

Global Agreement and Budget Case Study

GRAND Forum May 15, 2018

The following are a list of the scenarios provided during the case study activity at the May 15, 2018 GRAND Forum. The responses from the workgroups were documented (“Actions/Questions to Ask” and “What could MSU do Differently”) and further recommendations from CGA/OSP are also included.

- 1. Subrecipient submits an invoice, but when you request the supporting documentation, as required in the subaward, the Subrecipient indicates that they didn’t realize receipts were necessary.**
 - a. ACTIONS/QUESTIONS TO ASK:**
 - i. Call and ask for email confirmation to make sure that the contract was reviewed by the right subrecipient person.
 - ii. Conduct google search to check if some prices of goods and services are comparable.
 - iii. Google per diem per day.
 - iv. Ask for bank statements to show expenses.
 - b. WHAT COULD MSU DO DIFFERENTLY:**
 - i. Skype meeting beforehand to make sure they (subrecipient) understand requirements.
 - ii. Create checklists and go over during meetings with subrecipient.
 - c. CENTRAL RECOMMENDATIONS:**
 - i. Use [training videos](#) created by MSU.
 - ii. Send MSU administrator to subrecipient to do on site, or conduct via Skype or other program, step-by-step training.
 - iii. Set up a conversation with the Subrecipient to see if there is other acceptable documentation available for the costs incurred.
 - iv. At the time of subaward execution, provide the Detailed Subrecipient Expenditure Invoice Template to the Subrecipient and review what should be provided at the time of invoicing. <https://cga.msu.edu/PL/Portal/Forms.aspx>.
- 2. A hurricane destroys the area in which the Subrecipient is located. They will be unable to complete their annual audit on time.**
 - a. ACTIONS/QUESTIONS TO ASK:**
 - i. Contact agency and explain what happened and ask for suggestions.
 - ii. Access risks involved to see if there is an exception and see if audit can be delayed. Ask for backup information off site. If not, suggest they do this in the future.
 - b. WHAT COULD MSU DO DIFFERENTLY:**
 - i. Have backup off site
 - c. CENTRAL RECOMMENDATIONS:**
 - i. Consider having CGA change the risk assessment to high risk. If the Subrecipient can provide receipts for their expenses, an annual audit is not necessary.
 - ii. Ask the Subrecipient about other impacts of the natural disaster, such as if work will be delayed.
- 3. The Subrecipient provides receipts for all expenses on their most current invoice, however the documentation is in a foreign language and did not come from the source vendor/provider.**
 - a. ACTIONS/QUESTIONS TO ASK:**
 - i. Translate the receipts (google translate or online app).
 - ii. Use PI and PI’s contact in-country.
 - iii. Other vendors (are they project related; what did they do?).
 - b. WHAT COULD MSU DO DIFFERENTLY:**
 - i. Develop standard operating procedure to share with subaward institution (including pictures).
 - ii. Suggest having a log of receipts.

Global Agreement and Budget Case Study

GRAND Forum May 15, 2018

- c. CENTRAL RECOMMENDATIONS:**
 - i. Have the administrator conduct training with the Subrecipient so they understand the requirements of the award.
 - ii. Recommend, if possible, going back to the vendor and getting copies of the receipts.
 - iii. Develop a standard process to include an English translation of business purpose and other important information on the documentation.
 - 4. Although the Subrecipient was provided an advance, they've indicated that they need additional funds to maintain work in country.**
 - a. ACTIONS/QUESTIONS TO ASK:**
 - i. What is the status of their invoices? Are they caught up?
 - ii. Look at cash-flow analysis.
 - iii. Know status of the project. What drove up operating costs?
 - iv. Provide receipts.
 - v. Do we need create a new budget?
 - vi. Get PI involved.
 - b. WHAT COULD MSU DO DIFFERENTLY:**
 - i. Budgeted differently to make sure there is enough money.
 - c. CENTRAL RECOMMENDATIONS:**
 - i. Contact OSP or CGA to discuss options available.
 - 5. After 9 months of completed work, the Subrecipient indicates to you that they have lost money because of fluctuating currency.**
 - a. ACTIONS/QUESTIONS TO ASK:**
 - i. Have they been submitting monthly invoices?
 - ii. Is there a federal sponsor and could the sponsor provide some assistance for the deficit (additional funding/change of scope)?
 - iii. How much of a deficit is there? Could the subaward make up deficit in year two?
 - iv. Have these invoices been monitored for currency fluctuation?
 - v. Has there been a meeting with PI and team members to see what the situation is? The PI may be aware of a change in projected expenses or work that would help mitigate the deficit.
 - b. WHAT COULD MSU DO DIFFERENTLY:**
 - i. Recommend monitoring invoices for currency fluctuation.
 - ii. Six month or annual projection report reviewed with the PI.
 - iii. Meetings with PI and possibly subaward planned regularly from the beginning of the award for review of expenses and issues.
 - c. CENTRAL RECOMMENDATIONS:**
 - i. Work with the Subrecipient to understand the process they use for conversion (separate local currency and USD bank accounts, unfavorable rates being offered by their bank, etc.).
 - ii. Consider a fixed price subaward in the future, if allowable.
 - 6. The Subrecipient invoice shows a cumulative total of supply purchases of \$56,000.**
 - a. ACTIONS:**
 - i. Communicate with the subrecipient.
 - ii. Does the subrecipient know the limitations? Are all of the \$56k allowable expenses?
 - iii. Are they in supply category correctly?
 - iv. Are they related to grant?
 - v. Determine all unallowable costs.
 - vi. Does the subrecipient have an alternative solution?

Global Agreement and Budget Case Study

GRAND Forum May 15, 2018

- vii. Ask them if they are able to absorb the overage.
- viii. Discuss denying the payment overage.
- ix. Request budget revision.
 - x. Determine if budget modification is in line with the scope of work.
 - xi. Does the prime sponsor allow modification?
 - xii. Go to MSU in writing for budget change over 10%. Modify the budget.
 - xiii. Communicate back to subrecipient and PI.
- b. WHAT COULD MSU DO DIFFERENTLY:**
 - i. Be more proactive.
 - ii. Communicate terms and conditions in advance with the subrecipient and PIs.
 - iii. Have direct contact with the financial staff and research administrator.
 - iv. Give subrecipient budget report showing expenses to date on a regular basis.
 - v. Review budget to actuals by line items with PI and sub on a monthly basis.
 - vi. Discuss forecasted expenditures to determine budget line items that may need to be modified in the future.
- c. CENTRAL RECOMMENDATIONS:**
 - i. Review the original budget and justification to see if expenses were categorized as expected.
 - ii. Identify why the proposed budget amount was not sufficient and clarify if the scope of work can still be completed with the obligated subaward amount.
 - iii. Work with CGA on approval for the budget deviation, if approved by the PI.