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Subject: Data Tool and Incurred Cost Audits section of the MFG
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Importance: High

All,

From today's discussion. I do not see any threshold amount listed in the DRAFT MFG but I still see where some clarity should be provided to match the AICA. It should be clear upfront it is required for construction awards then we should say it can be used for others based on risk.

This gives us something to begin the discussion and edit and have something to Rebecca sooner.

Eddie

4.6.3.4 Incurred Cost Audits

For cooperative agreements, NSF **is required to** conduct an incurred cost audit for major facility awards **during construction and** at the end of the **construction** award. ~~and potentially during execution of the award based on an annual risk assessment conducted by the Large Facilities Office and the Cooperative Support Branch at NSF. These incurred cost audits are required for construction awards.~~ NSF **may conduct an incurred cost audit for any major facility during the execution of the award based on an annual risk assessment conducted by the Large Facilities Office and the Cooperative Support Branch at NSF.** Recipients should be prepared for such an audit at any time based on 2 CFR § 200.205-7 of the Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards and as stated in the terms and conditions in the Cooperative Agreement. For contracts, incurred cost audits are performed in accordance with in the FAR, the cognizant Federal Agency procedures, and terms and conditions of the contract.

The purpose of the Incurred Cost Audit is to provide prudent oversight for those responsible for the effectiveness, efficiency, and economy of the Recipients' operations and the use of Federal funds. The Incurred Cost Audit is performed to assure the existence of adequate controls which will prevent or avoid waste, fraud, and abuse and inefficient practices.

In preparation for an incurred cost audit, Recipients are required to submit financial expenditures (incurred cost) data to NSF on a frequency to be determined by the Grants and Agreements Officer and the Cooperative Agreement's Terms and Conditions. It will be no less frequently than annually. NSF Financial Data Collection Tool for Major Facilities, created by NSF to assist Recipients in preparing and recording financial expenditure information for its cooperative agreements for major facilities, is required for submission of the financial expenditures data. The NSF Financial Data Collection Tool for Major Facilities is a macro enabled Excel workbook that provides Recipients a single, standardized method for submitting direct and indirect expenditure data with minimal effort and help to ensure data quality and accuracy. It will enable NSF and independent auditors to more easily and consistently collect the financial data required to maintain proper oversight and stewardship over funds and facilitate Recipient compliance in meeting its reporting requirements.

To complete the data collection, Recipients will need to collect expenditure information for all active Cooperative Agreements and Cooperative Support Agreements during the awards performance period. Suggested sources from which to collect this data include the Recipient's Chart of Accounts, General Ledger, Project Cost Ledger, NSF Award budget, and the award organization's Negotiated Indirect Cost Rate Agreement. To submit expenditure data, Recipients can download the NSF Financial Data Collection Tool for Major Facilities file from NSF at:

http://www.nsf.gov/bfa/lfo/lfo_documents.jsp

Once downloaded, Recipients should save the file and then begin to enter data following the guidance provided in the tool. See Figure 4.6.3-1 for a flow diagram for data entry. Recipients are instructed to submit this data collection annually to NSF as well at the end of your project or based on the Terms and Conditions of the award. When completed, this NSF Financial Data Collection Tool for Major Facilities will allow submission financial data electronically to the NSF Grants and Agreements Officer or an independent auditor. Questions regarding this collection should also be directed to the responsible NSF Grants and Agreements Officer.