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

- General Funds: $99,320,667.61 (40%)
- Sponsored Program Funds: $76,119,723.88 (30%)
- Federal Appropriated Funds: $14,173,881.30 (6%)
- County Line Funds: $20,087,686.44 (8%)
- Student Aid Funds: $2,350,311.32 (1%)
- State Line Funds: $15,287,325.96 (6%)
- Regulatory Funds: $10,440,206.58 (4%)
- Other Funds: $3,895,915.41 (2%)
- Gift Funds: $7,703,769.19 (3%)
- Other Funds: $3,895,915.41 (2%)

Total 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