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NASA Procedural Requirements

NPR 9501.2E
Effective Date: May 27, 2011
Expiration Date: November 27, 2023

COMPLIANCE IS MANDATORY FOR NASA EMPLOYEES

NASA Contractor Financial Management Reporting (updated w/Change 3)

Responsible Office: Office of the Chief Financial Officer

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CHANGE LOG

Change No.	Date	Description
1	10/16/2017	Revalidated with administrative changes to sections 1.3.1 & 2.5.11,incorporated NPR 1400.1 requirements, made updates to authorities and applicability statements.
2	12/21/2018	Revalidated with administrative changes to P.4c and 1.4.1 to correct referenced CFR section. Also revised Appendix B by updating the email address in the PRA Burden Section in the instructions for preparing the NF 533 M and NF 533 Q.
3	05/22/2019	Administrative changes to Appendix B to provide updated NASA Form 533M and NASA Form 533Q.

Preface

P.1 Purpose

a. This NASA Procedural Requirement (NPR) provides instructions and guidance for the implementation of NASA Policy Directive (NPD) 9501.1I, NASA Contractor Financial Management Reporting System. It provides instructions to contractors and NASA managers for the Contractor Financial Management Reporting System and stresses the necessity for accurate and timely reporting to enable NASA to fulfill its program control, budgeting, functional management, and cost accounting responsibilities.

b. The reporting system described herein shall be included in all solicitations and contracts meeting the reporting criteria in paragraph 1.5.1. This NPR is incorporated by reference in contracts containing the NASA Contractor Financial Management Reporting clause.

c. This NPR is not to be rewritten or issued in any other form. It is available to NASA contractors through NASA Contracting Officers.

d. Questions regarding the reporting system shall be directed to the cognizant NASA Center Financial Management Office. Questions concerning implementation on a particular contract should be addressed to the cognizant NASA Contracting Officer. Suggestions for improvements in the forms or the content of this NPR are welcome and should be made in writing to the Director, Policy Division, Office of the Chief Financial Officer (OCFO) NASA Headquarters, Washington, DC 20546.

P.2 Applicability

a. This NPR is applicable to NASA Headquarters and NASA Centers, including Component Facilities and Technical and Service Support Centers. This language applies to contractors, grant recipients, or parties to agreements only to the extent specified or referenced in the appropriate contracts, grants, or agreements.

b. In this directive, all mandatory actions (i.e., requirements) are denoted by statements containing the term "shall." The terms: "may" or "can" denote discretionary privilege or permission, "should" denotes a good practice and is recommended, but not required, "will" denotes expected outcome, and "are/is" denotes descriptive material.

c. In this directive, all document citations are assumed to be the latest version unless otherwise noted.

P.3 Authority

a. Accounting and Auditing Act of 1950, Subsections 112(b) and 113(b), as amended, 31 U.S.C. § 3512(e).

b. Financial Statement Agencies, 31 U.S.C. § 3515(a).

c. The National Aeronautics and Space Act, as amended, 51 U.S.C. § 20113(e).

d. NPD 9501.1, NASA Contractor Financial Management Reporting System.

P.4 Applicable Documents and Forms

a. 14 CFR 1206, Availability of Agency Records to Members of the Public.

b. 44 U.S.C. 3510(b), Cooperation of Agencies in Making Information Available.

c. NASA Federal Acquisition Regulation Supplement (NASA/FAR Supplement (NFS), 48 CFR ch. 18.

d. NPD 1600.2, NASA Security Policy.

e. NPR 1600.1, NASA Security Program Procedural Requirements.

f. NPR 7120.5, NASA Space Flight Program and Project Management Requirements.

g. NPR 7120.7, NASA Information Technology and Institutional Infrastructure Program and Project Management Requirements.

h. NPR 7120.8, NASA Research and Technology Program and Project Management Requirements.

P.5 Measurement/Verification

Quality assurance activities and analysis of financial and budgetary reports and data submitted through the continuous monitoring program will be used to measure compliance with this NPR.

P.6 Cancellation

NPR 9501.2D, NASA Contractor Financial Management Reporting, dated May 23, 2001 (revalidated with Change 1 February 16, 2006).

Revalidated on February 1, 2019.

/S/
Terry L. Bowie
NASA Deputy Chief Financial Officer

Chapter 1. Introduction

1.1 General

This NPR provides basic requirements and instructions to assist in preparation of Contractor Financial Management Reports (NASA Form 533 reports).

1.2 Purpose of the NASA Form 533 Reports

1.2.1 NASA Form 533 (NF 533) reports provide data necessary for:

a. Projecting costs and hours to ensure dollar and labor resources realistically support project and program schedules.

b. Evaluating contractors' actual cost and fee data in relation to negotiated contract value, estimated costs, and budget forecast data.

c. Planning, monitoring, and controlling project and program resources.

d. Accruing cost in NASA's accounting system resulting in liabilities reflected on the financial statements and providing program and functional management information. Cost is a financial measurement of resources used in accomplishing a specified purpose, such as performing a service, carrying out an activity, acquiring an asset, or completing a unit of work or project. NASA is required by law to use accrual accounting, which requires cost to be reported in the period in which benefits are received, without regard to time of payment. To facilitate this process, NASA requires its contractors to report accrued costs on NF 533 reports on cost type, price redetermination, and fixed-price incentive contracts.

1.3 Policy and Related Requirements

1.3.1 Agency policies and responsibilities governing the Contractor Financial Management Reporting System are set forth in NPD 9501.1.

1.3.2 NASA contractors are expected to submit financial management reports in which cost information is compatible with the technical and schedule reporting structure. The exact level and detail of these data are based upon NASA management requirements and the contractor's management system. When Earned Value Management System (EVMS) or other performance measurement system (PMS) and NF 533 reports are required under the contract, they shall reflect information that is consistent and generated from the same management information systems.

1.4 Contract Implementation

1.4.1 Contract implementation requirements are set forth in the NASA Federal Acquisition Regulation Supplement (NASA/FAR Supplement (NFS)), Subpart 1842.72, NASA Contractor Financial Management Reporting. The standard contract clause for implementing NASA contractor financial management reporting is set forth in NFS 1852.242-73, NASA Contractor Financial

Management Reporting.

1.4.2 Deviations from financial management reporting provisions set forth in NFS 1842.72, NASA Contractor Financial Management Reporting, require approval in accordance with NFS 1801.471, Procedure for requesting deviations.

1.4.3 Where a specific contractual requirement differs from the standard system set forth in this NPR, but is determined to be in the best interest of the Government and does not eliminate any data elements required by the standard NF 533 formats, deviations may be approved by the NASA Contracting Officer with the concurrence of the NASA Center Chief Financial Officer and cognizant Project Manager. Such approval shall be documented and retained, with the supporting rationale, in the NASA contract file. Examples of such exceptions include:

a. Addition of a column for Government fiscal year cumulative costs to the standard NF 533 M or NF 533 Q formats.

b. Substitution of reports generated by contractors existing management systems or PMS reports for NF 533 formats.

c. Due dates other than those stipulated in this NPR. Due dates earlier than the standard dates set forth in paragraph 3.3 are encouraged whenever feasible. No due date shall be permitted which is later than the date by which the NASA Center Financial Management Office needs the data in order to enter an accurate monthly cost accrual in the accounting system.

1.4.4 Specific cost and labor hour reporting requirements, including the level of detail, shall be delineated in the contract.

1.4.5 Reporting categories shall be stated in the contract by the Contracting Officer and the Project Manager and held as firm as practicable throughout its life to ensure continuity and consistency of information. Any changes in reporting requirements will be accomplished by negotiated contractual modifications.

1.5 NASA Form 533 Reports

1.5.1 Applicability - NF 533 reports are applicable to all cost type, price redetermination, and fixed-price incentive contracts when the following dollar and period of performance criteria are met:

Table A Reporting Criteria And Format

CRITERIA		REPORT FORMAT	
Contract Value	Period of Performance	NF 533M	NF 533Q
$500,000 to $999,999	1 year or more	Required	Optional
$1,000,000 and greater	Less than 1 year	Required	Optional
$1,000,000 and greater	1 year or more	Required	Required

1.5.2 NF 533 Q reporting may be waived by the NASA Contracting Officer, with concurrence by the Center Chief Financial Officer and cognizant Project Manager, for support service or task order contracts, when NF 533 M reports and other data are sufficient to ensure accurate monthly cost accruals, track the contractors' actual cost against plans, and forecast resource requirements.

1.5.3 The criteria in Table A apply to the total contract, not solely to any particular performance period. Where it is probable that a contract will ultimately meet the criteria through the exercise of options, execution of change orders or supplemental agreements, or other circumstances, the reporting requirement shall be implemented by the NASA Contracting Officer and Project Manager based on the estimated final contract value, inclusive of options.

1.5.4 Action shall be promptly taken by the NASA Contracting Officer and Project Manager to include the appropriate reporting requirements in contracts not covered at award that subsequently meet the above criteria as a result of change orders or supplemental agreements.

1.5.5 As applied to letter contracts, reporting requirements shall be identified therein by the NASA Contracting Officer and Project Manager.

1.5.6 Determination of the applicability of the criteria shall be based upon the mutually agreed upon scope of work to be accomplished under the definitized contract. If deemed appropriate by the NASA Contracting Officer or necessary to provide the data discussed in paragraph 1.2, NF 533 reporting requirements may be negotiated into other types of contracts and contracts not meeting the above criteria.

1.6 Reports From Subcontractors

1.6.1 Prime contractors are responsible for obtaining financial management data from subcontractors; data submitted by subcontractors should be structured similar to the prime contractors' NF 533 to enable the prime contractor to properly report to NASA. Prime contractors shall ensure subcontract data are available in sufficient time for inclusion in the prime contractors' NF 533 report for the same reporting period. The prime contract may call for copies of subcontractor reports to be submitted directly to NASA. See paragraph 3.3.2.2 for specific subcontract cost reporting requirements.

1.7 Contractors' Privileged Financial and Business Information

1.7.1 To the maximum extent possible, financial management reports should be unclassified. NASA acquires information in financial management reports primarily for purposes of program and project planning and management, contract administration, and accounting. It recognizes that these reports may contain contractor-privileged information. NASA personnel shall ensure that contractors' financial and business information contained in the reports will not be disclosed outside the Government, except in accordance with procedures set forth in 14 CFR 1206, Availability of Agency Records to Members of the Public, and disclosure of such information to other Government agencies will be made in accordance with 44 U.S.C. 3510(b). Where it is necessary to disclose a contractor's confidential financial information to NASA support services contractors (in areas such as information technology or financial services), NASA personnel should first obtain the informed consent to such disclosure of the contractor providing the information.

1.8 Security Classification

1.8.1 Reporting contractors shall ensure appropriate security markings, consistent with the assigned security classification, are applied to each classified report in accordance with provisions of NPD 1600.2, NASA Security Policy, and NPR 1600.1, NASA Security Program Procedural Requirements.

1.8.2 Security classification markings shall not be used by reporting contractors on documents containing information solely of a privileged financial and business nature.

Chapter 2. The Reporting Structure

2.1 General

2.1.1 The planning process for a project or contract should include consideration of the financial management reporting requirements necessary to meet the objectives described in paragraph 1.2. Development of the proposed NF 533 reporting structure must be a collaborative effort by NASA technical, program control, procurement, financial, and resources personnel who will have a role in monitoring contractor performance, perform contract administration, or otherwise use the report data upon contract award.

2.1.2 Evidence of the collaboration shall be documented and retained by the Center Chief Financial Officer.

2.1.3 NASA's proposed reporting structure, i.e., the specific reporting categories, shall be included in the solicitation to allow prospective contractors to address their ability to meet the anticipated requirements. The final reporting structure will be determined in concert with the contractor.

2.1.4 Both NASA and the contractor, to varying degrees, require the capability of providing an array of data from a single base, as illustrated in Figure 1, which can identify costs by organization or function, contract work breakdown structure (WBS), and type of element. The NF 533 reporting structure, therefore, shall be a matrix that provides adequate management visibility into the appropriate combination of these data.

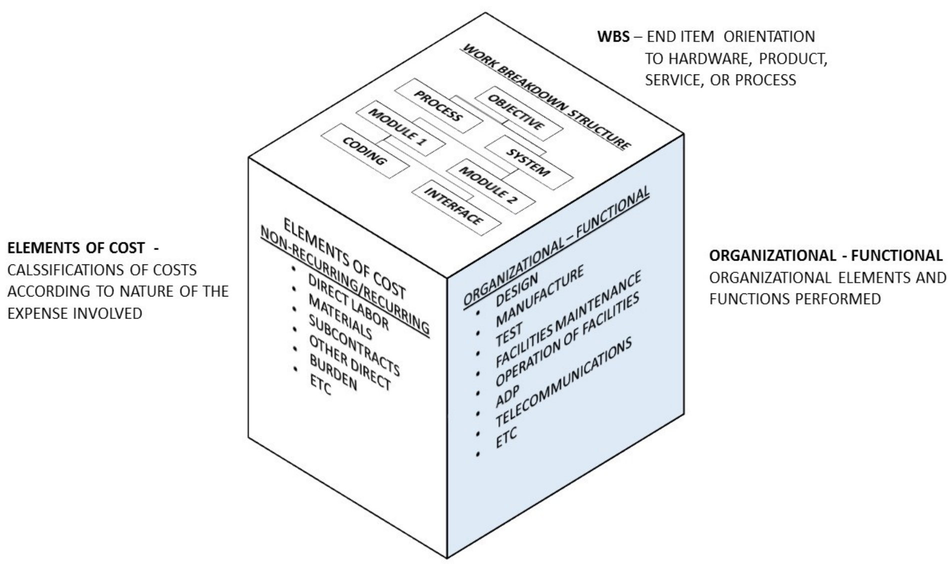

Figure 1 Reporting Structure Data Matrix

2.2 Work Breakdown Structure (WBS) Data

2.2.1 The WBS is a family tree subdivision of effort required to achieve an objective (e.g., program, project, and contract). It may be hardware, product, service, or process oriented. For a contract, the

WBS is developed by starting with the end objective and successively subdividing it into manageable components in terms of size, duration, and responsibility (e.g., systems, subsystems, components, tasks, subtasks, and work packages) which include all steps necessary to achieve the objective. It provides a common framework for the natural development of the overall planning and control of a contract and is the basis for dividing work into definable increments from which the statement of work can be developed and technical, schedule, cost, and labor hour reporting can be established.

2.2.2 Reference should be made to NPR 7120.5, NASA Space Flight Program and Project Management Requirements, NPR 7120.7, NASA Information Technology and Institutional Infrastructure Program and Project Management Requirements, and NPR 7120.8, NASA Research and Technology Program and Project Management Requirements, for further discussion of WBS policies and processes.

2.2.3 When NF 533 reporting will be required, the solicitation will identify the reporting categories considered necessary to meet NASA financial management information requirements. Specific contractual reporting requirements shall be tailored to reflect the way work is to be performed as set forth in the contract and to the contractors' management or reporting systems.

2.3 Organizational/Functional Data

2.3.1 Organizational/functional data provide information on groups of activities which have a common purpose. These types of data may be required in order to:

a. Track costs by the contractors' internal organizations

b. Provide cost data for NASA functional management purposes.

c. Perform analysis-relating, organizational/functional costs to end items.

d. Relate scheduled activities to responsible contractor organizational/functional elements.

Table B Organizational/Functional Classification Examples

Organizational/Functional Classification Examples	
1. Engineering/Design	7. Facilities Maintenance
2. Manufacturing/Fabrication, Assembly, Test	8. Operation of Facilities
3. Reliability and Quality Assurance/ Design Review, Final Inspection	9. Utilities
	10. Environmental Studies/Operations
4. Procurement/Subcontracting	11. Transportation Services
5. Mission Operations	12. Automatic Data Processing
6. Training	13. Telecommunications Services

2.3.2 The Center Chief Financial Officer should be consulted concerning any questions on functional classifications to be reported.

2.4 Element of Cost Data

2.4.1 Elements of cost are the various uses for which resources are expended in performance of the contract. This type of information provides insight for NASA and the contractor concerning the way resources are expended and aids in comparing actual to negotiated cost rates.

2.4.2 Elements of cost are typically classified as direct or indirect (burden). It may also be necessary to determine the recurring and nonrecurring nature of cost and the performing organization and place of performance.

2.4.3 Direct costs are those which can be specifically identified with a particular objective, such as a system, subsystem, task, or function. Direct costs are typically classified as follows:

a. Labor

b. Materials

c. Subcontracts

d. Other Direct

2.4.4 Indirect costs (burden) are those which, because of their incurrence for multiple or joint objectives, are not readily identifiable to a specific objective. They are allocated to benefiting cost objectives by a statistical technique. Indirect costs are typically classified as follows:

a. Overhead

b. General and Administrative (G&A)

2.4.5 The distribution of indirect costs for reporting purposes in the same detail as direct costs are reported may be complex, especially where there are interrelated overhead pool structures. The distribution process can be simplified by restricting the distribution of overhead for reporting purposes to a logical series of group totals at a relatively high level, e.g., organization and system. Such gross treatment of burden usually does not detract from the usefulness of the reported data. It is generally desirable, however, to require a breakdown of the various types of burdens, e.g., engineering overhead, manufacturing overhead, material handling, and G&A in order to provide visibility and track actual and provisional rates.

2.5 Contractor Reporting Considerations

2.5.1 The importance of selecting data elements for reporting that reflect the contractors' management philosophy and are a natural product of existing cost, budgeting, scheduling, and technical performance systems cannot be over emphasized. The contractors' internal management system shall be relied upon to the maximum extent possible, without requiring costly modifications, to furnish both detailed and summarized data for NF 533 reports. The data reported will be the basis for NASA contractor communication for financial planning and program control.

2.5.2 NASA shall ensure the contractors' management system meets the following criteria:

a. The WBS can be directly related to a specific level depicted in the technical statement of work.

b. Resource requirements and actual expenditures will be displayed on the NF 533 reports with the reporting categories directly related to the WBS on a time-phased basis.

c. Schedule line items (milestones, activities, and events), developed at lower levels of detail, can be summarized to the cost reporting level of the WBS.

2.5.3 NF 533 reports will usually require reporting by various elements of cost and subdivisions or subordinate indentures of the scope of work that are contractually designated as meaningful portions of the contract effort (WBS). When a contract includes only one subdivision of work, the reporting of elements of cost (e.g., direct labor, materials, subcontracts, other direct costs, indirect costs, G&A, and fees) will generally be sufficient. When more than one subdivision of work is included in a contract, the NASA Project Manager shall determine the level of reporting.

2.5.4 To avoid unnecessary reporting costs and ensure the appropriate level of visibility is achieved, it is important to be selective in specifying categories and levels of reporting. For example, where there is potential for high risk in a particular WBS item, more detailed visibility should be required, but it is not necessary to require the same reporting level across the WBS. Data on certain WBS items may be reported at the summary level, while others may be at the component, task, and subtask level. Careful consideration shall be given by the NASA Project Manager to the reporting requirements to ensure they are limited to items which are required and will be used in managing and monitoring the contract.

2.5.5 Reporting categories will be specified in the contract. Care will be exercised in developing reporting categories to ensure that they are consistent with the way work is to be performed on the contract and technical, schedule, and performance measurement system reports, at a management level determined adequate by NASA project management. NF 533 M and Q reports shall be structured to indicate corresponding reporting categories and levels of detail. Not all the reporting categories discussed herein are required on all contracts, nor are all categories which may be required discussed.

2.5.6 Where the contract effort is divided into separate "schedules" for each fiscal year or other period or provides for the exercise of options to continue the contract, reporting should be structured in the manner most appropriate to the contract provisions. Each report shall, however, contain a summary of total contract cost, which may be broken out by the various cost elements, indicating cumulative actual costs for all "schedules" or exercised options from inception of the contract to date.

2.5.7 In addition to the summary, the contractor shall report cost at a detailed level by elements of the contract WBS.

2.5.8 Totals on the summary report provided by the contractor shall match totals derived from all contract WBS elements. If the portion of the reports structured by WBS does not indicate each individual cost element as reported in the summary pages of the report, values reported for the various WBS items will still reflect all cost elements, so that the total cost of all WBS items agrees with the total by elements of cost (total cost at the contract summary level).

2.5.9 For service contracts, the NF 533 reports shall be structured to provide cost data in the program/functional management classifications by which NASA managers relate in-house activity. Further detail may be required for items such as tasks, work orders, or other significant and identifiable phases of work or services being procured. Such detail may be supported by information on direct labor hours, direct labor costs, and other cost elements appropriate for monitoring the subdivisions of work.

2.5.10 NF 533 reporting structures shall be designed to facilitate accounting for costs in accordance with NASA's financial coding structure and to provide as direct linkage as practicable from the work performed by the contractor to the NASA appropriation funding that work. This is the level prescribed by NASA management to maintain control and account for costs and subsequent disbursements in accordance with Congressional appropriations.

2.5.11 To ensure all capitalized Property, Plant, and Equipment (PP&E) is identified and assigned a unique NASA WBS element, contractors shall obtain approval prior to purchasing or beginning fabrication of any PP&E with an anticipated total acquisition cost of $500,000 or greater not specifically identified in the contract, in accordance with 48 CFR 1852.245-70, Contractor Requests for Government-Owned Equipment.

2.5.12 For all PP&E purchases and fabrications (specifically identified in the contract or otherwise approved) identified by NASA as capitalized items, the NF 533 reporting structure shall provide for the accumulation and reporting of cost for each individual item in separate reporting categories.

2.5.13 Research and development contracts with cost-sharing provisions require NF 533 reporting, which provides summary data for total contract actual and projected costs, with a further breakdown indicating the NASA-funded portion of those costs.

Chapter 3. NASA Form 533 Financial Management Reports

3.1 General

3.1.1 The NASA Contractor Financial Management Reporting System consists of the reports, accompanying remarks, and analyses discussed below. See Appendix B for report formats and detailed instructions.

3.1.2 The NF 533M can be found here: NF533M a report which provides monthly data on actual and planned costs and labor hours, short-term cost projections, estimates to complete, and contract values.

3.1.3 The NF 533Q can be found here: NF533Q a report which provides quarterly time-phased cost and labor hour estimates. It is also used to submit the initial baseline and subsequent revisions. The NF 533 Q may also be used by contractors to submit time-phased cost estimates in response to a Request for Proposal (RFP).

3.1.4 Detailed instructions for report preparation are provided on the reverse of the forms. Supplementary instructions are set forth below. Where the term “footnote(s)” is used, the information required may be submitted on the forms themselves or in the Narrative Remarks.

3.2 Initial Report

3.2.1 All contractors whose contracts contain an NF 533 M or NF 533 Q reporting requirement shall submit an initial report in the NF 533 Q format within 30 working days after contract award.

3.2.2 The initial report provided by the contractor shall reflect the original contract value detailed by negotiated reporting categories and be the original contract baseline plan. This plan, plus authorized changes, is subsequently used in columns 7b and 7d of the NF 533 M for comparison of actual to planned cost. The NASA Contracting Officer may require additional detail, such as quarterly or semiannual phasing over the life of the contract, inclusion of unexercised options, or an initial report whenever options are exercised.

3.2.3 NF 533 M reporting shall begin no later than ten days following the close of the contractor’s accounting period after initial incurrence of cost. NF 533 Q reporting begins with the initial report. In instances where work begins under a letter contract, submission of monthly and quarterly reports may precede the initial report, since the baseline is not yet established through negotiations.

3.3 Completion of Reports

3.3.1 Submission. The value of contractor financial management information in meeting the objectives outlined in paragraph 1.2 is dependent upon timely submission of required NF 533 reports. NASA management cannot make fully informed decisions unless it has current data on contractor cost. NASA cannot ensure accurate cost accruals in its accounting system unless it has the necessary data prior to the close of its accounting month. The standard due dates set forth below are designed to ensure that the information will be available when it is needed. Contractors should submit the reports earlier than the required due dates whenever possible. Electronic methods of submitting NF 533 data are preferred to expedite availability of the information.

3.3.1.1 The NF 533 M (Appendix B) is due not later than ten working days following the close of the contractors' monthly accounting period. An NF 533 M need not be submitted in months in which an NF 533 Q is submitted (unless the NASA Contracting Officer directs submission of both reports), so long as NF 533 Q reports are completed in accordance with the requirements in paragraph 3.4 to provide NASA with the proper monthly data to develop its cost accruals.

3.3.1.2 The NF 533 Q (Appendix B) is due not later than the 15th day of the month preceding the quarter being reported in columns 8a, 8b, and 8c (e.g., the report for the quarter beginning July is due not later than June 15).

3.3.2 NF 533 Supplementary Instructions

3.3.2.1 General

a. Costs and hours reported shall be based upon the contractor's accounting periods and derived from actual cost and budget records maintained by the contractor. Costs incurred are amounts paid, payable, or otherwise accrued for materials consumed and services used through the reporting date.

b. Costs incurred include direct and indirect costs and shall be reported on an accrual basis as resources are applied to performance of contract work, rather than on a cash disbursement basis or as orders are placed.

c. Costs should be reported on the basis of the contractor's most current data for actual rates experienced at the time the report is prepared, rather than on the basis of Defense Contract Audit Agency (DCAA) approved provisional billing or bidding rates. Provisional rates (and related cost) and rates used to determine indirect actual cost shall be disclosed in the footnotes.

d. Where contracts contain negotiated ceilings, the NF 533 will only show costs incurred up to the ceilings and footnotes shall be provided by the contractor to discuss the amount of and reason for costs incurred in excess of the ceilings. A breakdown of excess costs by cost element may be required by the contracting officer.

e. Costs incurred shall be reported irrespective of whether they exceed the "Fund Limitation" (NF 533, block 4). Reporting of such excesses will not be construed as evidence of approval by the Government or satisfaction of the notifications to the NASA Contracting Officer required by the contract.

f. Actual costs (and related hourly data) reported shall include costs incurred in performing currently authorized work included in the most recently executed contract modification plus additional authorized work for which execution of modifications is pending, i.e., all work which the NASA Contracting Officer has directed, whether or not negotiated.

3.3.2.2 Elements of Cost, Fees, and Performance Incentives Reporting requirements for commonly required elements of cost, fees, and performance incentives are discussed below. The reporting categories discussed do not represent all those which may be required on a particular contract, nor must all the items discussed be required.

a. Costs

(1) Direct Labor. Direct labor can be directly identified to a particular subdivision of work. It is reported to NASA on the NF 533 as hours are incurred, with accruals for direct labor to the end of the contractors' accounting period.

(2) Materials. Commercial, off-the-shelf items that are purchased for contract work are to be reported to NASA when accepted by the contractor. Material will not be reported as an element of cost under a subdivision of work until it is used on, consumed by, or applied to that subdivision of work.

(3) Equipment. Costs for manufactured equipment, i.e., equipment produced to specific requirements that make it useless to anyone else without rework shall be reported on the NF 533 as the equipment is manufactured. In cases where actual costs are not readily available, the straight-line method for estimating accrued costs or the use of supplemental information obtained from the vendor is acceptable to calculate the incurred cost.

(4) Leases. Lease costs shall be reported on the NF 533, prorated over the life of the lease. In some cases, circumstances could warrant treatment of the cost of a lease as indirect.

(5) Travel. Travel is reported as costs are incurred, generally using the dates of travel to determine the period in which the cost will be reported.

(6) Subcontracts

(a) Actual and estimated costs reported by prime contractors shall include subcontractors' incurred cost for the same accounting period. Where subcontract costs are material, they should be separately identified on NF 533 reports.

(b) The prime contractor shall include in the total cost of each subdivision of work the accrued cost (including fee, if any) of related subcontractor effort. Subcontractors should, therefore, be required to report cost to the prime contractor, using the accrual method of accounting.

(c) If the G&A and fee reported by a subcontractor are at the total subcontract level, these costs shall be allocated to specific subdivisions of work.

(d) Cost incurred for fixed-price subcontracts will be obtained from progress payments, engineering estimates of work performed, subcontractor billings, receiving reports, or other available evidence of cost incurred. The practice of accruing cost on fixed-price purchases at the time of receipt is acceptable when the Government (or its prime contractor) is not in fact incurring a liability or financial interest until that time, such as purchase of products that are commercially available for sale to the general public. In the case of fixed-price subcontracts with progress payments, a liability or financial interest is incurred as the work progresses, so the cost should be accrued and reported as work is performed, under the theory of "constructive delivery."

(e) For firm fixed-price (FFP) subcontracts with a value greater than $500,000, the prime contractor shall document the methodology used to generate the subcontractor cost reported and provide this information to the NASA Contracting Officer and Center Deputy Chief Financial Officer (Finance). Any changes in the reporting methodology shall be discussed in the NF 533 Narrative Remarks (see paragraph 3.6) in the month in which the change occurs.

(f) When a prime contractor finds it necessary to adjust costs reported by a subcontractor, such adjustments will be documented and reported as a separate line item on the prime’s report and explained in the footnotes.

(7) Overhead. Overhead is an accumulation of costs into various "pools," normally subdivided further by functional or departmental associations, such as engineering overhead, manufacturing overhead, and materials handling overhead. A variety of overhead pools may be used within a contractors' accounting system. These costs are normally distributed on the basis of direct labor dollars (or hours) or material dollars.

(8) General and Administrative (G&A). G&A is an accumulation of indirect costs applicable to the direction and control of the contractors' activities as a whole. This category would not include costs classified as overhead. Commonly included under G&A are costs for officers' salaries, general and corporate offices, legal and auditing staffs, office supplies, insurance, and taxes. Total cost incurred, exclusive of G&A expenses, is usually used as the basis of distribution to the various cost objectives.

b. Fees. The two types of fees discussed here are fixed and award fee. Fee is generally reported at the contract summary, rather than detailed, WBS level. If any of the following fee categories do not pertain, they should not be included in the NF 533. The reporting structure need not include all categories discussed, but where amounts involved are material, appropriate categories should be required to enable NASA to make an accurate monthly cost accrual.

(1) Fixed Fee. Fixed fee is a consistent fee arrangement negotiated within limits set forth in the contract (see Federal Acquisition Regulation (FAR) 52.216-8 for the standard contract clause) and fixed at the inception of the contract. It shall be reported as a separate line item on the NF 533 as it is incurred over the life of the contract.

(2) Award Fee

(a) Award fee is an amount a contractor may earn in whole or in part based upon evaluations of performance during the contract period. The amount of award fee available is negotiated and included in the contract. Criteria are established to enable NASA to judge performance and determine the amount to be paid. The standard evaluation period is six months.

(b) There are six award fee categories which may be used for NF 533 reporting: Base Fee, Fee Earned, Interim Fee, Provisional Fee, Potential Additional Fee, and Total Fee. Award fee should be reported in the appropriate categories under the general heading "Award Fee," following the "Total Cost" line.

(c) For all of the categories, applicable award fee element amounts may be shown in the body of the NF 533 or in footnotes. The calculation of the amounts should be footnoted on the report itself or explained in the Narrative Remarks

(3) Base Fee. Base fee is a fixed amount a contractor earns for satisfactory performance. Base Fee should be the first line item listed under the award fee heading and reported as it is earned over the life of the contract.

(4) Fee Earned

(a) Fee earned includes only fees awarded in final determinations. It applies to contracts where performance can be measured conclusively at each evaluation period, e.g., service contracts, as well as final evaluations in non-service contracts. The contractor keeps the fee earned regardless of subsequent evaluations.

(b) Fee earned should be reported on the NF 533 M in columns 7a Actual Cost Incurred/Hours Worked During Month and 7c Cum To Date Actual Cost Incurred/Hours Worked in the month in which the contractor is informed of its score and the amount of award fee earned. The amount shown should reconcile to the contract modification(s) in which fee has been awarded. Monthly estimates should not be reported on the Fee Earned line, but as Potential Additional Fee.

(5) Interim Fee

(a) Interim payments of award fee are made as a result of interim evaluations. Interim Fee awarded is subject to change, based upon the final rating; NASA may have to pay the contractor more, or the contractor may have to repay NASA.

(b) Interim Fee is reported in columns 7a Actual Cost Incurred/Hours Worked During Month and 7c Cum To Date Actual Cost Incurred/Hours Worked in the month in which the contractor is informed of its score and the interim fee amount awarded. The amount shown should reconcile to the contract modification(s) in which fee has been awarded. Monthly estimates should not be reported on the Interim Fee line but as Potential Additional Fee.

(6) Provisional Fee

(a) Some contracts allow for a specified percentage of available award fee to be provisionally paid on a prorated basis more frequently than at the end of an evaluation period, pending actual evaluation.

(b) Provisional Fee should be reported in columns 7a Actual Cost Incurred/Hours Worked During Month, 7c Cum To Date Actual Cost Incurred/Hours Worked, and 8 Estimated Cost/Hours to Complete based upon the contractual arrangement and amounts invoiced.

(c) When a contractor is notified of the award for the current evaluation period, final or interim, NASA will either pay to or collect from the contractor any difference between the amount awarded and provisional payments made during the period. At the beginning of each evaluation period, therefore, the balance reported on the NF 533 for Provisional Fee will begin again at zero.

(7) Potential Additional Fee

(a) Potential Additional Fee is the difference between the amounts available that the contractor expects to earn based on previous evaluations (on the particular contract) and fees reported in the other categories. Where it is material in relation to contract cost, it should be reported for NASA's cost accrual purposes only. Amounts reported shall be based upon realistic assumptions such as historical data, e.g., the most recent rate of fee awarded or average rate of fee awarded from contract inception.

(b) The rationale used shall be explained in the contractor's Narrative Remarks.

(c) Potential Additional Fee should be reported in columns 7a Actual Cost Incurred/Hours Worked During Month, 7c Cum To Date Actual Cost Incurred/Hours Worked, and 8 Estimated Cost/Hours to Complete.

(d) When a contractor is notified of the Fee Earned or the Interim Fee amount, the sum previously reported as Potential Additional Fee for that evaluation period should be dropped from the NF 533.

c. Performance Incentives

(1) Positive and negative performance incentives may be included in cost-plus award-fee contracts. Performance incentives are separate from award fees. They measure performance after delivery and acceptance and are objective. When performance exceeds the standard, the contractor may request incentive payment. .

(2) Performance incentives should be reported on the NF 533 as a separate line item, after award fee items. Normally, amounts reported for performance incentives should only be amounts the contractor has been paid. Dependent upon the performance incentive structure, estimated amounts may be shown for ensuing months, with agreement by the NASA Contracting Officer and footnotes explaining the rationale.

3.3.2.3 Hour or Workforce Data

a. Reporting of hour or workforce data shall be on an accrual basis and may differ by individual contract requirements. General reporting guidelines are as follows:

b. Direct labor hours are hours worked which are directly identifiable to a specific project, system, or task. Direct labor hours reported shall correspond with the functional categories or direct labor cost (at the total contract level and subordinate indentures of the work).

c. All hourly data shall be so identified, either by the letter "H," treated as a separate line item in column 6, Reporting Category, or otherwise.

d. Indirect Labor Hours are hours incurred for common objectives, such as payroll, maintenance, or computer support which cannot be charged to any single direct effort.

(1) Direct Labor Hours. Generally, hours worked should be charged as direct labor whenever legitimately possible. Prime and subcontractor's direct labor hours should be separately identified on the prime contractor's NF 533 summary page. Both should be identified to the proper contract WBS in the detailed portion of the NF 533.

(2) Indirect Labor Hours. Generally, direct labor hours identified to the contract WBS need not include an allocation of indirect hours (such as leave taken) or hours for computer support services which benefit the entire contract. Usually the indirect costs associated with the indirect labor hours should be spread across the contract WBS at the required detail level.

(3) Uncompensated Overtime. Reporting of uncompensated overtime, also known as "green time" or "volunteer time," may be required on NF 533 reports as a separate line item or in the footnotes. Reporting should be consistent throughout the life of the contract; any changes should be discussed in the contractor's Narrative Remarks when made.

3.3.2.4 Management Information. Reporting of management information items may be required by the contract. These items do not involve incurred cost but are used by NASA for managing, planning, and developing budgets. Prompt payment discounts taken, unfilled orders, and termination liability are examples of management information line items, which should appear below the Total Cost and Fee line on the NF 533.

a. Contractors are required to indicate full incurred costs on NF 533 reports submitted. They should also show the amount of discounts offered to and taken by NASA. .

b. The actual cost the Government pays for a contract will be reduced by the amount of discounts taken. The cost NASA accrues in its accounts, therefore, should be the total cost reported on the NF 533, less discounts taken.

c. Contractors may report an estimate for prompt payment discounts expected to be taken in a time period in column 8. Columns 7a and 7c should reflect only discounts actually taken by NASA.

d. Unfilled Orders Outstanding.

(1) Reporting of unfilled orders in column 10 of the NF 533 M or column 11 of the NF 533 Q is optional, as directed by the NASA Contracting Officer. Amounts of unfilled orders shall, however, always be included in the values shown in columns 8 and 9 of the reports as provided in the detailed instructions on the reverse of the forms.

(2) The amount of unfilled orders outstanding is the difference between cumulative costs incurred to date and amounts obligated to suppliers and subcontractors. A prime or subcontractor's unfilled orders include open purchase orders (including negotiated changes), against which materials have not been received nor services rendered, and the difference between a subcontractor's actual costs reported by the prime and fund limitations for the subcontractor. A fund limitation is often less than the total estimated amount to be purchased, just as the amount reported in block 4, "Fund Limitation," may be less than that reported in block 3, "Contract Value," for the prime contract. The total unfilled orders outstanding, when added to the prime contractor's actual costs, normally should not exceed the prime contractor's fund limitation.

(3) A separate reporting category for unfilled orders, below the "Total Cost" and "Fee" line, may be specified in the contract where time phasing of this element of data is considered essential.

e. Potential termination liability refers to an estimate of costs incident to stopping work on the contract in the event of termination at a given point in time. Since such costs, in all likelihood, will never be incurred, they normally need not be reported and will not be accrued by NASA. If desired as management information, however, an estimate of costs to cover the contingency of termination may be reported if it is specifically identified on the NF 533 as a separate item below "Total Cost" and "Fee."

f. Prior period adjustments may occur for a variety of reasons, such as changes in direct or indirect cost rates, corrections to prior charges, audit findings, or litigation. They shall be reported in columns 7a and 7c of the NF 533 M and column 7a of the NF 533 Q with footnotes discussing the reasons for and amount of the adjustments.

3.4 NASA Form 533 Q Supplementary Instructions

3.4.1 Cost Incurred/Hours Worked – NASA needs to receive the NF 533 Q prior to the quarter being forecast in order for project management to obtain maximum benefit from cost forecasts. Column 7 of the report, therefore, shall include cumulative actual cost through the second month of the prior quarter plus an estimate for the last month of the quarter.

3.4.2 Estimated Cost/Hours to Complete The appropriate period identification (months, quarters, and fiscal years) shall be inserted in columns 8a through 8h based upon the Government's fiscal year. Table C depicts the appropriate column headings. NASA may require that the total of column 8i, "Balance of Contract," to be broken out by fiscal years in the Narrative Remarks.

Table C. NF 533 Reporting Periods

NF 533 Q Reporting Period	7. Cost Incurred Hours Worked	8. Estimated Cost/Hours to Complete								
	a. Cum. Actual End of Prior Month b. Est. During Month c. Cum. To Date	Month a.	Month b.	Month c.	Quarter d.	Quarter e.	Quarter f.	Balance of FY g.	Next FY h.	Balance of Contract i.
1. Qtr. Beg. October (NF 533 Q due Sep. 15)	a. Act. thru Aug. b. Est. for Sept.	Oct.	Nov.	Dec	Jan,/ Mar.	Apr./ Jun.	Jul./ Sept.	N/A	Complete as Headed Based on Gov't Fiscal Year (Oct 1 – Sept. 30.)	
2. Qtr. Beg. January (NF 533 Q due Dec. 15)	a. Act. thru Nov. b. Est. thru Dec.	Jan.	Feb.	Mar.	Apr./ Jun.	Jul./ Sept.	Oct./ Dec.	Jan./ Sept.		
3. Qtr. Beg. April (NF 533 Q due Mar. 15)	a. Act. thru Feb. b. Est. thru Mar.	Apr.	May	Jun.	Jul./ Sept.	Oct./ Dec.	Jan,/ Mar.	Apr./ Sept.		
4. Qtr. Beg. July (NF 533 Q due Jun. 15)	a. Act. thru May b. Est thru Jun.	Jul.	Aug.	Sep	Oct./ Dec.	Jan,/ Mar.	Apr./ Jun.	Jul./ Sept.		

3.5 Cost Estimates

3.5.1 Although NASA does not prescribe a system for contractor cost estimating, NASA management must have visibility as to how major program efforts will affect anticipated budget requests. Decisions on commencing, terminating, or changing long-range, large dollar value programs must be made far in advance. Such decisions must include consideration of anticipated dollar impact from budgetary and cost forecast standpoints. Well-planned and prepared cost estimates will provide NASA management with a valuable tool for comprehensive evaluation of the particular program or project by:

a. Assuring that all elements of cost are considered, whether performed by NASA or contractor personnel.

b. Providing an effective base for comparing competing approaches.

c. Portraying anticipated time phasing in order to plan for funding requirements.

(1) Short- and long-term cost estimates, which include all data entered in columns 8 and 9a on NF 533 M and NF 533 Q reports, shall be based on the most current and reliable information available.

(2) In all estimate columns, contractors shall include potential overruns or underruns as soon as they are recognized. These estimates are used for planning purposes only and are not binding on the contractor or NASA. Data entered will not be simply a restatement of negotiated baseline values. Procedures used by the contractor to develop cost estimates should be documented and provided to the NASA Contracting Officer upon request.

(3) Contractor estimates should be reported through each individual contractor's accounting period. This applies when

a contractor's accounting period differs from the Government's accounting calendar month, as well as when prime and subcontractors' accounting periods are different.

(4) The "Estimated Final Cost/Hours" column (9a), enables NASA to compare contract value to the current estimate at completion and identify potential over or underruns. Estimates for the month following the month of the report (the month specified in block 2 and reported in column 7) are required in column 8a of the NF 533 M. Column 8b may be used for estimates for a period specified by the NASA Contracting Officer. Estimates for the balance of the contract are entered in column 8c. The amounts shown in column 9a, therefore, equal the sum of the amounts shown in columns 7c, 8a, 8b, and 8c. Amounts reported in these columns shall be based on the contractor's best estimate for completion, including all authorized work, whether or not negotiated. Reported amounts should be the latest current estimates. If the balance of the contract spans more than one fiscal year, a breakdown by fiscal year may be required.

(5) On both the NF 533 M and NF 533 Q, the "Estimated Final Cost/Hours - Contractor Estimate" (column 9a) is the total estimated cost/hours for completion of the contract, including outstanding undefinitized changes and any overruns or underruns. On the NF 533 M, this should equal the sum of columns 7c, 8a, 8b, and 8c. On the NF 533 Q, this should equal the sum of columns 7c and 8j.

(6) The NF 533 Q provides time-phased estimates for four monthly periods, including a current month estimate (7b) and the three months in the quarter being reported (columns 8a, 8b, and 8c). It also provides estimates for three quarters (columns 8d, 8e, and 8f), by fiscal years (columns 8g and 8h), and for the balance of the contract (column 8i). The total to complete (column 8j) represents the sum of columns 8a through 8i.

(7) Column 7b Cost Incurred/Hours Worked During Month Planned and 7d Cost Incurred/Hours Worked Cum. to Date Planned of the NF 533 M represent the negotiated baseline plan plus authorized changes for the contract. There may not be a direct relationship between the estimates provided in section 8 (Estimated Cost/Hours to Complete) of the NF 533 M and columns 7b and 7d. Columns 7b and 7d represent the negotiated baseline plan plus authorized changes, unlike the estimates provided in columns 8a, 8b, and 8c.

3.6 Narrative Remarks

3.6.1 Analytical remarks on items materially affecting historical or projected cost or performance shall accompany each NF 533 M and NF 533 Q. The remarks may be presented in the letter transmitting the report, as a section of the report, or in footnotes. .

3.6.1.1 Analyses shall be concise, timely, and factual and identify present causes of problems and their effect upon cost and schedule, as of the report date and projected as far into the future as is practicable. Analyses should pinpoint exact causes and effects, as well as corrective actions, rather than being a compilation of statistics.

3.6.1.2 The effect of technical problems, changes, breakthroughs, and deficiencies on current performance (technical, cost, and schedule) and projected resource requirements shall be brought to NASA's attention.

3.6.1.3 Analyses shall be integrated to indicate the correlation and relative impact upon overall objectives by anomalies in time, labor application, cost, procurement, technical, and other variables.

3.6.1.4 Whenever a problem is foreseen by the contractor, the action proposed or taken to prevent its occurrence or recurrence shall be explained.

3.6.2 The Narrative Remarks shall explain technical assumptions used in formulating the data, such as significant accelerations or slips in schedule or other items, technical in nature, that may affect cost in the reported or future financial periods.

3.6.3 Contracts shall specify types of variances which require narrative explanations, the criteria for determining when variances will require explanations, and the nature of the explanations. Reporting requirements may be established for monthly, cumulative to date, fiscal year, or estimate at completion variances and be expressed in terms such as percentages, dollars, and hours. Types of variances include, but are not limited to, the following:

a. Actual Cost or Hours versus Plan.

b. Shift in planned resource utilization in support of performance between consecutive reports.

c. Anticipated overruns or underruns.

3.6.4 A Reconciliation of Changes from the original negotiated contract baseline (as reflected in the initial NF 533 Q) shall be included as part of the contractor's Narrative Remarks for the month in which the changes occur.

3.6.5 Changes shall be reconciled first to the present contract value by including only negotiated changes (supplemental agreements) and then to the Contractor's Estimated Final Cost by including changes authorized, but not finalized. If the Contractor's Estimated Final Cost includes any overruns or underruns, they should be fully identified and explained. In addition, the contractor may have proposed changes which have not been approved by NASA, but for which tentative costs have been determined. These items should be reported as changes "Under Consideration but not Authorized." Figure 2 is a sample Reconciliation of Changes.

Contract Number : NNH09ZZ99C		**Report Date: 12/31/10**
Original Contract Value (Excludes priced options for 3 years: $3,000,000)		$2,200,000
Options Exercised	$1,000,000	
Cumulative Overruns/Underruns(-) Definitizations	$0	
Other Supplemental Agreements: (Show number & Date)		
#1, 6/09	$500,000	
#2, 11/10	$800,000	
Present Contract Value (Col.9b, NF 533 M/Q)		$4,500,000
Authorized Undefinitized Changes (Show number & Date)		
#1, 5/10	$100,000	
#2, 7/10	$250,000	
Subtotal (Value of all Authorized Work)		$4,850,000
Anticipated Future Overrun/ Underrun	$100,000	
Contractor's Estimate (col. 9a, NF 533 M/Q)		4,950,000
Unexercised Options	$2,000,000	
Under Consideration but not Authorized	$600,000	

Figure 2 Reconciliation Of Changes"

3.6.6 New change order direction to the contract may require identification of the cost effect on subdivisions of work. This is accomplished through a matrix using estimates or quoted amounts as in the format illustrated in Table D and on the reverse of the NF 533 M and NF 533 Q or in another format agreed upon with NASA. The subdivision of work level to be identified will be agreed upon by NASA and the contractor. Similar explanations may be required for transfers of amounts from one subdivision to another as a result of shifting work from one WBS item to another

Table D. New Change Orders Identified To Subdivision of Work

Subdivision of Work	Change Order Number

Subdivision of Work	Change Order Number			
	129	**130**	**131**	**132**
Design	$5.00			
Tooling and STE	$5.00	$10.00		
Production			$40.00	$44.00
Test			$20.00	$20.00
Total	$10.00	$10.00	$60.00	$64.00

3.6.7 There are many other factors that may influence the final cost on a contract. Significant items of this nature should also be included under this section of the report. The following examples are typical:

a. Pending union negotiations (e.g., changes in pay, fringe benefits).

b. Changes in the contractors' organizational structure.

c. Business backlog (e.g., changes in customer mix, products).

d. Changes in manufacturing processes.

e. Changes in policies affecting the following:

(1) Subcontracting (make or buy decisions).

(2) Fixed asset improvement programs.

(3) Direct/indirect method of charging.

(4) Cost centers.

(5) Accounting or estimating methodologies.

3.7 Electronic Reporting

Electronic contractor cost reporting is preferred. In particular, electronic reporting is encouraged to permit contractor submission of NF 533 reports earlier than the standard due dates. Currently available technologies and transmission capabilities to facilitate electronic reporting should be used whenever possible.

3.8 Reporting After Completion of Work

3.8.1 NF 533 M reporting and NF 533 Q reporting are required until the final NF 533 M is submitted. However, a significant amount of time may pass between completion of work on a contract and final closeout, due to final reporting, payment and acceptance requirements, property disposal considerations, and other administrative matters. If no significant additional costs are being incurred or are anticipated, then one of the following alternatives may be directed by the NASA Contracting Officer, with concurrence of the NASA Center Chief Financial Officer and cognizant Project Manager:

a. Summary NF 533 M reporting only, on a quarterly basis.

b. Reporting only when changes in actual cost occur.

c. Suspension of NF 533 reporting altogether.

3.8.2 The final NF 533 M should be clearly identified as such and shall only contain actual cost.

3.8.3 If the cost of a contract changes after submission of the "final" report, the contractor shall submit a revised NF 533 M for the month in which the cost change is recognized.

3.9 Supplemental Management Information Reports

It is NASA policy that NF 533 reports be structured to eliminate the need for supplemental financial management reporting; the report formats are designed to facilitate presentation of a wide range of financial information. NASA and its contractors should work together to ensure that NF 533 reporting structures provide all the financial management information NASA needs and are compatible with contractors' accounting systems. Any contractual requirement for supplemental financial management information reports will be considered an exception under the provisions of paragraph 1.4.3. If such reports are required, they shall reconcile with the NF 533's. The NF 533 or its authorized substitute (see paragraph 1.4) is always the official financial management reporting document.

3.10 Noncompliance

If a contractor fails to comply with contractual financial management reporting requirements and the contract provides for award fees, the award fee plan may provide that the grade and amount of award fee be reduced. In the event a contractor fails to submit required NF 533 reports on a timely basis or in an accurate manner, NASA is not required to make payment on cost and fee vouchers by contractual due dates and may withhold payment until compliance with NF 533 requirements is clearly demonstrated. In some cases, individual contract language may provide for return of vouchers or other action for noncompliance with financial management reporting requirements.

Appendix A. Acronyms

ADP	Automated Data Processing
CFR	Code of Federal Regulations
DCAA	Defense Contract Audit Agency
EVMS	Earned Value Management System
FAR	Federal Acquisition Regulation
FPP	Firm Fixed Price
G&A	General and Administrative
NF533 M	NASA Form 533 - Monthly
NF533 Q	NASA Form 533 - Quarterly
NFS	NASA Federal Acquisition Regulation Supplement
NPD	NASA Policy Directive
NPR	NASA Procedural Requirements
PMS	Performance Measure System
PP&E	Property, Plant, and Equipment
RFP	Request for Proposal
U.S.C.	United States Code
WBS	Work Breakdown Structure

Appendix B. Sample NASA Contractor Financial Management Reports, NF 533M, and NF 533Q

B.1 NASA Form 533M

PAGE ______ OF ______ PAGES

National Aeronautics and Space Administration

Monthly Contractor Financial Management Report

Form Approved O.M.B. No. 2700-0003 Expires: 4/30/2022

2. REPORT FOR MONTH ENDING AND NUMBER OF WORKING DAYS

TO:

FROM:

3. CONTRACT VALUE

a. COST

b. FEE

1. DESCRIPTION OF CONTRACT

a. TYPE

b. CONTRACT NO. AND LATEST DEFINITIZED MODIFICATION NO.

4. FUND LIMITATION

c. SCOPE OF WORK

d. AUTHORIZED CONTRACTOR REPRESENTATIVE

Type name:

Signature:

DATE

5. BILLING

a. INVOICE AMTS. BILLED

b. TOTAL PYTS. REC'D.

6. REPORTING CATEGORY	7. COST INCURRED/HOURS WORKED				8. ESTIMATED COST/HOURS TO COMPLETE			9. ESTIMATED FINAL COST/HOURS		10. UNFILLED ORDERS OUTSTANDING
	DURING MONTH		CUM. TO DATE		DETAIL		BALANCE OF CONTRACT	CONTRACTOR ESTIMATE	CONTRACT VALUE	
	ACTUAL a.	PLANNED b.	ACTUAL c.	PLANNED d.	a.	b.	c.	a.	b.	

Baseline Plan Identification (Col. 7b & 7d): Revision No. ______________________ , Dated ________________

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Instructions for Completing the

Monthly Contractor Financial Management Report

General - Paragraph references below are to the current edition of NPR 9501.2, which includes additional instructions for completing NASA Form 533 (NF 533) reports. Copies of the NPR are available from the NASA Contracting Officer, at http://nodis3.gsfc.nasa.gov/lib_docs.cfm?range=9%5B0,1,2,3,4,5,6,7%5D__, or the Superintendent of Documents, Government Printing Office. Washington, DC 20401. All data entered shall be as of the report date, unless stated otherwise below.

Forms - Forms will be obtained from the NASA Contracting Officer or http://server-mpo.arc.nasa.gov/Services/NEFS/ by entering the NASA form number 533. Electronic reporting is preferred for transmitting data.

Security Classification - If information in the report is classified, appropriate security classification shall be given the report (par. 1.8).

Submission - The NF 533M is due not later than 10 working days following the close of the contractor's monthly accounting period, unless otherwise specified in the contract (par. 3.3). For initial reports and other related items of significance, seepar.3.2 and the contract. The addressees and number of copies to be submitted will be specified by the contract or administrative instruction.

Amounts - Report whole dollars and hours (may be rounded to the nearest hundred or thousand dollars or tenths of thousands of hours, if directed by the NASA Contracting Officer, e.g., $32,600 as $33, or 462 hours as .5).

Form Preparation - Complete the form as follows:
To - Enter full name and address of the NASA Center and NASA Contracting Officer or other designated recipient.
From - Enter full name and address of the contractor and, if applicable, the contractor's subordinate organization performing the contract.

1. **Description of Contract:**
   a. **Type** - Cost-Plus-Fixed-Fee, Cost-Plus-Incentive-Fee, etc.
   b. **Contract No. and Latest Definitized Modification No.** - Enter complete letter or contract symbol, number, and number of latest definitized modification.
   c. **Scope of Work** - Enter a brief description of the contract effort. Identify the service, project, system or subsystem and, where hardware is concerned, the quantity being procured or proposed.
   d. **Authorized Contractor Representative (*Signature*) and Date** - the authorized contractor representative shall sign and date the summary page to reflect approval.
2. **Report for Month Ending and Number of Working Days** - Enter the ending date of the contractor's accounting month and the number of working days for that accounting month.
3. **Contract Value** - Enter the total definitized cost (a) and fee (b) of all currently authorized work to be performed under the contract. Include dollar amounts through the latest definitized modification as noted in 1b above.
   For fixed price incentive contracts, enter the negotiated target cost and fee. For cost-plus-incentive-fee contracts, enter the negotiated estimated cost and fee.
4. **Fund Limitation** - Enter the amount of total funds obligated and latest corresponding contract modification number.
5. **Billing:**
   a. Invoice Amts. Billed - Enter the total amount of invoices billed against the contract and latest invoice number.
   b. Total Pyts. Rec'd. - Enter the total amount of payments received for the contract.
6. **Reporting Category** - Enter captions of reporting categories specified in the contract (par. 2.5.5).
7. **Cost Incurred/Hours Worked** - Cost and hour data will be reported in the categories specified in the contract.
   a. Actual During Month - Enter the total actual cost incurred/hours worked for the accounting month being reported (block 2).
   b. & d. Planned - Enter the planned cost for the month being reported in column 7b and cumulative to date in column 7d. The planned cost is obtained from the time-phased baseline plan which includes the original contract value plus authorized changes. Identify the baseline plan used by date and revision number at the bottom of the report.
   c. Actual Cum. to Date - Enter the cumulative actual cost incurred/hours worked. Where the cumulative data reported in this column is only for the current "schedule" or option, the report summary shall show the total cumulative cost for each of all previous "schedules" or options and the total cumulative contract cost from inception.
8. **Estimated Cost/Hours to Complete** - Enter current estimates for performing authorized work included in the most recently executed contract modification, plus additional authorized work (directions to proceed) for which execution of modifications is pending. The estimates will be for planning purposes only and not be binding on the contractor or NASA.
   a. Show the most current estimate for the next month.
   b. Show the most current estimate for the month (or other appropriate period) following the month reported in column 8.a as directed by the NASA Contracting Officer.
   c. Enter cost/hour data for the balance of the contract not including columns 8a and 8b. Where amounts reported in this column represent work which will exceed one fiscal year, a breakdown by fiscal year may be required.
9. **Estimated Final Cost/Hours:**
   a. Contractor Estimate - Enter the total estimated cost/hours for completion of the contracted effort (this will equal the sum of columns 7c, 8a, 8b, and 8c).
   b. Contract Value -Enter the distribution of the Contract Value to the reporting categories. The total of this column shall agree with block 3, described above. Significant differences between columns 9a and 9b shall be explained in the "Contractor Narrative Remarks."
10. **Unfilled Orders Outstanding** - As directed by the NASA Contracting Officer, enter the total of unfilled orders outstanding (par. 3.3.2.4d.).

Contractor Narrative Remarks -

1. Narrative remarks on significant items materially affecting historical or projected cost or performance shall accompany each monthly report (e.g., see item 9b above and par. 3.6).
2. Include a reconciliation from the original to the present contract value as reported in block 3. A sample format appears in the instructions on the back of NF 533Q and par. 3.6.5.
3. The NASA Contracting Officer may require changes authorized but not finalized be further subdivided as:
   a. Changes negotiated but not definitized
   b. Changes pending negotiation
   c. Changes pending estimation
4. Identify effects of new change orders as set forth in par. 3.6.6 and Figure A below.

Subdivision of Work	Change Order Number			
	#	#	#	#
Total				

Figure A

PRA Burden Statement

This information collection meets the requirements of 44 U.S.C. § 3507, as amended by section 2 of the Paperwork Reduction Act of 1995. You do not need to answer these questions unless we display a valid Office of Management and Budget (OMB) control number. The OMB control number for this collection is 2700-0003 and expires on 04/30/2022. We estimate that it will take 9 hours to read the instructions, gather the facts, and answer the questions. Send only comments relating to our time estimate to: HQ-DL-POLICY-533@mail.nasa.gov

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B.2 NASA Form 533Q

PAGE ______ OF ______ PAGES

National Aeronautics and Space Administration	**Quarterly Contractor Financial Management Report**	*Form Approved O.M.B. No. 2700-0003 Expires: 4/30/2022*	2. REPORT FOR QUARTER BEGINNING
TO:	FROM:		3. CONTRACT VALUE a. COST / b. FEE
1. DESCRIPTION OF CONTRACT	a. TYPE	b. CONTRACT NO. AND LATEST DEFINITIZED MODIFICATION NO.	4. FUND LIMITATION
	c. SCOPE OF WORK	d. AUTHORIZED CONTRACTOR REPRESENTATIVE Type name: Signature: DATE	5. BILLING a. INVOICE AMTS. BILLED / b. TOTAL PYTS. REC'D.

6. REPORTING CATEGORY	7. COST INCURRED/ HOURS WORKED			8. ESTIMATED COST/HOURS TO COMPLETE										9. ESTIMATED FINAL COST/HOURS		10. ESTI-MATED COM-PLETION DATE	11. UNFILLED ORDERS OUTSTANDING
	CUMULATIVE ACTUAL THROUGH PRIOR MONTH a.	CURRENT MONTH ESTIMATE b.	CUMULATIVE ESTIMATE TO DATE c.	Month a.	Month b.	Month c.	Quarter d.	Quarter e.	Quarter f.	Balance of FY- g.	Next FY- h.	BALANCE OF CONTRACT i.	TOTAL TO COMPLETE j.	CONTRACTOR ESTIMATE a.	CONTRACT VALUE b.		

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Instructions for Completing the
Quarterly Contractor Financial Management Report

General - Paragraph references below are to the current edition of NPR 9501.2, which includes additional instructions for completing NASA Form 533 (NF 533) reports. Copies of the NPR are available at http://nodis3.gsfc.nasa.gov/lib_docs.cfm?range=9%5B0,1,2,3,4,5,6,7%5D__, from the NASA Contracting Officer or the Superintendent of Documents, Government Printing Office. Washington, DC 20401. All data entered shall be as of the report date, unless stated otherwise below.

Forms - Forms will be obtained from the NASA Contracting Officer or http://server-mpo.arc.nasa.gov/Services/NEFS/ by entering the NASA form number 533. Electronic reporting is preferred for transmitting data.

Security Classification - If information in the report is classified, appropriate security classification shall be given the report (par. 1.8)

Submission - The NF 533Q is due on a quarterly frequency not later than the 15th day of the month preceding the quarter being projected based upon the Government's fiscal year in columns 8.a, b, and c (par. 3.3.1.2). For initial reports and other related items of significance, see par. 3.2 and the contract. The addressees and number of copies to be submitted will be specified by the contract or administrative instruction.

Amounts - Report whole dollars and hours (may be rounded to the nearest hundred or thousand dollars or tenths of thousands of hours, if directed by the NASA Contracting Officer, e.g., $32,600 as $33, or 462 hours as .5).

Form Preparation - Complete the form as follows:
To - Enter full name and address of the NASA Center and NASA Contracting Officer or other designated recipient.
From - Enter full name and address of the contractor and, if applicable, the contractor's subordinate organization performing the contract.

1. **Description of Contract:**
   a. **Type** - Cost-Plus-Fixed-Fee, Cost-Plus-Incentive-Fee, etc.
   b. **Contract No. and Latest Definitized Modification No.** - Enter complete letter or contract symbol, number, and number of latest definitized modification.
   c. **Scope of Work** - Enter a brief description of the contract effort. Identify the service, project, system or subsystem and, where hardware is concerned, the quantity being procured or pr posed for the contract.
   d. **Authorized Contractor Representative (*Signature*) and Date** - the authorized contractor representative shall sign and date the summary page to reflect approval.
2. **Report for Quarter Beginning** - Enter the beginning date of the quarter being projected in columns 8a, b and c and number of working days in the quarter.
3. **Contract Value** - Enter the total definitized cost (a) and fee (b) of all currently authorized work to be performed under the contract. Include dollar amounts through the latest definitized modification as noted in 1b above. For fixed price incentive contracts, enter the negotiated target cost and fee. For cost-plus-incentive-fee contracts, enter the negotiated estimated cost and fee.
4. **Fund Limitation** - Enter the total amount of funds obligated and latest corresponding contract modification number.
5. **Billing:**
   a. Invoice Amts. Billed - Enter the total amount of invoices billed against the contract and latest invoice number.
   b. Total Pyts. Rec'd. - Enter the total amount of payments received for the contract.
6. **Reporting Category** - Enter captions of reporting categories specified in the contract (par. 2.5.5)
7. **Cost Incurred/Hours Worked:**
   a. Enter the cumulative actual cost incurred/hours worked through the prior month. Where the cumulative data reported in this column is only for the current "schedule" or option, the report summary shall show the total cumulative cost for each of all previous "schedules" or options and the total cumulative contract cost from inception to date.
   b. Enter an estimate for the month in which the report is due (see "Submission" above).
   c. Enter the sum of columns 7a and b.
8. **Estimated Cost/Hours to Complete** (columns 8a through i) - Enter the appropriate month, quarter, and fiscal year designations in the column headings. Enter the current estimates for performing authorized work included in the most recently executed contract modification plus additional authorized work (directions to proceed) for which execution of modifications is pending. These estimates will be for planning purposes only and not be binding on the contractor or NASA. The sum of columns 8a through 8i will be entered in column 8j. If the totals reported in column 8i, "Balance of Contract," represent work which will exceed more than one fiscal year, each fiscal year shall be identified and reported separately.
9. **Estimated Final Cost/Hours:**
   a. Contractor Estimate - Enter the total estimated cost/hours for completion of the contract effort for each reporting category. This will equal the sum of columns 7c and 8j.
   b. Contract Value -Enter the distribution of the Contract Value to the reporting categories. The total of this column shall agree with block 3, described above. Significant differences between columns 9a and 9b shall be explained in the "Contractor Narrative Remarks."
10. **Estimated Completion Date** - As directed by the NASA Contracting Officer, enter the estimated completion date for each subdivision of work. The dates shall not serve as notice to NASA of late delivery or acquiescence in such late delivery by NASA.
11. **Unfilled Orders Outstanding** - As directed by the NASA Contracting Officer, enter the total of unfilled orders outstanding as of the report date (par. 3.3.2.4d.).

Contractor Narrative Remarks -
Narrative comments submitted with the NF 533Q shall normally be limited to items materially affecting projected cost or performance which has not been addressed in preceding monthly narrative reports (par 3.6).

1. Explain any significant items affecting cost; e.g., technical and schedule problems, changes in plans, over/under runs incurred, etc.
2. Include a reconciliation from the original to the present contract value as reported in Item 3. A sample format is set forth in par. 3.6.5 and Figure A.
3. The NASA Contracting Officer may require that changes authorized but not finalized be further subdivided as follows:
   a. Changes negotiated but not definitized
   b. Changes pending negotiation
   c. Changes pending estimation
4. Identify effects of new change orders as set forth in par. 3.6.6 and Figure B.

Contract Number: ____________	Report Date:		____________
Original Contract Value (Excludes priced options)			____________
Options Exercised		____________	
Cumulative Overruns/ Underruns(-) Definitizations		____________	
Other Supplemental Agreements (Show number and date)		____________	
Present Contract Value (Col. 9b, NF 533M/Q)			____________
Authorized Undefinitized Changes: (Show number and date)		____________	
Subtotal (Value of all Authorized Work)			____________
Anticipated Future Overrun/Underrun		____________	
Contractor's Estimate (Col. 9a, NF 533M/Q)			____________
Unexercised Options		____________	
Under Consideration but not Authorized		____________	

Figure A

Subdivision of Work	Change Order Number			
	#	#	#	#
Total				

Figure B

PRA Burden Statement

This information collection meets the requirements of 44 U.S.C. § 3507, as amended by section 2 of the Paperwork Reduction Act of 1995. You do not need to answer these questions unless we display a valid Office of Management and Budget (OMB) control number. The OMB control number for this collection is 2700-0003 and expires on 04/30/2022. We estimate that it will take 9 hours to read the instructions, gather the facts, and answer the questions. Send only comments relating to our time estimate to: HQ-DL-POLICY-533@mail.nasa.gov

NASA Form 533Q 05/19 (3.6) PREVIOUS EDITIONS ARE OBSOLETE NRRS 5/1a
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Appendix C. Reference Document List

C.1. NPR 9060, Cost Accruals

C.2. NPR 9250.1, Property, Plant, and Equipment and Operating Materials and Supplies