



Botanical Society of America  
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Cam T Nguyen  
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Resolution and Advanced Monitoring Branch (RAM)  
Division of Institution and Award Support (DIAS)  
National Science Foundation  
2415 Eisenhower Avenue, Suite E 7456  
Alexandria, VA 22314

Dear Cam:

Below please find the response and requested documentation, as well as attachments, to your questions regarding the FY2017 single audit of the Botanical Society of America. Our response and policies/procedures implemented are listed by each finding.

**Finding 2017-001: Noncompliance with federal reporting requirements**

Late submission of audit report under Uniform Guidance and Data Collection Form. Due to various factors including staff turnover, management was not prepared to complete Single Audit timely.

Recommendation: For periods which the Society receives greater than \$750K of federal grants, timely audits should be performed.

Request: Please detail what have BSA done to address this finding

This finding was the result of the retirement of the long-time BSA Executive Director with no replacement hired for 6 months. It was an anomaly. The current Executive Director and Finance Director follow a process to reconcile and close out the fiscal year with the help of an accounting firm and to verify if the \$750,000 threshold of federal grant spending has been reached. Since the audit, the Executive Director has developed a draft Request for Proposal and a running list of accounting firms that specialize in nonprofit audits and single audits on federal funds in order to hire a firm and have the audit performed and submitted within the required timeframe.

**Finding 2017-002: Noncompliance with Subrecipient Monitoring Requirements**

Lack of subrecipient monitoring for the grant period

Recommendation: Procedures should be implemented requiring the monitoring of each subrecipient of federal awards

Request: Please provide procedures and edited policies about subrecipient monitoring. Also please provide the Subrecipient Monitoring Report template. And provide most current subaward agreements with both active sub awardees to reference the award terms and conditions.

**Procedures and edited policies about subrecipient monitoring are posted online here and also listed below:** <https://cms.botany.org/home/governance/policies.html#XVI-9>

**Also see attached:**

- **.pdf subrecipient monitoring report template**
- **BSCS agreement with 6/11/2019 amendment**
- **ASPB agreement with 5/1/2017 amendment and 2/19/20 amendment**



## **Policy XVI – Grant Management and Administration**

**Part 9. Sub-recipient monitoring** – As a condition of its acceptance of funding from sponsors, the Society is obligated in its role as primary recipient to undertake certain stewardship activities as well as comply with federal, state and local regulations. In addition, the Society is obligated to follow the subaward monitoring guidance provided in 2 CFR 200.330-332 and Appendix II for all awards made after December 26, 2014. When the Society assigns responsibility for conducting a portion of the work sponsored by an award to a subrecipient, it remains responsible to the sponsor for management of funds and meeting performance goals. Thus, the monitoring of technical and financial activities associated with a subrecipient is an integral part of the Society stewardship of sponsor funds. This

policy applies to all subawards issued under sponsored awards made to the Society and without regard to the primary source of funding.

This policy seeks to:

- promote stewardship of funds used to pay subrecipient organizations;
- promote appropriate unit-level and individual responsibility and accountability for contractual subrecipient relationships;
- promote compliance with federal, state, and other legal requirements related to subrecipient monitoring; and
- ensure that the Society and its sponsors receive value for funds expended.

This policy does not apply to consultant agreements or procurements of goods or services from vendors.

The Society monitors the programmatic and financial activities of its subrecipients in order to ensure:

- proper stewardship of sponsor funds;
- that performance goals (scope of work or specific aims) are achieved;
- The terms of the subrecipient relationship shall be documented in a negotiated agreement for the Society by the Executive Director, PI and Administrations Officer and by the authorized representative(s) of the recipient organization.

Compliance with the terms and conditions of all agreements will be monitored during the life of the agreement. When a Principal Investigator has an interest in or a relationship with the subrecipient entity, it shall be disclosed and, where appropriate, managed by the Society's [Conflict of Interest policy](#). Principal Investigators must request and document review of single audit reports/financial statements of subrecipients that expend \$750,000 or more in federal funding within a fiscal year.

### **Definitions**

**Subrecipient** means a non-Federal entity that expends Federal awards received from a pass-through entity to carry out a Federal program, but does not include an individual that is a beneficiary of such a program. The term may include not-for-profit corporations, institutions of higher education, for-profit corporation and foreign or international organizations (such as agencies of the United Nations) at the discretion of the Federal awarding agency. A subrecipient may also be a recipient of other Federal awards directly from a Federal awarding agency. It is assigned to the legal entity to which a subaward is made and which is accountable to the Society for the use of the funds provided in carrying out a portion of the its programmatic effort under the sponsored project.

**A subaward** (also referred to as a subgrant if the prime award is a grant or subcontract if the prime award is a contract) is financial support from the Society to a qualified organization for the performance of a substantive portion of a program funded under the prime award. The term also includes awards made by a subrecipient to a lower tier subrecipient. It does not include procurement



*of goods and services funded by a prime award, i.e., vendors are not considered subrecipients.*

#### **Pre-Qualification of Subrecipients**

*The Society will assess the subrecipient organization's financial status and internal controls and will establish terms and conditions in the subrecipient agreement consistent with the level of perceived risk. The PI will send the Executive Director documentation verification of debarment and suspension status prior to entering into agreements with subrecipients.*

*The Society will perform the following stewardship activities with regard to subrecipients of its sponsored awards (refer to [Sub-Recipient Monitoring Report](#) for template for documenting this stewardship annually):*

- 1. The Society will identify and recommend the means to eliminate or manage any conflict of interest arising from a proposed subaward by the Society to an entity in which it or a board member, committee member, acting member or staff member has a financial interest or fiduciary relationship.*
- 2. Advise subrecipients of requirements (including but not limited to financial and non-financial reporting) imposed on them by federal laws, regulations of the flow-down provisions of the prime contract or grant agreement and any supplemental requirements imposed by the Society dependent on the assessed level of risk.*
- 3. The Society will provide the best information available to describe a federal award to each subrecipient including the [Catalog of Federal Domestic Assistance](#) (CFDA) title and number, award name and number, award year, the type of award, and the name of the federal sponsor as required by [2 CFR 200](#).*
- 4. Monitor the costs and activities of subrecipients as appropriate, to confirm that funding provided to the subrecipient is used for purposes authorized in the negotiated agreement and that performance goals (scope of work or specific aims) articulated in the scope of work are achieved.*
- 5. Upon receipt of an unfavorable audit report from a subrecipient, the Society will confirm that the subrecipient has taken appropriate and timely corrective action. If a material weakness or other reportable condition exists, monitoring of the subrecipient will be more frequent and management actions will be taken as appropriate.*
- 6. Consider whether subrecipient audits necessitate adjustment of the Societies financial records.*
- 7. Require each subrecipient to permit the sponsor and/or the Society and its auditors to have access to the subrecipient's pertinent records and financial statements, as necessary. Where it is not possible to obtain this access, alternate solutions may be devised but generally would require the approval of the primary sponsor.*
- 8. Confirm that subrecipients expending \$750,000 or more in federal awards during the subrecipient's fiscal year are compliant with 2 CFR 200 requirements. Identify any material weaknesses or reportable conditions that result from the audit.*

#### **Finding 2017-003: Allowable Costs**

Absence of consistent, formal review and approval process of disbursements within grant guidelines and constraints.

Recommendation: Procedures should be implemented requiring a formal review and approval process over costs charged to federal awards.

Request: Please provide updated written procedures for cash drawdowns to include a formal review and oversight and segregation duties, timeframes for processing cost transfers and record retention policies. Also, provide the updated participant support costs policies. BSA stated that ACM\$ access software and training for additional personnel as backup on internal control functions was pursued. Please provide documentation for this action.



Here are our updated procedures for internal control and cash drawdowns to assure a formal review and oversight/segregation of duties (available online here **and also listed below:** <https://cms.botany.org/home/governance/procedures.html#VGrant>)

**Also see attached:**

- **Documentation of emails for back-up personnel training**

## **V. GRANT MANAGEMENT & ADMINISTRATION**

*It is the policy of the Society to seek out granting organizations which match our Mission and Objectives, Strategies and Programs, in order that we may most fully achieve the criteria and enhance the reputation of the Society. The Society fully complies with all granting agent policies and procedures and produces all required reports on time and to the detail requested.*

**Compliance** – *The Botanical Society of America will comply with all grant requirements and these must be referenced/included in all contracts/subcontracts, in specific we note the following for Federal Funding Agencies:*

1. **Office of Management and Budget (OMB) Circulars** ([see all](#))
  - [Proposal and Award Policies and Procedures Guide, Part II, Award Administration Guide \(PAPPG Part II\)](#)
  - [Grant General Conditions \(GC-1\)](#)
  - [ELECTRONIC CODE OF FEDERAL REGULATIONS \(e-CFR\) \(2 CFR 215\)](#)
  - [ELECTRONIC CODE OF FEDERAL REGULATIONS \(e-CFR\) \(2 CFR 200, Subparts A-D\)](#)
2. **Flowdown Provisions**
  - Debarment
  - Civil Rights
  - Equal Opportunity
3. **FEDERAL FINANCIAL REPORTING PROCEDURE**

*Botanical Society of America has four authorized users of the NSF Research.Gov (Online Grants Management for the NSF Community) as follows:*

*Executive Director – PI, SPO, AOR, INSTADMIN, VIEWRPTS*

*Director of Finance - SPO, AOR, INSTADMIN, FFRPREP, FFCERT, VIEWRPTS*

*Director of Education - PI, SPO, VIEWRPTS*

*Director of Publications – trained as backup for disbursements in case of emergency illnesses, prolonged staff absences*

4. *The Director of Education and Executive Director may serve as Principal Investigators for NSF grants. The PIs and Executive Director prepared the budget and negotiated contracts in accordance with the terms of the award and BSA policies. The PIs prepare Annual, Final, Interim and Project Outcome reports in accordance with NSF schedules.*

*The Director of Finance requests reimbursement of budgeted grant expenses incurred by Botanical Society of America using the Awardee Cash Management Service (ACMS). Reimbursements are recorded in QuickBooks and reconciled on at least a monthly basis. In order to drawdown funds from the ACM, the cumulative amount of the drawdown can be tied back to an expense transaction report for the period that the drawdown is covering. The Director of Finance submits a request for approval to drawdown funds to the Executive Director, with the necessary itemized documentation for the drawdown, who initials approval. After a drawdown is completed, the Executive Director can verify in the account*



*that the drawdown was conducted in accordance with approval.*

5. *Finance Director also prepares and submits The National Science Foundation Program Income Worksheet and other financial reports as requested. Since our award is cash reimbursable, we have zero income to report.*
6. *Reports on reimbursed expenses are submitted to PI on a monthly basis. PI shares with Co-PI's on the project. PI updates Executive Director and Finance Director on any budget changes and vendor progress on agreements and contracts as the project moves forward.*

**Here are the updated policies related to timeframes for processing cost transfers, record retention policies, and participant support costs policies (available online here and listed below: <https://cms.botany.org/home/governance/policies.html#XVI>):**

**POLICY XVI. Grant Management & Administration**

*It is the policy of the Society to seek out granting organizations which match our Mission and Objectives, Strategies and Programs, in order that we may most fully achieve the criteria and enhance the reputation of the Society. The Society fully complies with all granting agent policies and procedures and produces all required reports on time and to the detail requested. The Society will...*

**Part 1. Compliance** – *The Botanical Society of America will comply with all grant requirements and these must be referenced/included in all contracts/subcontracts, in specific we note the following for Federal Funding Agencies:*

1. **Office of Management and Budget (OMB) Circulars**
  - [Proposal and Award Policies and Procedures Guide, Part II, Award Administration Guide \(PAPPG Part II\)](#)
  - [Grant General Conditions \(GC-1\)](#)
  - [ELECTRONIC CODE OF FEDERAL REGULATIONS \(e-CFR\) \(2 CFR 215\)](#)
  - [ELECTRONIC CODE OF FEDERAL REGULATIONS \(e-CFR\) \(2 CFR 200, Subparts A-D\)](#)
2. **Flowdown Provisions**
  - *Debarment*
  - *Civil Rights*
  - *Equal Opportunity*

**Part 2. Participant Support Costs** – *We will ensure that our policies and procedures comply with and reference the requirements of 2 CFR 200.456.*

**Definitions - What are participant support costs?**

*If a grant supports a conference, meeting, workshop, seminar, symposium, or training program, then the direct costs associated with an individual's participation in these activities may be allowed under the sponsoring agency's program guidelines as participant support costs. A number of grants awarded by the National Science Foundation (NSF) and the U.S. Department of Education allow budgeting for these costs.*

*Participant support costs are direct costs for items such as stipends or subsistence allowances, travel allowances, and registration fees, paid to or on behalf of, participants or trainees (**but not employees**) in meetings, conferences, symposia, workshops or training projects.*

*This budget category is not used to request funds to pay for the costs of the project staff to travel to a conference, the costs of bringing collaborators together in one location to work on a project, or the*



costs of the PI to attend a seminar. These payments are not to be confused with payments made to research subjects as an incentive for recruitment and participation in a research project. Students and project staff members who are participating in a grant-funded training program and who are receiving compensation directly or indirectly from the grant typically cannot also be reimbursed for participant support costs. Moreover, in the case of federal grants, individuals may not be reimbursed for participant support costs if they are receiving compensation from any other federal government source while participating in the project.

#### **Who is a participant?**

A participant is defined as a non-Botanical Society of America employee who is the recipient, not the provider, of a service or training associated with a workshop, conference, seminar, symposium, or other short-term instructional or information sharing activity. Participants are not required to provide any deliverable to the Society and they are not subject to Botanical Society of America employment policies (e.g., they cannot be terminated for failure to perform). Participants may include students, scholars, and scientists from other institutions, representatives of private sector companies, teachers, and state or local government agency personnel. A person classified as an intern would be paid as an employee and not as a participant, because the intern, while receiving certain training, is also providing services to the organization, to the grant sponsor, or to a third party.

#### **What costs can be included in participant support costs?**

Participant support costs include the direct costs for items such as the following:

- **Stipend** - A stipend is a set amount of money to be paid directly to the participant. Certain agencies of the federal government specifically restrict participant stipends. Botanical Society of America Finance Director will assist the PI to determine if the sponsoring agency for a particular project restricts the stipend to be paid to a participant. Documentation of attendance/participation (e.g. sign-in sheets) should be collected to justify stipend payments.
- **Travel** - Travel includes the costs of transportation and associated costs and must follow BSA policies and guidelines. The sole purpose of the trip must be to participate in the project activity. If a training activity involves field trips, the costs of transportation of participants may be allowable.
- **Subsistence allowance** - The cost of a participant's housing and per diem board expenses necessary for the individual to participate in the project are generally allowed provided these costs are reasonable and limited to the days of attendance. Although they may participate in meals and snacks provided at the meeting or conference, participants who live in the local area are not entitled to subsistence payments.
- **Other costs and Participant Materials** - Certain other costs borne by the participant may be allowable, including training materials, laboratory supplies, and insurance.
- **Fees** - Fees paid by a participant in connection with meetings, conferences, symposia, or training projects are generally allowable costs. These fees may include laboratory fees and registration fees. A sponsor may also allow the costs of tuition and fee charges that are required to be paid for the individual to participate in the training project.

All costs that are reimbursed to or paid on behalf of participants must be incurred within the project period and specifically allowed by the sponsoring agency. Participant support costs are budgeted in a separate line and must be accounted for separately. Funds provided for participant support costs that are not spent cannot be re-budgeted for use in other categories except with the prior written approval of the sponsor. In most cases, unspent participant support costs must be returned to the sponsor. Participant support costs do not include the following types of payments:

- Honoraria paid to a guest speaker or lecturer.
-





- Conference support costs such as facility rentals, media equipment rentals, or conference food.
- Sub-award to a provider for multiple training events (i.e. an ongoing contract with specific terms and conditions).

*It is recommended that the PI inform participants prior to the initiation of the project about any costs associated with their participation in the project that are not covered.*

**Are incentive payments to research subjects considered participant support costs?**

*An incentive payment to encourage an individual to participate as a human subject in a research study is not a participant cost and must be budgeted differently in the project proposal.*

**Can participant support costs be included in a subcontract with another institution?**

*If a PI will collaborate with colleagues at another institution to serve as a subcontractor to provide training services to participants, then participant support costs can be included in the subcontract with the collaborating institution. A subcontract proposal must be prepared and routed with appropriate approvals to BSA for submission to the prime contractor. In all cases, the guidelines concerning participant support costs from the original funding agency (i.e., the sponsor of the project, not the collaborating institution) must be followed.*

**Can participant support costs be included as direct costs for the calculation of F&A cost recovery?**

*Most federal agencies do not allow participant support costs to be included as direct costs for the calculation of F&A cost recovery for a sponsored program. This is an agency-specific rule, however, and not a general rule for all participant support costs. For example:*

- NIH – The National Institutes of Health (NIH) allows F&A recovery at 8% of modified total direct costs of a training project including trainee stipends, but excluding tuition and fees, health insurance, and equipment. NIH policy does not permit any F&A in conjunction with conference grants.
- NASA – National Aeronautics and Space Agency (NASA) does not allow F&A cost recovery.
- Office of Naval Research (ONR) does allow F&A cost recovery on all participant support costs.

*Because practices vary from sponsor to sponsor and from program to program, BSA will check sponsor guidelines carefully to determine whether participant support costs can be included in the project budget as direct costs for which F&A costs are recovered.*

**How are participant support costs paid and accounted for?**

*When the proposal is developed for a sponsored program that includes the payment of participant support costs, these costs should be separately identified within the proposal budget. A grant award that includes participant support costs will be established by BSA and the determination of F&A cost recovery on these costs will be made at that time. All expenditures made against this budget category will be identified as participant support costs in the financial reports provided to the sponsor.*

*BSA "Guidelines for Disbursement of Funds" are followed. The disbursement guidelines can be found at <http://www.botany.org/governance/procedures.php#IIAccountsPayable>*

*To make participant support payments to an individual, the PI's department should prepare and submit requests to BSA Finance Director for processing. The Principal Investigator approves the participant payments to the individuals before payments are made. Checks are made payable to the participant and mailed directly to the participant's mailing address (P.O. boxes are not acceptable). If the participant support payments are made as a reimbursement of allowable participant expenses, the PI's department should submit a voucher that itemizes expenses together with copies of receipts to BSA Finance Director for review and processing of payment. In such cases, no 1099 reporting is required. If the participant support payments are made as a stipend or allowance (e.g. without receipts), BSA will report participant support cost payments to the individual on IRS Form 1099-Misc at the end of each year according to policy.*



**Part 3. Accounting and Reimbursement** – *The Society operates separate accounting classes for the exclusive tracking of grant monies. Payments issued against these grants are tracked in the accounting records and the funds are transferred from the grant account to the general operating account to reimburse only actual expenses incurred (following the specifications of each grant). The Society's policy is to incur the costs and to pay vendors/sub-recipients upon receipt and review/approval of invoice. We then request reimbursement of those costs from the granting agency.*

*The Society's policy is to submit reimbursement requests to all granting agencies on a monthly basis.*

**Part 4. Rebudgeting** – *The Society as the grant recipient (and/or the PIs) may determine that for efficient performance of the project, it is wise to rebudget funds from one budget line or category to another. Most federal agencies have delegated authority to approve these changes or modifications to the grant recipient (BSA). A guide called the "National Science Foundations Research Terms and Conditions Prior Approval and Other Requirements Matrix" can be found at [http://www.nsf.gov/bfa/dias/policy/rct/priorapproval\\_oct08.pdf](http://www.nsf.gov/bfa/dias/policy/rct/priorapproval_oct08.pdf).*

*Some federal awards and sponsors require that the Society formally submit a budget modification to the sponsor with an explanation of the need for the budget modification and the anticipated impact, if any, on the conduct of the work. The Society will notify the project sponsor as a courtesy in all instances of rebudgeting,*

*Guidance on applicable rebudgeting and prior approval procedures is presented in the "Sponsor Regs" summary document included with the award materials. The PI or his/her designee should first check the sponsor's award documentation to see if the sponsor has specific guidelines for when a revised budget for rebudgeting is required. When required, it should be submitted to the BSA Board and Executive Director for review. The Executive Director will work with PI/program staff as necessary on the revision and submission of budget modification to the sponsor.*

**Part 5. Expenditure Monitoring** – *The PI has the responsibility for verifying that charges on his/her awards are allowable.*

*S/he may receive assistance from the Finance Director on financial tasks, but the PI will retain responsibility for the review and approval, on a transactional basis, of charges assessed to his/her sponsored project(s). The PI should be able to support that all transactions: occur within the project period are appropriately documented are reasonable, allocable, allowable, and consistently applied; meet the limitations of the sponsor-approved budget and occur within the required timeframe for submitting a cost transfer.*

*The PI will review, approve, and submit invoices and check requests for payment directly to the Finance Director. The Finance Director will review and approve payment of invoices and check requests and forward them to the Executive Director for a second review. All checks require dual signature. The Finance Director will review payroll/fringe benefits charges and internal charges and discuss with PI as appropriate.*

**Part 6. Record Retention** – *All grant payment, check disbursement and banking records will be maintained for a minimum of 7 years from the due date of the grant final report.*

**Part 7. Cost Transfers** – *The Botanical Society of America has established the following policy and procedures for the processing of cost transfers to comply with the requirements of Office of Management and Budget (OMB) Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards ("Uniform Guidance") and federal agency policies and procedures.*

*A cost transfer (CT) is a journal entry that transfers an expense onto or from a federally-funded sponsored award that was previously recorded elsewhere in Botanical Society of America's QuickBooks system.*





### **Reason for Policy**

*In accordance with OMB, it is necessary to explain and justify transfers of charges onto federally funded sponsored awards, when the original charge was previously recorded elsewhere. Timeliness and completeness of the explanation of the transfer are important factors in supporting allowability and allocability in accordance with federal requirements.*

### **Roles and Responsibilities**

**Principal Investigators (PIs)** take primary responsibility for ensuring compliance with federal regulations as well as the monitoring of expenditures, timely correction of errors, and proper allocation of expenses.

**Finance Director** ensures that the costs transferred are allocable, allowable, and reasonable, and prepares a journal entry with supporting documentation.

**Process:** Cost Transfers should be completed in a timely manner, within 90 days of the original date the transaction was recorded in the QuickBooks system. If a cost transfer is not completed within 90 days, additional reasons for the transfer must be provided, including an explanation of the delay. In order to request a Cost Transfer, the PI must make request in writing to the Finance Director and copy the Executive Director for oversight. The Finance Director confirms that the transfer has been made in writing to the PI and copies the Executive Director.

The Finance Director may also discover a potential error and alert the PI in writing with a copy to the Executive Director with a request to make a change to another account line.code.

### **How to Correct Errors in Charges Posted to Sponsored Awards**

A **journal entry** is a way to record a transaction in a financial system. Journal entries are also used to correct previously recorded expenditures.

1. Identify the expenditure(s) you need to move.
2. Identify the account line/code you want to credit (take the charge from) and the account line/code you want to debit (move the charge to).
3. Provide the appropriate parties (PIs/Sponsor/Board) with a detailed explanation of why the charges need to be moved, how you discovered the error and what corrective action(s) will be taken to avoid the error in the future.

**Part 8. Accounting for Allowable Direct and Indirect Costs** – The Society follows the requirements of 2 CFR 200. Allowable costs are perhaps most easily defined by what is unallowable. The federal government identifies specific activities or transactions that are not allowed to be charged to sponsored research. The following costs have been specifically identified by the government as unallowable on government grants and contracts. The list below is not all-inclusive. Individual agency and program requirements may list other “unallowable” costs.

- \_\_\_ Advertising for general promotion of the Society (200.421)
- \_\_\_ Public Relations Costs except pertaining to specific accomplishments which result from performance of sponsored agreements (200.421)
- \_\_\_ Society or fundraising activities (200.442)
- \_\_\_ Alcoholic beverages (200.423)
- \_\_\_ Entertainment/Social events (200.438)
- \_\_\_ Fines and penalties (200.441)
- \_\_\_ Commencement expenses (200.429)
- \_\_\_ Bad debt write-offs (200.426)
- \_\_\_ Goods or services for personal use (200.445)



- \_\_\_ *Charitable Contributions (200.434)*
- \_\_\_ *Lobbying (200.450)*
- \_\_\_ *Memberships in civic, social, community or commercial organizations/clubs (200.454)*
- \_\_\_ *Selling or marketing products or services of the Society (200.467)*

**Finding 2017-004: Cash Management:**

No procedures in place to require supporting documentation be attached to requests for reimbursement nor approval from the proper level of management of these requests.

Recommendation: Procedures should be implemented around the preparation and review of federal reimbursement requests including the maintenance of all supporting documentation

Request: Please provide updated written procedures for cash drawdowns to include a formal review and oversight and segregation duties, timeframes for processing cost transfers and record retention policies. BSA stated that as of FY2018 detail support of expenses submitted for reimbursement has been maintained with each request for reimbursement. Formal expenses is documented by the PI of the grant and supporting documentation itemizing each request for reimbursement is reviewed and approved;. Please provide documentation to support this.

See above response under **Finding 2017-003** for updated cash management policies.

Also see attached documentation:

- Invoice paid and drawdown approval for federal funds, reviewed and approved
- Itemized documentation for reimbursement reviewed and approved

**Finding 2017-005: Subrecipient Monitoring**

Procedures had not been formalized over subrecipient monitoring

Recommendation: procedures should be implemented requiring the monitoring of each subrecipient Provide updated policies for subrecipient monitoring to include the audit requirements to also include completing a preaward, prequalification assessment that was retroactively applied in FY2018.

Updated subrecipient monitoring policy is included under **Finding 2017-002**

Also see attached:

- **Subrecipient monitoring report template**
- **BSCS agreement with 6/11/2019 amendment**
- **ASPB agreement with 5/1/2017 amendment and 2/19/20 amendment**

**Finding 2017-006: Reporting**

Lack of formal process over timely submission of federal reporting

Recommendation: Management should establish an oversight process over all federal financial reporting, assign responsibility over this process, document all applicable fiddling deadlines, and comply.

Request: Please detail what have BSA done to address this finding

This finding was the result of the retirement of the long-time BSA Executive Director with no replacement hired for 6 months. It was an anomaly. The current Executive Director and Finance Director follow a process to reconcile and close out the fiscal year with the help of an accounting firm and to verify if the \$750,000 threshold of federal grant spending has been reached. Since the audit, the Executive Director has developed a draft Request for Proposal and a running list of accounting firms that specialize in nonprofit audits and single



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audits on federal funds in order to hire a firm and have the audit performed and submitted within the required timeframe.

Thank you for the opportunity to respond to the audit. Please let me know if you have any further questions.

Best regards,  
Heather

Heather Cacanindin  
Executive Director  
Botanical Society of America

CC: Linda Watson, BSA President  
Lucinda McDade, BSA Treasurer  
Wanda Lovan, BSA Finance and Administration Officer  
Catrina Adams, Education Director