

**University of Illinois FY10 Federal Audit  
Correction Action Plans**

**10-04 --Inadequate 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:**

05/31/2011

**Contact:**

Vanessa Peoples, Executive Director, Grants and Contracts  
University of Illinois at Chicago  
513MB, MC 551  
Chicago, Illinois 60612  
312-996-3373

**10-05 --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

**10-06—Incompatible Allocation Methodologies for Payroll Costs**

**Plan:** No action plan required. Procedures have been developed and implemented in FY11.

**Expected Implementation Date:** Completed

**Contact:**

Vanessa Peoples, Executive Director, Grants and Contracts  
University of Illinois at Chicago

March 15, 2011

513MB, MC 551  
Chicago, Illinois 60612  
312-996-3373

**10-07 --Inadequate Procedures to Determine the Allowability of Cost Share Expenditures**

**Plan:**

This is a repeat finding that is not accepted. This finding is pending resolution. The University disagrees with the facts as stated in the finding. 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

**10-08 --Unsupported Volunteer Rate Used for Cost Share Requirement**

**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

**10-09—Inadequate Process for Meeting SNAP Cost Share**

**Plan:** The University will work with the SNAP Program staff to develop procedures required to monitor and obtain the appropriate supporting documentation for SNAP cost share.

**Expected Implementation Date: 09/30/2011**

**Contact:**

Vanessa Peoples, Executive Director, Grants and Contracts  
University of Illinois at Chicago

March 15, 2011

513MB, MC 551  
Chicago, Illinois 60612  
312-996-3373

**10-10 --Inadequate Documentation for Institutional Letter of Credit Cash Draws**

**Plan:**

The University does not accept this finding. This is a repeat finding from FY09. The Department of Health and Human Services (HHS) in coordination with the Department of Education (ED) and the National Science Foundation (NSF), issued on February 14, 2011, a Management Decision Letter (MDL). The University subsequently received a letter of clarification on March 10, 2011, from HHS. The University will seek further guidance from HHS, NSF, Office of Naval Research and ED.

**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

**10-11—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

**10-12—Inadequate Supporting Documentation for Cost Transfers**

**Plan:** The University does not accept this finding. Cost transfers are adequately documented and supported in accordance with University policy and requirements of OMB Circular A-21 and OMB Circular A-110.

**Expected Implementation Date:**

March 15, 2011

Not applicable for 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

**10-13—Incomplete and Inaccurate Annual Effort Certifications**

**Plan:** The University does not accept this finding. The University has an adequate process to ensure annual effort certifications are accurate and completed in a timely manner. The adequacy of this process is supported by the fact that only one effort report out of 4,450 is unsigned for the AY10 effort reporting cycle. This equates to a 99.98% completion rate and is indicative of the campus' commitment to effort reporting compliance.

**Expected Implementation Date:**

Not applicable to this finding

**Contact:**

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

**10-14 --Unsigned Expenditure Confirmations**

**Plan:** The University does not accept this finding. The confirmations provide a consolidated semi-annual after-the-fact review of direct costs charged to sponsored projects and the audit firm's assertion that "incomplete semi-annual expenditure confirmations result in unallowable costs being charged to the federal programs or used to meet matching requirements" is not substantiated. For the latest three reporting periods, 13,336 confirmation reports (99.96%) have been signed (confirmed) and returned.

**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

March 15, 2011

**10-15—Improper Reporting Amounts in Financial Status Reports**

**Plan:** University will update operational procedures to address the specific requirements of the report including the appropriate reporting of expenditures.

**Expected Implementation Date:**

6/30/11

**Contact:**

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

**10-16 --Inaccurate ARRA 1512 Reports**

**Plan:** This finding is not accepted. The University relied on guidance from COGR and OMB for the implementation of the “Best Available Data” reporting model (Guidance from COGR is available on the COGR website). Federal agencies and OMB are currently in discussion on this subject, and further clarification from OMB is expected.

**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

**10-17—Inaccurate Amounts Reported in Quarterly Federal Financial Reports**

**Plan:** The University will improve procedures to ensure financial status reports are accurate.

**Expected Implementation Date:** 6/30/11

**Contact:**

Brent Rasmus, Associate Director, University Accounting Services  
University of Illinois  
111 E. Green St, Champaign, IL 61820

**10-18 --Expenditures Reported in the Incorrect Accounting Period**

March 15, 2011

**Plan:** The University will reinforce the existing procedures to ensure expenditures are reported in the proper accounting period.

**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

**10-19—Inadequate Documentation to Support Key Personnel**

**Plan:** The University does not accept this finding for the Urbana award cited. The Chicago campus acknowledges one instance where the federal agency was not notified when key personnel were removed or replaced on the award. The University will reinforce the procedures for appropriate notification of awarding agencies when key personnel are removed or replaced on awards. Additionally, the Chicago campus will obtain documentation for employee effort supported by IPA agreements.

**Expected Implementation Date:** 06/30/11

**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

**10-20 --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:**

Gene Suwanski, Interim Director of Purchasing  
University of Illinois at Chicago  
302 MAB, 809 S. Marshfield Avenue  
Chicago, IL 60612

March 15, 2011

(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

#### **10-21 --Failure to Perform Interest Calculations on Federal Advances**

**Plan:**

The University does not accept this repeat finding and it is pending resolution. The methodology is being addressed by the University's cognizant for clarification and guidance on this issue. The University has provided documentation as requested to the cognizant for review, but has not yet received a response.

**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

#### **10-22—Failure to Communicate ARRA Information and Requirements to Subrecipients**

**Plan:**

A procedure has been in place since June 2010 at the Urbana campus where repeat notifications of the required ARRA-related elements are sent for each reimbursement under an ARRA-related subaward. The repeat notifications are sent at the time of disbursement and contain the Federal Award number, CFDA number, and the amount of ARRA funds being disbursed.

The Chicago campus will implement a procedure to notify subrecipients of the required information in the funding notifications and with each disbursement of ARRA funding.

**Expected Implementation Date for UIC: 6/30/11**

March 15, 2011

**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

**10-23—Inadequate Monitoring of Subrecipient OMB Circular A-133 Audit Reports**

**Plan:** Subrecipient Monitoring processes and procedures have been formally documented and implemented.

**Expected Implementation Date:** Completed

**Contact:**

Vanessa Peoples, Executive Director, Grants and Contracts  
University of Illinois at Chicago  
513MB, MC 551  
Chicago, Illinois 60612  
312-996-3373

**10-24—Unallowable Costs Charged to Federal Program**

**Plan:**

The University believes that certified statements from our research partners are sufficient documentation for the amount of the third party cost share. The University will consider asking for additional information from our research partners at a level of detail that does not exceed that required for billings of direct expenditures.

**Expected Implementation Date:** 6/30/11

**Contact:**

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

**10-25 --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.

**Expected Implementation Date:**



March 15, 2011

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

**10-26—Inadequate Process for Updating Property Management Records**

**Plan:**

The University will continue to promote unit compliance with the policy and procedures for updating inventory records, affixing inventory tags and processing equipment disposals. Additionally, an annual communication to unit heads and property control contacts will be sent to stress the importance of maintaining property records on an ongoing basis.

**Expected Implementation Date:**

June 30, 2011

**Contact:**

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

**10-27—Failure to Properly Determine SFA Awards in Accordance with Program Regulations**

**Plan:** The Office of Student Financial Aid will review and update procedures to ensure College of Medicine students are packaged with the appropriate Direct Loan amounts.

**Expected Implementation Date:**

Implemented

**Contact:**

Timothy A. Opgenorth, Director  
Office of Student Financial Aid - University of Illinois at Chicago  
Suite 1800, Student Services Building (MC 334)  
1200 West Harrison Street  
Chicago, Illinois 60607-7163  
(312) 996-5563

**10-28—Failure to Properly Complete Required Verification Procedures**

March 15, 2011

**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:**

Timothy A. Opgenorth, Director  
Office of Student Financial Aid - University of Illinois at Chicago  
Suite 1800, Student Services Building (MC 334)  
1200 West Harrison Street  
Chicago, Illinois 60607-7163  
(312) 996-5563

**10-29—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

March 15, 2011

**10-30—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:**

Contact: Stephen P. Nussbaum  
Director, Student International Academic Affairs and Study Abroad Office  
University of Illinois at Urbana-Champaign  
115 International Studies Building, MC-480  
910 South Fifth Street  
Champaign, Illinois 61820  
(217) 244-0249

**10-31—Inadequate Controls over Federal Expenditures Paid with Procurement Cards**

**Plan:** The auto reconciliation feature of the procurement card system was inactivated in July 2010.

**Expected Implementation Date:**

Completed

**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.

**10-32—Untimely Submission of Financial Reports**

**Plan:** The University will continue its efforts to ensure reports are submitted on a timely basis.

**Expected Implementation Date:**

Completed

**Contact:**

Sandra Moulton, Director, Grants & Contract Post-Award  
University of Illinois at Urbana-Champaign,

March 15, 2011

1901 S. First Street, Suite A, Champaign, IL 61820  
(217) 244-4750

**10-33—Inadequate Support for Cash Draws**

**Plan:** The University will refine and document procedures to ensure expenditures are appropriately recorded in the accounting system before they are billed to the sponsor.

**Expected Implementation Date:**

6/30/11

**Contact:**

Rebecca Jones  
Assistant Director of Grants and Contracts  
University of Illinois at Springfield  
UIS Grants and Contracts Post-Award Administration  
One University Plaza  
Springfield IL 62703-5407  
(217) 206-7849

**10-34 --Inadequate Cash Draw Controls**

**Plan:**

The University does not accept this finding. This is a repeat finding from FY09. The Department of Health and Human Services (HHS) in coordination with the Department of Education (ED) and the National Science Foundation (NSF), issued on February 14, 2011, a Management Decision Letter (MDL). The University subsequently received a letter of clarification on March 10, 2011, from HHS. The University will seek further guidance from HHS, NSF, Office of Naval Research and ED.

**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