

**University of Illinois FY09 Federal Audit
Corrective Action Plans**

09-04 --Inadequate Supporting Documentation for Payroll and Fringe Benefit Expenditures

Plan:

The University will implement an appropriate documentation process to substantiate the effort expended by bi-weekly employees who are charged to federal awards.

Expected Implementation Date:

September 30, 2010

Contact:

Vanessa Peoples, Executive Director, Grants and Contracts
University of Illinois at Chicago
513MB, MC 551
Chicago, Illinois 60612
312-996-5958

09-05—Inadequate Documentation for Payroll and Fringe Benefit Expenditures

Plan:

The University does not accept this finding. The University has provided supporting documentation in the form of Banner HR appointment records, time cards, and monthly labor distribution reports for the direct charges of University payroll and fringe benefits claimed for federal reimbursement or used to meet cost sharing (matching) requirements under the University's federal programs. Additional detail is provided in the response to the finding.

Expected Implementation Date:

Not applicable to this finding.

Contact:

Sandra Moulton, Director, Grants & Contract Post-Award
University of Illinois at Urbana-Champaign,
1901 S. First Street, Suite A, Champaign, IL 61820
(217) 244-4750

09-06—Inadequate Process to Identify and Document Payroll Costs

Plan:

The University will work with the required agencies to develop a revised approved cost allocation methodology to ensure that payroll costs are properly reported and allocated against the appropriate funding source.

Expected Implementation Date:

October 31, 2010

Contact:

Vanessa Peoples, Executive Director, Grants and Contracts
University of Illinois at Chicago
513MB, MC 551
Chicago, Illinois 60612
312-996-5958

09-07—Inadequate Semi-Annual Effort Certifications for the SNAP Program

Plan:

The University does not accept this finding. Effort certifications prepared for the Supplemental Nutrition Assistance Program (SNAP) are in accordance with federal regulations. Additional detail is provided in the response to the finding.

Expected Implementation Date:

Not applicable to this finding.

Contact:

Sandra Moulton, Director, Grants & Contract Post-Award
University of Illinois at Urbana-Champaign,
1901 S. First Street, Suite A, Champaign, IL 61820
(217) 244-4750

09-08—Inadequate Procedures to Determine the Allowability of Cost Share Expenditures

Plan:

The University does not accept this finding. Under this program, the mandatory cost-share is a one-to-one match of direct expenditures, not the \$8.1 million matching requirement stated in the finding. The University of Illinois Extension Office has procedures to verify that teacher salaries used as in-kind cost share are not directly reimbursed from any other federal source of funds. Additional detail is provided in the response to the finding.

Expected Implementation Date:

Not applicable to this finding.

Contact:

Sandra Moulton, Director, Grants & Contract Post-Award
University of Illinois at Urbana-Champaign,
1901 S. First Street, Suite A, Champaign, IL 61820
(217) 244-4750

09-09—Unsupported Volunteer Rate Used for Cost Share Requirements

Plan:

The University does not accept this finding. The University disagrees that the rate used for volunteer services is undocumented and disagrees that the federal minimum hourly wage rate is a more appropriate estimate of the value of these services. Additional detail is provided in the response to the finding.

Expected Implementation Date:

Not applicable to this finding.

Contact:

Sandra Moulton, Director, Grants & Contract Post-Award
University of Illinois at Urbana-Champaign,
1901 S. First Street, Suite A, Champaign, IL 61820
(217) 244-4750

09-10—Inadequate Documentation for Institutional Letter of Credit Cash Draws

Plan:

The University does not accept this finding. The University is in compliance with governing federal policies and regulations including OMB Circular A-110, US Treasury regulations, the National Science Foundation (NSF) Grant Policy Manual, and the Health & Human Services (HHS) Grant Policy Statement. Additional detail is provided in the response to the finding.

Expected Implementation Date:

Not applicable to this finding.

Contact:

Sandra Moulton, Director, Grants & Contract Post-Award
University of Illinois at Urbana-Champaign,
1901 S. First Street, Suite A, Champaign, IL 61820
(217) 244-4750

09-11—Inability to Test Eligibility of Foreign Language Fellowship Recipients

Plan:

The University will seek assistance from the U.S. Department of Education regarding FERPA requirements related to audit testing and will implement necessary procedures to ensure data can be provided as needed for audit purposes.

Expected Implementation Date:

December 31, 2010

Contact:

Maxine Sandretto, Assistant Vice President for Business & Finance
University of Illinois at Urbana-Champaign
109 Coble Hall, 801 S. Wright Street
Champaign, IL 61820,
(217)-244-5418

09-12—Inadequate Process for Preparation of Schedule of Expenditures of Federal Awards

Plan:

The University has procedures and processes in place to ensure the final SEFA includes all federal expenditures, and that they are properly reported.

Expected Implementation Date:

Completed

Contact:

Sandra Moulton, Director, Grants & Contract Post-Award
University of Illinois at Urbana-Champaign,
1901 S. First Street, Suite A, Champaign, IL 61820
(217) 244-4750

09-13—Inadequate Procedures for Closing Federal Projects

Plan:

The University will devote additional attention to close-out review and processing.

Expected Implementation Date:

Completed

Contact:

Sandra Moulton, Director, Grants & Contract Post-Award
University of Illinois at Urbana-Champaign,
1901 S. First Street, Suite A, Champaign, IL 61820
(217) 244-4750

09-14—Inadequate Supporting Documentation for Cost Transfers

Plan:

The University has formal written policies for cost transfers for every campus and will consider refinements to clarify that certain administrative transactions, especially those moving minor costs off grant accounts during close out process, do not require supporting documentation.

Expected Implementation Date:

12/31/2010

Contact:

Sandra Moulton, Director, Grants & Contract Post-Award
University of Illinois at Urbana-Champaign,
1901 S. First Street, Suite A, Champaign, IL 61820
(217) 244-4750

09-15—Inadequate Reporting of Outlays Amounts in Financial Status Reports

Plan:

The University will change the default on the report template and ensure staff are appropriately trained on the correct reporting methodology.

Expected Implementation Date:

Completed

Contact:

Sandra Moulton, Director, Grants & Contract Post-Award
University of Illinois at Urbana-Champaign,
1901 S. First Street, Suite A, Champaign, IL 61820
(217) 244-4750

09-16—Failure to Obtain Suspension and Debarment Certifications from Vendors

Plan:

The University has implemented procedures to ensure verification with EPLS is being completed for all required purchases.

Expected Implementation Date:

Completed.

Contact:

Lourdes Coss, Director of Purchasing
University of Illinois at Chicago
302 MAB, 809 S. Marshfield Avenue
Chicago, IL 60612
(312) 996-7084

Mike Bloechle, Director of Purchasing
University of Illinois at Springfield
One University Plaza, BSB 106
Springfield, IL 62703-5407
(217) 206-6653

Mike Devocelle, Director of Purchasing
University of Illinois at Urbana-Champaign
212 Tech Plaza
616 E. Green Street
Champaign, IL 61820
(217) 333-3582

09-17—Failure to Perform Interest Calculations on Federal Advances

Plan:

The University has implemented procedures to perform the interest calculation manually to ensure it is done correctly.

Expected Implementation Date:

Completed.

Contact:

Sandra Moulton, Director, Grants & Contract Post-Award
University of Illinois at Urbana-Champaign,
1901 S. First Street, Suite A, Champaign, IL 61820
(217) 244-4750

09-18—Inadequate Monitoring of Subrecipient OMB Circular A-133 Audit Reports

Plan:

The University will devote additional resources to complete desk reviews for subrecipients. The University will establish procedures to correspond with subrecipients to determine if audits are completed and performed in accordance with OMB Circular A-133.

Expected Implementation Date:

09/30/2010

Contact:

Vanessa Peoples, Executive Director, Grants and Contracts
University of Illinois at Chicago
513MB, MC 551
Chicago, Illinois 60612
312-996-5958

09-19—Unallowable Costs Charged to Federal Program

Plan:

The questioned costs will be transferred and future insurance expenditures will be charged to non-federal funds.

Expected Implementation Date:

Completed

Contact:

Brent Rasmus, Associate Director
University Accounting Services
University of Illinois
111 E Green Street
Champaign, IL 61820
(217) 244-7347

09-20—Inadequate Supporting Documentation for Interdepartmental Charges

Plan:

The University will review supporting documentation requirements within internal cost justification procedures. The questioned costs will be moved to non-federal funds.

Expected Implementation Date:

December 31, 2010

Contact:

Sandra Moulton, Director, Grants & Contract Post-Award
University of Illinois at Urbana-Champaign,
1901 S. First Street, Suite A, Champaign, IL 61820
(217) 244-4750

09-21—Inaccurate Quarterly Expenditure Reports Prepared for the SNAP Program

Plan:

The University does not accept this finding. IDHS approved the University's billing and reporting methodology for the federal expenditures on this program. Under this program, the mandatory cost-share is a one-to-one match of direct expenditures, not the \$10 million matching requirement as stated in the finding. The federal expenditures on this program are accurately reported; the data in the table for this finding is inaccurate because it does not follow the billing methodology approved by the funding agency, IDHS.

Expected Implementation Date:

Not applicable to this finding.

Contact:

Sandra Moulton, Director, Grants & Contract Post-Award
University of Illinois at Urbana-Champaign,
1901 S. First Street, Suite A, Champaign, IL 61820
(217) 244-4750

09-22—Inaccurate Amounts Reported in Annual Financial Status Reports

Plan:

The University will provide refresher training to the personnel responsible for this reporting.

Expected Implementation Date:

Completed.

Contact:

Sandra Moulton, Director, Grants & Contract Post-Award
University of Illinois at Urbana-Champaign,
1901 S. First Street, Suite A, Champaign, IL 61820
(217) 244-4750

09-23—Inadequate Cash Management Procedures

Plan:

University Accounting Services identified the process deficiency when drawing down on the federal letter of credit in September 2008. Additional procedures for the preparer and reviewer are now completed to ensure the previous draw down of funds is recorded in Banner before the next draw down of funds is performed.

Expected Implementation Date:

Completed

Contact:

Jan Gill, Assistant Controller
University Accounting & Financial Reporting - University of Illinois
111 E. Green St.
Champaign, IL 61820
(217) 244-6003

09-24—Failure to Follow Property Management Regulations

Plan:

The University will continue to promote unit compliance with policy and procedures for updating inventory records, affixing inventory tags and processing equipment disposals. In connection with these efforts, University Property Accounting will provide unit staff with training opportunities, web-based policy and procedure information and other periodic communications. A reference to the policy that describes the unit head responsibility for maintaining accurate property records has been added to the biennial letter sent to units explaining the process for performing the physical inventory. Additionally, an annual communication to unit heads and property control contacts will be developed to stress the importance of maintaining property records on an ongoing basis.

Expected Implementation Date:

June 30, 2010

Contact:

Denise Stanley, Assistant Controller

University Accounting & Financial Reporting - University of Illinois
111 E. Green St.
Champaign, IL 61820
(217) 333-0487

09-25—Failure to Properly Complete Required Verification Procedures

Plan:

The Office of Student Financial Aid will review and update procedures to ensure adequate supporting documentation is obtained and evaluated by financial aid staff prior to disbursing federal funds to students selected for verification.

Expected Implementation Date:

May 1, 2010

Contact:

Daniel Mann, Director of Student Financial Aid
University of Illinois at Urbana-Champaign Campus
620 E. John Street, Champaign, IL 61820
(217) 244-2024.

09-26—Failure to Perform Return of Fund Calculations

Plan:

The University will review procedures for identifying students who withdraw without notification to ensure all required return of fund calculations are performed.

Expected Implementation Date:

December 31, 2010

Contact:

Gerard Joseph, Financial Assistance Director
University of Illinois at Springfield
One University Plaza, UHB 1017
Springfield, IL 62703-5407
(217) 206-6724.

09-27 Inaccurate and Untimely Reporting of Student Status Changes

Plan:

The Office of the Registrar on each of the three campuses will review procedures to ensure submissions to NSLDS are accurately reported within the required timeframe for all FFEL and Direct Loan borrowers.

Expected Implementation Date:

December 31, 2010

Contact:

Rob Dixon, Registrar
University of Illinois at Chicago
Suite 1200 Student Services Building
1200 W. Harrison Street, Chicago, IL 60607-7161
(312) 413-1878 ext. 21

Brian Clevenger, Registrar
University of Illinois at Springfield
One University Plaza, UHB 1094
Springfield, IL 62703-5407
(217) 206-6178

Carol Malmgrem, Registrar
University of Illinois at Urbana-Champaign
901 W. Illinois Street
Urbana, IL 61801
(217) 333-2034

09-28 Failure to Obtain Written Agreements with Third Party Institutions

Plan:

The University has implemented procedures to ensure written agreements are in place for all third party institutions as required by federal regulations.

Expected Implementation Date:

Completed

Contact:

Christopher Deegan, Director of Study Abroad Office
University of Illinois at Chicago
502 University Hall, 601 S. Morgan
Chicago, IL 60607
(312) 413-7662

09-29 Inaccurate Amounts in the Fiscal Operations Report and Application to Participate

Plan:

The University will continue careful oversight to ensure information reported in FISAP is correct.

Expected Implementation Date:

Completed

Contact:

Gerard Joseph, Financial Assistance Director
University of Illinois at Springfield
One University Plaza, UHB 1017
Springfield, IL 62703-5407
(217) 206-6724.

09-30 Failure to Notify Subrecipients of Federal Funding

Plan:

The University will reinforce our current procedures for informing subrecipients of federal pass through funds. The CFDA number will be included in the subrecipient agreement if it is available at the time the subaward is executed, or other information describing the project, as allowed by OMB Circular A-133, will be provided and the CFDA number will be communicated to the subrecipient at a later date.

Expected Implementation Date:

December 31, 2010

Contact:

Sandra Moulton, Director, Grants & Contract Post-Award
University of Illinois at Urbana-Champaign,
1901 S. First Street, Suite A, Champaign, IL 61820
(217) 244-4750

09-31 Inadequate Controls Over Federal Expenditures Paid with Procurement Cards

Plan: The University will cease allowing grant funds to be established as the default fund for these cards except for specific, pre-approved exceptions.

Expected Implementation Date:

December 31, 2010

Contact:

Steve Wiggs, Director of Corporate Card Office
Office of University Payables
University of Illinois
210 Tech Plaza, 616 E. Green Street
Champaign, IL 61820
(217) 244-4684.

09-32 Inadequate Approval Controls for Expenditures

Plan:

The University does not accept this finding. The University's controls, which include both prior-transaction approval and post-transaction review, meet the requirements of the various characteristics of internal control as stated in Section .105 of Circular A-133 and in the A-133 Compliance Supplement. The controls in place provide reasonable assurance of compliance with Federal laws, regulations, and program compliance requirements. Additional detail is provided in the response to the finding.

Expected Implementation Date:

Not applicable to this finding.

Contact:

Sandra Moulton, Director, Grants & Contract Post-Award
University of Illinois at Urbana-Champaign,
1901 S. First Street, Suite A, Champaign, IL 61820
(217) 244-4750

09-33 Inadequate Cash Draw Controls and Reimbursement Request Controls

Plan:

The University does not accept this finding. The University has effective controls in place for cash draws and cost reimbursement billings. Throughout the entire process there is a clear segregation of duties. The responsibility for processing cash draws and reimbursement billings is assigned to staff with the appropriate authority, knowledge, and skill level. Additional detail is provided in the response to the finding.

Expected Implementation Date:

Not applicable to this finding.

Contact:

Sandra Moulton, Director, Grants & Contract Post-Award
University of Illinois at Urbana-Champaign,
1901 S. First Street, Suite A, Champaign, IL 61820
(217) 244-4750