

D3: MONITORING SUBRECIPIENTS OF FEDERAL AWARDS

Effective Date: 4/29/03

Prior Date: NEW

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Purpose and Scope	Definitions	Authority and Responsibility
References	Questions	Method of Payment
Forms Availability	Audit Request	Reporting Requirements
Subagreement	Facsimile: Expenditures of Federal Awards	Facsimile: Audit Request Letter
Findings Review	Additional Reviews	Audit Review
	Improperly Reported Pass-through Funds	

Purpose and Scope

The purpose of this procedure is to monitor pass-through funds of federal awards.

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Definitions

- CFDA: Catalog of Federal Domestic Assistance
- Findings: Deficiencies of internal control or compliance identified by external auditors
- Pass-through funds: a federal award provided by a nonfederal entity (primary recipient) to a subrecipient to carry out a federal program.

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Authority and Responsibility

The Grants And Contracts Administrator will:

- advise the project director that a federal award has been received,
- request and review audit reports,
- contact subrecipients relative to overdue audit reports,
- advise project directors to eliminate subrecipients when subrecipient is not in compliance,
- request revised schedules and corrective action plans as necessary from subrecipients
- impose sanctions relative to noncompliance with management decisions
- request additional reviews of audits.

The project director will:

- requisition subagreements,
- eliminate subrecipients from future grant plans as necessary and
- authorize reimbursements.

The subrecipients will submit:

- quarterly performance and financial reports,
- annual audit reports, and
- documentation and/or corrective action plans if required in some cases.

The internal auditor will review questionable audit reports.

Management will:

- review report findings and
- issue decisions.

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References

Federal regulations, U.S. Office of Management and Budget circulars:

- A-21 Cost Principles for Educational Institutions
- A-110 Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals and Other Non-profit Organizations.
- A-133 Audits of States, Local Governments and Non-profit Organizations

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Subagreement

When a federal award that involves a subrecipient is received by the Controller's Office, the Grants and Contracts Administrator will advise the project director.

A *Requisition* requesting a subagreement will be sent to Purchasing by the project director. The subagreement will include:

- the CFDA title and number,
- award name,
- name of federal agency and
- applicable compliance requirements.

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Forms Availability

The *Requisition* is a four part form set that can be ordered in moderate quantities at no cost using the on-line *Forms Requisition* on the Controller's Office Resources website at www.neiu.edu/~finanaff.

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Reporting Requirements

The subrecipient will be required to submit quarterly performance and financial reports. The reports will be monitored and reviewed by the project director before reimbursements are authorized.

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Method of Payment

The subrecipient will be paid on a reimbursement basis.

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Audit Request

In March, the Grants and Contracts Administrator will send a letter requesting the entity's audit report to each subrecipient contact.

If the requested response is not received by June 30, the Grants And Contracts Administrator will call the subrecipient contact and send a second request. If the subrecipient does not comply, the project director will be advised to begin action to eliminate the subrecipient from plans for the next grant year.

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Audit Review

Once the audit reports are received, the Grants And Contracts Administrator will review them to ensure that NEIU's pass-through funds are properly reported.

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Improperly Reported Pass-through Funds

If the pass-through funds are improperly reported, the Grants and Contracts Administrator will notify the project director of the problem and contact the subrecipient to request a revised schedule. If the revised schedule is not submitted in a reasonable period of time, the Grants And Contracts Administrator will contact the project director and impose sanctions.

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Findings Review

If a report discloses findings, NEIU will:

- review the findings,
- determine an appropriate course of action and
- issue a management decision within six months.

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Additional Reviews

In cases where an additional review is necessary, the audit report will be reviewed by the Internal Audit office staff to determine if the subrecipient's actions will impact NEIU's ability as a pass-through entity to comply with applicable federal regulations.

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Questions

Please direct your questions to the Grants and Contracts Administrator at extension 5142.

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Facsimiles

➤ Audit Request Letter

N Northeastern
Illinois
University
5900 SOUTH EL LINDEN AVENUE
CHICAGO, ILLINOIS 60629-8099
CONTROLLER'S OFFICE

March 2, 2XXX

City College
Mr. Smith
101 W. Your Street
Chicago, Illinois 60606

Dear Sir:

OMB Circular A-110 requires recipients of federal funds to monitor pass-through awards to ensure subrecipients meet the audit requirements in OMB circular A-128 or A-133. In accordance with OMB circular A-133 and the Office of the Illinois Auditor General, we are required to retain a copy of your most recent audit report.

Please check the appropriate box and provide the required documents:

Our A-133 or A-128 audit for fiscal year 2XXX has not been completed. We expect the audit to be completed on _____. Upon completion we will submit a copy of the report and our response.

Our A-133 or A-128 audit for fiscal year 2XXX has been completed. No exceptions were noted. Enclosed is a copy of the audit report.

Our A-133 or A-128 audit for fiscal year 2XXX has been completed. Exceptions were noted. Enclosed is a copy of the audit report and our response.

Our institution did not spend more than \$500,000 in federal funds and is not subject to A-128 or A-133 audit requirements. Attached, however, is our institutional audit for fiscal year 2XXX.

Contact Person: _____ Organization: _____
 Title: _____ Phone: _____
 Signature: _____

We would appreciate your response by June 30, 2XXX. If you have any questions, please call me at (773) 442-5142. Thank you for your cooperation.

Sincerely,

Duff Rosen Boyd
Grants and Contracts Administrator

cc: Peggy Ho

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➤ Schedule of Expenditures of Federal Awards

FEDERAL DEPARTMENT/THROUGH GRANTOR/PROGRAM TITLE	Pass-Through Number	CFDA Number	Expenditures
STATE OF ILLINOIS NORTHEASTERN ILLINOIS UNIVERSITY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED JUNE 30, 2003			
U.S. DEPARTMENT OF EDUCATION			
Student Financial Aid Cluster -			
Federal Pell Grant Program *		84.003	\$ 7,944,105
Federal Work Study Program *		84.033	494,834
Federal Supplemental Educational Opportunity Grant Program *		84.007	419,786
Federal Perkins Loan Program * (Note 2)		84.036	109,621
Federal Family Education Loan Program * (Note 3)		84.032	
TRIO Cluster -			
Upward Bound Program		84.047A	351,429
Talent Search Program		84.044A	349,135
Gaining Early Awareness and Readiness for Undergraduate Programs * (Note 2)		84.034A	7,719,157
Bilingual Education / Training for All Teachers		84.160A	348,831
Strengthening Institutions - Hispanic Serving Institutions*		84.031D	259,717
Special Education - Personnel Preparation to Improve Services and Results for Children with Disabilities		84.039C	148,528
Bilingual Education / Career Ladder Program		84.169E	104,475
Child Care Access Means Parents in Schools		84.335A	62,703
Bilingual Education: Teacher and Personnel Grants		84.155A	11,457
Fund for the Improvement of Postsecondary Education		84.118D	11,388
Subtotal Direct Programs			<u>18,321,055</u>
Pass-Through Programs -			
Brink State University / Teacher Quality Enhancement Partnership	None	84.338B	582,809
CPS / Preparing Tomorrow's Teachers to Use Technology (PT2) ²	02-0123-PR1B	84.342A	481,702
ISBE / Brink Title II Teacher Quality Enhancement	None	84.338B	326,178
ISRE / 21st Century Community Learning Centers	05-108-8025-61	84.287	119,264
ISBE / McCash Elementary Student Program	05-108-8025-61	84.213D	187,795
CPS / Non-Credit Contracts	Multiple contracts	84.915	48,627
Rockwell University / Career Ladder Program	BEC1998	84.195E	32,910
ISBE / Eisenhower Math and Science Teacher Engage Reluctant Students	None	84.291	30,901
Chicago Public Schools / Training for All Teachers	01-0124-PR3E	84.199D	15,595
St. Augustine College / Minority Science and Engineering Program	None	84.120A	2,912
University of Illinois / Partnerships Project	None	84.027	82
Total U.S. Department of Education			<u>20,263,696</u>
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			
College Housing Debt Service Grant Program		14	73,660
Pass-Through Programs -			
Chicago Housing Authority / Chicago Empowerment Zone Program	98E20800000	14.244	44,370
Chicago Housing Authority / Taubman	0716,0774	14.243	29,291
Total U.S. Department of Housing and Urban Development			<u>73,660</u>
DEPARTMENT OF HEALTH AND HUMAN SERVICES			
Pass-Through Programs -			
E. Council on Dev. Disabilities / Teacher Preparation in Undergraduate College/University Programs	2003	93.600	63,594
Woods Department of Human Services / Substance Abuse Prevention	1110037390	93.909	32,528
Total Department of Health and Human Services			<u>96,122</u>
NATIONAL AERONAUTICS AND SPACE ADMINISTRATION			
Pass-Through Programs -			
United Negro College Fund / Raising Space Science into a Science Core Curriculum	None	43.001	101,940
NATIONAL SCIENCE FOUNDATION			
Topics in Risk Sensitive Control and Financial Mathematics		47.049	26,403
The Chicago Math Scholars Program		47.076	3,491
Pass-Through Programs -			
Chicago State University / Illinois Louis Stokes Alliance for Minority Participation	None	47.076	34,408
City College of New York / Peer-Led Team-Learning: National Dissemination by the Workshop Project	49301, 40257	47.076	17,699
Total National Science Foundation			<u>81,911</u>
NATIONAL ENDOWMENT FOR THE HUMANITIES			
Learning History through Architecture		45.162	38,310
Building Learning Communities in the Humanities for Commuter Students		45.167	16,824
Creation of an Academic Major for the Mexican and Caribbean Studies Program		45.167	19,481
Sport, Society and Modern American Culture		45.163	701
Total National Endowment for the Humanities			<u>85,316</u>
U. S. DEPARTMENT OF COMMERCE			
Pass-Through Programs -			
Chicago Housing Authority / Technology Opportunities Program	17-00-101006	11.552	73,018
INSTITUTE OF MUSEUM AND LIBRARY SERVICES			
Pass-Through Programs -			
Brink State Library / Library Service and Technology Act Program	03-425	45.316	1,800
Total Expenditures of Federal Awards			<u>\$ 20,892,272</u>

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