

PROCEDURE NUMBER: FINA 3.31 Procedure
SECTION: Administration and Finance
SUBJECT: Grants and Funds Management – Subrecipient Monitoring Policy
DATE: July 1, 2022
Procedure for: All Campuses
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Issued by: Administration and Finance – Controller’s Office

Procedure

The following procedure provides details on the administration and management of Subrecipient Monitoring for the University. Refer to **FINA 3.31** – Subrecipient Monitoring policy to determine if you are subject to this procedure.

A. Sponsored Awards Management Office (SAM) Responsibilities

The SAM Office is responsible for coordinating with applicable PIs and department administrators to:

- I. Complete the Subaward Commitment Form for all entities awarded subawards.
- II. Coordinate with the Controller’s Office to assign risk ratings based on the information gathered:
 - a. For existing entities – SAM must review the risk rating assigned based on the last completed Subrecipient Monitoring Review
 - b. For new entities – SAM must review data provided and coordinate with the Controller’s Office as needed for guidance and input to assign risk rating.
- III. Adjust terms and conditions given to Subrecipients based on the assigned risk rating.
- IV. Any Subrecipient organizations with a risk rating of “High” will require approval from the College’s Dean, Vice President of Research (VPR), and University Controller prior to issuing.

The SAM Office Associate Director will be invited to sit on the University Subrecipient Monitoring Committee.

B. Controller’s Office – Compliance Area Responsibilities

The Controller’s Office is responsible for performing the following tasks related to Subrecipient monitoring:

- I. Completing the annual subrecipient Compliance Survey and Review,
- II. Facilitating the University Subrecipient Monitoring Committee,
- III. Performing Desk Reviews of subaward invoices, and
- IV. Performing ongoing compliance review of subaward invoices received and approved for payment. Each of these duties are explained in the further detail below.

I. Annual Subrecipient Compliance Survey & Review:

The Controller's Office will develop and disseminate the Subrecipient Compliance Survey annually and disperse to all entities paid on subawards for that preceding fiscal year.

- A. Complete the annual Subrecipient Compliance Review for all entities paid on subawards.
 - 1) For Federal Demonstration Partnership (FDP) participants: Entities that participate in the FDP Expanded Clearinghouse are not required to complete an annual compliance survey. Instead, this information will come from the information reported on the FDP Clearinghouse website.
 - 2) For Non-FDP participants: Entities that do not participate in the FDP Expanded Clearinghouse will be required to complete the survey.
- B. Coordinate and follow-up with entities as needed to receive required information and documentation.
- C. Assign risk ratings of "Low", "Medium", or "High" for each entity based on the results of compiled information or Compliance Surveys.
- D. Any Subrecipient organizations with a risk rating of "High" will require approval from the College's Dean, Vice President of Research (VPR), and University Controller prior to issuing.
- E. Communicate and share risk ratings with the SAM Office and USMC for incorporation of future awarded agreements and amendments.

II. University Subrecipient Monitoring Committee (USMC):

The Controller's Office is responsible for leading the University Subrecipient Monitoring Committee and performing the following tasks:

- A. Scheduling meetings,
- B. Preparing meeting agenda and meeting minutes,
- C. Discussion and dissemination of Risk Ratings assigned to subaward entities, and
- D. Retaining and maintaining all records and related documents.

The Controller's Office is also responsible for the overall administration of the Committee and designating committee members.

III. Desk Reviews:

Each year, the Controller's Office will perform Desk Reviews of invoices submitted by subawards. Staff will randomly select invoices from 20% of our subaward organizations or "suppliers" and request the following supporting information be supplied to support the expenses listed on the selected invoice. The process will be as follows:

- A. Controller's Office will request an electronic copy of the general ledger with line item details that support the invoice from the selected subaward entity.
- B. Upon receipt of the general ledger detail, specific expenses will be selected to request supporting documentation to further review. Supporting documentation may include, but is not limited to, payroll distribution records or reports, time sheets, time and effort reports for subject personnel, cost transfer entries and approvals, vouchers, payment receipts, expense reports, requisitions and receipts for non-personnel expenditures and contracts issued for services for further review.
- C. Items provided will be reviewed for allowability in accordance with Uniform Guidance and any adjustments will be communicated to the affected parties as needed.

The Controller's Office will follow-up with selected entities on outstanding items until the review is complete. Findings will be communicated to the USMC, SAM Office, and other parties as relevant and applicable. Assigned risk ratings will also be evaluated and adjusted as necessary.

IV. Ongoing Compliance Review of Invoices:

Subaward invoices will be reviewed by The Controller's Office for compliance as they are received for processing by the Subrecipient Accountant. The Subrecipient Accountant will review each invoice to ensure:

- A. Invoice falls within the period of performance and established subaward budget.
- B. Invoice contains required identifiable information (Subaward number or purchase order number, etc.).
- C. Invoice contains appropriate detail related to charges (Budget categories, current and cumulative columns, etc.).
- D. Indirect Costs (IDC) are charged in ratio (as applicable).
- E. Invoice contains any required certifications and signatures.

Invoices will not be processed for payment until approval has been received from the Project Principal Investigator or designee. The Subrecipient Accountant will work with applicable parties to request corrections and/or clarifications as needed to ensure compliance with the subaward agreement and related terms and conditions prior to processing payment.

C. University Subrecipient Monitoring Committee (USMC) Responsibilities

The Committee will be comprised of one representative from:

- Sponsored Awards Management (SAM) Office and/or Compliance
- Grants and Funds Management (GFM),
- Director level or above from the Controller's Office, such as the Assistant Controller

The Committee is responsible for performing the following tasks:

- I. Meeting at least annually to discuss the results of the current Compliance Survey and assigned risk ratings.
- II. Disseminate and discuss any entities that experienced an increase in their risk rating year-over-year.
- III. Discuss any entities given a risk rating of high.
- IV. Review proposed adjustments to terms and conditions of entities rated higher than "Low".
- V. Coordinate and collaborate on any issues brought forward to the Committee by faculty and staff related to subawards (as applicable and necessary).

As previously noted, the Controller's Office will be responsible for the overall administration and function of the Committee and its designated members.

Refer to **FINA 3.31** – Subrecipient Monitoring policy for additional information.

Resources

FINA 3.12 – Time and Effort Policy

[Appendix: FINA 3.31 Subrecipient Monitoring Risk Matrix](#)

Training Resources are available on the [Controller's Office](#) website.