



# CONTRACT AUDIT TRENDS

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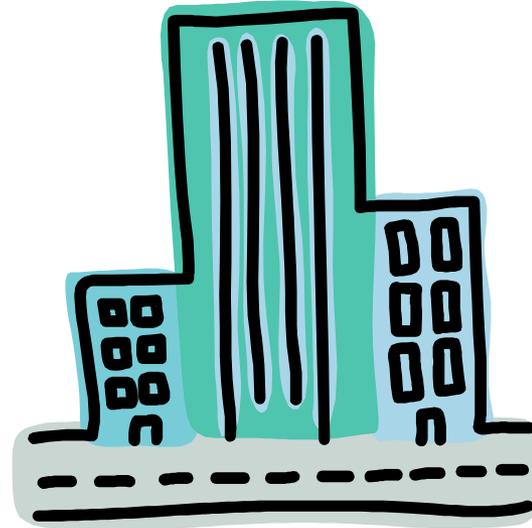
# RENT EXPENSE



- No lease agreement; owns building

If you own the building, per Office of Management and Budget (OMB), can claim:

- Depreciation **or**
- Use allowance
- **NOT** market rate



# COST ALLOCATION PLAN / SHARED COSTS



- Methodology for some shared costs not described.
- Cost allocation plan does not reflect the actual methodology used.
- Expenses allocated to contracts based on contract revenue or budget
- Salaries claimed not supported by timesheets and/or personnel activity reports



# MILEAGE & TRAVEL EXPENSES



- Starting and ending addresses/places not recorded
- Purpose of trip not documented
- Travel expenses should have:
  - Travel detail (date, location)
  - Purpose



# SUB-CONTRACTORS



- No policies and procedures for monitoring sub-contractors
- Did not send notification of federal funding



## 2 CFR PART 200



OMB decided to streamline the Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards and published the new requirements on December 26, 2013.

“The final guidance supersedes and streamlines requirements from OMB Circulars A-21, A-87, A-110 and A-122...; Circulars A-89, A-102 and A-133...”

