



AUG 7 2006

Office of Audit Services
Region I
John F. Kennedy Federal Building
Boston, MA 02203
(617) 565-2684

Report Number: A-01-06-01501

Mr. Stephan W. Lenhardt
Vice President for Management and Fiscal Affairs
and Treasurer
University of Massachusetts' President's Office
225 Franklin Street, 33rd Floor
Boston, Massachusetts 02110

Dear Mr. Lenhardt:

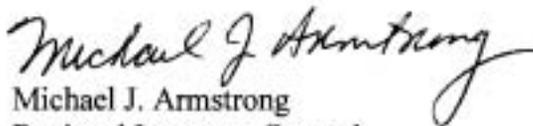
Enclosed are two copies of the U.S. Department of Health and Human Services (HHS), Office of Inspector General (OIG) final report entitled "Review Of Subaward Costs Claimed Under The University Of Massachusetts Medical School Prime NIH Grant Number 5 P01 HL56920-05 From February 1, 2001, Through August 31, 2002." A copy of this report will be forwarded to the HHS action official noted below for review and any action deemed necessary.

The HHS action official will make final determination as to actions taken on all matters reported. We request that you respond to the HHS action official within 30 days from the date of this letter. Your response should present any comments or additional information that you believe may have a bearing on the final determination.

In accordance with the principles of the Freedom of Information Act, 5 U.S.C. § 552, as amended by Public Law 104-231, OIG reports issued to the Department's grantees and contractors are made available to the public to the extent the information is not subject to exemptions in the Act that the Department chooses to exercise (see 45 CFR part 5).

Please refer to report number A-01-06-01501 in all correspondence.

Sincerely yours,


Michael J. Armstrong
Regional Inspector General
for Audit Services

Enclosures – as stated

Page 2 – Mr. Stephan W. Lenhardt

Direct Reply to HHS Action Official:

Ms. Lorraine Trexler
Chief, Special Review Branch
Division of Financial Advisory Services
National Institutes of Health
6100 Executive Blvd.
Room 6B05 MSC 7540
Rockville, Maryland 20892-7540

Department of Health and Human Services

**OFFICE OF
INSPECTOR GENERAL**

**REVIEW OF SUBAWARD COSTS
CLAIMED UNDER
UNIVERSITY OF
MASSACHUSETTS MEDICAL
SCHOOL PRIME NIH GRANT
NUMBER 5 P01 HL56920-05
FROM FEBRUARY 1, 2001,
THROUGH AUGUST 31, 2002**



Daniel R. Levinson
Inspector General

August 2006
A-01-06-01501

Office of Inspector General

<http://oig.hhs.gov>

The mission of the Office of Inspector General (OIG), as mandated by Public Law 95-452, as amended, is to protect the integrity of the Department of Health and Human Services (HHS) programs, as well as the health and welfare of beneficiaries served by those programs. This statutory mission is carried out through a nationwide network of audits, investigations, and inspections conducted by the following operating components:

Office of Audit Services

The Office of Audit Services (OAS) provides all auditing services for HHS, either by conducting audits with its own audit resources or by overseeing audit work done by others. Audits examine the performance of HHS programs and/or its grantees and contractors in carrying out their respective responsibilities and are intended to provide independent assessments of HHS programs and operations. These assessments help reduce waste, abuse, and mismanagement and promote economy and efficiency throughout HHS.

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The Office of Evaluation and Inspections (OEI) conducts national evaluations to provide HHS, Congress, and the public with timely, useful, and reliable information on significant issues. Specifically, these evaluations focus on preventing fraud, waste, or abuse and promoting economy, efficiency, and effectiveness in departmental programs. To promote impact, the reports also present practical recommendations for improving program operations.

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The Office of Counsel to the Inspector General (OCIG) provides general legal services to OIG, rendering advice and opinions on HHS programs and operations and providing all legal support in OIG's internal operations. OCIG imposes program exclusions and civil monetary penalties on health care providers and litigates those actions within HHS. OCIG also represents OIG in the global settlement of cases arising under the Civil False Claims Act, develops and monitors corporate integrity agreements, develops compliance program guidances, renders advisory opinions on OIG sanctions to the health care community, and issues fraud alerts and other industry guidance.

Notices

THIS REPORT IS AVAILABLE TO THE PUBLIC
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In accordance with the principles of the Freedom of Information Act (5 U.S.C. 552, as amended by Public Law 104-231), Office of Inspector General, Office of Audit Services reports are made available to members of the public to the extent the information is not subject to exemptions in the act. (See 45 CFR Part 5.)

OAS FINDINGS AND OPINIONS

The designation of financial or management practices as questionable or a recommendation for the disallowance of costs incurred or claimed, as well as other conclusions and recommendations in this report, represent the findings and opinions of the HHS/OIG/OAS. Authorized officials of the HHS divisions will make final determination on these matters.



EXECUTIVE SUMMARY

BACKGROUND

The National Institutes of Health (NIH), National Heart, Lung, and Blood Institute awarded grant number 5 P01 HL56920-05, entitled “Hematopoietic Stem Cell Growth and Engraftment,” to the University of Massachusetts Medical School (UMMS). This 5-year grant project period provided funding for research on genetic characterization of the hematopoietic stem cell phenotype and the relationship of cell cycle phase to stem cell phenotypic properties. For the period from February 1, 2001, through August 31, 2002, UMMS claimed \$761,219 for subawards to Yale University and Roger Williams Hospital.

OBJECTIVE

Our objective was to determine whether UMMS claimed allowable subrecipient costs for Yale University and Roger Williams Hospital in compliance with applicable Federal requirements.

SUMMARY OF FINDINGS

From February 1, 2001, through August 31, 2002, UMMS appropriately claimed reimbursement for \$511,694 (67 percent) of the \$761,219 that it claimed for the two subrecipients. However, Yale University overstated its costs by \$193,779 (\$151,252 for unallowable cost transfers and \$42,527 for unsupported direct charges), and Roger Williams Hospital overstated its costs by \$55,746 (\$53,655 for unallowable cost transfers and \$2,091 in unsupported direct charges). As a result, UMMS overstated its claim by \$249,525, or about 33 percent of the total that it claimed for subrecipient costs. UMMS submitted overstated costs because:

- The subrecipients did not follow established procedures or did not have adequate procedures for claiming costs.
- UMMS did not have adequate written procedures for monitoring subrecipients.

RECOMMENDATIONS

We recommend that UMMS:

- make a financial adjustment to NIH totaling \$249,525 for costs that the subrecipients overstated and
- establish detailed written subrecipient monitoring procedures to ensure that subrecipients claim costs in compliance with applicable Federal requirements.

AUDITEE'S COMMENTS

In its July 20, 2006, comments on our draft report, UMMS agreed with our recommendations and said that it was taking appropriate corrective action. UMMS stated that it has updated and modified subrecipient monitoring procedures several times since our review to ensure compliance with Federal regulations. UMMS's comments are included in their entirety as the appendix.

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INTRODUCTION

BACKGROUND

The National Institutes of Health (NIH), National Heart, Lung, and Blood Institute awarded grant number 5 P01 HL56920-05, entitled “Hematopoietic Stem Cell Growth and Engraftment,” to the University of Massachusetts Medical School (UMMS). This 5-year grant project period provided funding for research on genetic characterization of the hematopoietic stem cell phenotype and the relationship of cell cycle phase to stem cell phenotypic properties. For the period from February 1, 2001, through August 31, 2002, UMMS claimed \$761,219 for subawards to Yale University and Roger Williams Hospital.

OBJECTIVE, SCOPE, AND METHODOLOGY

Objective

Our objective was to determine whether UMMS claimed allowable subrecipient costs for Yale University and Roger Williams Hospital in compliance with applicable Federal requirements.

Scope

Our review covered the budget year 5 subaward period from February 1, 2001, through August 31, 2002. We limited our review to the \$761,219 in subrecipient costs that UMMS claimed for reimbursement during this period.

We performed our fieldwork between February 2005 and March 2006 at UMMS in Worcester, Massachusetts, and at the two subrecipients in New Haven, Connecticut, and Providence, Rhode Island.

Methodology

During our audit, we:

- used applicable Federal requirements and University policies and procedures to determine if subrecipient amounts claimed met reimbursement requirements;
- reviewed grant, subgrant, and related budget award documents for pertinent terms and conditions;
- reviewed charges distributed through the subrecipients’ payroll distribution procedures and reconciled salary and wage charges with supporting personnel action forms and time and effort reports;

- reviewed subrecipient purchasing and recharge center procedures and tested and verified selected direct costs (i.e., for materials, supplies, equipment, and travel) to source documents;
- reconciled subrecipient costs claimed by UMMS to supporting accounting records; and
- reviewed UMMS's subrecipient monitoring procedures.

We conducted our audit in accordance with generally accepted government auditing standards.

FINDINGS AND RECOMMENDATIONS

From February 1, 2001, through August 31, 2002, UMMS appropriately claimed reimbursement for \$511,694 (67 percent) of the \$761,219 that it claimed for the two subrecipients. However, Yale University overstated its costs by \$193,779 (\$151,252 for unallowable cost transfers and \$42,527 for unsupported direct charges), and Roger Williams Hospital overstated its costs by \$55,746 (\$53,655 for unallowable cost transfers and \$2,091 in unsupported direct charges). As a result, UMMS overstated its claim by \$249,525, or about 33 percent of the total that it claimed for subrecipient costs. UMMS submitted overstated costs because:

- The subrecipients did not follow established procedures or did not have adequate procedures for claiming costs.
- UMMS did not have adequate written procedures for monitoring subrecipients.

FEDERAL REGULATIONS

The Federal regulations and University requirements governing allowable costs for Yale University and Roger Williams Hospital are detailed in our audit reports for these two subrecipients, which are available online at <http://oig.hhs.gov/oas/oas/nih.html>. The Federal requirements are summarized below.

Requirements Governing Cost Transfers

NIH Grants Policy Statement (03/01), part II, subpart A, for cost transfers states:

The transfers must be supported by documentation that fully explains how the error occurred and a certification of the correctness of the new charge by a responsible organizational official of the grantee, consortium participant, or contractor. An explanation merely stating that the transfer was made “to correct error” or “to transfer to correct project” is not sufficient. Transfers of costs from one budget period to the next solely to cover cost overruns are not allowable.

OMB Circular A-21, section C.4.b, states:

Any costs allocable to a particular sponsored agreement under the standards provided in this Circular may not be shifted to other sponsored agreements in order to meet deficiencies caused by overruns or other fund considerations, to avoid restrictions imposed by law or by terms of the sponsored agreement, or for other reasons of convenience.

Requirements Governing Charges to Sponsored Projects

OMB Circular A-21, section D.1 and D.2, states:

Direct costs are those costs that can be identified specifically with a particular sponsored project . . . or that can be directly assigned to such activities relatively easily with a high degree of accuracy The cost of materials supplied from stock or services rendered by specialized facilities or other institutional service operations may be included as direct costs of sponsored agreements, provided such items are . . . charged under a recognized method of computing actual costs and conform to generally accepted cost accounting practices consistently followed by the institution.

OMB Circular A-21, section C.4.a, states, “A cost is allocable to a particular cost objective (i.e., a specific function, project, sponsored agreement, department, or the like) if the goods or services involved are chargeable or assignable to such cost objective in accordance with relative benefits received or other equitable relationship.”

OVERSTATED SUBRECIPIENT COSTS

From February 1, 2001, through August 31, 2002, Yale University claimed \$193,779 and Roger Williams Hospital claimed \$55,746 in subrecipient costs that did not comply with OMB Circular A-21 and the terms of the subgrant. The subrecipients’ overcharges consisted of unallowable cost transfers and unsupported direct charges.

Unallowable Cost Transfers

Yale University

From February 1, 2001, through August 31, 2002, Yale University transferred \$151,252 to this grant that was not allowable: \$112,693 was in salaries and \$38,559 in nonlabor costs. The unallowable salary cost transfers made during the subgrant performance period related to seven individuals whose salaries had been originally charged to other sponsored research projects or to general fund accounts. The unallowable nonlabor costs consisted of 22 cost transfers of animal care, materials, and laboratory supply costs transferred from other NIH grants without the required detailed explanation and supporting documentation.

Roger Williams Hospital

From February 1, 2001, through August 31, 2002, Roger Williams Hospital transferred \$53,655 to this grant that was not allowable: \$21,235 was in salary costs and \$32,420 was in nonlabor costs. The unallowable salary transfers were for three researchers' salaries totaling \$21,235 that were transferred from other projects by verbal requests without the required detailed explanation and supporting documentation. The unallowable nonlabor costs consisted of 14 cost transfers that Roger Williams Hospital made during the subgrant performance period for animal care, materials, supplies, and radiation training. Of these nonlabor transfers, 10 transfers totaling \$23,769 were originally charged to the hospital's internal fund accounts, and four transfers totaling \$8,651 were originally charged to another sponsored research project.

Unsupported Direct Charges

Yale University

Yale University overclaimed a total of \$42,527 in direct charges to the subgrant for unsupported nonlabor costs of \$32,993 and unsupported labor transactions of \$9,534.

Of the 55 nonlabor transactions that we reviewed, 18 charges totaling \$32,993 were unallowable. These transactions consisted of 13 charges totaling \$23,834 for laboratory stockroom supplies and purchased chemicals and materials, 2 charges totaling \$2,635 for internal DNA sequencing services, and 3 charges totaling \$6,524 for maintenance of equipment purchased under another sponsored grant. The University did not provide sufficient information to show that the charges to this subgrant were equitable.

We also found unsupported labor transactions charged to this subgrant. Because two monthly effort reports for one researcher were not confirmed as required, we have no assurance that the researcher actually worked on the subgrant for this 2-month period or that the corresponding salary and indirect costs totaling \$9,534 were allowable.

Roger Williams Hospital

Roger Williams Hospital overclaimed a total of \$2,091 in direct charges to the subgrant for the cost of animal (mice) care that could not be traced to the specific animals purchased under this subgrant. Staff of the animal care facility prepare monthly invoices and distribute them to the principal investigators, who assign project or account numbers to the invoices. However, the principal investigator of this subgrant did not maintain the necessary supporting documentation to identify the animal care charges to this specific project. Of the \$2,091 overclaimed, \$1,349 was for animal care services and \$742 for related indirect costs.

SUBRECIPIENT COSTS RECOMMENDED FOR DISALLOWANCE

Yale University overstated its subrecipient costs by a total of \$193,779 (\$151,252 for unallowable cost transfers and \$42,527 for unsupported direct charges), and Roger Williams Hospital overstated its subrecipient costs by \$55,746 (\$53,655 for unallowable cost transfers and \$2,091 in unsupported direct charges). In total, subrecipient costs were overstated by \$249,525 (\$193,779 + \$55,746).

LACK OF ADEQUATE PROCEDURES

UMMS submitted overstated costs because:

- The subrecipients did not follow established procedures or did not have adequate procedures for claiming costs.
- UMMS did not have adequate written procedures for monitoring subrecipients.

Although Yale University had established procedures for work on sponsored research projects, these procedures were not always followed or were inadequate. Roger Williams lacked established procedures for cost transfers and adequate procedures to ensure that direct charges for animal care were properly documented.

In addition, UMMS did not have written subrecipient monitoring procedures that detailed the responsibilities of the principal investigator and other department officials to provide reasonable assurance that the subrecipient administered Federal awards in compliance with Federal requirements.

RECOMMENDATIONS

We recommend that UMMS:

- make a financial adjustment to NIH totaling \$249,525 for costs that the subrecipients overstated and
- establish detailed written subrecipient monitoring procedures to ensure that subrecipients claim costs in compliance with applicable Federal requirements.

AUDITEE'S COMMENTS

In its July 20, 2006, comments on our draft report, UMMS agreed with our recommendations and said that it was taking appropriate corrective action. UMMS stated that it has updated and modified subrecipient monitoring procedures several times since our review to ensure compliance with Federal regulations. UMMS's comments are included in their entirety as the appendix.

APPENDIX



July 20, 2006

Mr. Michael J Armstrong
Regional Inspector General for Audit Services
Office of Inspector General
JFK Bldg, Room 2425
Boston, MA 02203

RE: DHHS OIG Report Number A-01-06-01501 dated June 21, 2006

Dear Mr. Armstrong:

This letter is the University of Massachusetts Medical School's (UMMS) response to the Office of the Inspector General (OIG) draft report entitled "Review of Subaward Costs Claimed Under the University of Massachusetts Medical School Prime NIH Grant Number 5 P01 HL56920-05 from February 1, 2001 Through August 31, 2002."

Based upon the written responses from Yale University and Roger Williams Hospital, subrecipients of the above referenced grant, where both agreed not to appeal the findings of the OIG, we agree to refund to NIH subrecipient overstated costs totaling \$249,525.

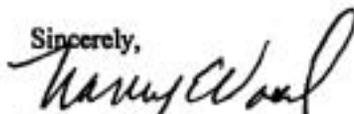
In addition to the above, the OIG states in the summary of findings that UMMS did not have adequate written procedures for monitoring subrecipients.

During the review, the auditors were provided the written subrecipient monitoring procedures in effect for the time period of the audit (attachment A). Since the period under review we had updated and modified our subrecipient monitoring procedures several times to ensure compliance with the cost principles as set forth in OMB Circular A-21 and with the audit requirements of OMB Circular A-133. Please find attached our most recently amended Subrecipient Monitoring Policy (attachment B). We believe this policy ensures that subrecipients and their claimed costs are monitored appropriately and in compliance with all applicable Federal requirements.

As always we are continuously striving for quality improvement and will continue to monitor our internal controls, policies and procedures to ensure compliance with University and granting agency laws, regulations and terms and conditions.

If I can be of further assistance or you have any additional questions, please contact me at 508-856-8606.

Sincerely,



Nancy E. Vasil
Chief Financial Officer
University of Massachusetts Medical School

Cc: Stephen Lenhardt, Vice President and Treasurer

ATTACHMENT A

	<p>POLICY AND PROCEDURE</p> <p>Financial Services</p>	<p>Effective Date</p> <p>6/23/03</p>	<p>Procedure No.</p> <p>IFS-100</p>
	<p>Review of Sub-Recipient Monitoring on Restricted Funds</p>	<p>Page 1 of 1</p>	<p>Revision No.</p>

I. Application

This policy applies to all Sub-Recipients on restricted fund accounts at all UMass Medical School campuses. This monitoring requirement is only applicable to sub-recipients expending \$500,000 or more in federal awards during a fiscal year.

II. Purpose

To establish procedures for ongoing review of Sub-Recipient Monitoring by Grant Accounting in compliance with OMB Circular A-133 Sub-Part D.

III. Procedure

1. When a new subcontract is initiated Research Funding Services includes, with the Subcontract form, the letter requesting certification of A-133 compliance. The letter is to be completed by the sub-recipient and returned to the Grant Accounting Operations Manager for review and filing.
2. Grant Accounting will run a query to identify those vendors that we are paying as Sub-Recipients at close of the fiscal year. The query is then compared to the responses that have been received.
3. Once the vendor has been identified as a Sub-Recipient, and if no current year certification is on file, a letter (attached) will go out requiring them to certify that they are in compliance with OMB Circular A-133, subpart D.
4. A spreadsheet will be kept of those letters going out and the date they were sent. Periodically the spreadsheet will be review to ensure compliance has been met. If there has been no response by the Sub-Recipient a second notice will be sent along with telephone follow-up from the Manager of Grant Accounting Operations.
5. When the completed letters are received back they are evaluated by the Manager of Grant Accounting Operations, the tracking spreadsheet is updated, and the response is filed in the sub-recipient compliance folder.
6. If a material weakness, instance, or finding is noted the packet is forwarded to the University's internal audit for review and recommendation on subsequent action. A copy of the packet is forwarded to any Principal Investigator(s)/Department Administrator(s) with grants that have a subcontracting relationship with the "at-risk" sub-recipient. Research Funding Services also receives a copy with the recommendation that until such time as we receive notification from internal audit on how to proceed no new subcontracts should be initiated with the "at-risk" sub-recipient.



Subrecipient Monitoring Compliance

Effective Date: January 1, 2006
Date Last Revised: June 30, 2006

The following are responsible for the accuracy of
the information contained in this document

Responsible Policy Administrator

Responsible Department
Financial Services
Research Funding Services

Contact (508) 856-5401

Policy Statement

The University will monitor its subrecipients of federal awards in accordance with all applicable policies, guidelines and regulations.

Reason for Policy

The Office of Management and Budget (OMB) Circular A-133 requires that recipients of Federal awards ensure that subrecipients comply with the audit requirements in Circular A-133. This policy complies with the requirements imposed on Universities by this Circular.

Entities Affected By This Policy

- ◆ Principal Investigators
- ◆ Departmental Administrators
- ◆ Research Funding Services
- ◆ Grant Accounting

Related Documents

OMB Circular A-133 "Audits of States, Local Governments, and Non-Profit Organizations"

Scope

This policy is applicable to all subawards issued from federal awards granted to the University.

Responsibilities

Principal Investigators (PI) and Departmental Administrators: the individuals primarily responsible for monitoring the programmatic progress and financial performance of a subaward. It is expected that prior to the PI approving a subrecipient invoice for payment a review of the above has occurred.

Research Funding Services: Issues Subaward Agreements on restricted funds, maintain files on each subrecipient, and monitors subrecipients for overall compliance and risk.

Grant Accounting: Reviews invoices to ensure they are properly formatted, provide the appropriate information for review by the PI, sends all subrecipient invoices to the PI for review prior to payment, and in conjunction with RFS monitors the subrecipient for overall compliance and risk.

Procedures

The University is responsible for entering into research subawards responsibly and for monitoring subrecipients. There are specific financial and administrative regulations governing the management of federal grants and contracts. Where the University contracts with subrecipients to perform work on federal grants and contracts, the same regulations govern. Penalties for noncompliance include adverse audit findings, financial liabilities on current and past awards, and loss of eligibility to receive future awards.

The University will follow the procedures as outlined below for subrecipient monitoring:

Prior to executing any subaward agreement:

1. A review of the Excluded Parties List System website at <http://epls.arnet.gov/> to confirm the debarment status of the Principal Investigator at the subrecipient institution is required. The resulting report will be printed and filed.
2. An inquiry will be made on the Federal Audit Clearing House for the most recent A-133 audit report for the subrecipient institution.
 - a. If the Federal Audit Clearing House report lists the auditee as low-risk and no material findings are indicated, the Subaward agreement will reflect the standard terms of the FDP Subaward Agreement (as recommended in the January 4, 2005 memo issued jointly by the Office of Science and Technology Policy and the Office of Management and Budget).
 - b. If the inquiry reveals any information that would indicate the subrecipient institution is a risk or contained material findings, the terms of the subaward agreement will be modified as appropriate and a copy of the A-133 report along with any relevant management response and corrective action plan will be requested.
 - c. If it is discovered that the subrecipient on the Federal Audit Clearing House has an audit report for a fiscal year prior to the most recent completed fiscal period, the Subaward agreement will be issued reflecting the standard FDP terms and conditions and a letter requesting information regarding the status of the subrecipient's most recent A-133 audit will be sent with the Subaward agreement.

- d. The monitoring of subrecipients, not subject to Circular A-133, will be based upon the judgment of management and will include such factors as the size of the award, percentage of the total program's funds awarded to the subrecipient, budget adherence, any issued identified in the past, and other matters deemed necessary.

During Award Performance and Closeout:

1. Upon receipt of invoices from the subrecipient, Grant Accounting will review the invoice to ensure the format and information provided is in conformance with the subaward terms. Grant Accounting will ensure the appropriate grant information is on the invoice for PI review.
2. Grant Accounting will then forward the invoice to the PI for review and approval.
3. PI and departmental administrators are responsible for monitoring subrecipients to ensure that performance goals are achieved and, to the extent possible, that they are administering the Federal award in compliance with laws, regulations, and provisions of the grant or contract agreement.
4. PI and departmental administrators review the invoices to ensure the performance is in line with the expenses and should compare the invoice with the subaward budget. All invoices must be approved by the PI or authorized (authorization can be by way of signature on the invoice or through email communication, if necessary).
5. If a PI is not satisfied or has concerns with the invoice charges it is expected that they will be in contact with the subrecipient PI to request clarification or explanation of charges. Grant Accounting and the department will work together to ensure subsequent clarification/justification is provided.
6. On an annual basis certification letters will be sent to all subrecipients, by Grant Accounting, requesting information about the subrecipients' most recently completed fiscal year. The certification letter requires the subrecipient institution to state that the information they are providing fairly presents the standing of the institution in all material aspects and that they state one of the following:
 - a. They are not subject to the requirements of A-133 because the organization did not receive \$500,000 or more in federal awards during the fiscal year, or is a for profit corporation, or is a non-U.S. based entity.
 - b. They are subject to the requirements of A-133, the audit has been completed and there were no material conditions of non-compliance.
 - c. They are subject to the requirements of A-133, the audit has been completed, exceptions were noted and a copy of the audit report and subsequent action plan is provided.
 - d. They are subject to the requirements of A-133 but the audit has not been completed and when the anticipated audit completion date is.

Definitions

Pass-through entity: A non-Federal entity that provides a Federal award to a subrecipient to carry out a Federal program.

Subcontract (Subaward): An award of financial assistance in the form of money, or property in lieu of money, made under an award by a recipient to an eligible subrecipient or by a subrecipient to a lower tier subrecipient. The term includes financial assistance when provided by any legal agreement, even if the agreement is called a contract, but does not include procurement of goods and services.

Subrecipient: A non-Federal entity that expends Federal awards received from a pass-through entity to carry out a Federal program, but does not include an individual that is a beneficiary of such a program. A subrecipient may also be a recipient of other Federal awards directly from a Federal awarding agency.

Approvals



Responsible Policy Administrator

Date



Vice Chancellor for Operations

Date
