



**New Jersey State Legislature
Office of Legislative Services
Office of the State Auditor**

EXECUTIVE SUMMARY

**DEPARTMENT OF THE TREASURY
OFFICE OF MANAGEMENT AND BUDGET
STATEWIDE COST ALLOCATION PLAN
July 1, 2015 to September 1, 2017**

We found that the statewide indirect costs and allocation calculations were reasonable and accurate. We also found select general controls over the SWCAP calculation files to be adequate. Most departments and agencies included the SWCAP in their federally-approved indirect cost rate and related recoveries were remitted to the OMB. However, the subsequent distribution of excess recoveries to several departments was not in compliance with the applicable circular. In making these determinations we found that enhanced oversight over the entire process by the OMB may increase total recoveries.

AUDIT HIGHLIGHTS

- We found 10 of 11 departments that utilized the SWCAP to maximize grant reimbursements did not submit their federally-approved indirect cost rate to the OMB, which inhibited effective monitoring of potential reimbursements. Actual reimbursements totaled \$22.7 million.
- Six of seven departments, that were required to submit an indirect cost rate proposal, did not submit one and therefore should have not received distribution of recovered amounts. These distributions totaled \$6.8 million.

AUDITEE RESPONSE

The department generally concurs with our findings and recommendations.

For the complete audit report or to print this Executive Summary, click [here](#).