Sources for setting up the budget

- NCI’s “Quick Guide for Grant Applications: Budget and Justification”: http://deainfo.nci.nih.gov/extra/extdocs/gntapp.htm#12
- NCCAM’s “Grantsmanship Workshop” (budgets are discussed at about the 50 minute mark of Part 7): http://nccam.nih.gov/news/events/grants08/
Financial Reporting


Federal Financial Report (SF425) Expenditure Data Reports Expenditure data is required as documentation of the financial status of grants according to the official accounting records of the grantee organization.

• The report must be submitted no later than 90 days after the end of the calendar quarter in which the budget period ended. The report also must cover any authorized extension of the budget period.

Audit Requirements NIH grantees or sub-recipients that expend $500,000 or more in federal awards during the fiscal year are subject to an audit requirement. Organizations expending less than $500,000 during the fiscal year are not required to have an annual audit for that year, but must make their grant-related records available to NIH or other designated officials for review or audit.

• Educational institutions and nonprofit organizations, including hospitals, are subject to the requirements of OMB Circular A-133.

• For-profit organizations, including for-profit hospitals, and foreign organizations can satisfy audit requirements with either of two audit types, according to 45 CFR 74.26(d):
  – A financial-related audit as defined in, and in accordance with, the Government Auditing Standards (the "Yellow Book").
  – An audit that meets the requirements of OMB Circular A-133.
The Office of Inspector General (OIG) seeks to improve the efficiency and effectiveness of the Department of Commerce's programs and operations. OIG also endeavors to detect and deter waste, fraud, and abuse.

OIG monitors and tracks the use of taxpayer dollars through audits, inspections, evaluations, and investigations. The Inspector General keeps the Secretary of Commerce and Congress fully and currently informed about problems and deficiencies relating to Commerce's activities and the need for corrective action.

OIG has a Whistleblower Protection Program, including an ombudsman, established pursuant to the Whistleblower Protection Enhancement Act of 2012.
Debarment

- Suspension and Debarment actions prevent companies and individuals from participating in government contracts, subcontracts, loans, grants and other assistance programs.
- The effect of suspension and debarment by a Federal agency is government wide. (See 2 CFR Part 180 and 2 CFR Part 1532).
- Suspension and debarment actions protect the government from doing business with individuals/companies/recipient who pose a business risk to the government.
- Bruce S. Binder, EPA Debarring Official

- **SUSPENSION** May be based on indictments, information or adequate evidence involving environmental crimes, contract fraud, embezzlement, theft, forgery, bribery, poor performance, non-performance, or false statements. Are temporary actions which may last up to one year and are effective immediately.
- **DEBARMENT** May be based on convictions, civil judgments or fact based cases involving environmental crimes, contract fraud, embezzlement, theft, forgery, bribery, poor performance, non-performance or false statements as well as other causes. Results in the imposition of a set period of time decided on a case by case basis.
http://www.whitehouse.gov/omb/financial_fin_single_audit

- **Circulars:**
  - A-21, Cost Principles for Educational Institutions (August 8, 2000)
  - A-87, Cost Principles for State, Local and Indian Tribal Governments (May 4, 1995)
  - A-122, Cost Principles for Non-Profit Organizations (June 1, 1998)

- **Single Audit Act of 1984** (P.L. 98-502)

**Resources:** [www.cfda.gov](http://www.cfda.gov)

**Federal Audit Clearinghouse**
Investigations

http://www.nlrb.gov/who-we-are/inspector-general/oig-investigations


http://www.justice.gov/oig/hotline/docs/GrantFraudPresentation.pdf
A university in New England agreed to pay $2.5 million in damages and penalties to settle civil allegations that the university submitted false claims on approximately 500 federal grants awarded to them.

The federal government awarded the grants for work to be performed by two of the university’s specialized service facilities. The grant awards were made by numerous federal agencies including the Department of Defense, the Environmental Protection Agency, the National Science Foundation, and the National Aeronautics and Space Administration.

The government specifically alleged that the university submitted grant applications containing incorrect or overstated information about anticipated expenses. The university charged certain expenses that were not properly chargeable and submitted invoices to the government for three types of grant expenses.

First, the government alleged that the university did not utilize a proper basis for setting and regularly updating its billing rate structure, as required by federal law. The university’s failure to revise and appropriately set its billing rate structure resulted in numerous false claims being submitted for payment to the United States.

Second, the government alleged that the university failed to follow federal law for calculating how extra compensation should be paid to university faculty members for additional work on grant supported research activity and that improper excess charges were therefore charged to the grants.

Finally, the government alleged that certain of the grants required cost sharing or matching by the university and that the university failed to provide the requisite cost sharing or matching.

The university has also entered into a compliance agreement with the federal government that requires the university to make significant changes in its grant administration program.

In addition, the university must certify that it has in place an adequate compliance program for preventing fraud and false billings to federal grants.

This investigation was conducted jointly with the Defense Criminal Investigative Service, the Defense Contract Audit Agency, and the U. S. Army Criminal Investigation Command.