Compliance Highlights

Team Talks

What Drives Compliance?

- Congressional Oversight and Legislation
- Agency OIG Audits
- GAO Recommendations
- Agency and OMB Guidance
- Single Audits
- Agency Desk Reviews and Site Visits
Congressional Oversight and Legislation

- Closeout
- Accurate Financial Data Reporting
- Improper Payments (Beneficiary Eligibility)

Agency OIGs

- Cost Principles
- Subrecipient Monitoring
- Scientific Misconduct
- SBIR/STTR
- False Claims and False Statements
- Time and Effort Reporting
GAO Recommendations

- Improved training for federal grants officials
- Streamline grant requirements

OMB Guidance and Agency Policies

- Review 2 CFR 200
  - Improving performance on awards
  - Reducing repeat audit findings
- Review NIH GPS and NSF PAPPG
  - Know administrative requirements for your specific awards
  - Review cost principles
Single Audits

- 12 Compliance Requirements for Federal Awards
- Annual OMB Compliance Supplement (Appendix XI of 2 CFR 200)

Reality of Single Audits
  - Review of Internal Controls
  - Sampling of federal awards
  - "Low Hanging Fruit" are likely targets
    - Location of property and property use
    - Review of Costs and Documentation

Agency Site Visits and Desk Reviews

- University Policies and Procedures
- Charging based on actual costs, not budgeted estimates
- Documentation
- Time and Effort Reporting
- Subrecipient Monitoring
Recent Sponsor Reviews

- Subrecipient Monitoring Procedures
- Government Property Management
- SBIR/STTR Programs
- Direct Charging to Awards

Subrecipient Compliance Requirements

- Shared Responsibility of OGC and PIs/Departments
- Subrecipient Requirements Identified at 2 CFR 200.331
  - Subrecipient vs. Contractor Determination (2 CFR 200.330)
  - Identify the Award and Applicable Requirements
  - Evaluate Risk
  - Monitor
  - Ensure Accountability of For-Profit Subrecipients
Monitoring Activities

- Perform Desk Reviews
- Schedule Site Visits and Onsite Monitoring
- Receive and Review Progress Reports
- Review Invoices and Follow-up
- Frequent Communication with Subrecipients
- Review Prior Approval Requests

Auditor Testing for Compliance for Subrecipient Monitoring

- Review the PTE’s documentation of monitoring the subaward and consider if the PTE’s monitoring provided reasonable assurance that the subrecipient used the subaward for authorized purposes in compliance with Federal statutes, regulations, and the terms and conditions of the subaward.
Documenting Monitoring Activities

- PIs and Administrative Units Need to Document Monitoring Activities for Subrecipients
- Non-Compliance May Result in Questioned and Disallowed Costs for the University, Not the Subrecipient
Government Property Management

- Most common for federal contracts from DOD or HHS
- Federal contracts follow the FAR
- Some Government Property Management requirements:
  » Different tagging system than capital equipment
  » Different inventory requirements
  » Must only be used for contract-related work only
  » Must be segregated from other equipment after work is completed
- Review Awards to verify Government Property
- Contact Tom Johnston

SBIR/STTR Programs

- Review Award Requirements Carefully
- Special Considerations for SBIR/STTR Programs
  » Financial Conflict of Interest
  » Primary Employment Requirements
  » Effort Commitments for the Small Business Concern (SBC)
  » SBC PI and University PI must be different individuals
- General program information found at: https://www.sbir.gov/about/about-sbir
Direct Charging Reminders

- Always Charge Actual Incurred Costs
- Recognize the Difference Between Budget Period and Project Period
- Follow Cost Principles
  - Allowable, per 2 CFR 200 and Agency Guidance
  - Allocable in direct proportion of benefit
  - Necessary and Reasonable for the project
- PI and Department Responsible for Disallowed Costs
- Remember New Spending Controls

Mitigating Problems

- Verify Award Has Been Set Up Correctly
- Adequate Documentation
- Read Your Awards and Sponsor Requirements
- Charge Based on Actual Costs that are Allowable, Allocable, and Necessary and Reasonable
- Follow Sponsor Guidance, University Policies, and Departmental Procedures
- Ask Questions
Compliance, Training, and Real Estate Coordination Services

- TK Keith
- Caroline Kirkwood
- Barb Hayes
- Brooke Schoenbeck
- Melissa Lemieux
- Shane Jernigan
- Holly Moershel

Training Opportunities in 2019

- Will Begin in February 2019
- Registration Through SkillSoft
- Additional Courses to Include:
  - Subrecipient Monitoring
  - 2 CFR 200 Refresher/Overview
  - Advanced Pre-Award
  - Advanced Post Award
  - Gifts
- Contact Us