Core Facilities – Preparation for Financial Audits

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Audits

- Audits Northwestern Must Respond to Audits due to Federal and Sponsor Requirements (Uniform Guidance and agency regulations)
  - Annual Single Audit (Current Auditor: KPMG)
  - Agency Audit
  - IRS Audit (Not Included in Today’s Discussion)
What Can be Audited for Core Facilities?

• Any Transactions Related to Sponsored Charges and Recorded in NUFinancials
  – Invoices and Journals
• Approved Recharge Rates Tied to the Actual Charges (e.g., NUcore)
  – Cost Studies
• Internal Charges: Must be Allowable Direct Costs
Example of Audit

- Provide supporting documents for the following charge
  - For labor, provide calculation to substantiate the charge
Charging Allowable Direct Costs to **Internal Customers**

### Example of Internal Customers
- Sponsored Projects (Fund Code 610 to 650, and 191-193)
- Department Funds
- Excluding External Customers

### Direct costs examples:
- PI Salary
- Lab Supplies
- Fringe Benefits
- Animals
- Post-Doc Salaries
- Travel
Unallowable Costs: Examples

- Uniform Guidance:
  - 200.423 Alcoholic beverages
  - 200.424 Alumni/ae activities
  - 200.429 Commencement costs
  - 200.438 Entertainment costs
  - 200.441 Fines, penalties and settlements
  - 200.442 Fund raising
  - 200.445 Goods or services for personal use
  - 200.469 Student Activity Costs (including athletics)

- Marketing using internal revenue
- Capital equipment (over $5k) purchase using the 160 fund (depreciation should be charged instead)
- Visa renewal
- Agency-specific policy (e.g., NIH salary limitation)
- University policy (e.g., Employee morale costs)
Questions?