**Lincoln University of the Commonwealth of Pennsylvania**

**Updates on CORRECTIVE ACTION PLAN (CAP)**

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| **Item** | **Concern** | **Promised Action to Be Taken by LU** | **Deliverables** |
| 1 | Although Lincoln University (LU) provided a policy and associated procedures for cost transfers, procedures have not been fully documented. Specifically, procedures related to who initiates and approves cost transfers are not documented. In addition, although LU has established a written 90-day deadline for processing cost transfers, it acknowledges that it has no established procedures for enforcing that deadline. | Cost Transfers Processes – to include the Initiator and Approvals – will be clearly developed and standardized and operational during 2018 Calendar year. | Approved (by Administration and the Board of Trustees) and Official Cost Transfers Process’ document is posted in the following URL: |
| 2 | We reviewed policies and procedures related to accounts payable, payroll, accounts receivable, and grants revenue recognition. The accounts payable policy and related procedures appeared well prepared. Other documents seemed to be a mixture of how to use a software system, worksheet, or were too short to provide effective guidance to employees responsible for those functions. Many of these documents lacked common components typically found in formal policies and procedures, e.g., issue date, overarching policy description, timeframes or schedules for completing tasks, positions responsible for completing those procedures, or practical step-by-step procedures | We anticipate these policies and procedures and accounting manual to be drafted and approved within the 2018 calendar year. | Officially-approved document available in the following URL: |
| 3 | LU's written policies and procedures related to the accounting treatment of unallowable costs are not fully documented; they were drafted for this review and had not been formally approved. The lack of documented guidance may lead to inconsistent accounting treatment of project-related costs and could potentially result in allowable costs being charged to NSF- Funded projects. | We have drafted policies (in 2017) to address the treatment of unallowable costs. The purpose of this policy is to establish guidelines for defining and identifying costs that are unallowable for reimbursement from the Federal government and other external sponsors. Lincoln University adheres to the Federal Office of Management and Budget Uniform Guidance (2 CFR 200) and other applicable government regulations as well as sponsor terms and conditions in accounting for unallowable cost. It is anticipated that the new policy will be made actionable and official (in 2018) once the Administration and the Board of Trustees have accepted and ratified the policy and procedures manual. | Officially-approved document is available in the following URL: |
| 4 | Although LU articulated good practices for budget and expenditure monitoring, LU has not prepared policies and procedures in writing to support those practices. | LU policies and procedures will be available within the 2018 calendar year. | Officially-approved document is available in the following URL: |
| 5 | LU has established guidelines and standards to assist employees responsible for administering NSF-funded awards in determining the reasonableness, allocability, and allowability of costs charged to federally-funded awards, however, it does not maintain a list of common unallowable costs. Instead, LU refers employees to the Office of Management and Budget (OMB) Circular A-21, a practice that may not provide sufficient guidance to ensure that unallowable costs are identified. In addition, OMB Circular A-21 has been superseded by 2 CFR 200, the Uniform Guidance. Relying on outdated regulations may result in inconsistent or inaccurate recording of unallowable costs and could result in unallowable charges being charged to NSF-funded projects. | Lincoln University maintains a list of common unallowable costs. The University has drafted policies (in 2018 and 2018) to provide sufficient guidance to ensure that unallowable costs are identified. The purpose of these policies are to provide guidance to PI's, colleges, departments, units and personnel of the University for proposing and administering direct costs on sponsored projects, in accordance with Federal or other sponsor requirements. Official policy will be adopted in 2018. | Officially-approved document is available in the following URL: |
| 6 | LU's record retention schedule requires that grant-related documentation be maintained for five years after the end of the grant or in compliance with sponsor requirements. This standard differs from federal regulations which require that award-related documents be retained for three years after the submission of the final expenditure report. Although unlikely, this practice may result in premature disposal of documents for projects for which the expenditure reports are not timely submitted. | Lincoln University drafted a records retention policy in December 2017. Official Administration and the Board of Trustees approval will be available thereafter. | Officially-approved document is available in the following URL: |
| 7 | LU has prepared written guidance for calculating and completing ACM$ drawdowns. However, that guidance does not include information on the individuals responsible for preparing, approving, or processing those drawdowns. | The new policy and procedures, drafted in calendar year 2108 (with modifications and updates as related to ACM$) will be available within 2018 calendar year after approval by Administration and the Board of Trustees. | Officially-approved document is available in the following URL: |
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