



## SUBRECIPIENT MONITORING PROCEDURE

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### **PURPOSE:**

This procedure implements the [CSU Systemwide Sponsored Programs Policy 11002.06 Subrecipient Monitoring](#) which requires each campus have financial controls and procedures in place to ensure compliance with sponsor requirements for subrecipient monitoring. This procedure defines the proper management of subrecipient activity under CSUSM Corporation sponsored program awards.

### **SCOPE:**

The [OMB Uniform Guidance](#), 2 CFR Part 200—UNIFORM ADMINISTRATIVE REQUIREMENTS, COST PRINCIPLES, AND AUDIT REQUIREMENTS FOR FEDERAL AWARDS section [200.331](#) requires prime recipients of federal funds to monitor subawards to ensure subrecipients meet the audit requirements and use funds in accordance with applicable laws, regulations and terms of the award. These procedures are applicable to all CSUSM University faculty/staff with an externally funded sponsored project managed by CSUSM Corporation.

### **PROCEDURE:**

#### **I. Subagreements**

After the awarding agency has approved the selection of a subrecipient, whether by issuing an award that contains provisions for the subrecipient or after the award has been made, the Sponsored Projects Analyst (SPA) reviews the subrecipient information provided by Pre-Award. The SPA will work with the subrecipient and Principal Investigator (PI) to obtain any additional information that may be needed. The SPA will then analyze the risk with the subrecipient through a standard Risk Assessment. However, a risk assessment is not necessary for subawards within the CSU (for Universities and Auxiliaries) as the Chancellor's Office keeps track of information that is required for compliance with 2 CFR 200. The SPA then initiates the issuance of a subaward by drafting the subagreement in accordance with the terms and conditions of the primary award. Once completed, the SPA will send a PDF of the document for signature by an authorized institutional official.

#### **II. Amendments**

The PI will determine when a subaward is to be amended. Common reasons for amending a subaward include providing additional funding, extending the period of performance, or modifying the reporting schedule. If an increase in funding, it is necessary to verify that OSP has the correlating budget, Statement of Work and Budget Justification. Prior approval may be needed for changes such as the scope of work, change in PI, or transferring the subaward to a new institution. The amendment is completed by the assigned SPA and routed for signatures.

#### **III. Subaward Termination**

If a PI decides that the subaward will not be renewed, or needs to terminate, the SPA will contact the subrecipient to make sure the final invoice and appropriate final reports have been submitted. The final technical report should be collected by the PI. An amendment may be necessary to reduce the time and /or funding in order to end the project per the PI's recommendation. The amendment will be prepared by the SPA and should be approved by the PI, signed by the subrecipient, and returned to the SPA prior

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to reallocating any possible remaining funds from the subaward.

### **IV. Subaward Invoice Review and Processing**

Subrecipients are expected to send invoices to OSP, who will review each invoice within forty-eight (48) hours of receipt. If the invoice is deemed acceptable for payment, the SPA will forward to the PI for review and approval. The PI is responsible for the technical review to ensure that the work is being completed, reports have been submitted, and approving the expenses related to his/her project. Once the PI has approved the invoice, the SPA will forward to Accounts Payable for processing.

SPA will review subaward invoices for the following:

- Correct Purchase Order number on invoice.
- Correct subaward number is provided.
- Total amount of award is listed and accurate.
- Time period of invoice coincides with the previous invoice. It generally should not overlap, have gaps in time, or exceed the project end date, except in special approved cases.
- Check that the fringe benefit rate and amounts are accurate for current invoice.
- Check indirect cost rate to determine it is calculating correctly and is the federally approved rate provided in the approved proposal.
- The current and accumulated totals are provided and coincide with the approved budget.
- Cumulative total is in accordance with the approved budget(s), including any line-item categories and total amounts.
- Cost sharing commitments are documented on the invoice.
- Invoice is certified.

### **V. Improper Invoice Issues**

If, during the review of an invoice, it is determined that there is a concern, the SPA will contact the subrecipient for either clarification or additional documentation. The SPA may request additional information, request corrections, or consult with the PI on unallowable charges, and may require a revised invoice from the subrecipient. The SPA will communicate to the PI and subrecipient that the invoice cannot be processed until all issues are addressed and resolved.

The PI should contact the subrecipient and OSP and notify the SPA of the concern. The SPA may be able to offer suggestions to resolve issues depending on the nature of the problem, the type of funding involved, and the sponsoring agency's policies. The SPA will make every effort to work with subrecipient to resolve any issues. However, PIs have certain rights that he/she can exercise if the collaboration is no longer determined to be productive and appropriate for the project.

### **VI. Subaward Closeout**

An integral part of subrecipient monitoring is the close-out of the subaward at the end of the project period. This is the point at which final determination is made by the PI that the subrecipient has fulfilled all their responsibilities under the subaward. In general, a subaward is closed when all deliverables have been met and the final payment has been made.

The PI, in collaboration with the SPA, should begin subaward closeout review at least sixty (60) days prior to the conclusion of the subaward period of performance. This will allow adequate time for the PI to make any budgetary actions or requests for extensions to the sponsor, if necessary. Generally, subawards should be processed for closeout and formally closed within sixty (60) days following the subaward end date. Depending on the prime funding source, closeout may be required sooner.

## **ROLES AND RESPONSIBILITIES:**

### **Pre-Award**

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- Verify subrecipients are registered with an “Active” status at [SAM.GOV](http://SAM.GOV).
- Verify the subrecipients and their PIs have not been debarred or suspended from receiving federal funds.
  - If debarred or suspended, CSUSM Corporation will not be able to contract with the subrecipient.
  - Make project role determination if applicant is a subrecipient or vendor. If vendor role, subrecipients information request will not be required.
- Ensure the Subrecipient Commitment Form is completed with current and accurate information by all potential subrecipients. This includes the following information and associated documents:
  - Conflict of Interest certification from subrecipient’s PI/PD (via Subrecipient Commitment Form) is on file, as applicable.
  - Subrecipient’s Scope of Work has been received and aligns with the overall scope of the prime award.
  - If the subrecipient’s statement of work or Subrecipient Commitment Form include regulatory compliance, the appropriate documents should be obtained (IRB/IACUC).
  - Copy of subrecipient’s current F&A rate agreement to ensure correct rates are being used in the subrecipient’s budget.
  - Budget Justification is completed and aligns with the amounts in the actual budget.
  - Budget categories and amounts align with the scope of the prime award.
- Ensure FFATA Form is sent and completed by Subrecipient for awards of \$30,000 or more.
  - Prime Grant Recipients awarded a new Federal grant greater than or equal to \$30,000 as of October 1, 2010 are subject to [FFATA sub-award reporting requirements](#) as outlined in the Office of Management and Budgets guidance issued August 27, 2010.
  - The prime awardee is required to file a FFATA sub-award report by the end of the month following the month in which the prime recipient awards any sub-grant greater than or equal to \$30,000.

### Post-Award

- Review all documentation provided by Pre-Award
- Analyze the risk in subcontracting with this subrecipient by completing a Subrecipient Risk Assessment (not necessary if subrecipient is a CSU campus or auxiliary). Depending on how they are classified will determine what language is included in the agreement. Items that typically put the subrecipient in the ‘High-Risk’ category are the following:
  - Findings on their most recent A-133 audit report that relate to sponsored program activity
  - The subrecipient does not have an annual A-133 audit
  - The entity has a history of non-compliance
  - A qualified audit report, or failure to have a current audit report
  - A known history of non-performance
  - A small company new to receiving sponsored program funds or the subaward amount is large
  - A foreign entity
- Prepare the Subaward Agreement and Amendments
  - Use FDP subaward templates for federal projects
  - FFATA should be marked yes for any agreements where it is a first tier subaward.
  - Request subrecipient provide contact information (FDP Attachment 3B)
  - Incorporate the subrecipient’s Scope of Work, Budget, and Budget Justification into the subaward agreement.
- Route the agreement for signatures by authorized officials.
- Load the completed FFATA form (when applicable) to [the FFATA site](#).
- Review and process subaward invoices.
- Assist the PI with subaward closeout and/or termination as needed.

### Principal Investigator

- Verify that work performed by the subrecipient is being completed and is acceptable
- Maintain regular contact with the subrecipient PI regarding all technical aspects of the project
- Ensure that all deliverables required per agreement terms and conditions (technical and/or invention) are being completed and provided

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- Review and approve subrecipient invoices in a timely manner.

### **References**

[Award/Contract Acceptance and Negotiation Procedure](#)

[Sponsored Programs Definitions Policy](#)

[Sponsored Project Closeout Procedures](#)

[CSU Sponsored Programs Subrecipient Monitoring Policy](#)

[CSUSM Corporation Policies and Procedures](#)

[CSUSM Corporation Cost Principles for Sponsored Projects Policy](#)

[Office of Management and Budget \(OMB\) Uniform Guidance 2 CFR 200](#)