

# *ACCOUNTABILITY AND COMPLIANCE*

**Management of USDA NIFA Funding**

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# *Topic Summary*

- Navigating the Use of Different Funding Sources
- Procurement Processes
- Internal Practices for Accountability and Compliance

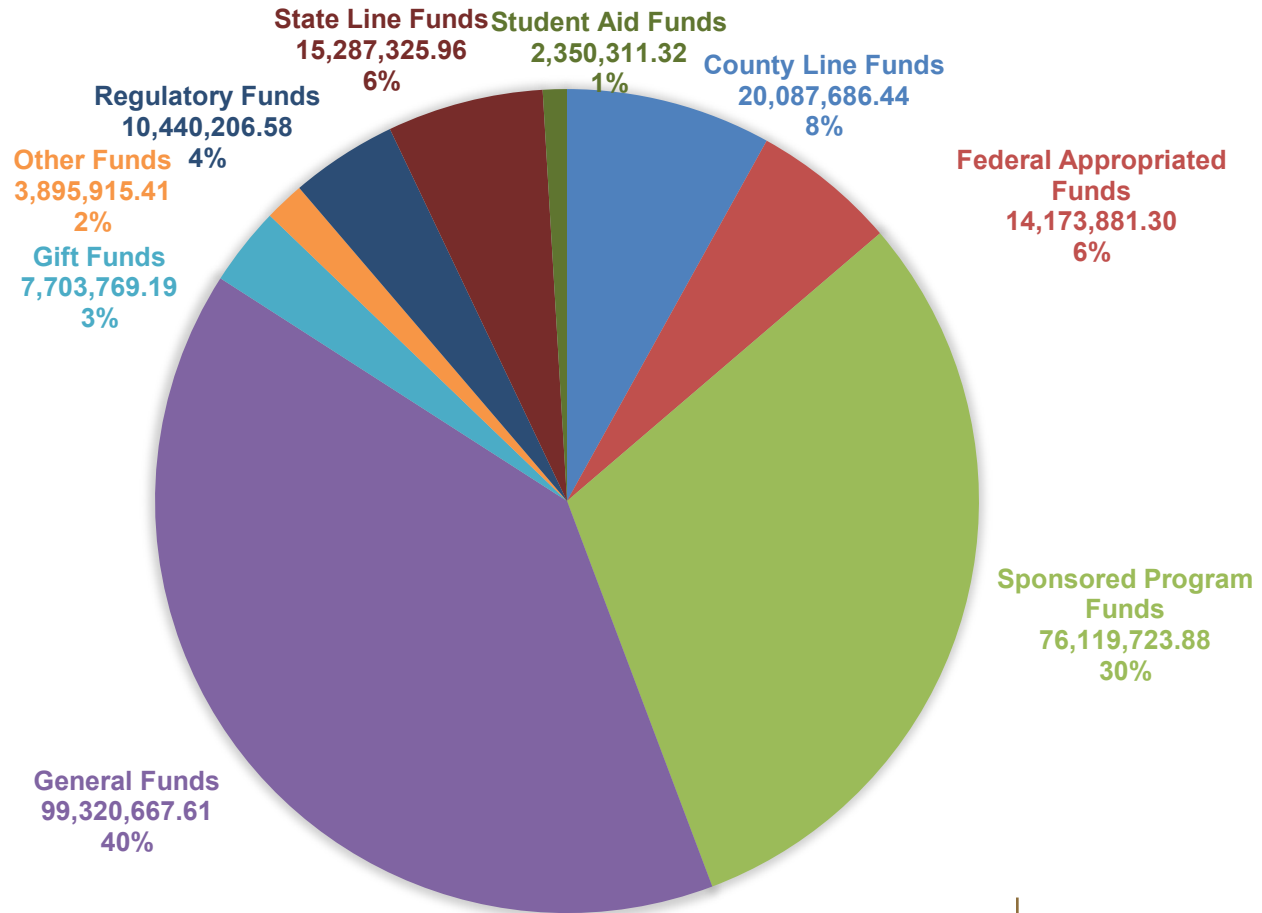
# Navigating Different Funding Sources

## Payroll Funding and Covering Positions

- Mission Split—Decided upon position hiring
  - 20% research or more, they create a Hatch project
- Federal Funds
  - Used to supplement general and state line funds
  - Hiring decisions are not made solely on federal budget allocations
- General Funds (Tuition/Fees and Taxpayer \$)
  - Split by mission (teaching, research, extension)
- State Line (Separate line items specific for extension and research)
  - Specific to College of Ag for land grant mission
- County Appropriations
  - Funding received through billing of Indiana counties

# Navigating Different Funding Sources

FY 2022 Budgeted Revenue - \$249,379,488



# *Navigating Different Funding Sources*

## Funding Scenarios

- Funding plan for positions might change/evolve as the individual develops their program (bring in grant funding, etc)
- As new external/internal funds become available, salary distribution is reviewed and adjusted
- Reviews are also done three times a year through Purdue's PAR (personal activity report)

# *Navigating Different Funding Sources*

## **Who/How are Funding Decisions Made**

- Appropriations are allocated to the college but then distributed down to individual academic departments on fiscal year budget
- Small portion is allocated for work in two additional Colleges; Veterinary Medicine and Health and Human Sciences
- Decisions on funding are delegated to individual academic department heads and/or faculty
- Majority of all federal appropriations (capacity) are used for salary and wages
- Minimal % for non personnel related costs

# Procurement Processes

## Expenditure Overview- Capacity Funds

- Roughly 95% of annual capacity fund expenses are salary and fringes
- Some funding in Ag Research set aside for multistate travel as well as travel funding used for Extension employees/services
- Unallowable costs are routinely monitored by the Ag Fund Accountant position- hospitality, foreign travel, capital, memberships, etc.
- Do not normally purchase capital

# *Procurement Processes*

## Expenditure Overview- Other Funding Sources

- Grants and capacity funds are the more restricted sources of funds compared to general funds
- All funding sources go through the same scrutiny level in regards to procurement
- Due to match requirements, state and general fund mission is established and highly important



# Procurement Processes

## Review of Capacity Transactions/Guidelines

- All financial management is at the College of Ag, Vet, and Health and Human Sciences level
  - This becomes an issue with Central when new systems and processes are rolled out
- New Faculty Orientation discusses the Capacity funds with new faculty
- All fiscal officers trained via Ag Fund training annually
  - Provides knowledge for reviewing and tracking transactions on both capacity and matching funds
  - Assist with monitoring those with approved Hatch projects
    - ❖ This is reviewed 3 to 4 times/year

# *Procurement Processes*

## Equipment Purchases

- Central Property Accounting office manages all University assets
- All assets are assigned an asset and inventory #
- Routine property inventory review is done every 2 years
- This mostly applies to assets purchased on competitive and other funding sources since there is limited capital on capacity funds

# Procurement Processes

## Auditing at Purdue

- Single Audit requirement- All federal funds subject to this
- Issues with auditors not familiar with management of capacity funds
- Purdue manages capacity funds differently than grant funds and it creates confusion for auditors
- Carryforward allowability is questioned
- Federal fiscal year reporting vs. University fiscal year differences create issues (many audits are on the Univ. FY)

# Procurement Processes

## FY20 NIFA Compliance Review

- Programs Audited:
  - Smith Lever, Hatch, EFNEP, matching funds, and AFRI grant
- What was audited:
  - Financial Transactions- Both Payroll and Supplies & Expenses
  - Internal Controls
  - Policies and Procedures
- End results:
  - No compliance, internal control, or questioned costs findings
  - Time and effort is adequate based on current NIFA policies

# *Accountability and Compliance Practices*

## College of Agriculture Structure

- Encompasses all mission areas
- Associate Deans/Directors for CES and AES report to Dean
- Collaboration across all missions is very cohesive
- Leads to jointly funded programs, internal grants, etc.

# *Accountability and Compliance Practices*

## Financial Management Structure

- Business management staff report up through CFO rather than academic/college structure
- Director of Financial Affairs (DFA)
- AES and CES Directors have own business management staff but all report through DFA
- Link to central administrative offices

# *Accountability and Compliance Practices*

## Financial Management Structure

- All USDA funds managed in College of Ag
  - NIFA Capacity and Competitive
  - ARS, NRCS, USFS, APHIS
  
- Ag Field Office—Satellite of Sponsored Programs
  - ASAP Draws for all NIFA
  
- Sponsored Program Services (SPS)
  - Pre/Post Award Management
  - Research Quality Assurance

# *Accountability and Compliance Practices*

## Capacity Fund Reporting

- Programmatic Reporting
  - Annual Reminders to Faculty/Staff
  
- AES and CES Directors
  - Plan of Work, Hatch, Project Initiation Reports
  
- Financial Reporting
  - Ag Fund Accountant: all research and extension reports



***THANK YOU***