

Northwestern

ACCOUNTING SERVICES
FOR RESEARCH AND
SPONSORED PROGRAMS
(ASRSP)

2017 Audit Updates and Trends

Semi-annual Networking Event

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Types of Audits

Northwestern University routinely experiences sponsored research audits. Below are types of common audits and approaches.

Audit Types

- Internal Audits
- OIG Audits
 - Ex. NSF Data Analytics Audit
 - Ex. NIH Subaward Audit
- Agency Specific Audits
 - Foundation Audits
 - Ex. Gates Foundation

Audit Approaches

1. Desk Audit: Auditors send questions via email and NU responds online
2. Field Audit: Auditors come onsite to the Northwestern University Campus

What are the Hot Topics?

Hot Topics

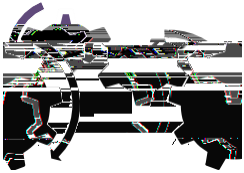
Travel





Hot Topics

Capital Equipment



Northwestern defines capital equipment as tangible property having an acquisition value of \$5k or more and a useful life expectancy of greater than a year. It is critical that capital equipment purchases get coded correctly and go through the correct approval channels at Northwestern to ensure accurate accounting practices.

Examples

Equipment purchases after award end date

Equipment shipped after or near the end of the award end date

Warranties and supplies under \$5k coded as capital equipment

Lack of prior approval and justification for capital equipment purchases on projects with no capital equipment budget

Q: What are the appropriate actions?



Hot Topics

Participant Support Costs



Participant support costs (PSC) are those direct costs paid to (or on behalf of) participants or trainees for participation in meetings, conferences and other training projects. PSC are typically for external trainees or participants and not for Northwestern PIs or employees. It is very important that Northwestern employees and PIs are not charged to these dedicated PSC projects.

Examples

PI travel found on the PSC project

Employee travel expenditures found on the PSC project

Q: What are the appropriate actions?

Hot Topics

Cost Transfers

Cost transfers are used for correcting errors and therefore should not be used as a means of managing available balances. All cost transfers should be completed within 90 days of their original transaction, and for those outside of 90 days, it is required that you provide justification and backup documentation supporting the transfer.

Examples

Missing backup documentation or justification for transfers making it difficult to identify actual cost and purpose

Cost transfers over 90 days

Red flag! Proactive monitoring will reduce the amount of cost transfers

Document clear corrective active plan (#4 on the over 90 day memo)

Cost Transfers over one year are generally not allowed unless crediting sponsored funds

Cost transfers and award clos6.08 137.7266u.8 (os7 #)g443.9678 0 Td[ov]3.4 (er)0.6 (one)T

Hot Topics

Expenditures



Hot Topics

Tuition



Tuition is a common direct charge on sponsored research projects as a part of compensation to students performing necessary work. It is important that students' effort on the project proportionally reflects the amount of tuition charged. Additionally, tuition should always follow payroll on the same chart string.

Examples

Tuition not following payroll

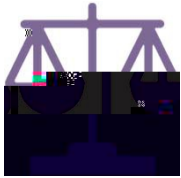
Both Tuition and payroll must be on the same project
Effort must be proportional to the percent of tuition covered by the sponsored project

Q: What are the appropriate actions?



Hot Topics

Budget vs. Expenditures



Regular project monitoring focused on budget vs. expenditures is important and affects the life of a project. It is especially important to monitor the yearly burn rate and to identify discrepancies in spending, if any. Any change or deviation to the proposed scope of the work always requires sponsor approval.

Examples

Scope change

Under expanded authorities, institutions have the ability to rebudget between

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Hot Topics

F&A

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Facilities & Administrative Costs (F&A) are incurred for common or joint objectives and therefore cannot be identified readily and specifically with a

Stewardship & Internal Controls

- Stewardship starts from the Proposal stage
- Internal Controls
 - Multi-level reviewers: each has an important role for Checks and Balances (We are in this together)
 - Uniform Guidance, § 200.61 and 200.303
- Know what you are