

Internal Controls

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- Last reviewed on 06/23/2025

Purpose & Scope

This policy establishes the framework for implementing and maintaining effective internal controls within the Office of Sponsored Programs. It is designed to ensure compliance with [Federal Uniform Guidance \(2 CFR Part §200.303\)](#), as well as to promote accountability, accuracy, and the prevention of fraud, waste, and abuse in the management of sponsored awards. This policy applies to all Sponsored Program staff and Colorado Mesa University (CMU) departments engaged in the management of sponsored awards.

Definitions

- *Internal Controls*: the policies, procedures, and practices established within an organization to safeguard its assets, ensure the accuracy and reliability of financial and operational information, and promote compliance with laws, regulations, and internal policies. Internal controls are designed to help an organization achieve its objectives while minimizing risks and preventing fraud, errors, and mismanagement.
- *Drawdown*: The process of withdrawing or requesting funds from a financial account or designated source of funding. In the context of sponsored awards or federal grants, a drawdown typically involves a recipient, such as the university, accessing funds that have been awarded by the sponsoring agency.

Policy

Pre-Award

The institution's Pre-Award Specialist, in conjunction with the prospective Principal Investigator (PI) and Director for the Office of Sponsored Programs, ensures that all proposals are complete, accurate, and receive necessary approvals prior to submission. This includes the calculation (or waiver) of Colorado Mesa University's (CMU) Facilities & Administration rate, as well as verifying completion of all necessary trainings for human

and/or animal subject research, IRB/IACUC protocol approval, and Department Head approval.

Post-Award & Finance Department

CMU's Post-Award Finance Specialist will perform the following functions to monitor expenses to ensure allowability, allocability, reasonableness, and necessity. Depending on the sponsored award, these tasks will be completed monthly or quarterly.

- Provide monthly and/or quarterly financial reports to each PI to ensure transparency and proper budget management of the sponsored award.
- Review each expense or transaction allocated to each sponsored award.
 - Ensure that all required expense documentation has been saved to the award file.
 - If an expense is deemed unallowable, coordinate with the institution's Reimbursement Facilitator and/or Controller to re-allocate the expense to the appropriate university Fund.
- Prepare monthly and/or quarterly billing statements to be sent to the sponsor directly by way of invoice, or to the university's Reimbursement Facilitator for awards requiring a drawdown.

CMU's Reimbursement Facilitator will perform the following functions to monitor expenses to ensure accuracy and proper payment is received by the university. Depending on the sponsored award, these tasks will be completed monthly, quarterly, or annually.

- Work with the Post-Award Finance Specialist to complete a cost transfer if a charge is deemed unallowable.
- Review and validate monthly, quarterly, and end of year billing figures prior to requesting funds in the appropriate drawdown portal.
- Work with the Post-Award Finance Specialist to remedy any unbalanced funds related to a sponsored award.

Compliance

The institution's Grants & Research Compliance Specialist will complete an annual internal audit on the following regulatory items:

- Effort reporting documentation
- Expense source documentation

This internal audit will be conducted on three (3) random grant files each year. The Annual Internal Audit form will be completed and submitted to the Director of Sponsored Programs for further review. Policies and procedures will be reviewed, and workflows may be modified as appropriate to mitigate any future audit findings. Furthermore, the Grants & Research Compliance Specialist has the authority to perform additional audits throughout the year at their discretion.