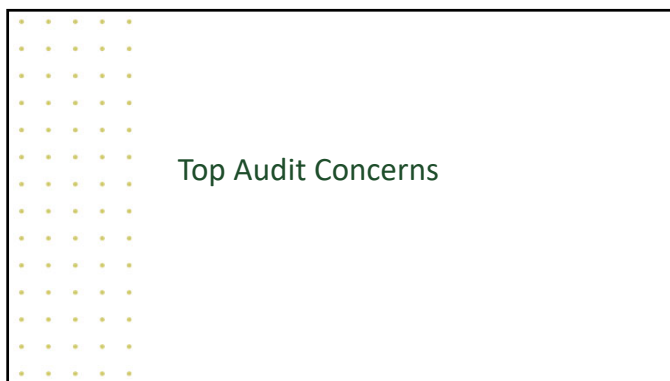




1



2



3

Most Common Audit Findings

- Unallowable Expenses
- Inappropriately applied indirect costs
- Inadequately supported expenses
- Non-compliance with own policies & procedures

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Easy Items for Auditors

- | | |
|---|--|
| <ul style="list-style-type: none"> • Effort <ul style="list-style-type: none"> – Late certifications – Effort reduced by more than 25% without sponsor notification • Excessive cost transfers • Costs incurred near end of project • "Cookie cutter" justifications | <ul style="list-style-type: none"> • Prior approvals obtained • Insufficient documentation • Participant Support Costs • Unreasonable allocation method or not following allocation method • Travel |
|---|--|

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Impacts of Audit Findings

- | | |
|---|---|
| <ul style="list-style-type: none"> • Corrective Action Plan • Follow-up Testing • Increased Scrutiny • Disclosure to sponsors • Reimbursement of costs | <ul style="list-style-type: none"> • Fines • Legal action • Impact on CSU reputation • Impact on future funding |
|---|---|

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NSF Audit Reports

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Appendix C, Table 3: Summary of Questioned Costs by NSF Award Number and Expense Description

Finding Description	Award No.	Expense Description	Questioned Direct Costs	Questioned Indirect Costs	Total Questioned Costs	Mines Agreed to Reimburse
1) Unallowable Expenses	[REDACTED]	January 2019 Entertainment Expenses	\$98	\$0	\$98	\$98
		October 2020 Publication Costs	1,650	833	2,483	2,483
		August 2021 Scholarship Provided to an Ineligible Participant	2,500	-	2,500	2,500
2) Indirect Costs Inappropriately Applied	[REDACTED]	April 2018- January 2019 Indirect Costs Charged to Participant Support Costs	-	2,909	2,909	2,909
3) Inadequately Supported Expenses	[REDACTED]	May 2016 Catering Expenses	2,270	-	2,270	2,270
4) Non-Compliance with Federal Requirements for Pass-Through Entities	[REDACTED]	April 2019 [REDACTED] Subaward	-	-	-	-
		July 2019 [REDACTED] Subaward	-	-	-	-
5) Non-Compliance with NSF Terms and Conditions	[REDACTED]	GRFP Stipends Not Appropriately Disbursed	-	-	-	-
Total			\$6,518	\$2,742	\$10,260	\$10,260

Source: Auditor summary of identified exceptions.

Questioned Costs – Report 22-1-013

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Finding Description	Award No.	Expense Description	Questioned Direct Costs	Questioned Indirect Costs	Questioned Cost Sharing	Total Questioned Costs	UMI Agreed to Reimburse
1) Inadequately Monitored and Inappropriately Reported Cost Sharing	[REDACTED]	Inadequately Supported Shared	\$-	\$-	\$200,000	\$200,000	\$-
		Inadequately Supported Travel	-	-	7,061	7,061	-
		Brown Unsupported Cost Sharing	-	-	1,926	1,926	-
		WVU Unsupported Cost Sharing	-	-	21,190	21,190	-
		Brown Unsupported Cost Sharing	-	-	3,860	3,860	-
		WVU Unsupported Cost Sharing	-	-	18,803	18,803	-
		WVU Prematurity Reported Cost Sharing	-	-	-	-	-
		BIC Prematurity Reported Cost Sharing	-	-	-	-	-
		Duplicate Cost Sharing Reported	-	-	15,500	15,500	-
		Schward to AAAS	166,585	12,250	-	178,835	-
2) Unallowable Expenses	[REDACTED]	Schward to BMO	25,548	-	-	25,548	-
		September 2017 Furniture	1,442	706	-	2,148	2,148
		June 2020 Flight Upgrade	112	-	-	112	112
3) Indirect Costs Inappropriately Applied	[REDACTED]	June 2012 Indirect Costs Applied to AV Upgrades	-	5,847	-	5,847	-
		September 2014 Indirect Costs Invoiced by Brown	115,872	-	-	115,872	-

Questioned Costs – Report 22-1-001

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Appendix C, Table 1: Summary of Questioned Costs by NSF Award Number and Expense Description

Finding Description	NSF Award No.	Expense Description	Questioned Direct Costs	Questioned Indirect Costs	Total Questioned Costs	UTD Agreed to Reimburse
1) Inadequately Supported Expenses	[REDACTED]	July 2018 Subaward Expense	837,500	80	837,500	80
		April 2020 Subaward Expense	33,500	-	33,500	-
		May 2020 Subaward Expense	17,500	-	17,500	-
		March 2018 NSF Masks	800	424	1,224	-
		September 2018 NSF Masks	1,200	636	1,836	-
2) Expenses Not Appropriately Allocated to NSF Awards	[REDACTED]	August 2018 Travel Meals	360	191	551	551
		August 2017 Lab Supplies	20,728	5,712	26,440	-
		August 2017 Chemicals and Lab Supplies	5,653	2,996	8,649	-
		August 2017 Lab Supplies	4,920	2,609	7,529	-
		August 2017 Precision Cutter	4,651	2,465	7,116	-
		August 2018 Digital Camera	1,865	954	2,819	-
		September 2018 Supplies	1,311	495	2,006	-
		June 2020 Materials	1,493	1,121	2,614	-
		July 2020 Supplies	1,495	792	2,287	-
		June 2018 Travel	3,228	1,711	4,939	-
		July 2018 Travel	675	358	1,033	-
		August 2018 Airfare	345	183	528	-
		June 2019 Airfare	2,630	1,798	4,428	-
		July 2019 Airfare	2,495	1,275	3,770	3,680
		April 2020 Participant Travel	1,312	-	1,312	1,312
		July 2018 Maintenance/ Repair Expense	136	72	208	208
		September 2019 Travel	116	62	178	178
3) NSF Approval Not Obtained Before Transferring Award Research to	[REDACTED]	August 2018 - June 2019 Subaward Expense	17,284	-	17,284	-
		December 2019 - June 2020 Subaward Expense	26,683	13,250	39,933	-
		December 2019 - July 2020 Subaward Expense	4,324	2,292	6,616	-

Questioned Costs – Report 22-1-002

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Appendix C, Table 3: Summary of Questioned Costs by NSF Award Number and Expense Description

Finding No.	NSF Award No.	Description	Fiscal Year(s)	Direct	Indirect	Total	NCCU Agreed to Reimburse
1) Unallowable Expenses	[REDACTED]	September 2019 Baseball Tickets for Participants	2020	\$888	\$0	\$888	\$888
		September 2019 Unbudgeted Compensation Paid to Graduate Student	2020	3,736	-	3,736	3,736
		March 2020 Meal Provided to an NCCU Employee	2020	38	-	38	38
		March 2020 NCCU Employee and Two Unused Conference Registration Fees	2020	1,500	-	1,500	1,500
		February 2021 Unbudgeted Computer Equipment	2021	2,910	-	2,910	2,910
		May 2021 Unbudgeted Software License Renewal	2021	4,837	-	4,837	4,837
		December 2016 Indirect Costs on Participant Support Costs	2016	-	2,969	2,969	2,969
		November 2016 Indirect Costs on Subaward Costs over \$25,000	2017	-	362	362	362
		March 2017 Indirect Costs on Equipment	2017	-	2,719	2,719	2,719
		July 2018 Indirect Costs on the Rental of Specialized Equipment	2019	-	1,583	1,583	1,583
		September 2019 Indirect Costs on Participant Support Costs	2020	-	418	418	418
		January 2019 Estimated Copier and Printing Services	2019	1,408	663	2,069	2,069
		December 2015 Insurance Premiums	2016	3,856	-	3,856	3,856
		September 2017 Airfare	2018	2,853	1,255	4,108	4,108

Questioned Costs – Report 22-1-012

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Summary

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Expense Allocation

- Cost charged to the correct award(s) when the expense is initially incurred.
- Cost is necessary for award performance.
- Costs allocated appropriately.
- Costs incurred timely during period of performance.

• Roles/Responsibilities

- PI
 - Provide details to support staff on how the expense benefits the award. If benefiting more than one award, how should the expenses be allocated.
- Fiscal Officer
 - Provide sufficient back up to support allocation of expense to award.
 - Ensure that allocated expenses match method of allocation used.
- Sponsored Programs
 - Monitor that expenses are allocable to the award.
 - Ensure cost transfers have appropriate information to support the re-allocation.

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Expense Support

- Itemized receipts
- Justification on how the expense benefited/supported the project.
- Expense was incurred during the period of performance.

• Roles/Responsibilities

- PI
 - Provide description of how the expense benefits the project.
 - Provide itemize receipts to support staff.
- Fiscal Officer
 - Ensure justification is attached to expense record.
 - Ensure itemized receipts are attached to expense record.
- Sponsored Programs
 - Monitor that expenses have appropriate support.

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Prior Approval

- Change in key personnel
- Reduction in PI effort of more than 25% budgeted or disengagement for more than 3 months.
- Reallocation/rebudget of participant support funds
- Adding a new sub award
- Change in the scope of work

• Roles/Responsibilities

- PI
 - Notify OSP as soon as possible about pending changes.
- Fiscal Officer
 - Notify OSP as soon as possible about pending changes.
- Sponsored Programs
 - Submit request to funding agency.

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Participant Support

- Only for participants
- Stipends only, no salary/fringe
- No employee expenses allowed
- Exempt from indirect
- Prior approval required to rebudget

• Roles/Responsibilities

- PI
 - Understand terms and conditions.
 - Work with Sponsored Programs to request prior approval if things need to change.
 - Notify fiscal officer immediately if plans change.
- Fiscal Officer
 - Understand terms and conditions.
 - Ensure only participant costs are on the account.
 - Correct errors immediately upon discovery.
- Sponsored Programs
 - Set up separate account with 0% indirect.
 - Monitor object codes to make sure costs are allowed.

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Resources

- FDP Prior Approval Matrix - https://www.nsf.gov/bfa/dias/policy/fedtrc/appendix_a.pdf
- Cost Transfer Guidance - https://www.research.colostate.edu/osp/wp-content/uploads/sites/21/2022/04/Cost-Transfers-Guidance_09Mar2022.pdf

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Thank you for Attending!

Next Session options: 2:15-3:15 PM MT

- Dive into Effort on Sponsored Projects
- Participant Support or Incentive Payments?
- NIH - Belaying the Basics and Beyond

Please remember to do the 1-Minute Feedback survey in your email!



RAM SYMPOSIUM

OCTOBER 13, 2022



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