NEVADA STATE COLLEGE
SPONSORED PROJECTS ADMINISTRATION
Internal Audit Report
July 1, 2011 through September 30, 2012

GENERAL OVERVIEW

During the audit period, Nevada State College (NSC) received 17 new sponsored projects totaling approximately $1.2 million. The awards were issued primarily for Instruction and Public Service functions.

Within the last year NSC has hired a Director of Budgets and Sponsored Projects Administration to centrally manage and oversee the institution's contract and grant activities. The director is in process of developing procedures that will support a centralized administration function for contract and grant activities. The director reports to the Senior Vice President of Finance and Administration.

Also, there are faculty and staff involved in soliciting and managing performance of awards that are referred to as principal investigators (PI's). The PI's manage the delivery of the grant identified statement of work, review and approve grant expenditures, prepare and submit required program reports to sponsors, determine the disposition of equipment purchased with award funds, and retain award file documentation.

The Controller's Office is responsible for grant accounting related functions including account set-up, processing vendor invoicing, receipt and deposit of funds and financial reporting. They invoice sponsors or directly draw funds online from available grant balances.

SCOPE OF AUDIT

The Internal Audit Department has completed a review of Nevada State College Sponsored Projects Administration for the period July 1, 2011 through September 30, 2012.

The scope of our review included tests of the operating procedures and other auditing procedures as we considered necessary. The tests included, but were not necessarily limited to these areas.

1. Reviewing Sponsored Projects Administration.
2. Reviewing award files for required documentation.
3. Reviewing and testing indirect cost rates.
4. Testing expenditures for supporting documentation, proper signature approvals and allowance of costs as stipulated in the Office of Management and Budget (OMB) Circular A-21 – Cost Principles for Educational Institutions.
5. Examining and testing billing practices and compliance with reporting requirements.
6. Reviewing compliance with cost sharing arrangements.
7. Testing controls for grant acquired equipment.
8. Reviewing contract close-out processes.

In our opinion, we can be reasonably assured that the administration of sponsored project awards (contracts and grants) at NSC is being performed in a satisfactory manner. However, implementation of the following recommendations would further improve this process.

SPONSORED PROJECTS ADMINISTRATION

As previously mentioned, NSC has hired a Director of Budgets and Sponsored Projects Administration (SPA) who will centrally manage and oversee the institution's contract and grant activities. Currently, there is not a dedicated website, written policies and procedures manual or

training information in place for SPA to communicate its guidelines and expectations to institutional faculty and staff.

We recommend the following for SPA.

1. Develop a formal written policies and procedures manual to address key steps and functions in the stages of contract and grant awards from pre-award through post-award including contract closeout, program income, effort reporting, cost transfers and record retention. This could also include the need to develop supporting checklists and routing forms for key activities.
2. Develop a website to provide and disseminate procedural guidance to NSC staff, which should help support its goal of being the central point on campus for issues related to contract and grant activities.
3. Develop training materials, courses or classes to communicate expectations, availability, services, and rules and guidelines to be followed by institutional personnel when engaging in contract or grant activities. This training material or information could be delivered through a mix of live classroom courses, online courses or general information made available through website posting.

Institution Response

NSC agrees with the audit recommendations.

<u>Corrections:</u>

1. **Formal written policies and procedures are being developed and will be reviewed by NSC's College Policy Advisory Committee (CPAC) this summer. The information will be released to the NSC faculty prior to the Fall 2013 semester.**
2. **The webpages for dissemination of NSC sponsored projects information are being developed for the NSC website. Currently, the NSC website is being revised, and the Director of Budgets and Sponsored Projects Administration is now a member of the Web Communications Committee (WCC). The NSC sponsored projects webpages will be live prior to the Fall 2013 semester. In the**

interim, sponsored projects information is available on the shared drive.

3. **Sponsored projects training materials on the life cycle activities of sponsored projects were developed and presented at a Faculty & Staff Development Day on January 16, 2013 and at NSC HR Liaisons Meetings on February 5 and 7, 2013. These materials are available on the shared drive pending the implementation of the webpages. Additional training materials are being developed with more in depth information on the topics of searching for funding opportunities, developing proposals, negotiating awards, managing subawards, and tracking cost share.**

Prevention and Monitoring: The development of formal written policies and procedures and the implementation of web pages and training materials will ensure the appropriate management and monitoring of sponsored projects activities at NSC. Additionally, NSC is taking a proactive approach and hiring two professional Budget Analyst/Grant Analyst positions to support the growth of NSC's sponsored projects activities, including the maintenance of the web pages and dissemination of the training materials.

Follow Ups:

During May/June/July 2013, the position of Budgets & Grants Analyst was established, searched, and offered to a candidate. On August 13, the new hire began in the position. The position was filled by the former Financial Manager of the System Sponsored Programs Office, who has brought twelve years of NSHE experience to NSC. In our original audit response, we stated the new position would be filled by July 1. Since this was not possible, our target date for complete implementation of all of the remaining audit recommendations was revised from September 1, 2013 to December 15, 2013. Substantial progress has made to this end.

1. **Forms and written policies and procedures are being established to address key sponsored projects administration steps and functions from pre-award through post-award. Examples of three of the forms – Internal Routing Form for Sponsored Projects, Cost Transfer Request for Sponsored Projects, and Request for Risk Account – are included with this response. All forms are being converted to fillable online documents and will soon be available on the NSC website and NSC Portal. During the interim, the forms are available on the NSC shared drive. All forms and policies are to be uploaded by the end of the fall 2013 semester.**
2. **The Office of Budgets and Sponsored Projects Administration has now established as a link under the Departments section of the Finance & Administration web page on the NSC website. All forms and written policies and procedures, as well as Frequently Asked Questions (FAQs), are to be uploaded by the end of the fall 2013 semester.**
3. **The Director and the Budgets and Grants Analyst have been meeting regularly with NSC faculty and staff to communicate expectations, availability, services, and rules and guidelines to be followed by institutional personnel when engaging in sponsored projects activities.**

We also recommend when funds are available that NSC consider hiring or providing an additional staff member to support the director in administering and monitoring sponsored projects, since the director is currently tasked with dividing time and efforts between two different operational areas, Budget and Sponsored Projects. Appropriate staffing of SPA could become more of a concern as the institution grows and expands its base of awards.

Institution Response

NSC agrees with the audit recommendations.

<u>Correction:</u> The Office of Budgets and Sponsored Projects Administration will be recruiting two professional Budget Analyst/Grant Analyst positions for FY14. The first position will be filled by July 2013 and will focus on soft budget accounts and post-award activities, including the set-up of multi-year accounts, the preparation and processing of grant invoices and draws, the monitoring of grant expenditures and cost share, the certification of time and effort, and the close-out of awards.

<u>Prevention and Monitoring:</u> Appropriate staffing of the Office of Budgets and Sponsored Projects Administration will ensure the appropriate management and monitoring of sponsored projects activities at NSC. In order to keep up with the rapid growth at NSC, two positions will be added so both the budgets and sponsored projects administration areas are appropriately staffed.

<u>Follow Up:</u>
While we did not meet our July 1 target date for the hiring of a Budgets and Grants Analyst, we were able to recruit an extremely qualified candidate. During May/June/July 2013, the position of Budgets & Grants Analyst was established, searched, and offered to a candidate. On August 13, the new hire began in the position. The position was filled by the former Financial Manager of the System Sponsored Programs Office, who has brought twelve years of NSHE experience to NSC. Long term plans include an additional Budgets and Grants Analyst position as grant activity warrants.

BILLING MANAGEMENT

Sponsored project awards are typically paid by the granting agencies on a cost reimbursement basis, which can occur through invoicing or electronic draw. We sampled seven reimbursements to ensure they were supported by costs incurred in the financial accounting system, were billed/drawn timely and were within the contract authorized limits. Although our

review noted the reimbursements were supported by incurred costs recorded in the financial accounting system and within the award limits, we noted costs were not being invoiced or drawn on a current basis for the seven awards reviewed. Delays noted were between three to six months for billing or drawing of direct costs, and up to one year for indirect costs.

We recommend incurred costs on project awards be invoiced/drawn on a timely basis, which would better support the institution's cash management efforts.

Institution Response

NSC agrees with the audit recommendations.

<u>Correction:</u> Billing management has now transitioned from the Controller's Office to the Office of Budgets and Sponsored Projects Administration. Invoices/draws are now completed by the 15th of the month for the month prior.

<u>Prevention and Monitoring:</u> By moving billing management from the Controller's Office to the Office of Budgets and Sponsored Projects Administration, timely invoices/draws are ensured and account monitoring is enhanced. NSC is taking a proactive approach and hiring two professional Budget Analyst/Grant Analyst positions, which will support the increased billing management responsibilities associated with a rapidly growing college.

<u>Follow Up:</u> As acknowledged in our April 26, 2013 response, billing management transitioned from the Controller to the Director of the Office of Budgets and Sponsored Projects Administration during FY13. This change ensured that invoices are now completed no later than the 15th of the month for the month prior. Beginning with the October 2013 invoices, the Budgets and Grants Analyst assumed billing management from the Director.

<u>DIRECT COST EXPENDITURES</u>

We reviewed a sample of 107 direct cost expenditures that were charged to seven awards selected for review. The transactions were reviewed for proper supporting documentation, approval, reasonableness and determination of whether costs were allocable and allowable in accordance with OMB Circular A-21 and sponsor specific requirements. No exceptions were noted. However, we noted some situations where the existing governance was either vague or

silent regarding whether certain activities and resulting incurrence of cost were allowable for charging to awards. These interpretations are made by the award's applicable project director or PI.

We recommend that SPA implement a procedure for performing periodic sampling of direct costs charged to awards. This proactive control activity should aid the institution in ensuring they are aware of, and in agreement with, the types of ongoing activities and resulting costs being passed to sponsors.

Institution Response

NSC agrees with the audit recommendations.

Correction: The formal written policies and procedures under development include specific language with respect to determination of allowability, allocability, and reasonableness of given expenses based on the specific guidelines of sponsors and according to Federal cost principles. With the addition of two new professional Budget Analyst/Grant Analyst positions, the Office of Budgets and Sponsored Projects Administration will have the staffing to perform quarterly mini-audits of all grant accounts.

Prevention and Monitoring: The formal written policies and procedures and the mini-audits will ensure consistent treatment of direct cost expenditures on all NSC sponsored activities. Because NSC is taking a proactive approach and hiring two professional Budget Analyst/Grant Analyst positions, the mini-audits can be conducted.

Follow Up:
All grant accounts are closely monitored by the new Budgets and Grants Analyst. During monthly invoicing, charges are reviewed for allowability, allocability, and reasonableness. A procedure has also been implemented for the Budgets and Grants Analyst to sample direct cost expenditures quarterly.

EFFORT REPORTING

The federal government requires (OMB Circular A-21 Section J) an effort reporting system for federal contracts and grants. Effort reporting is the process of certifying that the payroll distribution for faculty, staff or students working on sponsored projects reflects a

reasonable estimate of the employee's actual effort for 100% of their institutional activities. Effort reports should be signed by the employee, principal investigator or other responsible official with first-hand knowledge of employee's effort, or by an individual who used suitable means of verifying the work was performed. We noted there was not a formalized process in place to ensure required persons charging direct labor cost to grants are certifying to their actual time worked.

We recommend the institution implement an effort reporting policy and procedure to comply with federal requirements.

Institution Response

NSC agrees with the audit recommendations.

<u>Correction:</u> The formal written policies and procedures under development include specific language with respect to effort reporting. Semi-annual effort reports (Federal requirement is annual reports) will be collected on all NSC projects. With the addition of two new professional Budget Analyst/Grant Analyst positions, the Office of Budgets and Sponsored Projects Administration will have the staffing to collect semi-annual effort reports.

<u>Prevention and Monitoring:</u> Effort reporting is a complex regulatory requirement and is routinely a focus area for Federal government and sponsor audits. The formal written policies and procedures and semi-annual effort reports will ensure NSC's compliance with Federal government and sponsor requirements. Because NSC is taking a proactive approach and hiring two professional Budget Analyst/Grant Analyst positions, semi-annual effort reports can be collected and effort will be well-monitored.

<u>Follow Up:</u>
A formal NSC effort reporting system is currently being developed by the Director and the Budgets and Grants Analyst. Previously, NSC tracked effort through signed HR and Payroll documents (Personnel Action Forms (PAFs), time sheets, etc.). The new procedure utilizes a database similar to the one used by the Systems Sponsored Programs Office and places greater emphasis on the timely submission of certified effort reports by grant-funded employees. Along with the certifiers, principal investigators and employing departments will also assume greater responsibilities as part of the effort reporting procedure. The new time and effort forms will be uploaded to the NSC Portal by the end of the fall 2013 semester.

INDIRECT COSTS

We reviewed indirect cost provisions for seven awards to determine whether indirect costs were applicable to the awards. We noted indirect costs were applicable for reimbursement on these awards. We reviewed the costs recorded to the financial accounting system to ensure the rates were correctly applied to the computational base elements for computing indirect cost, and then verified the indirect costs were recorded in the financial records in a timely manner. Our review noted indirect costs for six of seven awards reviewed were not recorded in the financial records in a timely manner, some of which extended past six months.

We recommend applicable indirect costs for awards be recorded in the financial records in a timely manner to facilitate timely billing or draw to recover these costs.

Institution Response

NSC agrees with the audit recommendations.

Correction: Previously, NSC set up grant accounts as fiscal year accounts and manually posted the indirect cost expenditures to the grants and the revenue to the recovery accounts. All grant accounts are now set up by the Office of Budgets and Sponsored Projects Administration. The accounts are set up multi-year (not fiscal year) accounts into the ADVANTAGE Financial System, which has automated the posting of indirect cost expenditures to the grants and the revenue to the recovery accounts. The automated process posts these items with each month end closing. When invoices/draws are completed by the 15th of the month for the month prior, the indirect costs are now current.

Prevention and Monitoring: Because NSC now uses the multi-year account set-up in the ADVANTAGE Financial System, applicable indirect costs are well-monitored and recorded in a timely manner. Also, by NSC taking a proactive approach and hiring two professional Budget Analyst/Grant Analyst positions, indirect cost can be more closely monitored by staff during invoice/draws and mini-audits.

Follow Up: As acknowledged in our April 26, 2013 response, the Office of Budgets and Sponsored Projects Administration now sets up all grant accounts as multi-year (not fiscal year) accounts in the ADVANTAGE Financial System, which automatically posts indirect cost expenditures to the grants, and revenue to the recovery accounts, during each month end closeout. This automation has ensured that applicable indirect costs are well monitored and recorded in a timely manner.

ACCOUNTING

We noted indirect costs were recorded in the financial accounting system through preparation of manual computations followed by journal entries. We noted the system is capable of mechanized computation of indirect cost if the proper computer coding is initiated, and the appropriate subaccounts are established and segregated for application of the indirect rate.

We recommend consideration be given to utilizing the mechanized accounting functions available to compute indirect costs, which should aid in timely recording and billing of indirect costs.

Institution Response

NSC agrees with the audit recommendations.

Correction: **Previously, NSC set up grant accounts as fiscal year accounts and manually posted the indirect cost expenditures to the grants and the revenue to the recovery accounts. All grant accounts are now set up by the Office of Budgets and Sponsored Projects Administration. The accounts are set up multi-year (not fiscal year) accounts into the ADVANTAGE Financial System, which has automated the posting of indirect cost expenditures to the grants and the revenue to the recovery accounts. The automated process posts these items with each month end closing. When invoices/draws are completed by the 15th of the month for the month prior, the indirect costs are now current.**

Prevention and Monitoring: **Because NSC now uses the multi-year account set-up in the ADVANTAGE Financial System, applicable indirect costs are well-monitored and recorded in a timely manner. Also, by NSC taking a proactive approach and hiring two professional Budget Analyst/Grant Analyst positions, indirect cost can be more closely monitored by staff during invoice/draws and mini-audits.**

Follow Up: **As acknowledged in our April 26, 2013 response, the Office of Budgets and Sponsored Projects Administration now sets up all grant accounts as multi-year (not fiscal year) accounts in the ADVANTAGE Financial System, which automatically posts indirect cost expenditures to the grants, and revenue to the recovery accounts, during each month end closeout. This automation has ensured that applicable indirect costs are well monitored and recorded in a timely manner. When invoices are completed each month for the prior month, the indirect costs are current.**

EQUIPMENT

We noted one of the seven awards had two capital equipment items purchased that were not identified in the financial records for depreciation accounting purposes, nor were they identified and marked with an asset decal. The combined value of these two items was $50,000. We were able to verify the assets existed and were in use on the grant.

We recommend the Controller's Office and the Facilities Department perform periodic reconciliation of equipment to ensure items purchased are identified with asset tags and on an equipment record for inventory tracking purposes. This reconciliation process was noted to be in place for information technology (IT) equipment, but not for non-IT equipment.

Institution Response

NSC agrees with the audit recommendations.

Correction: NSC's Office of Information Technology has a Technology Asset Management Policy for the procurement, tracking, removal, and protection of information technology assets. A similar policy is being developed for non-IT equipment. The Controller's Office and the Facilities Department will be working with the new Associate Vice President for Finance and Administration (May 1, 2013 hire date) to develop the non-IT asset management policy. Currently, non-IT equipment is tagged and depreciated after the Controller's Office recognizes the expenditure on an account. The Office of Budgets and Sponsored Projects Administration now codes all equipment purchases to object code 60 in the ADVANTAGE Financial System, which alerts the Controller's Office of the purchase.

Prevention and Monitoring: Establishing and enforcing a comprehensive asset management policy will help to prevent the non-identification of capital equipment items. Utilizing features within the ADVANTAGE Financial System to assist with identification, tracking, and depreciation will help to monitor capital equipment items. The addition of an Associate Vice President will also provide additional managerial expertise in this area.

Follow Up: The new Associate Vice President for Finance and Administration is working closely with the Controller on updates to NSC's fiscal policies and associated procedures. A formal asset management policy will be completed by December 15, 2013. In the interim, the procedure is that the Controller's Office identifies equipment purchases through the monthly reconciliation of the financial

records and then contacts the Facilities Department to ensure the items have been tagged. All capital equipment items are properly identified, tracked, and identified.

AWARD RECORDS

We reviewed the completeness of files in place for seven awards to determine whether documents were available and retained to support the key contracting activities occurring from pre-award through post-award. We were able to locate key documentation, but noted the documents were spread out between multiple sources on campus (Sponsored Projects, Controller's Office, HR, Principal Investigators, other), without a central file being readily available to house and retrieve these documents.

We recommend that consideration be given to utilizing a database or a dedicated drive on the NSC server to facilitate centralized storage and timely retrieval through electronic means, which also supports physical safety of documents through routine backup processes.

Institution Response

NSC agrees with the audit recommendations.

Correction: The Office of Budgets and Sponsored Projects Administration is now the central repository for sponsored projects documentation. Electronic copies of all sponsored projects documents are maintained on the shared drive. The formal written policies and procedures under development include specific language with respect to the maintenance of award records. Sponsored projects training materials also are being developed which address the importance of proper record retention.

Prevention and Monitoring: By NSC taking a proactive approach and hiring two professional Budget Analyst/Grant Analyst positions, record maintenance will be more closely monitored and staff will be available to conduct training workshops to educate faculty and staff on the importance of maintaining complete records.

Follow Up: The Office of Budgets and Sponsored Projects Administration has a dedicated folder on the shared drive which serves as the central repository for all sponsored projects documentation. Additionally, hard copies of all open awards are maintained by the Budgets and Grants Analyst. Principal Investigators on all new awards are provided training on documentation requirements, and the Budgets and Grants Analyst has developed an Access database, similar to the one he developed for the System Sponsored Programs Office, to track the due dates for all reports

related to the grants in order to assist the PIs with deadlines.

REPORTING

We performed a review of seven awards to determine whether financial and operating reports were being completed and submitted to sponsors in a timely manner, when required. Operating reports were identified as completed and submitted timely, but one of seven awards submitted financial reporting that was not timely.

We recommend the processes and procedures in place for providing financial reports to sponsors be reviewed to ensure timely submission of required reports.

Institution Response

NSC agrees with the audit recommendations.

Correction: Previously, the Controller's Office submitted the financial reports for NSC's Sponsored Projects. The Office of Budgets and Sponsored Projects Administration now submits all the financial reports for new awards and works in conjunction with the Controller's Office to close-out old awards. This transition to the Office of Budgets and Sponsored Projects has improved the timeliness and accuracy of reports. Technical reports are prepared by the Principal Investigator (PI), and the Office of Budgets and Sponsored Projects Administration works closely with the PI to ensure these reports are also submitted in a timely manner. The formal written policies and procedures under development include specific language with respect to reporting requirements. Sponsored projects training materials also are being developed which address reporting requirements.

Prevention and Monitoring: Transitioning sponsored projects financial reporting responsibilities to the Office of Budgets and Sponsored Projects Administration from the Controller's Office was the first set in improving reporting accountability. By NSC taking a proactive approach and hiring two professional Budget Analyst/Grant Analyst positions, NSC's staff will be able to closely monitor the due dates for all reports and ensure the reports are submitted in a timely manner.

Follow Up: By transitioning sponsored projects financial reporting responsibilities from the Controller's Office to the Office of Budgets Sponsored Projects, financial reports are now submitted on time. The Budgets and Grants Analyst manages post-award activities for the Office of Budgets Sponsored Projects and works closely with the Director and PIs to ensure the timely submission of required reports.

The Internal Audit Department appreciates the assistance and cooperation received from NSC staff during this review.

Las Vegas, Nevada
January 25, 2013

Lauren Tripp
Senior Internal Auditor

J. Vito Hite
Internal Audit Manager

Sandra K. Cardinal
Assistant Vice Chancellor for Internal Audit

Cost Transfer Request For Sponsored Activities

Prepared By: Phone: Email:

Please attach copies of original transaction documentation (i.e. invoice, PCard receipt, etc.)

Transaction Date	Original Transaction Account Obj/Subobj code			Advantage Transaction Description	Amount of Transaction	Post to Account Account Obj/Subobj code		
SAMPLE: 7/15/2013	xxxx-xxx-xxxx	30	13	Company Inc.	$56.54	xxxx-xxx-xxxx	30	13

All relevant questions below must be adequately answered or the form will be returned to the preparer.
If the justifications do not fit in the space provided, please attach the justifications on a separate page.

1) Why was this transaction(s) originally posted to the account from which it is now being transferred?

2) Why should the transaction(s) be transferred to the proposed account to be charged?
How does this transaction benefit the project?

Complete #3 and #4 if transfer request is over 90 days from the date of the original transaction:

3) Why is the transaction(s) being transferred more than 90 days after the original date the transaction was recorded?

4) What corrective action has been taken to eliminate future need for cost transfers of this type?

NOTE: By signing below, requestor (PI) certifies that the cost(s) to be transferred is an appropriate expenditure for the sponsored grant or contract charged and that the expenditure complies with the terms and restriction governing that sponsored grant or contract.

Approval Signatures

Principal Investigator: _____ DATE _____

Dean/Vice President: _____ DATE _____

Office of Sponsored Projects: _____ DATE _____

Please attach copies of the original transaction documentation (i.e. PCard receipts, travel vouchers, invoice, etc.)

NSC Office of Budgets and Sponsored Projects Administration 9/2013

NSC Internal Routing Form for Sponsored Projects	Proposal No. (OSP use only)
This form is available at http://nsc.edu/osp/XXXXXXXXXXXX	

PLEASE NOTE: Current and pending audit and compliance requirements make it essential to have fully completed routing sheets for record keeping and documentation of commitments. Please contact the Office of Budgets and Sponsored Projects Administration with any questions.

Phone: 702-992-2308 (Pamela Levins) or 702-992-2309 (Alvin Hardimon) Email: Pamela.Levins@nsc.edu or Alvin.Hardimon@nsc.edu

Type of Document: ☐ Proposal to be submitted, by PI ___ ; by OSP ___ ; ☐ Award document

Status: ☐ New proposal; ☐ Continuation (If continuation, account #_____)

Title of Project:			
PI/PD Name:	Dept:	School/Division (if applicable)	Mail Code:
PI/PD Email Address:		Phone:	Fax:
List Co-PI's, if any:		Co-PI Dept:	Co-PI Phone:
Funding Agency Name:			
Project Start (mm/dd/yy):	Project End (mm/dd/yy):	Total Funding Request: $	

Federally Mandated Compliance Areas: ***Indicate all items that apply***
☐ Human subjects, protocol# _____ (IRB approval letter must be submitted to OSP for award to be processed.)
☐ Vertebrate animals
☐ Infectious agents
☐ Radioactive materials
☐ Recombinant DNA;
☐ Lasers
☐ Other hazardous materials
☐ Payment to a person or organization to lobby on behalf of this project
☐ Does the research provided by this proposal include or potentially lead to the creation of Intellectual Property?

Department, School, & College Infrastructure/Facilities: ***Indicate all items that apply***
☐ Commitment of additional space or facilities ☐ Renovation of existing space or facilities ☐ Equipment Purchases requiring facilities support or enhancements ☐ Funds budgeted for buy-out of faculty effort during the academic year ☐ Funds budgeted for Graduate Assistant(s)

Type of Project:
☐ Competitive (peer review competition or response to a Request for Proposals or a Request for Quotations) ☐ Earmark (Congressionally mandated award) ☐ Partnership (the proposal arose out of mutual interest in the project but there was no competitive process to select NSC as a partner) ☐ Other (all other proposals that do not meet the criteria above)

Reimbursement of Facilities and Administrative (F & A) Costs: ***Check applicable boxes and attach documentation, if required***	
Type of Project ☐ Research ☐ Instruction & Training ☐ Other Sponsored Activity	
Is Project ☐ on campus ☐ off campus If off campus must have prior approval from OSP	
☐ The funding agency disallows or limits recovery of F & A costs (If limited, rate is % of) Attach documentation of these restrictions	

Cost-Sharing and Matching: ***It is best to allow OSP to assist with the completion of this section prior to routing.***	
☐ Cost-sharing or matching is not required	
☐ Cost-sharing or matching is required: % of	
Detailed explanation of cost-sharing or matching commitments: Include in comments section or attach separate sheet	
• Contributed time of faculty/staff - - Indicate person, % time, duration, amount	
• Student support - - Indicate item, amount, source of funds	
• Cash matching for equipment & other tangible items - - Indicate item, amount, source of funds	
• NSC F & A (Indirect) Costs - - Show calculations and amounts	
• Third party cash or in-kind contributions - - List sources, items, amounts, and indicate how they were estimated	

Certifications and Approvals: Approval is required through Chair and Dean prior to obtaining authorizing signatures from OSP.
Principal Investigator and Co-Principal Investigators: I certify that to my best knowledge the information provided above is correct. I further certify that I, my spouse, and/or dependent children ☐ do, ☐ do not have any significant financial interests that would reasonably appear to be affected by the activities funded or proposed for funding. Note: If there are Co-PI's, all must initial the appropriate certification box and sign below. I ☐ do, ☐ do not have a current conflict of interest form on file in the Office of the Executive Vice President and Provost. **Principal Investigator / Co-PI Signature(s) & Date:**
Chair: This proposed project is consistent with departmental policies and objectives. *Departmental cost-sharing/matching commitments are noted and approved.* **Chair/Director Signature & Date:**
Dean: This proposed project is consistent with school policies and objectives. *School cost-sharing/matching commitments are noted and approved.* **Dean/Vice President Signature & Date:**
Office of Sponsored Programs: **SRA Signature & Date:**

For OSP use only:			
Funding Program Title:		CFDA #:	
Type of Funding: ☐ Federal; ☐ Federal Pass-through; ☐ State/Local; ☐ Private Non-profit; ☐ Corporate; ☐ Foreign ☐ Other			
Type of Project: ☐ Research; ☐ Public Service; ☐ Instruction; ☐ Student Services ☐ Academic Support ☐ Institutional Support ☐ Operations & Maintenance ☐ Scholarships & Fellowships ☐ Auxiliary Enterprises			
MPPN#:	☐ Export Control	Administrative considerations:	

NSC Office of Budgets and Sponsored Projects Administration 9/2013

NSC Request for Risk Account

Purpose: A Risk Account is a sponsored projects account established prior to the receipt of a new award or the modification of an existing award *if the PI has received written confirmation from the sponsor that the award/modification is forthcoming.* **In order to establish a Risk Account, the Office of Budgets of Sponsored Projects Administration must receive: 1) Documentation of sponsor commitment to issue an award or modification, 2) A budget for the funds including Facilities and Administrative costs (Indirect Costs), and 3) This form, with all necessary signatures.**

			Yes	No
Principal Investigator:		New Award	☐	☐
Department/Office:		Continuation	☐	☐
Phone:		Fixed Price Agreement	☐	☐
Email:		Budget attached	☐	
		Sponsor Documentation Attached	☐	
Project Title:				
Funding Agency:		Anticipated Project Start Date:		
Risk Account Period:	From: To:	Anticipated Project End Date:		
Amount Requested:		College Account Number To Guarantee Funds:		

Explain the need for funding:

In the unlikely event the award/modification is not issued, the Principal Investigator, Department Chair/Director, and Dean/Vice President verify that all expenditures will be covered by the guarantee account. These signatures serve as authorization to transfer funds to cover incurred expenditures if the award is not issued. However, OSP will notify the Dean/Chair/Director before any such transfer occurs.

PI Signature:		Date:	
Chair/Director Signature:		Date:	
Dean/Vice President Signature:		Date:	

NEVADA STATE
COLLEGE

October 28, 2013

Ms. Sandi Cardinal
Assistant Vice Chancellor
Nevada System of Higher Education
2601 Enterprise Road
Reno, Nevada 89512

RE: Nevada State College Sponsored Projects Administration Follow-Up

Dear Sandi:

Attached is the follow-up response to the Sponsored Projects Administration audit conducted for the period July 1, 2011 – September 30, 2012.

Following is a summary of the audit recommendations and the status of NSC's response to each:

AUDIT: Nevada State College Sponsored Projects Administration

AUDIT PERIOD: July 1, 2011 – September 30, 2012

NUMBER OF FINDINGS: 12

NUMBER OF RECOMMENDATIONS COMPLETELY IMPLEMENTED: 7

NUMBER OF RECOMMENDATIONS PARTIALLY IMPLEMENTED: 5

NBR.	FINDING	AGREE	IMPLEMENTED
1.	Develop Policies and Procedures Manual	Yes	Implementation in process & to be completed by December 15, 2013
2.	Develop Website	Yes	Implementation in process & to be completed by December 15, 2013

OFFICE OF FINANCE & ADMINISTRATION
1125 Nevada State Drive, Henderson, Nevada 89002 | Phone: 702.992.2000 | Fax: 702.992.2351 | www.nsc.nevada.edu

3.	Develop Training Materials, Courses, Classes	Yes	Yes
4.	Hire Additional Staff	Yes	Yes
5.	Invoice/Draw Funds Timely	Yes	Yes
6.	Periodic Sampling of Direct Costs	Yes	Yes
7.	Implement Effort Reporting Policy and Procedure	Yes	Implementation in process & to be completed by December 15, 2013
8.	Apply Indirect Costs Timely	Yes	Yes
9.	Utilize Automated Indirect Cost Function	Yes	Yes
10.	Reconcile Equipment Inventory	Yes	Implementation in process & to be completed by December 15, 2013
11.	Utilize Centralized Database	Yes	Yes
12.	Establish Policies/Procedures to Ensure Timely Reporting	Yes	Implementation in process & to be completed by December 15, 2013

Thank you and your staff for your continued assistance and for all of the efforts of your staff.

Sincerely,

Harry E. Neel, Jr.
Senior Vice President for Finance and Administration