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Ms. Suzanne Plimpton
Reports Clearance Officer
National Science Foundation
4201 Wilson Blvd., Rm. 1265
Arlington, VA 22230,
(or by email to *splimpto@nsf.gov*.)

Comments on the National Science Foundation (NSF) Implementation Of Proposed NSF Management Fee Policy.

Dear Ms. Plimpton,

The UNAVCO Board of Directors welcomes the opportunity to comment on the National Science Foundation (NSF) Implementation Of Proposed NSF Management Fee Policy.

It is long-standing NSF Policy to allow a management fee to nonprofits that manage their facilities. In the past, this management fee has been used for a variety of unallowable costs by the nonprofits in support of NSF programs. Such costs have included bank fees, interest costs, cost-sharing on proposals, continuing operations in case of delayed awards, government shutdowns or other disruptions, starting new science, education and diversity programs, etc. In addition, the non-profit management entities have used their private funds, of which management fees have been a part, to cover modest entertainment, food and beverage costs for its volunteer unpaid advisory committees, Board of Directors and scientific workshop participants. Far from being superfluous and unrelated to the NSF mission, these events are a vital part of supporting community interactions and development of collaborative professional relationships.

The proposed implementation guidelines are inconsistent with the intent of management fees, which are viewed by the government as discretionary funds that may be used by the management entity without approval or audits by the awarding agency. Once awarded, OMB treats those funds as private funds belonging to the recipient. Therefore, awardees are not required to follow restrictions or guidelines imposed by the agency or to an accounting for use of the fee.

An exclusionary list of items for which management fees may not be used is inconsistent with cost and audit principles. To imply that fees must be “allowable” contradicts the fundamental principle that fees may cover all unallowable costs without restriction by the agency.

In its draft implementation policy NSF also requires visibility into “all federal, non-federal, and other sources of income to justify that alternate sources of income are not available to address potential needs…” This requirement does not comply with federal regulations governing grants and cooperative agreements, including the codified Uniform Guidance Title 2, Subtitle A, Chapter II, §200.333, which prohibits such a request for this broad scope of records. Requiring any entity to provide its proprietary business information to NSF to justify the payment of fees violates most procurement standards.

In summary, the proposed change in implementation of the management fee would introduce unnecessary and inappropriate restrictions on the use of the fee. These management fees have successfully supported NSF’s nonprofit partners that manage essential NSF facilities for many years. We urge the NSF to return to the practice of awarding management fees without restrictions or specific guidelines about their use. Such decisions should be left to the judgment of the Awardee. In the rare event that an Awardee misuses the fee, the NSF should address the specific issue with the Awardee with appropriate actions specific to the occasion.

Sincerely,
Dr. Peter LaFemina, Chairman
UNAVCO Board of Directors