MEMORANDUM

September 19, 2008

Subject: Policy on Contracts & Grants from Federal or Federal Pass through Sponsors

UNM must ensure that all federal funds are properly accounted for, are audited in accordance with A-133 standards, and are reported on the SEFA and CFDA reports as required by law. It is of great importance that all UNM and affiliated entities dealing with University federal funds adhere to this policy, as the material breach amount for non-adherence is only one dollar.

In accordance with Office of Management & Budget Circular A-133, the University is required to comply with applicable cost accounting standards published by the Cost Accounting Standards Board for all of the University’s accounting practices. These cost accounting practices must be followed by all University units, departments, and programs that use University funds.

All such federally funded agreements are to be recorded, processed and billed through Financial Services. (This excludes Medicare / Medicaid billings, which have separate audit and billing regulations.)

Further information on externally sponsored project financial reporting and compliance requirements may be found in University Business Policies and Procedures Manual, sections 2400 through 2499.

Violations of this policy regarding federal funds shall be reported to a Manager / Director in PreAward or Contract & Grant Accounting, who will take appropriate action.

Thank you for your cooperation.

Ava J. Lovell, CPA
Vice President for HSC/Main
Finance/University Controller