

**University of California
SAS 112 Key Controls Documentation**

Campus: UCSF

Area	A. – Activities Allowed or Unallowed (A-133 Audit)
Key Control	Recorded transactions and activities are expended only for allowable activities.
Risk	Federal awarding agency could withhold cash payments, suspend or terminate the current award, or withhold further awards to the recipient. (OMB A-110 C62)
Control Objective	To provide reasonable assurance that Federal awards are expended only for allowable activities and that the costs of goods and services charged to Federal awards are allowable and in accordance with the applicable cost principles.
Department or group with primary responsibility	Principal Investigator (PI)/ Department Research Services Analyst (RSA)
Roles, Responsibilities and Accountability	
<i>(Who performs the control)</i>	<i>(Description of the control steps)</i>
PI/RSA	<ul style="list-style-type: none"> * On a routine basis, department staff reviews financial activity to detect and ensure only allowable activities are charged. * The PI should monitor, initiate action and communicate with Extramural funds regarding any cost transfer to federal funds. Any adjustments are considered the PI's responsibility and require the PI's approval. * The RSA initiates the expense transfer with the knowledge of the grant under which his/her PI is working and sends it to the PI for review and approval, then to the department cost transfer approver for review and signature. * Non-payroll adjustments are completed on-line. The departmental cost transfer reviewer reviews the PET to ensure that the transfer is appropriate and allowable per the grant agreement, ensures form is filled out correctly, ensures that justification is complete and complete supporting documentation is attached. Department cost transfer reviewer signs after reviewing. The PET is then forwarded to EMF for review and approval before posting to G/L. * For non-payroll cost transfers, the department journal approver reviews the online journal for approval and routing through PeopleSoft for processing. * Monitoring of sub-contractors is a responsibility of the PI/RSA and their departments. The department is responsible for ensuring satisfactory work has been performed before approving the invoice. *
Extramural Funds	<ul style="list-style-type: none"> * EMF employees are knowledgeable about Federal grants. They perform a final review of the transfer based on the description appearing on the transfer document prepared by the departmental accounting unit. If anything appears unusual or unallowable to EMF, they will contact the department to ensure that the transfer is appropriate. * EMF's conducts a compliance review at the closeout of awards and Information is summarized in the FSR package (Financial Status Report). The fund file is reviewed for applicability of

	<p>charges to the performance period of the award, including any cost transfers. Reconciliations of ledgered financial activity are also performed during closeout procedures to ensure that all appropriate activity has been accounted for and invoiced.</p> <ul style="list-style-type: none"> * The financial system (PeopleSoft) has edits contained in it that preclude activities being charged to unallowable NCA's (object codes) for federally funded sponsored programs. * Since non-payroll adjustments are completed on-line each month, EMF does a post-audit of all cost transfers that have posted to the G/L for conformance to agency and University policies and procedures. On a monthly basis, we audit a sample of non-payroll cost transactions to ensure allowability and appropriateness of charges posted to the GL. 	
Accounts Payable (AP)	<ul style="list-style-type: none"> * All invoices received from sub-contractors are sent to AP and reviewed before payment is made. * When invoices are received, AP will not make any payments unless the contract is still open and there is sufficient funds to pay the invoice. * Once AP receives approval to pay the invoice from the department, it releases funds for payment. * AP does not review the documentation/invoice for reasonableness and relies on the department approver on the subcontract invoice to ensure that charges are appropriate and allocable to the project. * UCSF also relies on the information provided by the sub-contractors for allowability of work performed, that time is accurately billed, etc. 	
Other Department	Other	Other
Automated or Manual	Both	
Frequency	Monthly post-audit of non-payroll cost transfers by EMF Ongoing review of payroll cost transfers	
Special Year-end Activity	None	