



NASA Procedural Requirements

COMPLIANCE IS MANDATORY

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Request Notification of Change (NASA Only)

Subject: NASA Contractor Financial Management Reporting (Revalidated w/Change 1 02/16/2006)

Responsible Office: Policy and Business Integration Office

[| TOC](#) | [Preface](#) | [Chp1](#) | [Chp2](#) | [Chp3](#) | [AppdxA](#) | [ALL](#) |

CHAPTER 1. Introduction

1.1 General

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

1.2 Purpose of the NASA Form 533 Reports

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

- a. Projecting costs and hours to ensure that 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 Agencywide policy, responsibility, and procedures governing the Contractor Financial Management Reporting System are set forth in NPD 9501.1G, "NASA Contractor Financial Management Reporting System."

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 contractors' management system. When performance measurement system (PMS) (earned value) 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 NPR 5100.4, "Federal Acquisition Regulations 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.

1.4.2 Deviations from financial management reporting provisions set forth in NFS 1842.72 require approval in accordance with NFS 1801.471.

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 of the data elements required by the standard NF 533 formats, it 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 the following:

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

1.5 NASA Form 533 Reports

1.5.1 Applicability - The 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:

CRITERIA		REPORT FORMAT	
		533 M	533 Q
Contract Value	Period of Performance		
\$500K to \$999K	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

Figure 1

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 Figure 1 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 will be implemented based on the estimated final contract value, inclusive of options. Action shall be promptly taken 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. As applied to letter contracts, the reporting requirements will be identified therein, and determination of the applicability of the criteria will 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

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 that 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 to NASA. See paragraph 3.3.2.2 for specific subcontract cost reporting requirements.

1.7 Contractors' Privileged Financial and Business Information

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(6). 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

Reporting contractors will ensure that appropriate security markings, consistent with the assigned security classification, are applied to each classified report in accordance with provisions of NASA Management Instruction NPD 1600.2A, "NASA Security Policy," and NPR 1620.1 Security Procedures and Guidelines." Security classification markings will not be used on documents containing information solely of a privileged financial and business nature.

| [TOC](#) | [Preface](#) | [Chp1](#) | [Chp2](#) | [Chp3](#) | [AppdxA](#) | [ALL](#) |

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