

Report in Brief

Date: November 2019

Report No. A-05-18-00015

U.S. DEPARTMENT OF HEALTH & HUMAN SERVICES
OFFICE OF INSPECTOR GENERAL



Why OIG Did This Audit

HHS codified the Uniform Guidance at 45 CFR part 75, which governs awards and award increments made on or after December 26, 2014. The new rule requires prime Federal award recipients to perform pre-award subrecipient risk assessments and monitor the programmatic activities of subrecipients throughout the life of each subaward.

Our objectives were to determine whether the University of Minnesota (Minnesota) (1) performed subrecipient risk assessments and monitored subrecipients in compliance with Federal regulations and (2) complied with Federal regulations and National Institutes of Health (NIH) grant policies related to expenditures for subawards.

How OIG Did This Audit

Minnesota was the prime recipient of 250 NIH grants, totaling more than \$515 million, that contained subawards to other entities.

Minnesota was the subrecipient of 509 grants, totaling more than \$160 million, which other NIH prime recipients awarded to Minnesota. The grants were for the period July 2015 through December 2017.

We reviewed 30 grants for which Minnesota was the prime recipient and 30 grants for which Minnesota was the subrecipient. We reviewed the awards, monitoring of the subawards, and costs claimed.

The University of Minnesota Complied With Federal Requirements To Perform Risk Assessments and Monitor Subrecipients

What OIG Found

Minnesota performed subrecipient risk assessments and monitored subrecipients in compliance with Federal regulations and NIH grant policies, and claimed allowable costs on subawards received from other NIH awardees; however, it claimed unallowable costs totaling \$1,924 associated with costs submitted by a subrecipient.

Of the 30 subrecipients reviewed, the costs claimed for 1 subrecipient was not adequately documented. The initial support received from the subrecipient did not match the costs charged to the NIH grant. The subrecipient provided additional documentation for the claimed costs, resulting in a reduction of the costs charged by \$1,924. We did not find any underlying systemic issues during our audit period. Minnesota is seeking reimbursement for the unallowable costs and has increased the level of monitoring of the subrecipient.

Minnesota claimed allowable facilities and administrative (F&A) costs at the appropriate F&A rate.

What OIG Recommends and Minnesota's Comments

We recommend that Minnesota refund \$1,924 to NIH for unallowable costs claimed.

In written comments on our draft report, Minnesota concurred with our recommendation and provided details on its corrective action.