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Office of the Controller

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Memorandum

TO: Deans, Directors, Department Heads, Principal Investigators and Research Business Managers

FROM: Andrew P. Mangels, Controller

DATE: May 16, 2006

SUBJECT: Audits of Federal Awards

The annual A-133 audit of federal awards will commence in June. In addition, three separate reviews of federal grant activities are occurring on the Amherst campus as many federal agencies are increasing oversight of their programs. This memo is a reminder of compliance requirements reviewed by the auditors and agencies each year.

1. Mandatory Cost Share and Matching Funds Information
Principal Investigators (PIs) need to closely monitor compliance with mandatory cost sharing obligations stated in the award and provide support to the Controller's Office when requested.
2. Effort Reporting
All effort reports distributed in the fall must be signed and returned to the Office of Cost Analysis.
3. Subsequent Changes in Level of Effort from Proposal
PIs are required to notify agencies in the event that their percentage of effort spent on a grant or contract changes significantly from the level specified in the proposal.
4. Compensation Charged to Grants
Compensation, including summer additional compensation is required to be based on the base salary rate of the PI in effect during the time of performance. Refer to *Additional Compensation Charged to Sponsored Grants and Contracts* memo dated May 9, 2006 for more guidance.
5. Cost Transfers and Timeliness of Charges
All charges and cost transfers need to be processed to the grant within 90 days of the original transaction. Transfers exceeding the 90 day limit will be approved only when detailed justification is provided. All cost transfers require explanation of the original error and justification of transfer to the grant.
6. Program Income
PIs should ensure that all program income is properly calculated, recorded and expended in accordance with program requirements.

7. Monitoring of Subrecipient Performance

PIs are required to monitor the activities of subrecipients to ensure that performance goals included in the subaward are achieved and that cost share commitments are documented.

8. Disclaimers and Acknowledgments Contained in Publications

PIs should ensure that all publications and presentations include proper disclaimers and acknowledgments of the sponsor.

9. Timely Filing of Progress and Technical Reports

PIs should ensure that all progress and technical reports are filed by the due dates required by each award.

10. Disposition and Transfers of Federally-Funded Equipment

The Property Office must be notified of dispositions of equipment and planned transfers of equipment to another campus.

Please feel free to contact Sam Killings in the Controller's Office at 545-0806 or the Office of Grants and Contracts Administration at 545-0698 if you have any questions about these matters.