

All invoices received from subcontractors must be directed to Sponsored Programs Financial Services (SPFS) for processing. Upon receipt of the invoice, SPFS will identify the department, Principal Investigator (PI) and grant, and present to the responsible Financial Analyst (FA). The FA will ensure the invoice is in line with the budget and represents payment for allowable charges. The invoice is then forwarded to the PI for approval. The PI approves the invoice based upon his programmatic knowledge of the project, and then returns it to the FA to be logged in and forwarded to accounts payable for processing. If either the PI or FA, identify an issue with the invoice, it will be returned to the subcontractor for revision.

A-133 Audit Review

On an annual basis, usually by the middle of the fiscal year, finance identifies subcontractors to which we award funds, especially if it represents a pass-through of federal funds. For each of these subcontractors we will request a copy of their latest OMB Circular A-133 Audit report. A database is to be kept of these requests, and follow-up requests for their information is to occur no less frequently than every two months.

If sub-recipient is not subject to an OMB Circular A-133 audit, either because they are a for-profit entity, foreign entity or expend less than \$500,000 in federal funds annually, they must complete a Financial Status Questionnaire. (see attached)

If any issues are identified upon receipt of either the OMB Circular A-133 audit report or the financial status questionnaire, follow-up with the subcontractor to resolve open issues must occur. Failure to resolve open issues could result in NYUSOM withholding future payments of invoices.

In some cases where the audit identifies specific weakness, they are required to file a corrective action plan to satisfy these findings. We must follow up and obtain copies of corrective plans and actions taken toward remediation. We need to follow up with the subcontractor periodically to ensure they are enforcing their action plans. If the subcontractor fails to execute it's corrective action plan, we will freeze future payments until all findings have been satisfied.

This request and review of the sub-recipient audit status is in accordance with OMB Circular A-133, section 510. This is to determine if these are reportable conditions relating to the sub-recipient internal controls, non-compliance with laws and regulations, questioned cost in their financial statements, or other reportable audit finding which may affect the SOM project.

Summary

1. Identify sub-recipients
2. Request audits
3. Monitor receipt of audits
4. Review audits for findings
5. Request corrective action if required
6. Follow-up on all open issues to ensure full compliance
7. Determine if corrective action plan is being implemented
8. Initiate other actions as needed

IV. Roles and Responsibilities

Principal Investigator: The PI is the individual responsible for monitoring the programmatic, financial performance and progress of the sub-award. The PI needs to fully understand the terms and conditions of the award, and regularly monitor the sub-recipients adherence to the sub-awards terms and conditions. Such monitoring may take place through phone calls, emails, site visits, meetings, or other regular contact.

Sponsored Programs Financial Services: SPSF is responsible for identifying institutions receiving federal funds through the NYUSOM in the form of a sub-contract agreement. Annually, a letter requesting a copy of their latest OMB Circular A-133 audit report, or in the case of an institution not required to have an OMB Circular A-133 audit performed, a completed "Financial Status Questionnaire" is required to be completed and returned. This will be used in lieu of a OMB Circular A-133 audit to determine if their operation is compliant with federal guidance.

V. Attachments

Financial Status Questionnaire

(To be completed by subcontractor in lieu of OMB Circular A-133 audit)

Request for OMB Circular A-133 Audit form