

Pre-Audit Checklist

GM=Grant Manager

OSR=Office of Sponsored Research

PAA=Post Award Administration

Award Terms/Documents	Yes	No
Does the GM have a copy of the award, budget, scope of work, and any other necessary award documents?		If no, obtain copies so the GM can be aware of award requirements, the budget categories approved and any other award requirements.
Has the GM read the terms and conditions of the award, including guidance that is referenced but the full text is not included?		Read the award documents and ask questions about anything that is confusing or unclear.
Have key personnel been changed or a new PI appointed but paperwork not submitted through OSR?		Send all paperwork to OSR to have changes approved by sponsor.
Has the PI submitted a revised budget directly to the sponsor without sharing the budget with OSR or PAA?		Forward the revised budget and supporting documentation (such as sponsor approval) to OSR and PAA.
Monitoring of Expenditures/Compliance	Yes	No
Does the award PTA structure facilitate monitoring of costs? (this is particularly important for major project programs like BMGF)		Consult with PAA if possible prior to PTA establishment for advice on the best structure for ease in monitoring and managing award budget and expenditures.
Is financial monitoring occurring on a monthly basis?		Monitoring should occur regularly to ensure that unallowable costs and costs that were applied in error are removed in a timely fashion. Frequent monitoring also assists GMs in realigning budgets in Oracle, which permits PAA to bill in a timely fashion. Equipment purchases within 90 days of the award end date may be problematic. Consult with PAA and Property Services before purchase. Finally, note that purchases on JPL funded awards should be tax-free; transfer off tax lines to discretionary PTAs.
Have all award personnel been appointed to the PTA at the budgeted effort levels?		Review the effort budgeted for all appointed project personnel and set up their labor distributions to match the effort budgeted. Reductions of effort totaling 25% or more of the effort originally budgeted for key personnel must be approved by the the sponsor if funding is federal or federal pass through - forward requests for effort reductions to OSR.
Was a labor cost transfer processed affecting a previously certified payroll distribution confirmation report period?		If yes, be sure the PDC report is recertified to reflect the new labor distribution percentages after the LDA is processed. Contact PAA for guidance.
Are any key personnel subject to the NIH Salary Cap?		Establish a SALCAP PTA for the award if PI or key personnel have salaries over the cap. Review labor distribution at least quarterly to ensure that amounts above the cap are being distributed appropriately to the NIH.SALCAP PTA.
Will any foreign travel occur?		<u>Review the award to ensure foreign travel is allowable. Obtain sponsor approval prior to incurring costs if approval of foreign travel is an award requirement. If award is federally funded, review Fly America Act requirements to ensure flights conform to the Caltech Travel Policy.</u>
Will food be charged to the award?		Food is allowable only in limited circumstances on federal awards; if the food is associated with a business meeting it may be allowable if 1 - the terms do not prohibit it; 2 - there is an agenda and a list of attendees; and 3 - the meeting is to disseminate information/research developed under the award. The meeting cannot be for Caltech employees or students only. If the award funding the cost does not prohibit travel, meals eaten by a Caltech employee who is on travel status are allowable per the Caltech travel policy and must be processed as a travel-related expense.

Did the award terms or budget indicate that cost sharing is required?			If cost sharing is required, the GM should set up a ZOACS PTA at the time the award PTA is established when possible. Cost sharing expenses should be applied on a monthly basis when possible. If third party cost sharing is part of the required cost sharing, the third party should report its cost sharing on a regular basis (monthly is preferred) on letterhead with the amount expended and the type of expense indicated and this information provided to PAA.
Is program income expected to be generated?			Program income is revenue generated by an activity or earned as a result of a federal award during the period of performance. Program income must be collected in a program income PTA (PRGINC.XXXX). The program income PTA should be established at the time of the award PTA. Revenue should be deposited to the PRGINC PTA whenever revenue is incurred (sales of documents or other items created under the award; registration fees for meetings; etc.) Program income must be treated as federal funding for the award - therefore, unallowable costs that are prohibited on the federal award cannot be charged to the program income PTA.
Was a fab PTA established to build equipment?			<u>Check the proposal submission for an equipment fabrication request. If a fabrication request was not included, review the award terms and conditions to see if equipment fabrication is allowable. Ensure that any charges to the fab PTA are appropriate. See http://finance.caltech.edu/documents/435-equipment_fabrication_policy_final_feb_17_2016.pdf for additional information</u>
Have all invoices and other award expense documents been retained and filed together?			Auditors require copies of invoices and other payment documents as part of the audit. Retain hard copy expenditure documents in a file for the award; maintain electronic documents in an electronic file for the award. Ensure all required approvals are noted on hard copy and electronic documents. Note that Procurement is the "Office of Record" for all invoices (meaning Procurement holds the copy of the invoice that will be used for audit purposes).
Have all required approvals and signatures been obtained for expenditure documents?			Be sure to follow Caltech policies and procedures for obtaining approvals and signatures on payment documents. This is particularly true of subrecipient invoices. POs should be established prior to purchases to avoid 'invoice attached' requests.
Cost transfers - minimize the number of cost transfers, particularly high risk cost transfers - which are over 90 days since incurred and/or transferring from an overspent federal award to another federal award.			By reviewing award costs on a monthly basis, costs requiring transfers to other PTAs can be identified and moved rapidly. High risk cost transfers can be minimized by requesting at risk accounts for those awards that have been determined to be coming to Caltech but are delayed or being negotiated. For those awards that require separate accounting for all award budget periods, you may request set up future years of active awards in advance of the next year of funding. Ask OSR for assistance with establishing at risk accounts.
Award Termination/Closeout			
Will the PI need an extension of time for the award?			Contact OSR to extend the award period of performance. OSR will submit all extension requests.
Has the PI requested purchase of a large dollar item or service in the last 90 days of the award?			In most cases, large purchases in the last 90 days of an award project period are not allowable. Contact PAA and OSR to discuss.
Other Concerns			
Fraud, waste and abuse			Contact the Caltech ethics hotline to report fraud, waste or abuse that you may have discovered in your administration of the award. 626-395-8787