

APPENDIX B**CHECKLIST FOR VALIDATION OF NF 1018 DATA IN THE NF 1018
ELECTRONIC SUBMISSION SYSTEM (NESS)**

The NF 1018 Electronic Submission System (NESS) is the official system designated by NASA for contractors to electronically submit their annual report on NASA Property in the Custody of Contractors. Contractors using NESS are not required to submit a paper copy of the form. Contractors who choose not to use the NESS must submit the original completed form to the DCFO (F) and a copy to the property administrator. The industrial property officials at the Center will enter the NF 1018 data into the NESS for those contractors.

In accordance with NFMR, Volume 6, Chapter 4, Section 040906. E., the DCFO (F) shall validate NF 1018 data in the NESS promptly after the submission has been approved by IPO and PA. In validating NF 1018s reflecting property in the custody of the contractor valued at \$100,000 or more, the DCFO (F) shall address the following issues:

- A. If the contractor did not submit electronically, do the beginning balances reported on this year's NF 1018 agree with the ending balances from the previous year's NF 1018? Do the amounts reported in NESS match those on the original NF 1018 received by the DCFO (F)?
- B. If the contractor reported adjustments, do they appear valid based upon the description in the "Comments" section (line 21) (see NFMR, Volume 6, Chapter 4, Section 040906.G)?
- C. If the NF 1018 shows Government-Furnished Additions (column b.1), do the values reported agree with the amounts on the supporting documentation? Were the amounts recorded correctly by both the transferor and transferee?
- D. If the contractor reported a balance in Agency-Peculiar property, was a reasonable description provided in line 16?
- E. If the contractor reported balances of \$10 million or more in any of the following property classification accounts: Special Test Equipment, Special Tooling, Agency- Peculiar, Contract Work in Process, and did not specifically state in line 21 that fees were included in the values reported, was the contractor contacted to verify that fees were included as required by NFMR, Volume 6, Chapter 4, Section 040906.D.?
- F. If the contractor reported any deletions (lines 20b, 20c, 20d and 20e) as transfers, do the values reported agree with the pre-closing amount reported on the supporting documentation?

G. If the contractor reported any deletions (line item 20) as “Other,” were they adequately explained in Comments (line 21)?

H. If any ending balances varied by 10% or greater, or \$10 million, contact the contractor for an explanation. Determine whether the variance is reasonable.

I. Did the contractor report any heritage assets (line 21)? If so, were the items the same as those reported on the previous year’s NF 1018? For any new items, is the Contractor’s rationale as to why they are considered to be heritage assets valid? For any heritage assets previously reported which are no longer identified, was there a corresponding deletion? (NFMR, Volume 6, Chapter 4, Section 040906.G.).

J. Is the contractor’s property system approved (line 19a)? Is the property system analysis “satisfactory”? If not, as part of NFMR, Volume VI, Chapter 4.96.6d (checklist item P1), has action been taken to confirm that the NF 1018 was not materially impacted by any system deficiencies?

The DCFO (F) shall reject NF 1018s with values of \$100,000 or more, in NESS, where there are any negative answers to questions 1–7 above or where any of the answers for questions 8 and 9 indicate that the NF 1018 is not accurate.

For validation of NF 1018s, which do not include any values of \$100,000 or more, the DCFO (F) shall ensure the report appears to be complete and accurate. The DCFO (F) shall ensure any reported values of Materials, Construction in Progress, Contract Work in Progress and Heritage Assets (see question 8, above) are included in the amounts reported to NASA Headquarters, Property Branch under the CFO, in accordance with NFMR, Volume 6, Chapter 4, Section 040906.G.