

## SUBRECIPIENT MONITORING PROCEDURE CONCORD UNIVERSITY

### Monitoring & Risk Assessment

#### **Summary**

This procedure applies to subrecipients funded and does not apply to contractors, vendors or consultants which are subject to Concord University procurement policies/procedures.

When Concord University issues a subaward to a subrecipient, the federal government requires monitoring. The purpose of subrecipient monitoring is to ensure that the subaward is used for authorized purposes, is implemented in compliance with applicable Federal law (statutes and regulations) and the terms and conditions set forth in the subaward, and the performance goals are achieved.

A subrecipient is a non-Federal entity that receives a subaward from a pass-through entity to carry out part of a federal program. The determination of whether an individual or entity is a subrecipient or contractor/vendor is made during the proposal development phase per 2 CFR 200.331. In some instances, review may be done during the post-award management phase and when new subrecipients or contractors are requested by the Principal Investigator (PI) after the award is received.

The Office of Research & Sponsored Programs (ORSP) and the Office of Sponsored Programs Administration (SPA) are responsible for ensuring both that itself (when it is a subrecipient) and its subrecipients comply with Uniform Guidance ([2 CFR 200](#)) under federal awards. The process below details responsibilities for subawards to entities outside of the CSU.

Typically, subrecipient monitoring for universities and colleges is not required under federal or other awards and any additional monitoring is at the discretion of Concord University.

#### **Process**

Coordination is necessary between Office of Sponsored Programs and the PI to ensure appropriate determination is made, appropriate documentation is collected, and monitoring responsibilities are fulfilled.

#### ***All Subawards:***

1. The Office of Sponsored Programs, or designee, is responsible for ensuring that a potential subrecipient is appropriately identified following the definitions set forth in policy on Subcontractor vs Consultant vs Vendor. OSP will ensure all necessary subrecipient documents are completed, reviewed, and filed. OSP with assistance and cooperation from the Principal Investigator (PI) will ensure that each subrecipient provide a scope of work and deliverables, subaward performance dates, and detailed budget.
2. When OSP receives a unilateral or fully executed external award ("Prime Award") containing a subrecipient an internal award set up is complete, they will request a PI complete a Request for Contract form to initiate the subaward process.

3. OSP, or designee will perform risk assessment for each subrecipient, as necessary and consistent with federal guidelines. The subaward will be prepared and issued by OSP. Among other things, the subaward will address audit requirements similar to those required under the Federal Demonstration Partnership (FDP) Subaward Agreement.

### ***Subawards Under Federally Funded Agreements:***

In addition to items 1 and 2 from above, during the proposal development process, OSP staff will also request a Subrecipient Commitment form designed to assist with subrecipient monitoring. When sponsor specific requirements apply, they will also request additional certifications.

### **Risk Assessment**

For all new subawards subject to this procedure OSP, or designee will assess the risk by reviewing the Subrecipient Commitment Form prior to issuing a subaward:

- A review will be conducted of the subrecipient responses on the Subrecipient Commitment Form for compliance with federal and sponsor-specific requirements (e.g., IRB, IACUC, Conflict of Interest, Export Control). The review will also include a verification in SAM.gov that the subrecipient and PI(s) are not debarred, suspended, or otherwise restricted from receiving federal funds. A subaward may not be issued if the subrecipient cannot comply with federal and/or sponsor regulations.
- The Subrecipient Risk Assessment Questionnaire will be used to document the risk assessment and determine the risk level. Review of the documents and completion of the Subrecipient Risk Assessment Questionnaire should be done prior to issuing the subaward but may be done prior to issuing the first payment if a subrecipient is known to be medium or low risk. OSP will adhere to the following process based on the determination using the Risk Assessment Questionnaire:
  - Low Risk:
    - a) OSP or designee: Review most recent subrecipient Single Audit Report to determine there are no relevant audit findings and if there are relevant findings, review the Risk Assessment form to ensure that the risk level has not changed. No additional monitoring steps necessary.
  - Medium Risk:
    - a) OSP or designee: Review subrecipient financial statements and/or annual audit reports, accounting policies and procedures, Subrecipient Commitment Form and determine if additional language is needed in the subaward template to facilitate any necessary post-award monitoring. This may include additional backup documentation to support charges to be included with the invoices for reimbursement. If additional language is necessary, it will be incorporated on Attachment 4 of the Subaward. The subaward will be identified for post-award monitoring. Random audits of certain expenditures from the subrecipient invoice may be necessary and OSP may request additional documentation.

- High Risk:
  - a) OSP or designees: Review subrecipient financial statements and/or annual audit reports, accounting policies and procedures, Subrecipient Commitment Form, and working with the PI, determine what additional language is needed in the subaward template to facilitate any necessary post-award monitoring. This will include requesting specific detailed backup documentation for all budgeted categories with invoices for reimbursement. Additional language will be incorporated on Attachment 4 of the Subaward and will be identified for post-award monitoring.

### **FFATA Compliance**

OSP or designee will report subrecipient information in compliance with Federal Financial Accountability and Transparency Act (FFATA). FFATA requires prime recipients of federal grants or contracts to report specific information about their 1<sup>st</sup> tier sub-grants. OSP or designee will enter the required information on the FFATA Subaward Reporting System (FSRS.gov) – within the month following the execution of a 1<sup>st</sup> tier subaward. Refer to Guidelines section for links to regulations and web pages.

### **Annual Review**

- OSP or designee will review audit documentation (from the Federal Audit Clearinghouse (FAC or the subrecipient) for all federally funded subrecipients. If no relevant findings, the review completion date will be noted on the Annual Subrecipient Review Log.
- If relevant findings are confirmed, OSP or designee will contact the subrecipient to review the corrective action plan (CAP). The agreed upon plan will be documented and subrecipient will be required to provide a copy for OSP records. Additionally, the finding will be indicated on the Subrecipient Review Log that findings exist and date of implementation of the CAP or the date for follow-up to determine if the CAP has not been implemented. Use of best judgement will be used when determining if a finding is relevant to the specific project.
  - If follow-up is necessary, the resolution will be noted on the Subrecipient Review Log and any additional paperwork that has resulted from the CAP will be Included in the appropriate Subaward file.
- If findings are not resolved or corrective actions have not taken place – OSP or designees will notify the PI to determine next steps, which may include withholding invoice payments and/or subaward termination.
- Once final review is complete OSP will note completion date on the Subrecipient Review Log.

### **Subrecipient Invoice Review**

#### **Summary**

At the time the subaward is negotiated, it will be agreed that the subrecipient will be paid in accordance with a payment schedule incorporated into the subaward or will send invoices according to the invoicing terms in the subaward. For a cost-reimbursement subaward, invoicing typically can be monthly or quarterly (as specified), with the final invoice due within 30 to 60 days after the subaward end date depending on the sponsor's due date for submission of the final financial report.

### **Post Award Review**

Invoices and supporting documentation will be reviewed by OSP to ensure that:

- Costs are allowable per preapproved budget as direct costs.
- Appropriate account codes are provided
- Any cost sharing or other requirements are met.

OSP will forward invoice to PI for review and signature approval. The approved invoice will be returned to OSP so that the invoice will be:

- Logged into the payment tracking log.
- Sent to /Accounts Payables for payment processing.

### **Principal Investigator (PI) review**

The PI is responsible for reviewing the costs reported and/or deliverables received as well as all supporting documentation to verify that they are reasonable and appropriate for the progress completed on the subaward-

- If approved, the PI will sign and date the subrecipient invoice – and forward to OSP for approval.
- If not approved, the PI will contact OSP to discuss how to proceed.

### **Roles & Responsibilities**

**PI:** Overall responsibility of management of subaward and ensuring completion of work. Responsibilities include:

- A. Provide OSP with scope of work, deliverables, timeline, and budget for incorporation into the proposal.
- B. Complete a Request for Contract form for each subrecipient at the time of acceptance of award.
- C. Work with OSP on issues regarding high risk subrecipients and annual subrecipient monitoring, as necessary.
- D. Review/approve subrecipient invoices timely to ensure work and effort committed is appropriate and align with the approved budget and scope of work.
- E. Review technical or performance reports submitted by the subrecipient.
- F. Notify OSP on if work not being completed on schedule or if there are any other concerns about performance.

**OSP:**

- A. Make determination on whether an entity is a subrecipient or contractor (vendor).
- B. Collaborate with PI to define and collect subrecipient scope of work, performance dates and budget at proposal stage.
- C. Request a Subrecipient Commitment form from each subrecipient at proposal stage.
- D. When sponsor specific requirements apply, request additional documentation and/or certifications from each subrecipient.
- E. Overall responsibility for subaward negotiation and risk management resolution, if applicable.
- F. Prepare initial risk assessment and/or ensure appropriate measures are put into place in the subaward to manage risk, when necessary.
- G. Incorporate additional terms and conditions into the subaward to manage risk, if necessary.

The following applies to federally funded subawards:

- A. In the rare instance of a subrecipient being designated “High Risk”– OSP and PI will determine next steps, which may include selection of a new subrecipient if risk cannot be minimized.
- B. Enter the required information on the FFATA Subaward Reporting System (FSRS.gov).
- C. Perform annual review of subrecipients in accordance with this procedure, working with the PI, as necessary.
- D. Update subrecipient review log to document compliance with federal subrecipient monitoring requirements.

### **Guidelines**

Uniform Guidance ([2 CFR 200](#)) - Subrecipient Monitoring & Management

[§200.331 Subrecipient and contractor determinations.](#)

[§200.332 Requirements for pass-through entities.](#)

[§200.333 Fixed amount subawards](#)

[Public Law 109-282 – FFATA Federal Financial Accountability and Transparency Act](#)

[FSRS.gov](#)

[Subaward forms, templates and tools available on the Federal Demonstration Partnership \(FDP\) Subaward page:   
<https://thefdp.org/default/subaward-forms/>](#)

**Other Notes:** In some cases, a subaward may also be referred to as a subcontract; and subrecipient, as subcontractor.