRESS:		
		E-MAIL ADDRESS:
CONTACT PERSON NAME:		TELEPHONE NUMBER:

FINANCIAL INSTITUTION INFORMATION

NAME:	
ADDRESS:	
ACH COORDINATOR NAME:	TELEPHONE NUMBER:
NINE DIGIT ROUTING TRANSIT NUMBER:	
DEPOSITOR ACCOUNT TITLE:	
DEPOSITOR ACCOUNT NUMBER:	LOCKBOX NUMBER:
TYPE OF ACCOUNT: (CHECKING, SAVINGS, LOCKBOX)	
SIGNATURE AND TITLE OF AUTHORIZED OFFICIAL: (COULD BE THE SAME AS ACH COORDINATOR)	TELEPHONE NUMBER:

PLEASE TYPE OR PRINT

SF3881

Universal Society
Sample – Non-Profit Indirect Cost Rate Proposal
Simplified Allocation Method
FYE 12/31/01

Cost Category	Total Costs All Funds	Less:		Total Direct Costs	Federal Program	Non-Federal Programs (3)
		Exclusions & Unallowables	Indirect Costs			
Salaries (a)	1,314,000		373,250	940,750	141,000	799,750
Fringe Benefits (b)	352,000		99,988	252,012	37,772	214,240
Consultant Services	26,000		14,000	12,000	1,800	10,200
Staff Travel	94,000		20,000	74,000	11,100	62,900
Bad Debts	10,000	10,000 (1)				
Office Rent	170,000		170,000			
Consumable Supplies	161,000		11,000	150,000	22,500	127,500
Subcontracts	175,000	107,000 (2)		68,000	10,200	57,800
Purchase, Equipment Lease	82,000	22,100 (2)	59,900			
Telephone	109,400		55,000	54,400	8,200	46,200
Entertainment	1,800	1,800 (1)				
Printing & Reproduction	48,000		11,000	37,000	5,500	31,500
Insurance and Bonding	42,000		42,000			
Fundraising	120,000			120,000		120,000
Postage and Delivery	34,000		5,100	28,900	4,300	24,600
Depreciation	28,800		8,800	20,000	3,000	17,000
Allowances	148,000	148,000 (2)				
Emergency Assistance	54,000	54,000 (2)				
Training Materials	82,000			82,000	12,300	69,700
Participant Support Costs	36,000	36,000 (2)				
Total Costs	3,088,000	378,900	870,038	1,839,062	257,672	1,581,390
			(c)	(d)		
Indirect Rate (c)/(d)	<u>870,038</u>					
	1,839,062	47.31%				
Fringe Benefit Rate (b)/(a)	<u>352,000</u>	26.79%				
	1,314,000					

Notes:

- (1) Unallowable costs per OMB Circular A-122 include entertainment expense, lobbying, bad debts or allowance for doubtful accounts, fines and penalties, losses on Federal or non-Federal projects, provisions for contingencies, and charitable contributions.
- (2) Various direct costs are excluded from the base because their inclusion distorts the assessment of indirect costs per OMB Circular A-122, Attachment A: the portion of subcontract costs in excess of \$25,000 each; equipment and other capital expenditures, such as major renovations, alterations and improvements; participant support costs and payments to participating agencies (flow-through funds).
- (3) Would include IR&D, if applicable. NSF does not fund Independent Research and Development costs either directly or indirectly. Therefore, while IR&D should not be proposed as direct costs, these costs must be treated as a direct cost in the indirect cost calculations.

Sunny Graphics
Sample – Profit Indirect Cost Rate Proposal
FYE 12/31/01

		Elimin-	Indirect	Direct	Project A	Project B	Project C	(4)
Salaries & Wages	Total	ations	Costs	Costs	NSF	DOE	NASA	IR&D
B. Able, President	70,000		25,000	45,000	15,000	5,000	15,000	10,000
J. Brue, Sr. Scientist	65,000		15,200	49,800	23,800	10,000	8,000	8,000
P. Dent, Engineer	60,000		4,800	55,200	0	40,000	10,000	5,200
C. Kipe, Scientist	50,000		4,000	46,000	30,000	12,000		4,000
S. Smith, Typist	30,000		12,400	17,600	10,000	6,000	1,000	600
M. Jones, Accounting	45,000		45,000	0	0	0	0	0
Total Salaries & Wages	320,000		106,400	213,600	78,800	73,000	34,000	27,800
			(3)	(B)				
FICA	24,480		24,480					
Health Insurance	28,000		28,000					
Consultant Fees	49,000		3,000	46,000	13,000	27,000	3,750	2,250
Depreciation	10,000		10,000					
Entertainment/Penalties	3,500	3,500						
Equipment	23,000	23,000						
Legal & Accounting	5,000		5,000					
Materials & Supplies	20,000		1,500	8,500	9,400	2,500	900	5,700
Office Supplies	2,000		2,000					
Computer Services	6,500		1,000	5,500	4,500	1,000		
Postage & Telephone	1,500		1,500					
Printing & Publication	3,000		400	2,600	1,400	700	500	
Rent	12,000		12,000					
Utilities	2,400		2,400					
Travel	6,000		600	5,400	3,600	800	750	250
Subawards	95,000	95,000						
Total Expenses	611,380	121,500	198,280	291,600	110,700	105,000	39,900	36,000
	(1)	(2)	(A)	(C)				

Indirect Cost Pool (divided by) (A) 198,280
 Salaries and Wages Distribution Base(B) 213,600 = 92.8%

OR

Indirect Cost Pool (divided by) (A) 198,280
 Modified Total Direct Cost Distribution Base (C) 291,600 = 68%

- (1) Indirect cost proposal should be based on actual cost data for the most current ended accounting year and should be submitted with the financial statements (F/S) for that year. The total amount of expenses per the indirect cost proposal should be reconciled to the total expenses reported in the F/S. A second "budgeted" indirect cost proposal(s) should be provided if it is expected that the indirect cost rate will change significantly during the actual period of the award (if covering more than one accounting year, a proposal should be provided for each year). Where projected costs in any particular cost category have significantly increased, an explanation for the increase should be provided.
- (2) Both direct costs and indirect costs shall exclude capital expenditures. Unallowable costs are also excluded, unless they 1) include the salaries of personnel, 2) occupy space, and (3) benefit from the organization's indirect costs; in which case they are included as a direct cost (see applicable cost principles which identify other unallowable costs). Distorting items such as subawards and participant support costs should be excluded from the distribution base.
- (3) Fringe benefits, including FICA, non-work time, health, etc., in this example are included in the indirect cost pool and therefore would not be proposed as a separate direct cost element. (Although not separately itemized, vacation, holiday and sick are included in the indirect salaries and wages amounts in this example.) It can be appropriate, however, to segregate fringe type costs and allocate these costs to direct and indirect salary and wage categories in determining total indirect and direct amounts. It would then be appropriate to propose fringe benefits as a separate rate applied to direct salaries and wages.
- (4) NSF does not fund Independent Research and Development (IR&D) costs either directly or indirectly. Therefore, while IR&D should not be proposed as direct costs, these costs must be treated as a direct cost in indirect cost rate calculations.



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