Subrecipient Monitoring

ROWAN UNIVERSITY POLICY

Title: Subrecipient Monitoring
Subject: Office of Sponsored Programs
Policy No: OSP: 2016:01
Applies: University-wide
Issuing Authority: Vice President for Research
Responsible Officer: Directors, Office of Sponsored Programs
Adopted: 04/21/2016
Last Revision: 03/30/2017
Last Reviewed: 04/21/2016

I. PURPOSE

This policy outlines the University’s responsibility to ensure compliance with OMB Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (2 CFR 200) ("Uniform Guidance"). 200.330-337 when issuing awards to subrecipients.

II. ACCOUNTABILITY

At the direction of the Vice President for Research, the Directors for the Office of Sponsored Programs shall implement and ensure compliance with this policy. The Deans, Associate Deans, Department Chairs/Unit heads, and departmental administrators will comply with this policy.

III. APPLICABILITY

This policy applies to all University employees, graduate students and non-University employees responsible as stewards of sponsored funds and may be responsible for supervising and providing oversight related to the subrecipient's work on the sponsored project.

IV. DEFINITION

Subrecipient means a non-federal entity that receives a subaward from a pass-through entity to carry out part of a Federal program, but does not include an individual that is a beneficiary of such program. – 2 CFR 200; 200.93.

V. REFERENCES

1. OMB Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) 2 CFR 200

VI. POLICY

1. Rowan University is responsible for monitoring the programmatic and financial activities of its subrecipients to ensure proper stewardship of sponsor funds. This policy applies to all subawards issued using federal and state funding. Additionally, it addresses institutional responsibilities and assists Principal Investigators (PIs) and administrators to ensure that, in addition to achieving performance goals, subrecipients comply with applicable federal laws and regulations and with the provisions of each subaward agreement.

2. OMB Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (2 CFR 200) ("Uniform Guidance"), specifically §200.331, requires pass-through entities to evaluate each subrecipient's risk in order to determine the
appropriate monitoring level, monitor the activities of subrecipient organizations to ensure that the subaward is in compliance with applicable Federal statutes and regulations and terms of the subaward, and verify that subrecipients are audited as required by Subpart F of the Uniform Guidance.

3. While this policy refers specifically to subrecipient awards issued with federal, federal flow-through funding, or state funds, Rowan may also be required by a nonfederal sponsor to provide evidence of due diligence in reviewing the ability of a subrecipient to properly meet the objectives of the subaward and effectively steward the sponsor’s funds. Only in these explicit situations will this policy apply to subrecipients funded with nonfederal monies.

4. Subrecipient monitoring begins at the pre-award stage and ends when the award is no longer active, renewed or continued. The Office of Sponsored Programs (OSP) will not submit proposals that include subrecipient collaborators without approval from an Authorized Representative of the collaborating organization in addition to a completed and signed SF424 (federal sponsors utilizing Grants.gov portal for submission) cover page, scope of work, budget and F&A Cost Rate Agreement, if applicable.

5. OSP is responsible for administering funds granted to collaborators (subrecipients). See Attachment A for information that must be documented on the subaward.

6. For federal awards only: use of subrecipient approved federally negotiated indirect cost rate is required unless the Prime Award has imposed a lower indirect rate. The Prime Award rate will be used in that situation. If a subrecipient does not have an approved federally negotiated rate, then the use of the current de minimis rate of 10% will be used (Uniform Guidance Part 200.414.).

7. For any new government funded subaward where Rowan has no current Uniform Guidance information for the potential subrecipient or the subrecipient is not subject to OMB Combined Circular 2 CFR 200, then OSP will request the subrecipient to provide audited financial statements, an audit report of the most recent year, a statement regarding audit findings and impact of any audit findings as it relates to the prime award and subrecipient scope of work. OSP will conduct a risk assessment and determine if any supplemental terms and conditions are required. The subaward must, at the minimum, include information and clauses on the subaward as required by OMB Combined Circular 2 CFR 200, relevant federal and state regulations associated with the prime award, and other requirements imposed by the prime awarding agency as well as requirements imposed by Rowan University.
   a. In cases where the subrecipient has no prior experience with Rowan or the subrecipient indicates additional risks, OSP may impose the following conditions:
      • Perform financial audits of subrecipient
      • Perform site visits
      • Additional documentation to include during requests for disbursement
      • Payments will be made on a cost-reimbursable or milestone basis

8. OSP staff must complete the Subrecipient Monitoring Checklist and complete the Risk Assessment section of the checklist, identifying the subrecipient as low or high risk. If any subrecipient is identified as high risk, the OSP Director must be notified. The OSP Director will conduct a high risk subrecipient review.

9. When subrecipient monitoring is required, PIs are responsible for the following:
   a. Providing information necessary for Rowan OSP to contact collaborators’ respective OSP offices.
   b. Reviewing the subrecipient’s statement of work.
   c. Reviewing subrecipient technical and progress reports, including invoices and the detailed line items associated with the invoice. 
      PI must notify OSP immediately upon the identification of an error or other concern when reviewing the technical or progress report and invoice.

VII. ATTACHMENT

1. Attachment A - Subaward Information

ATTACHMENT A

SUBAWARD INFORMATION

The subaward or subrecipient award must include the following:

- Subrecipient Name
- Subrecipient DUNS Number
- Federal Award Identification Number (FAIN)
- Federal Award Date
- Subaward Period of Performance Start and End Date
- Amount of Federal Funds Obligated by this Action
- Amount of Federal Funds Obligated to the Collaborator (subrecipient)
- Total Amount of the Federal Award
- Federal Award Project Description as required by FFATA
- Name of Federal Awarding Agency, pass-through entity and contact information for awarding official
- CFDA Number and Program Title
- Identification of whether the Award is Research and Development (R&D)
- Indirect costs of the award
- Scope of Work and Budget
- Confirmation of Compliance with PHS FCOI Policy and/or COI policy (in the event the prime awardee (sponsor) has not changed its COI policy)
- Statement on the Subaward that Rowan University Division of University Research and Internal Audit department can access the subrecipient’s records and financial statements as necessary to comply with OMB Uniform Guidance
- Clause incorporating the requirements of OMB Uniform Guidance, Subpart F where applicable indicating that the subrecipient must do the following:
  a. In all instances where an audit has disclosed findings, those findings must be provided to Rowan University Office of Sponsored Programs
  b. In all instances where an audit did not disclose any findings, the subrecipient must indicate or provide a statement in writing that the audit was done in accordance with OMB Uniform Guidance; the schedule of findings, and summary schedule of prior audit findings did not report on the status of any audit findings related to the award (Prime) provided to Rowan University

If all of the information is not available, then OSP will provide the information that is made available by the awarding agency to the collaborator (subrecipient).