POST AWARD

SAN DIEGO STATE UNIVERSITY

Audit Report 10-27
August 9, 2010

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ABBREVIATIONS

ARRA  American Recovery and Reinvestment Act
CSU   California State University
DHHS  U.S. Department of Health and Human Services
FDP   Federal Demonstration Partnership
NSF   National Science Foundation
OMB   Office of Management and Budget
PAS   Personnel Assignment Status
PI    Principal Investigator
Research Foundation  San Diego State University Research Foundation
SDSU  San Diego State University
SRS   Sponsored Research Services
EXECUTIVE SUMMARY

As a result of a systemwide risk assessment conducted by the Office of the University Auditor during the last two quarters of 2009, the Board of Trustees, at its January 2010 meeting, directed that Post Award be reviewed. The Office of the University Auditor had previously reviewed post-award activities as part of the 2007 audits of Contracts and Grants and, for the majority of campuses, in triennial audits of Auxiliary Organizations.

We visited the San Diego State University campus from March 8, 2010, through April 16, 2010, and audited the procedures in effect at that time.

Our study and evaluation did not reveal any significant internal control problems or weaknesses that would be considered pervasive in their effects on post-award activities. However, we did identify other reportable weaknesses that are described in the executive summary and body of this report. In our opinion, the operational and administrative controls for post-award activities in effect as of April 16, 2010, taken as a whole, were sufficient to meet the objectives stated below.

As a result of changing conditions and the degree of compliance with procedures, the effectiveness of controls changes over time. Specific limitations that may hinder the effectiveness of an otherwise adequate system of controls include, but are not limited to, resource constraints, faulty judgments, unintentional errors, circumvention by collusion, and management overrides. Establishing controls that would prevent all these limitations would not be cost-effective; moreover, an audit may not always detect these limitations.

The following summary provides management with an overview of conditions requiring attention. Areas of review not mentioned in this section were found to be satisfactory. Numbers in brackets [ ] refer to page numbers in the report.

COST SHARING/MATCHING [5]

Procedures for the timely and proper completion of documentation for cost-sharing purposes at the San Diego State University Research Foundation (Research Foundation) required revision.

PAYROLL DISTRIBUTION/EFFORT REPORTING [6]

Effort reports were not always prepared and certified in a timely manner at the Research Foundation. In addition, effort reports could not always be verified to supporting documentation, and training on effort reporting was limited at the Research Foundation.

SUBRECIPIENT MONITORING [9]

Certain subaward requirements and the risk assessment of subrecipients were not always adequately documented at the Research Foundation.
INTRODUCTION

BACKGROUND

Post award is a subset of sponsored projects/research activities generally encompassing what occurs in the period following award acceptance through the final closeout process. Six California State University (CSU) campuses and the chancellor’s office administer the post-award aspects of sponsored projects/research on the state side. These six campuses are Bakersfield, Channel Islands, Maritime Academy, San Francisco, Sonoma, and Stanislaus. The other 17 CSU campuses manage post award through auxiliary organizations.

The federal government is the largest provider of sponsored project/research funding in the CSU. In 2007/08, 20 different federal agencies provided approximately $150 million. The largest amounts of federal funding were received from the Department of Health and Human Services, Department of Defense, National Science Foundation, and National Aeronautics and Space Administration. The American Recovery and Reinvestment Act (ARRA) also became a source of federal funding for sponsored projects/research after Congress passed it on February 13, 2009.

Post award is subject to various types of audits including internal audits by the Office of the University Auditor and external audits required by granting agency regulations. Ongoing external audits include the federal Office of Management and Budget Circular A-133 audits that are required annually for recipients who expend more than $500,000 of federal funds. The same external auditors who opine on the entities’ financial statements also perform the A-133 audits.

Based upon a fiscal year 2009/10 systemwide risk assessment, the overall post-award function was identified as having greater risk than other sponsored program activities.

In the Office of the Chancellor, post award is administered through the office of sponsored program administration, which reports through the assistant vice chancellor/controller, financial services to the executive vice chancellor/chief financial officer. At San Diego State University (SDSU), the post-award function is administered by the SDSU Research Foundation through the president of the university, with operational oversight by the vice president of business and financial affairs.
PURPOSE

Our overall audit objective was to ascertain the effectiveness of existing policies and procedures related to post-award administration and to determine the adequacy of controls that ensure compliance with relevant governmental regulations, Trustee policy, Office of the Chancellor directives, and campus procedures.

Within the overall audit objective, specific goals included determining whether:

- Internal controls in high-risk areas of post-award administration operate as intended.
- Post-award cost sharing/matching complies with applicable sponsor requirements and contract terms and conditions.
- Integrated systems for post-award effort reporting exist and support compliance with CSU and funding agency requirements.
- Adequate after-the-fact verification of employee activity provides accurate, complete, and defensible documentation of payroll distribution and post-award effort expended.
- Subrecipient relationships are appropriately established and monitored.
- The CSU has administered ARRA-funded research projects in accordance with federal guidance on accountability and transparency.
- Post-award reporting procedures are adequate to demonstrate acceptable performance in sponsored projects.
- Post-award closeout procedures are performed in a timely manner and comply with sponsoring agency requirements.
SCOPE AND METHODOLOGY

The proposed scope of the audit as presented in Attachment B, Agenda Item 2 of the January 26-27, 2010, meeting of the Committee on Audit stated that post award would include a review of contract/grant budgeting and financial planning, cost accounting and allocation, cost matching and transfer processes, effort reporting, fiscal reporting, subrecipient monitoring, and management and security of information systems.

Our study and evaluation were conducted in accordance with the *International Standards for the Professional Practice of Internal Auditing* issued by the Institute of Internal Auditors, and included the audit tests we considered necessary in determining whether operational and administrative controls are in place and operative. This review emphasized, but was not limited to, compliance with state and federal laws, Board of Trustee policies, and Office of the Chancellor and campus policies, letters, and directives. The audit focused on procedures in effect from January 1, 2008, through December 31, 2010. In instances wherein it was necessary to review annualized data, calendar years 2008 and 2009 were the periods reviewed.

A preliminary risk assessment of post award was used to select those areas or activities with highest risk for our audit testing. This assessment was based upon a systematic process using prior audits, management’s feedback, and professional judgments on probable adverse conditions and other pertinent information including prior audit history in this area. We sought to assign higher review priorities to activities with higher risks. As a result, not all risks identified were included within the scope of our review.

Based upon this assessment of risks, we specifically included within the scope of our review the following:

- Cost sharing/matching.
- Payroll distribution/effort reporting.
- Subrecipient monitoring.
- ARRA funding.
- Progress/technical reporting.
OBSERVATIONS, RECOMMENDATIONS, AND CAMPUS RESPONSES

COST SHARING/MATCHING

Procedures for the timely and proper completion of documentation for cost-sharing purposes at the San Diego State University Research Foundation (Research Foundation) required revision.

We reviewed eight cost-sharing projects with start dates between July 2007 and September 2009. We found that the pre-award documentation did not explicitly identify personnel who will be contributing time for cost-sharing purposes for one of these projects. Consequently, certification memos documenting the cost-share effort for three employees eventually identified with this project were not completed until March 2010 for work performed between April 2008 and March 2009.

Office of Management and Budget Circular (OMB) A-110, Uniform Administrative Requirements for Grants and Agreements With Institutions of Higher Education, Hospitals, and Other Non-Profit Organizations, §C, Parts 21 and 23, state, in part, that recipient’s financial management systems shall provide for effective control over and accountability for all funds, property and other assets, and accounting records that are supported by source documentation. Additionally, cost sharing or matching contributions must be verifiable from the recipient’s records, must be provided for in the approved budget, must be allowable, necessary and reasonable, and must conform to other provisions of the Circular.

The associate executive director, sponsored research services (SRS) stated that this project was unusual because one of the cost categories in the proposal budget was summarized by job title rather than explicitly identifying which personnel would be contributing time for cost-sharing purposes.

Inadequate procedures to address the timely and proper completion of documentation to support cost matching and effort certification requirements increases the risk of reduced reimbursements and increased regulatory scrutiny.

Recommendation 1

We recommend that the campus in conjunction with the Research Foundation revise procedures to address the timely and proper completion of documentation for identifying personnel who will be contributing time for cost-sharing purposes.

Campus Response

We concur. Procedures have been revised to better identify which personnel will be contributing time for cost-sharing purposes.
PAYROLL DISTRIBUTION/EFFORT REPORTING

TIMELINESS

Effort reports were not always prepared and certified in a timely manner at the Research Foundation.

Our review of effort reports for 16 faculty employees during the summer 2009 effort-reporting period, as well as effort reports for various effort-reporting periods for five cost-sharing projects disclosed that:

- Although the summer 2009 effort-reporting period ended on August 23, 2009, summer 2009 effort reports were not prepared and sent to faculty for certification until February 9, 2010, and faculty certification dates for the employees reviewed ranged from February 9 to April 2, 2010.

- Effort reports to document cost-sharing contributions of salaries and wages for six employees for fall 2008 and spring 2009 were certified, on average, approximately eight months after the end of the term. In addition, effort reports for one employee for spring 2007 through spring 2009 were not signed until March 2010.

The Research Foundation’s Manual of Accounting Policies and Procedures, §VI, dated May 2009, states that effort reports are prepared, distributed, and certified for all employees with a San Diego State University appointment who work on sponsored agreements. The Research Foundation attempts to complete this process within 90 days of the end of the effort-reporting period. Effort reports are created at the end of each academic term as well as for winter, summer, and spring breaks.

OMB Circular A-21, Cost Principles for Educational Institutions, §J.10, states that a plan-confirmation effort-reporting system is one where the distribution of salaries and wages to sponsored projects is based on budgeted, planned, or assigned work activity, updated to reflect any significant changes. In this type of system, a statement to verify the work performed will be signed by the employee, principal investigator, or other responsible official at least annually.

The SRS associate executive director stated that the complexity of combining payroll information from both the university and the Research Foundation is a very labor-intensive process, further complicated by the implementation of furloughs beginning in summer 2009. She also stated that although the Research Foundation has a target goal of issuing effort reports and obtaining all certifications within 90 days of the end of the academic period, the volume and complexity of issuing effort reports has grown substantially and inhibited the ability to meet the target deadlines.

Failure to complete effort-reporting certifications in a timely manner increases the risk of regulatory scrutiny and resultant penalties.
Recommenation 2

We recommend that the campus in conjunction with the Research Foundation prepare and certify effort reports in a timely manner.

Campus Response

We concur. The Research Foundation has strengthened controls to ensure the timely preparation and certification of effort reports.

SUPPORTING DOCUMENTATION

Effort reports could not always be verified to supporting documentation, and training on effort reporting was limited at the Research Foundation.

We reviewed effort reports for 19 non-faculty employees and 16 faculty employees during the summer 2009 effort-reporting period. Our review disclosed the following:

- Payments made to six non-faculty employees did not match the distributions and/or salary base hours certified on their timesheets because the principal investigator (PI) requested a modification to the distribution percentage and/or hours of the employee via Personnel Assignment Status (PAS) sheets after the timesheets were printed.

- Three faculty effort reports reviewed showed incorrect time periods for some of the projects performed.

- Nine of ten non-faculty employees and ten of eleven faculty employees surveyed indicated that they had never received effort-reporting training. However, faculty members are provided with detailed instructions and a point of contact for questions with their effort-certification forms each term.

OMB Circular A-110, Uniform Administrative Requirements for Grants and Other Agreements with Institutions of Higher Education, Hospitals, and Other Non-Profit Organizations, §C.21, states that recipient’s financial management systems shall provide for effective control over and accountability for all funds, property and other assets, and accounting records that are supported by source documentation.

OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, §105 and §300, state that awardees must maintain internal controls over federal programs to ensure that transactions are properly recorded and accounted for to permit the preparation of reliable federal reports and demonstrate compliance with laws, regulations, and other requirements.
The SRS associate executive director stated that in the instances cited, adjustments to the distribution were made for the pay period after timesheets had been printed and distributed. She further stated that duplicate timesheets are not issued in order to minimize the risk of duplicate payments for the same time period and that each project’s principal investigator provided certification as to the accuracy of the distribution and this certification is accepted because it is prepared by the PI who has the most knowledge of the work performed and the applicability of the charge to the funding source.

For the faculty effort reports cited, the Research Foundation financial systems manager stated that the effort-reporting program excludes certain payroll records where correction codes indicate an adjustment or correction has been made to the base salary. He also stated that this ensures payroll adjustments are not inappropriately recorded as additional effort. He added that the program did not include codes where both a correction to the salary base and a correction to the full-time equivalent base were made as part of the same payroll entry.

The Research Foundation associate director, human resources stated that the new employee orientation program for non-faculty includes detailed instructions on how to complete a timesheet; however, this training is only provided to salaried employees and does not emphasize the section of the timesheet dedicated to effort distribution.

Lack of source documentation to support effort-reporting certifications and lack of training on effort reporting policies decreases assurance on the reliability of effort-reporting systems and increases exposure to non-compliance with federal regulations.

**Recommendation 3**

We recommend that the campus in conjunction with the Research Foundation:

a. Ensure verification of salary base hour and distribution percentage changes for all non-faculty.
b. Accurately record time periods on faculty effort reports.
c. Provide training on effort reporting to both non-faculty and faculty employees.

**Campus Response**

We concur.

a. The Research Foundation will revise procedures by December 31, 2010, to ensure verification of salary base hour and distribution percentage changes for non-faculty.
b. The Research Foundation has implemented changes that will improve the accuracy of recording time periods on faculty effort reports.
c. Effort-report training for non-faculty and faculty employees will be completed by December 31, 2010.
SUBRECIPIENT MONITORING

Certain subaward requirements and the risk assessment of subrecipients were not always adequately documented at the Research Foundation.

Our review of eleven subrecipients awarded between January 1, 2008, and June 30, 2009, disclosed the following:

- The Research Foundation did not disclose the federal award number in one subagreement, and did not include it as a required field in one of their boilerplate subagreements.

- For one subrecipient of a Department of Health and Human Services (DHHS) award, the Research Foundation did not obtain explicit assurance that the subrecipient had appropriate conflict-of-interest policies. Instead, the Research Foundation incorporated by reference the DHHS grants policy statement. For DHHS and National Science Foundation (NSF) awards, the Research Foundation generally requires subrecipients to provide explicit assurance of appropriate conflict-of-interest policies in the subagreement. However, one of the two boilerplate agreements used did not contain this language.

- Although the Research Foundation documents its review of the financial controls and audit reports of subrecipients, its policies do not adequately explain the review process of other subrecipient risk factors, such as type of entity, years in business, or prior experience, which is used in addition to the financial controls and audit report reviews to determine the extent of monitoring required.

The Research Foundation’s *Manual of Accounting Policies and Procedures*, §VII, states that the finance and accounting manager must approve the financial statements of the proposed subcontractor before a contract will be issued. In addition, the finance and accounting manager will identify high-risk subawardees and may impose additional restrictions on documentation procedures. The sponsored research administration director also assesses risk. Factors considered include A-133 audit comments, size of institution, type of institution, amount of award, cost-sharing requirements, adequacy of financial systems, scope of work, and previous history with subcontractor.

OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, §400(d), states that pass-through entities shall inform each subrecipient of the Catalog of Federal Domestic Assistance title and number, the federal award name and number, the award year, whether the award pertains to research and development, and the name of the federal agency. It further states that a pass-through entity is responsible for monitoring the subrecipient’s use of federal awards through reporting, site visits, regular contact or other means to provide reasonable assurance that the subrecipient administers federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements and that performance goals are achieved.

Code of Federal Regulations, Title 42, Part 60.504, states that each institution must maintain an appropriate written, enforced policy on conflict of interest. If the institution carries out the Public Health Service funded research through subgrantees, the institution must take reasonable steps to
ensure that investigators working for such entities comply with this subpart, either by requiring those investigators to comply with the institution’s policy or by requiring the entities to provide assurances to the institution that will enable the institution to comply with this subpart.

NSF’s *Award and Administration Guidelines* state that the NSF requires each grantee institution employing more than 50 persons to maintain an appropriate written and enforced policy on conflict of interest and that all conflicts of interest for each award be managed, reduced, or eliminated prior to the expenditure of the award funds. If the institution carries out agency-funded research through subawardees, contractors or collaborators, the institution must take reasonable steps to ensure that the entity has its own policies in place that meet the requirements of this policy or investigators.

The SRS associate executive director stated that the organization has been transitioning from an older boilerplate subagreement developed a number of years ago to the Federal Demonstration Partnership (FDP) boilerplate subagreement endorsed by the OMB as an industry best practice. She stated that the FDP boilerplate does include the federal award number as part of the standard information flowed down to subrecipients and explicit assurance of conflict-of-interest requirements.

The Research Foundation chief financial officer stated that the foundation takes into consideration all risk factors including type of entity, years in business, or prior experience, in addition to the review of financial controls and audit reports of subrecipients when approving an organization as an approved subrecipient and that the final determination plus any additional controls noted as required are documented in the subcontract database. She further stated that additional controls may be implemented as determined by the SRS associate executive director; and although this secondary review process is not formally documented, the additional controls are communicated to the administrator as part of the subaward development process and incorporated as conditions in the subaward prior to the director’s approval.

Failure to adequately document subrecipient activities increases the risk of non-compliance with federal regulations.

**Recommendation 4**

We recommend that the campus in conjunction with the Research Foundation:

a. Update boilerplate subagreement documents to require the inclusion of the federal award number and explicit assurance that the subrecipient has appropriate conflict-of-interest policies for the DHHS and NSF awards.

b. Document the review of subrecipient risk factors that currently occurs after the financial review.
Campus Response

We concur.

a. The Research Foundation has updated its boilerplate subagreement documents.

b. Procedures that document the review of subrecipient risk factors will be implemented by December 31, 2010.
# APPENDIX A:
## PERSONNEL CONTACTED

<table>
<thead>
<tr>
<th>Name</th>
<th>Title</th>
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<tbody>
<tr>
<td>Stephen L. Weber</td>
<td>President</td>
</tr>
<tr>
<td>Elva Arredondo</td>
<td>Assistant Professor, Graduate School of Public Health</td>
</tr>
<tr>
<td>Deb Beaulieu</td>
<td>Associate Director, Human Resources, Research Foundation</td>
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<tr>
<td>John Borchert</td>
<td>Financial Systems Manager, Research Foundation</td>
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<tr>
<td>Scott Burns</td>
<td>Associate Vice President, Financial Operations</td>
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<tr>
<td>Valerie Carter</td>
<td>Audit and Tax Director</td>
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<tr>
<td>Melinda Coil</td>
<td>Chief Financial Officer, Research Foundation</td>
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<tr>
<td>Tammie Dennis</td>
<td>Administrative Analyst/Specialist I</td>
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<tr>
<td>Benjamin Deweese</td>
<td>Research Specialist I</td>
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<tr>
<td>Alexander Diaz</td>
<td>Data Control Technician</td>
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<tr>
<td>Paul Ganster</td>
<td>Professor, History</td>
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<tr>
<td>Dan Gilbreath</td>
<td>Executive Director, Research Foundation</td>
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<tr>
<td>Michele Goetz</td>
<td>Associate Executive Director, Sponsored Research Services, Research Foundation</td>
</tr>
<tr>
<td>Katherine Goldman</td>
<td>Program Specialist II</td>
</tr>
<tr>
<td>Janet Harry</td>
<td>Sponsored Research Systems Coordinator, Research Foundation</td>
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<tr>
<td>Kristina Hubbard</td>
<td>Program Specialist I</td>
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<tr>
<td>Andrew Izsak</td>
<td>Associate Professor, Mathematics and Statistics</td>
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<tr>
<td>Youngho Jang</td>
<td>Information Technology Consultant I</td>
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<tr>
<td>Rachel Lancaster</td>
<td>Financial Accounting Manager, Research Foundation</td>
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<tr>
<td>Renee Lechner</td>
<td>Director of Sponsored Research Administration, Research Foundation</td>
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<tr>
<td>Carole Ledford</td>
<td>Administrative Support Coordinator</td>
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<tr>
<td>Susan Levine</td>
<td>Program Security Manager</td>
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<tr>
<td>Suzanne Lindsay</td>
<td>Assistant Professor, Graduate School of Public Health</td>
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<tr>
<td>Joanne Lobato</td>
<td>Associate Professor, Mathematics and Statistics</td>
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<tr>
<td>Mary Ann Lyman-Hager</td>
<td>Professor, European Studies</td>
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<tr>
<td>Sarah Mattson</td>
<td>Professor, Psychology</td>
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<tr>
<td>Shelli McAlpine</td>
<td>Associate Professor, Chemistry</td>
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<tr>
<td>Fred McFarlane</td>
<td>Co-Director, Interwork Institute</td>
</tr>
<tr>
<td>Mana Mohtasham</td>
<td>Research Assistant III</td>
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<tr>
<td>John Nicoletti</td>
<td>Program Coordinator I</td>
</tr>
<tr>
<td>Marjorie Olney</td>
<td>Associate Professor, Administration, Rehabilitation and Postsecondary Education</td>
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<tr>
<td>Edward Riley</td>
<td>Professor, Psychology</td>
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<tr>
<td>Sally Roush</td>
<td>Vice President, Business and Financial Affairs</td>
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<tr>
<td>Hugo Salgado</td>
<td>Research Assistant II</td>
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<tr>
<td>James Sallis</td>
<td>Professor, Psychology</td>
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<td>Caren Sax</td>
<td>Professor, Administration, Rehabilitation and Postsecondary Education</td>
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<tr>
<td>Veronica Shapovalov</td>
<td>Associate Professor, European Studies</td>
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<tr>
<td>Thomas Siegfried</td>
<td>Principal Investigator</td>
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<td>Name</td>
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<tr>
<td>Vanessa Smith</td>
<td>Student Assistant</td>
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<tr>
<td>Anna Stachel</td>
<td>Graduate Assistant</td>
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<tr>
<td>Michael Sullivan</td>
<td>Administrator III</td>
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<tr>
<td>Gregory Talavera</td>
<td>Assistant Professor, Graduate School of Public Health</td>
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<tr>
<td>Thomas Turner</td>
<td>Program Specialist II</td>
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<tr>
<td>Faramarz Valafar</td>
<td>Professor, Computer Science</td>
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<tr>
<td>Gregory Wagner</td>
<td>Graduate Assistant</td>
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<tr>
<td>Robert Welty</td>
<td>Special Consultant</td>
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</tbody>
</table>
September 17, 2010

Mr. Larry Mandel
University Auditor
The California State University
401 Golden Shore, 4th Floor
Long Beach, CA 90802

Dear Mr. Mandel:

Attached is San Diego State University’s response to Audit Report 10-27, Post Award. Documentation of policy and control changes will follow under separate cover.

Should you have any questions or require additional information, please contact Valerie Carter, Audit and Tax Director, at 619-594-5901.

Sincerely,

Sally F. Roush
Vice President, Business and Financial Affairs

Attachment

c: Stephen L. Weber, President
   Scott Burns, Associate Vice President, Financial Operations
   Dan Gilbreath, Executive Director, San Diego State University Research Foundation
   Valerie Carter, Director, Audit and Tax
POST AWARD
SAN DIEGO STATE UNIVERSITY
Audit Report 10-27

COST SHARING/MATCHING

Recommendation 1

We recommend that the campus in conjunction with the Research Foundation revise procedures to address the timely and proper completion of documentation for identifying personnel who will be contributing time for cost-sharing purposes.

Campus Response

We concur. Procedures have been revised to better identify which personnel will be contributing time for cost-sharing purposes.

PAYROLL DISTRIBUTION/EFFORT REPORTING

TIMELINESS

Recommendation 2

We recommend that the campus in conjunction with the Research Foundation prepare and certify effort reports in a timely manner.

Campus Response

We concur. The Research Foundation has strengthened controls to ensure the timely preparation and certification of effort reports.

SUPPORTING DOCUMENTATION

Recommendation 3

We recommend that the campus in conjunction with the Research Foundation:

a. Ensure verification of salary base hour and distribution percentage changes for all non-faculty.
b. Accurately record time periods on faculty effort reports.
c. Provide training on effort reporting to both non-faculty and faculty employees.
Campus Response

We concur.

a. The Research Foundation will revise procedures by December 31, 2010 to ensure verification of salary base hour and distribution percentage changes for non-faculty.

b. The Research Foundation has implemented changes which will improve the accuracy of recording time periods on faculty effort reports.

c. Effort report training for non-faculty and faculty employees will be completed by December 31, 2010.

SUBRECIPIENT MONITORING

Recommendation 4

We recommend that the campus in conjunction with the Research Foundation:

a. Update boilerplate subagreement documents to require the inclusion of the federal award number and explicit assurance that the subrecipient has appropriate conflict-of-interest policies for the DHHS and NSF awards.

b. Document the review of subrecipient risk factors that currently occurs after the financial review.

Campus Response

We concur.

a. The Research Foundation has updated its boilerplate subagreement documents.

b. Procedures that document the review of subrecipient risk factors will be implemented by December 31, 2010.
October 11, 2010

MEMORANDUM

TO: Mr. Larry Mandel  
    University Auditor

FROM: Charles B. Reed  
      Chancellor

SUBJECT: Draft Final Report 10-27 on Post Award,  
         San Diego State University

In response to your memorandum of October 11, 2010, I accept the response as submitted with the draft final report on Post Award, San Diego State University.

CBR/amd