

Research and Human Resources

Moving forward together, courtesy of the National Science Foundation



Why it All Began: NSF Audit Update

- November 2015, NSF engaged an audit that covered:
 - \$90M in total expenditures & 700,000 transactions spanning 10/01/12 – 09/30/15
 - \$37M were on payroll expenditures
- March 20, 2017 NSF provided its initial 250 selections
- NSF recently asked several follow-up questions



Information on NSF's Selections

- Top sample selections of \$2,148,102 in expenses included:
 - 52 Payroll transactions (\$311,830)
 - 69 Accounts Payable transactions (\$296,483)
 - 54 Purchase Requisition transactions (\$727,460)
 - 75 General Ledger transactions (\$812,329)



Initial Review: Areas of Concern

- Payroll transactions
 - Multiple changes to personnel appointments charged to projects
 - Poor / Limited justifications on appointment changes
 - Late / No effort certifications (11/52)



CSU Response

- Payroll transactions

- Multiple changes to personnel appointments charged to projects
- Poor / Limited justifications on appointment changes
- Late / No effort certifications (11/52)

- Payroll transactions

- Timely review of charges
- PPDA process
- Accounting techs asking for better justifications
- Accounting tech / departmental training
- ECRT

ECRT

- Q3 FY18 certification period underway
- As of June 5, just over 59% of Q3 statements certified
- 25 project statements from Q1 & Q2 still awaiting certification
- Certification should be completed by June 15
- On-going issues

<https://vpr.colostate.edu/ecrt/>



EFFORT REPORTING

- Mandated by Federal government
- Process of verifying salary to, or cost shared on, sponsored projects
- Expressed as a percent of total effort during a particular time period (i.e., cannot be “banked”)
- Must reflect ratio of each of the activities which comprise the total workload of an individual

<https://vpr.colostate.edu/ecrt/>



Effort Policy

- Generally, faculty cannot commit 100% of their effort to sponsored projects
 - Key personnel must devote at least 1% effort to each project with some exceptions
 - Maximum effort 95% on sponsored projects if responsible for writing proposals or other Institutional responsibilities
- Current policy is that 9-month faculty can earn up to an additional 3 months of summer support subject to college / sponsor policies
 - Cannot request full 100% if teaching classes, preparing proposals, taking vacation, etc.
 - Salary savings from AY 1.5% carry forward



Effort Policy Cont.

- Supplemental pay
 - University activity that requires effort in addition to an individual's 100% effort distribution
 - Requirements
 - The Institution establishes consistent written policies which apply uniformly to all faculty members
 - The Institution establishes a consistent written definition of work covered by IBS which is specific enough to determine conclusively when work beyond that level has occurred. This may be described in appointment letters or other documentation

<http://policylibrary.colostate.edu/policy.aspx?id=756>



Effort Policy Cont.

- Supplemental pay
 - Supplemental amount paid is commensurate with the IBS rate of pay and the amount of additional work performed
 - Salaries, as supplemented, fall within the salary structure and pay ranges established by and documented in writing or otherwise applicable to the Institution
 - Total salaries charged to Federal awards, including extra service pay, are subject to the Standards of Documentation
 - Supplemental pay is not included in IBS for CSU



Effort Policy Cont.

- Retro pay
 - There were no specific retro pay selections pulled by NSF
 - However, there were 6 summer salary selections
 - Retro pay was on 3 of these 6, which showed up on effort certifications
 - Which led to difficult conversations around
 - Re-certifications of effort
 - Proof of IBS moving from one year to the next
 - Consistency issues





Initial Review: Areas of Concern

- Accounts Payable transactions
 - International travel, gaps in supporting detail
 - Participant support costs, must be kept segregated
 - Entertainment costs, which require prior approvals



CSU Response

- AP transactions

- International travel, gaps in supporting detail
- Participant support costs, must be kept segregated
- Entertainment costs, which require prior approvals

- AP transactions

- Lunch & Learns on justifications, including international travel
- L&L on Participant Support Costs
- Updated guidance on Participant Support on OSP website

Participant Support

- Defined in [2 CFR 200.75](#)
- Separate child “53” Account created to track and manage participant support
- Account coded to not incur indirect costs
- Unexpended balances become de-obligated balances

<https://vpr.colostate.edu/osp/guidance-policies/>





Initial Review: Areas of Concern

- Purchase Requisition transactions
 - Split purchases with limited proportional benefit documentation
 - Subcontracts; monitoring requirements under UG



CSU Response

- Purchase Requisition

- Split purchases with limited proportional benefit documentation
- Subcontracts; monitoring requirements under UG

- Purchasing Requisition

- Trainings on cost principles, including allocation methods
- New subawardee administrator
- RAMAround presentation on high-risk subawards

International (and other high-risk) Subawards

- Do we have past experience with entity?
- Does entity have a negotiated F&A rate?
- Does entity have a DUNS number?
- Is entity registered in SAM?
- Does entity have a COI policy?
- Currency / banking issues
- Need for advance payment?
- Invoicing issues?



<https://vpr.colostate.edu/osp/guidance-policies/>



Initial Review: Areas of Concern

- General Ledger transactions
 - Work in Progress (WIP) accounts
 - Transactions that don't receive OSP review, like procurement card transactions / computer purchases
 - General error corrections; issues on timely transactions



Accomplishments to Date

- Comprehensive RA Self-study & Risk Analysis
- RA Re-organization Plan
 - Strengthened OSP Post-award monitoring
 - Hired Assistant Director & new ATs
 - Training program
- ECRT
- New policies / procedures



What Else?

- Recharge accounts
- General error corrections
- Cost transfers
- Residual balances on fixed-price agreements
- Direct charges hitting accounts without work flow approval
- Ongoing efforts to mitigate risks / improve internal controls

Thank you



Colorado State University