

Subrecipient Monitoring

1. Overview

As the recipient of sponsored funds, the University is responsible for ensuring that activities and expenses meet award terms and conditions, sponsor requirements including Uniform Guidance, and University policies. As part of this, the University must ensure that any subawards issued to third parties are managed in a compliant manner.

As outlined in the Office for Research *Subaward Monitoring Policy* and the *Subaward Issuance and Modification Policy*, many of the actions required for compliant subrecipient monitoring are managed by Research and Sponsored Programs (RSP), Research Contract Services, and/or the Principal Investigators (PI). Research Financial Services (RFS) supplements these efforts by reviewing and interpreting financial audits to support risk rating activities and completing Federal Funding Accountability and Transparency Act (FFATA) reporting related to subrecipient monitoring.

2. Purpose

To provide guidance to Principal Investigators, department personnel, and Research and Sponsored Programs on Research Financial Services' role in ensuring the University adheres to subrecipient monitoring requirements.

3. Who Must Comply

Research Financial Services
Research and Sponsored Programs
Principal Investigators

4. Definitions

Federal Funding Accountability and Transparency Act (FFATA): Federal regulation that requires the US Government to publicly disclose all organizations receiving Federal funding, and by extension requires prime recipients to disclose subawards.

Pass Through Funds: Sponsored program funds that are received by a prime recipient and provided to a subrecipient via a subaward.

Prime Recipient: An institution that receives a sponsored program directly from a sponsor.

Subaward: A sponsored program provided by the University to an outside entity (subrecipient) that creates a contractual obligation for the subrecipient to complete a portion of a sponsored program's scope of work but excludes payments to vendors or contractors.

Subrecipient: An outside entity that receives pass through funds in the form of a subaward to complete a portion of a sponsored program's scope of work.

Subrecipient Monitoring: A series of actions undertaken by a prime recipient to ensure that subrecipients perform all activities in compliance with the award terms and conditions, sponsor requirements and University policies.

5. Procedures

To supplement the subrecipient monitoring activities completed by RSP, the PI and the department, and to ensure that the University complies with subrecipient monitoring requirements including *Uniform Guidance 200.331 – Requirements for Pass-Through Facilities*, RFS provides review of financial audits and completes FFATA reporting. Prior to entering a subrecipient relationship, central administration will ensure the sub-awardee is not suspended or debarred from receiving funds from federal sources. For subrecipients that fall below the bidding threshold of \$350,000. PI's are encouraged to perform their own review for suspension and debarment.

For the duration of the prime-subrecipient relationship, RFS reviews financial audits of subrecipients to identify findings that may impact the subrecipients' ability to manage sponsored funds or implement the project in accordance with the subaward terms and conditions. For subrecipients who are subject to a single audit, RFS will review the most recent Single Audit Report (previously known as an A-133 Audit Report). If the subrecipient is not subject to a single audit, RFS will review alternate financial documentation (e.g. third-party financial audits, Disclosure Statement, etc.) to support the initial and/or continued risk assessment.

RFS does not complete a project specific review, but rather an institutional-level review. As a result, RFS performs one audit review per subrecipient institution per year, regardless of the number of issued subawards. Once RFS has completed the review, it shares its determinations with RSP to support effective risk scoring.

To ensure that the University meets its FFATA reporting requirements, RFS reviews subawards to determine if it meets the FFATA reporting thresholds and completes FFATA reporting on behalf of the University.

FFATA Reporting

To ensure that the University meets its FFATA reporting requirements, RFS reviews all subawards prior to the initial issuance and any subaward modifications (continuations). If the subaward meets the FFATA reporting thresholds (greater than \$25,000), RFS will complete FFATA reporting on behalf of the University.

6. Roles & Responsibilities

Research Financial Services	<ul style="list-style-type: none"> • Locate subrecipient financial audits • Review financial audits for findings that will impact the subrecipient's ability to manage the subaward per the University's terms and conditions • Communicate the financial audit review findings to RSP • Review all University subawards for FFATA reporting requirements at the time of contract initiation or modification • Complete FFATA reporting
Research and Sponsored Programs	<ul style="list-style-type: none"> • Notify RFS of a new, pending subaward and request financial audit and FFATA review • Notify RFS of any subaward modifications (continuations) to support RFS FFATA reporting review • Utilize RFS financial audit review data to complete the subrecipient risk rating • Confirm Sub-awardee is not suspended or debarred from receiving funds from federal sources

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- Principal Investigators**
- PI will provide and RSP will check for competitive bidding or sole source justification of the selected subcontractor under any government prime contracts.
 - Review validity of expenses must be verified along with achievement of scientific and technical progress reports before issuing payment.
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7. Resources

Related Policies

Allowable Costs on Sponsored Programs

Sponsored Programs Closeout

Sponsored Programs Financial Reporting

Office for Research – Subaward Monitoring Policy

Office for Research – Subaward Issuance and Modification Policy

Research & Sponsored Programs – Subrecipient Commitment Form

Research & Sponsored Programs – Subrecipient Subaward/Subcontract Modification Checklist

Research & Sponsored Programs – Department Checklist for Subrecipient Monitoring

Research & Sponsored Programs – Email Template for Subaward Invoice Approval

Research & Sponsored Programs – Subaward Invoice Approval Process

Federal Regulations

Uniform Guidance 200.331 – Requirements for Pass-Through Facilities

Uniform Guidance 200.207 – Specific Condition