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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, 2007

SUBJECT: Audits of Federal Awards

The annual A-133 audit of federal awards will commence in June. 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. 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 cost share commitments are documented. All subrecipient invoices must be approved and signed by the PI attesting that charges are consistent with the scope of work and within the approved budget for the subrecipient.
3. Effort Reporting
All effort reports distributed in the Fall must be signed and returned to the Office of Cost Analysis. PIs must complete a cost share report for all matching or cost sharing salary commitments to grants.
4. 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.
5. 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 Processing memo dated April 27, 2007 for more guidance.

6. 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.
7. Program Income
PIs should ensure that all program income is properly calculated, recorded and expended in accordance with program requirements.
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 Equipment
The Property Office records the purchase, transfer and disposal of all University equipment. Contact the Property Office to ensure equipment transfers to other institutions, changes in location and disposals of equipment are authorized and processed correctly.

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.