

TRUCKEE MEADOWS COMMUNITY COLLEGE
GRANTS AND CONTRACTS
Internal Audit Report
July 1, 2013 through June 30, 2014

GENERAL OVERVIEW

During the audit period, Truckee Meadows Community College (TMCC) had 44 active sponsored projects totaling approximately \$11.3 million. The awards were issued primarily for educational purposes, such as adult basic education, technology preparation and similar types of programs. The administration of sponsored projects involves personnel from the Budget & Planning Office, the Grants Office, and the various college faculty and staff who are involved in the programs. The Grants Office is responsible for assisting faculty in soliciting awards, monitoring expenditure activity, and providing overall guidance on sponsored projects to TMCC faculty and staff. The Budget & Planning Office is responsible for accounting related functions including account set-up and closing, vendor invoicing, financial reporting, and management of the effort reporting process. TMCC procedures require sponsored projects to be reviewed and approved by the president.

SCOPE OF AUDIT

The Internal Audit Department has completed a review of grants and contracts at TMCC for the period of July 1, 2013 through June 30, 2014.

Our review was conducted in accordance with the *International Standards for the Professional Practice of Internal Auditing* issued by the Institute of Internal Auditors, and included tests of the accounting records and other auditing procedures as we considered necessary. The tests included, but were not necessarily limited to, these areas.

1. Reviewing award files for required documentation.

2. Reviewing and testing indirect cost rates.
3. Reviewing and testing cost share requirements and effort reporting.
4. Testing expenditures for supporting documentation, proper signature approvals, and allowance of costs as stipulated in the Office of Management and Budget (OMB) Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (Uniform Guidance).
5. Examining billing and reporting requirements.
6. Testing equipment inventory for allowable cost, proper procurement and identification.
7. Reviewing close-out procedures.

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

EFFORT REPORTING

The Uniform Guidance requires records of salaries and wages charged to awards to be supported by a system of internal control that provides reasonable assurance that the charges are accurate, allowable, and properly allocated. The process followed by TMCC to comply with this requirement is to complete effort reports for each individual who is paid from sponsored project funding. A sample of 15 employees, who were paid from nine sponsored projects during the audit period, was reviewed to determine whether effort reports were completed. The following exceptions were noted.

1. During our review, we noted two different effort reports were utilized by the college to document employees who were paid from sponsored projects, the Personnel Activity Report (PAR) and the Time and Effort Report. We noted the Time and Effort Report,

completed for five of 13 employees tested, did not include pertinent information that is included on the PAR such as the date effort was certified, the salary paid to employees and the corresponding account numbers charged and percentage of effort distributed to each account.

For improved reporting and consistency purposes, we recommend the PAR be utilized in the effort reporting process.

What will be done to avoid the identified problems and issues in the future;

TMCC concurs with the recommendation. The PAR effort report will be completed for all TMCC grants requiring time & effort reporting. The Grants Analyst will provide PAR reports from XNet to Primary Investigators (PI's), The PI's will verify the effort and account numbers reflected on the report. Once the effort and account numbers have been verified, the effort report will be sent to the employee and supervisor for approval and eventual return to the Grants Office.

How compliance and future good management and practice will be measured, monitored and assured;

PAR effort reports will be monitored by the Grants Analyst as compliance reports are prepared. It will also be available in the general grant file in grant accounting office. PI's will be trained regularly on this.

Who will be responsible and may be held accountable in the future if repeat or similar problems arise;

The PI's and Grants Analyst will be responsible for ensuring the use of PAR and the completion of effort reporting.

When the measures will be taken and on what schedule compliance and good practice will be secured; and

On a semi-annual basis, the general grant folders will be audited by the Grants Analyst supervisor to ensure the PAR effort reports are being maintained.

How compliance and performance will be documented for future audit, management and performance review.

The PAR effort reports will be available for review in the grant accounting office.

2. An effort report was not completed for six of 13 employees tested. Upon notification, reports for five of the employees were completed during our audit fieldwork.

We recommend that effort reports be completed in a timely manner.

What will be done to avoid the identified problems and issues in the future:

TMCC concurs with the finding. Five of the employees as noted have completed their effort reports. Since summer 2015, PAR effort reports are reviewed monthly. Similarly, TMCC made PAR effort reporting accessible via Xnet for distribution to PI's. This automation eliminates the time intensive requirement to manually produce the PAR effort reports.

How compliance and future good management and practice will be measured, monitored and assured;

The Grants Analyst will track when PAR reports have been sent to the PI's and when the verified PAR effort reports are returned to the grant accounting office.

Who will be responsible and may be held accountable in the future if repeat or similar problems arise;

The Grant Analyst will be accountable for ensuring PAR effort reports are being completed in a timely manner.

When the measures will be taken and on what schedule compliance and good practice will be secured; and

On a quarterly basis, the Director of Budget & Planning will review the grant files to ensure complete PAR effort reports have been completed in a timely manner.

How compliance and performance will be documented for future audit, management and performance review.

The completed PAR effort reports will be available for review in the grant accounting office.

3. Procedures for completing effort reports have not been documented in the TMCC Grants Handbook.

We recommend the TMCC Grants Handbook be updated to address the effort reporting process.

What will be done to avoid the identified problems and issues in the future;

TMCC concurs with the finding. Procedures for completing PAR efforts reports will be included in the TMCC Grants Handbook. The instructions will be completed by Dec 31, 2015.

How compliance and future good management and practice will be measured, monitored and assured;

The Director of Budget and Planning will review annually the TMCC Grants Handbook to ensure that the procedures for completing the PAR effort reports remain in step with the current actual procedures.

Who will be responsible and may be held accountable in the future if repeat or similar problems arise;

Responsibility for ensuring that the PAR effort reporting procedures are current and accurate will be shared jointly between the Grants Manager and the Grants Analyst.

When the measures will be taken and on what schedule compliance and good practice will be secured; and

The PAR effort reporting procedures posted in the grants procedures section of the TMCC faculty and staff web pages will be reviewed annually to ensure the posted procedures are accurate.

How compliance and performance will be documented for future audit, management and performance review.

The TMCC Grants procedures will be available for review online.

AWARD DOCUMENTATION

As previously mentioned, the administration of sponsored projects at TMCC is performed by multiple employees in various areas of the college. As a result, award documentation is spread out across the campus; it is not maintained in a centralized location.

We recommend the current process for storing award documentation including billings, effort reports, and financial and technical reports be reviewed for reasonableness and to determine whether any such records could be consolidated within the college. We also recommend that the location in which award documentation is maintained be addressed in the TMCC Grants Handbook.

What will be done to avoid the identified problems and issues in the future:

TMCC concurs with the findings. The location of each type of grant documentation will be annotated in the TMCC Grants Handbook. The locations of grant documentation will be included in the TMCC Grants Handbook no later than December 31, 2015.

How compliance and future good management and practice will be measured, monitored and assured;

The Grants Manager will annually ensure that the locations displayed in the TMCC Grants Handbook are still accurate.

Who will be responsible and may be held accountable in the future if repeat or similar problems arise;

The Grants Manager will be responsible for ensuring the locations of the grant documents are accurately displayed in the TMCC Grants Manual.

When the measures will be taken and on what schedule compliance and good practice will be secured; and

Annually the Grants Manager will review the TMCC Grants Handbook and verify the locations of grant related documents at TMCC.

How compliance and performance will be documented for future audit, management and performance review.

The TMCC Grants Manual will be available online for review.

CASH MANAGEMENT

Sponsored project awards are typically paid by the granting agencies on a cost reimbursement basis. This means the agencies do not disburse funds until after an invoice is received from TMCC reflecting expenditures incurred by the college. We reviewed 12 invoices that were prepared and submitted to sponsoring agencies during the audit period for the nine awards examined. The invoices, and subsequent reimbursements received, were reviewed for accuracy and proper posting to the financial accounting system. The following exceptions were noted.

1. On three occasions, invoices were not submitted to the sponsor in a timely manner. One of these invoices was issued for eight months of expenditures and two were issued for five months of expenditures. The billing frequency was not addressed in the award documentation other than one award which stated billings could not occur more frequently than every two weeks.

In order to recover costs in a timelier manner, we recommend invoices be submitted to sponsors on at least a quarterly basis unless a longer time period is specified by the sponsor.

What will be done to avoid the identified problems and issues in the future;

TMCC concurs with this finding. The Director of Budget and Planning, who now oversees the Grants Analyst position, is closely monitoring the invoicing of grants. The invoicing is occurring on a regular basis.

How compliance and future good management and practice will be measured, monitored and assured;

The Director of Budget & Planning will review the grants balance and activity reports to ensure expenditures are invoiced in a timely manner. This review will occur on a quarterly basis.

Who will be responsible and may be held accountable in the future if repeat or similar problems arise;

The Grants Analyst and Director of Budget & Planning are responsible to ensure similar occurrences are not repeated.

When the measures will be taken and on what schedule compliance and good practice will be secured; and

On a quarterly basis, the balance and activity reports for the grant accounts will be reviewed to ensure that invoices are occurring in a timely manner.

How compliance and performance will be documented for future audit, management and performance review.

After reviewing the balance and activity report, the initials of the Director of Budget & Planning and the date of review will be annotated on the balance and activity report as evidence of review.

2. Nine invoices were not processed by the college in the financial accounting system.

When invoices are generated from the financial accounting system, a record is created which allows an aging report of outstanding invoices to be generated and reviewed.

We recommend all sponsored project invoices be processed from the financial accounting system and that an aging report be generated and reviewed on a periodic basis.

What will be done to avoid the identified problems and issues in the future;

TMCC concurs with this finding. The invoices noted were created prior to TMCC implementing invoice generation in the Advantage accounting system. Since March, 2014, all TMCC grant invoices are generated in the Advantage accounting system. Since the implementation of invoices being recorded in the advantage accounting system, system generated aged accounts receivable reports are now being compiled.

How compliance and future good management and practice will be measured, monitored and assured;

The Director of Budget & Planning will review quarterly the aged open invoice report from the financial data warehouse. When the aged open invoice reports are reviewed, the Director of Budget & Planning will initial and date the report.

Who will be responsible and may be held accountable in the future if repeat or similar problems arise;

The Grants Analyst is responsible for ensuring all grant invoices are recorded in the Advantage accounting system in a timely manner.

When the measures will be taken and on what schedule compliance and good practice will be secured; and

During the quarterly review of the grant financial files, invoices will be reviewed for inclusion in the file and timeliness of creation.

How compliance and performance will be documented for future audit, management and performance review.

Invoices will be included in grant financial files located in the Grants Analyst office. The invoices will be available for review on request. The reviewed aged open invoice reports will be maintained in the grant analyst office.

3. During this review, we noted the account established in the financial accounting system for one of nine awards examined contained both federal and state award monies.

We recommend federal and state funds be maintained in separate accounts, as required by the award.

We recommend the grant procedures in the TMCC Grants Handbook be updated to address the above items.

What will be done to avoid the identified problems and issues in the future;

The grant setup form will be modified to allow the Grants Manager to alert the Grants Analyst to what type of funding will be used to setup the grant account. The TMCC Grants Manual will be updated no later than December 31, 2015 to address the establishment of separate accounts for federal and state grant funds.

How compliance and future good management and practice will be measured, monitored and assured;

The Grants Manager will be responsible for ensuring the policy for establishment of separate accounts for federal and state grants funds is accurately displayed in the TMCC Grants Manual.

Who will be responsible and may be held accountable in the future if repeat or similar problems arise;

The Grants Manager will be responsible for the policy on recording federal and state grants funds in separate accounts is accurately displayed in the TMCC Grants Manual.

When the measures will be taken and on what schedule compliance and good practice will be secured; and

Annually, the Grants Manager will review the TMCC Grants Handbook and verify policy on recording grant funds is current. The Grant Analyst is responsible for establishing grant accounts with the fund type. The Director of Budget and Planning will verify that the correct fund type is assigned to the account during the account setup process.

How compliance and performance will be documented for future audit, management and performance review.

The TMCC Grants Manual will be available online for review.

4. The college's billing process is not documented in the TMCC Grants Handbook.

We recommend the billing process be included in the handbook.

What will be done to avoid the identified problems and issues in the future;

The Grants Analyst will work with the Grants Manager to have the TMCC billing process included in the TMCC Grants handbook. Inclusion in the TMCC Grants Handbook will occur no later than December 31, 2015. The billing process will address the following:

1. Quarterly balance and activity reports being compiled from Xnet or Financial Data Warehouse.
2. Recording of financial data on the grant program tracking spreadsheet
3. Invoice generation
4. Verification of invoices
5. Processing invoices with grantors
6. Tracking of payments and aged accounts receivable

How compliance and future good management and practice will be measured, monitored and assured;

Annually, the Grants Manager, in consultation with the Grants Analyst, will verify the billing procedures shown in the TMCC Grants Handbook are accurate.

Who will be responsible and may be held accountable in the future if repeat or similar problems arise;

The Grants Manager and the Grants Analyst will be jointly responsible to ensure the billing process remains accurate in the TMCC Grants Handbook.

When the measures will be taken and on what schedule compliance and good practice will be secured; and

The TMCC grant billing process will be reviewed on an annual basis to ensure it reflects the actual process in place or needs modification as accounting systems are changed.

How compliance and performance will be documented for future audit, management and performance review.

The TMCC billing process will be documented online and available for review.

CLOSE OUT TESTING

We tested five awards that closed during the audit period and noted the accounts for two awards were still listed as active in the financial accounting system. In addition, there was a remaining balance in one of the accounts and charges were posted to the other account after the conclusion of the project period.

We recommend a review be performed to determine whether expenditures were incorrectly charged to the accounts and whether the remaining funds should be returned to the sponsor.

We also recommend the accounts be deactivated in the financial accounting system.

We also noted the various steps involved in closing out awards have not been documented to ensure the close out process is complete and performed in a timely manner.

We recommend a close out form be developed to assist in this process. The form should include, but not be limited to, verification that program and financial reports were submitted, final invoicing was completed, award and cost share accounts were closed, indirect costs were calculated correctly and equipment and supply inventories were handled properly. We recommend the close out form be completed and signed by the individuals that performed each of the steps and maintained in the centralized award file. We also recommend the close out process be addressed in the TMCC Grants Handbook.

What will be done to avoid the identified problems and issues in the future;
TMCC concurs with this finding. TMCC has developed a grant closeout checklist form that will be utilized for each grant as the grant ends. The check list addresses verification that program and financial reports were submitted, final invoicing was completed, award and cost share accounts were closed, indirect costs were calculated correctly and

equipment and supply inventories were handled properly. Additionally the check list will be annotated indicating that a review of expenditures was conducted to ensure no expenditures were incorrectly charged to the account. A determination of whether any remaining grants funds will be completed and the disposition of those funds will be recorded on the grant closeout checklist. The date the account is deactivated will also be recorded on the checklist.

The TMCC Grants Manual will be updated no later than December 31, 2015 to address the grant closeout process.

How compliance and future good management and practice will be measured, monitored and assured;

The Director of Budget & Planning will review the grant closeout checklist within sixty days of a grant's end date.

Who will be responsible and may be held accountable in the future if repeat or similar problems arise;

The Grants Analyst is responsible for identifying grants that have closed, initiating the grant closeout checklist and having the grant closeout checklist reviewed within the sixty day period. The Grants Manager and Grants Analyst are responsible for ensuring the grant closeout procedures are accurately documented in the TMCC Grants Handbook.

When the measures will be taken and on what schedule compliance and good practice will be secured; and

The grant closeout checklist will be used on all grants that close on October 1, 2015 or later.

How compliance and performance will be documented for future audit, management and performance review.

Once completed, the grant closeout checklist will be maintained in the grant's file located in the Grants Analyst office. The TMCC Grants Manual will be available online for review.

EXPENDITURES

We reviewed a sample of 69 expenditures that were charged to the nine awards selected for review. The transactions were reviewed for proper supporting documentation, approval, reasonableness, and compliance with the cost principles stated in the OMB Uniform Guidance.

Of the 69 transactions reviewed, one expenditure involved an entertainment expense incurred by employees while on out-of-state travel. We noted entertainment expenses were not

included in the budget that was submitted and approved by the sponsor and that prior written approval of the expense was not received, in accordance with OMB requirements. Upon further review, we noted additional entertainment expenditures were charged to the award.

We recommend that only authorized expenditures be charged to sponsored projects. If there is a need to include an expenditure category that was not included in the original budget, we recommend approval be requested from the sponsor.

What will be done to avoid the identified problems and issues in the future;

Primary Investigators (PI) will be reminded that only authorized expenditures can be charged to sponsored projects. When the PI encounters an expenditure that needs to be included in their grant and the expenditure's category was not included in the grant's original budget; the PI and Grant Manager will seek approval for the additional expenditure category from the sponsor.

How compliance and future good management and practice will be measured, monitored and assured;

The PI will verify that travel claims do not include unauthorized entertainment expenditures during the travel claim approval process. Travel expenditure object codes will be double-checked by the TMCC travel accountant to ensure that entertainment expenditures are allowable expenditures on travel claims when entertainment expenditures are being charged to grants.

Who will be responsible and may be held accountable in the future if repeat or similar problems arise;

The PI, and Grants Manager will be held accountable if similar problems arise.

When the measures will be taken and on what schedule compliance and good practice will be secured; and

Each time entertainment expenditures are included on a travel claim, the TMCC travel accountant will double-check to ensure that entertainment expenditures are allowable expenditures on travel claims when entertainment expenditures are being charged to grants.

How compliance and performance will be documented for future audit, management and performance review.

Completed travel claims will be available in the Budget & Planning Office for review upon request.

We also noted an employee was reimbursed meal per diem from the award for a hosted meal that was provided as part of the above expense.

We recommend TMCC staff be reminded that meal per diem cannot be claimed when hosted meals have been paid by the college.

What will be done to avoid the identified problems and issues in the future;
TMCC concurs with the finding. TMCC staff members have been reminded that per diem cannot be claimed when hosted meals are provided. The requirement to closely review and cross reference travel claims when staff attends events with hosted activities has been reinforced. The travel instruction form has been updated to reflect the requirement that a hosted meal cannot be claimed as a per diem meal.

How compliance and future good management and practice will be measured, monitored and assured;

In the future, should a staff member be found to have claimed per diem for a hosted event, the staff member will be required to repay the claimed per diem.

Who will be responsible and may be held accountable in the future if repeat or similar problems arise;

The travel accountant is charged with ensuring a repeat occurrence does not happen.

When the measures will be taken and on what schedule compliance and good practice will be secured; and

As individual travel claims are being processed, the travel accountant will verify that hosted meals are not claimed as per diem meals.

How compliance and performance will be documented for future audit, management and performance review.

Completed travel claims are available for review in the Budget & Planning office. Semi-annually, the Budget Analyst will perform an audit of a selected sample of processed travel claims.

INDIRECT COSTS

Indirect costs are those that have been incurred and are necessary for the completion of a project but cannot be readily identified. Six of the nine awards reviewed allowed indirect costs to be charged. We noted the indirect cost rate applied for three of the awards, within the financial accounting system, did not agree with the approved rate that was specified in the award documentation. One rate was initially overstated in the financial accounting system and was later corrected and two rates were understated.

We recommend that greater care be taken to ensure the correct indirect cost rate is applied when accounts are established in the financial accounting system.

What will be done to avoid the identified problems and issues in the future?

TMCC concurs with the findings. Prior to establishing grant accounts within the Advantage accounting systems, the indirect rate being entered will be verified as correct by comparing the indirect rate entered in Advantage with the indirect rate shown on the grant award letter.

As each drawdown request is processed, the Director of Budget and Planning will review the drawdown request prior to the drawdown request being submitted. The review will compare the drawdown request to the current balance and activity report for the specific grant to ensure that the amounts on the drawdown are accurate.

How compliance and future good management and practice will be measured, monitored and assured;

Compliance will be monitored on a monthly basis as drawdowns are being processed. The assurance will come from the review by the Director of Budget & Planning of the drawdowns prior to being processed.

Who will be responsible and may be held accountable in the future if repeat or similar problems arise;

The Director of Budget and Planning as well as the Grants Analyst will be accountable to ensure these issues do not reoccur.

When the measures will be taken and on what schedule compliance and good practice will be secured;

As monthly drawdowns are processed, the Director of Budget & Planning reviews of the drawdowns and associated indirect rates will be completed.

How compliance and performance will be documented for future audit, management and performance review.

The compliance and performance will be documented by having the Director of Budget and Planning initial the balance and activity report indicating that the pre-drawdown review was accomplished.

COST SHARE

Cost share or matching requires the recipient of an award to contribute a specified amount to the project. Three of nine awards reviewed included a matching requirement in which

TMCC was to provide in-kind contributions. For two of these awards the cost share that was to be provided by TMCC, as reflected in the initial budget submitted and approved by the sponsor, differed from the actual cost-share contribution made by the college.

When revisions to cost-share contributions occur, we recommend the college submit a revised budget to the sponsor for approval.

What will be done to avoid the identified problems and issues in the future;

TMCC concurs with the finding. The Grants Manager will prepare a cost share budget to assist the Grants Analyst in identifying if the project is meeting the cost share targets. The Grants Analyst will request that the PI and Grants Manager contact the sponsor regarding submission of a revised budget to the sponsor.

How compliance and future good management and practice will be measured, monitored and assured;

The PI will submit a cost share report with supporting documentation to the Grants Analyst at least quarterly. This practice will be implemented by December 31, 2015. The Grants Analyst will monitor the grant to ensure the sponsor approval of budget revisions is received and annotated in the grant files.

Who will be responsible and may be held accountable in the future if repeat or similar problems arise;

The Grants Analyst is responsible for notifying the PI and Grants Manager of issues concerning grant cost share budgets. The PI and Grants Manager are responsible for requesting the budget revision from the granting agency.

When the measures will be taken and on what schedule compliance and good practice will be secured; and

Balance and activity reports will be reviewed on a quarterly basis. Notification of the need for a budget revision will occur as required.

How compliance and performance will be documented for future audit, management and performance review.

The communication between the Grants Analyst, the PI and Grants Manager will be maintained in the grant file. When the budget revision is received, a copy of the revision will be included in the grant file.

REPORTING

We reviewed the reporting requirements for each of the nine awards tested and then performed a review to verify whether the reports were completed and submitted to the awarding

agencies in a timely manner. We noted a final financial report was not completed for one award reviewed.

We recommend reports be completed and submitted to sponsors as required.

What will be done to avoid the identified problems and issues in the future;
TMCC concurs with this finding. TMCC has developed a grant closeout checklist form that will be utilized for each grant as the grant ends. Submitting the final grant financial reports is included on the grant closeout checklist. Having this item included on the checklist will highlight the requirement to meet the sponsor's reporting requirements.

How compliance and future good management and practice will be measured, monitored and assured;

The completed grant closeout checklist will be included as a permanent part of the grant folder maintained in the Grant Analyst office.

Who will be responsible and may be held accountable in the future if repeat or similar problems arise;

The Grants Analyst is responsible for ensuring final grant financial reports are submitted in accordance with the sponsor's requirements.

When the measures will be taken and on what schedule compliance and good practice will be secured; and

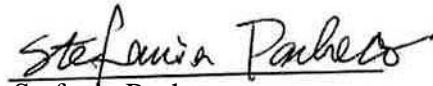
The grants closing checklist will be completed for all grants closing after October 1, 2015.

How compliance and performance will be documented for future audit, management and performance review.

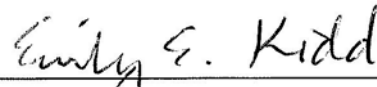
A copy of the final financial report will be included in the grant file. The submission date to the sponsoring agency will be annotated on the grant closeout checklist that is maintained in the grant file.

The Internal Audit Department appreciates the cooperation and assistance received from
TMCC personnel during this review.

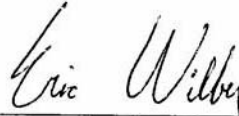
Reno, Nevada
August 14, 2015



Stefania Pacheco
Internal Auditor II



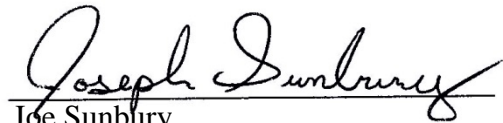
Emily E. Kidd
Internal Auditor II



Eric Wilber
Senior Internal Auditor



Scott Anderson
Internal Audit Manager



Joe Sunbury
Chief Internal Auditor

TRUCKEE MEADOWS COMMUNITY COLLEGE
 GRANTS AND CONTRACTS
 Internal Audit Report Response
 July 1, 2013 through June 30, 2014

#	Recommendation	Implemented	Update*	Est. Date of Completion
1	<p>EFFORT REPORTING</p> <p>For improved reporting and consistency purposes, we recommend the PAR be utilized in the effort reporting process.</p>	Yes	<p>The PAR effort report will be completed for all TMCC grants requiring time & effort reporting. The Grants Analyst will provide PAR reports from XNet to Primary Investigators (PI's), The PI's will verify the effort and account numbers reflected on the report. Once the effort and account numbers have been verified, the effort report will be sent to the employee and supervisor for approval and eventual return to the Grants Office.</p>	Summer 2015
2	<p>EFFORT REPORTING</p> <p>We recommend that effort reports be completed in a timely manner.</p>	Yes	<p>Five of the employees as noted have completed their effort reports. Since summer 2015, PAR effort reports are reviewed monthly. Similarly, TMCC made PAR effort reporting accessible via Xnet for distribution to PI's. This automation eliminates the time intensive requirement to manually produce the PAR effort reports.</p>	Summer 2015
3	<p>EFFORT REPORTING</p> <p>We recommend the TMCC Grants Handbook be updated to address the effort reporting process.</p>	Yes	<p>Procedures for completing PAR efforts reports will be included in the TMCC Grants Handbook. The instructions will be completed by Dec 31, 2015.</p>	Dec. 31, 2015

#	Recommendation	Implemented	Update*	Est. Date of Completion
	<p>AWARD DOCUMENTATION</p> <p>We recommend the current process for storing award documentation including billings, effort reports, and financial and technical reports be reviewed for reasonableness and to determine whether any such records could be consolidated within the college. We also recommend that the location in which award documentation is maintained be addressed in the TMCC Grants Handbook.</p>	Yes	<p>The location of each type of grant documentation will be annotated in the TMCC Grants Handbook. The locations of grant documentation will be included in the TMCC Grants Handbook no later than December 31, 2015.</p>	Dec. 31, 2015
1	<p>CASH MANAGEMENT</p> <p>In order to recover costs in a timelier manner, we recommend invoices be submitted to sponsors on at least a quarterly basis unless a longer time period is specified by the sponsor.</p>	Yes	<p>The Director of Budget and Planning, who now oversees the Grants Analyst position, is closely monitoring the invoicing of grants. The invoicing is occurring on a regular basis.</p> <p>The Director of Budget & Planning will review quarterly the grants balance and activity reports to ensure expenditures are invoiced in a timely manner.</p>	Oct. 1, 2015
2	<p>CASH MANAGEMENT</p> <p>We recommend all sponsored project invoices be processed from the financial accounting system and that an aging report be generated and reviewed on a periodic basis.</p>	Yes	<p>The invoices noted were created prior to TMCC implementing invoice generation in the Advantage accounting system. Since March, 2014, all TMCC grant invoices are generated in the Advantage accounting</p>	March 2014

#	Recommendation	Implemented	Update*	Est. Date of Completion
3	<p data-bbox="272 569 597 600">CASH MANAGEMENT</p> <p data-bbox="272 642 659 783">We recommend federal and state funds be maintained in separate accounts, as required by the award.</p> <p data-bbox="272 825 651 966">We recommend the grant procedures in the TMCC Grants Handbook be updated to address the above items.</p>	Yes	<p data-bbox="894 279 1255 562">system. Since the implementation of invoices being recorded in the advantage accounting system, system generated aged accounts receivable reports are now being compiled.</p> <p data-bbox="894 573 1252 1077">The grant setup form will be modified to allow the Grants Manager to alert the Grants Analyst to what type of funding will be used to setup the grant account. The TMCC Grants Manual will be updated no later than December 31, 2015 to address the establishment of separate accounts for federal and state grant funds.</p>	Dec. 31, 2015
4	<p data-bbox="272 1157 597 1188">CASH MANAGEMENT</p> <p data-bbox="272 1230 618 1329">We recommend the billing process be included in the handbook.</p>	Yes	<p data-bbox="894 1157 1206 1518">The Grants Analyst will work with the Grants Manager to have the TMCC billing process included in the TMCC Grants handbook. Inclusion in the TMCC Grants Handbook will occur no later than December 31, 2015.</p>	Dec. 31, 2015
1	<p data-bbox="272 1549 589 1581">CLOSE OUT TESTING</p> <p data-bbox="272 1623 634 1875">We recommend a review be performed to determine whether expenditures were incorrectly charged to the accounts and whether the remaining funds should be returned to the sponsor.</p>	Yes	<p data-bbox="894 1549 1239 1902">TMCC has developed a grant closeout checklist form that will be utilized for each grant as the grant ends. The check list addresses verification that program and financial reports were submitted, final invoicing was completed, award and cost</p>	Dec. 31, 2015

#	Recommendation	Implemented	Update*	Est. Date of Completion
1	<p>We also recommend the accounts be deactivated in the financial accounting system.</p> <p>We recommend a close out form be developed to assist in this process.</p> <p>EXPENDITURES</p> <p>We recommend that only authorized expenditures be charged to sponsored projects. If there is a need to include an expenditure category that was not included in the original budget, we recommend approval be requested from the sponsor.</p> <p>We recommend TMCC staff be reminded that meal per</p>	Yes	<p>share accounts were closed, indirect costs were calculated correctly and equipment and supply inventories were handled properly.</p> <p>Additionally the check list will be annotated indicating that a review of expenditures was conducted to ensure no expenditures were incorrectly charged to the account. A determination of whether any remaining grants funds will be completed and the disposition of those funds will be recorded on the grant closeout checklist. The date the account is deactivated will also be recorded on the checklist.</p> <p>The TMCC Grants Manual will be updated no later than December 31, 2015 to address the grant closeout process.</p> <p>Primary Investigators (PI) will be reminded that only authorized expenditures can be charged to sponsored projects. When the PI encounters an expenditure that needs to be included in their grant and the expenditure's category was not included in the grant's original budget; the PI and Grant Manager will seek approval for the additional</p>	July 1, 2015

#	Recommendation	Implemented	Update*	Est. Date of Completion
1	<p>diem cannot be claimed when hosted meals have been paid by the college.</p> <p>INDIRECT COSTS</p> <p>We recommend that greater care be taken to ensure the correct indirect cost rate is applied when accounts are established in the financial accounting system.</p>	Yes	<p>expenditure category from the sponsor.</p> <p>TMCC staff members have been reminded that per diem cannot be claimed when hosted meals are provided. The requirement to closely review and cross reference travel claims when staff attends events with hosted activities has been reinforced. The travel instruction form has been updated to reflect the requirement that a hosted meal cannot be claimed as a per diem meal.</p> <p>Prior to establishing grant accounts within the Advantage accounting systems, the indirect rate being entered will be verified as correct by comparing the indirect rate entered in Advantage with the indirect rate shown on the grant award letter.</p>	Oct. 1, 2015
1	<p>COST SHARE</p> <p>When revisions to cost-share contributions occur, we recommend the college submit a revised budget to the sponsor for approval.</p>	Yes	<p>The Grants Manager will prepare a cost share budget to assist the Grants Analyst in identifying if the project is meeting the cost share targets. The Grants Analyst will request that the PI and Grants Manager contact the sponsor regarding submission of a revised budget to the sponsor.</p>	Dec. 31, 2015
1	<p>REPORTING</p>	Yes	<p>TMCC has developed a grant closeout checklist</p>	Oct. 1,

#	Recommendation	Implemented	Update*	Est. Date of Completion
	We recommend reports be completed and submitted to sponsors as required.		form that will be utilized for each grant as the grant ends. Submitting the final grant financial reports is included on the grant closeout checklist. Having this item included on the checklist will highlight the requirement to meet the sponsor's reporting requirements.	2015.