

Office of Sponsored Programs

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February 14, 2017

Reference: PWC Reports on the Audit of Federal Financial Assistance Programs in Accordance with Uniform Guidance (FY16)

MIT has reviewed the conditions and recommendations in the referenced audit report. Management's responses and corrective actions are provided below.

Finding 2016-001

Compliance Requirement: Subrecipient Monitoring (M)

MIT understands and embraces the principles of subrecipient monitoring as outlined in the Uniform Guidance and the compliance supplement, understands the necessity of implementing processes that ensure that Federal award funding is used for authorized purposes in compliance with federal statutes, regulations, and the terms and conditions of its federal awards, and that performance goals are achieved. We have adopted and completed the implementation of a corrective action plan to address this finding, as follows.

We have revised the policies and procedures under which we perform a risk analysis for each sub-recipient who is *not* subject to the single audit requirements of Uniform Guidance, including foreign institutions, for-profit institutions and not for profit institutions not required to have a Single Audit. Our revised policies and procedures now include the consideration of several factors when making our management determination as to whether or not the sub-recipient organization should be classified as "low risk" under 200.331(b), and we will continue to perform our annual reviews on a timely basis. The new policies and procedures have been communicated to the individuals responsible for this process.

Issue Coordinator: Craig Newfield, Assistant Director, MIT Office of Sponsored Programs
Completion Date: March 31, 2017

Finding 2016-002

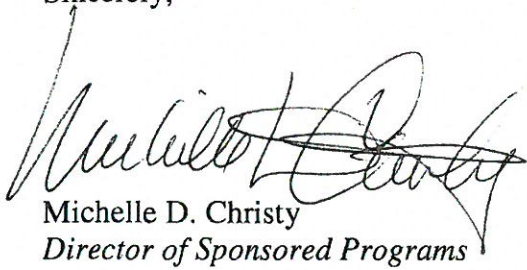
Compliance Requirement: Special Tests and Provisions- Key Personnel (N)

MIT will distribute materials to research units, using listservs and websites, re-emphasizing the importance of notifying OSP of changes in "Key Personnel" so that OSP can assist in ensuring that sponsors are notified in a timely manner.

Issue Coordinator: Shawna Vogel, Associate Director, MIT Office of Sponsored Programs
Completion Date: June 30, 2017

If you have any questions regarding our responses, or require further information, please contact me directly or John Donahue (617.258.7950 --- jpd@mit.edu) of my staff.

Sincerely,



Michelle D. Christy
Director of Sponsored Programs

Cc: G. Shor, Vice President for Finance
D. Khoury, Controller
M. Moody, Institute Auditor
MIT Office of Cost Analysis