



Grant and Contract Accounting Office Subrecipient Monitoring on Sponsored Projects

Purpose

Central Washington University (CWU) has a long tradition of working closely with collaborative institutions, non-profits and industry partners on sponsored projects. These relationships often take the form of a pass-through entity (CWU) and a subrecipient (collaborator). This guidance directly outlines procedures for the administration of subawards issued by the University under a prime agreement (contract, grant or cooperative agreement) awarded to the University.

When CWU issues a subaward to a subrecipient, there is an initial and on-going responsibility to ensure the subrecipient entity is qualified to carry out the activity, is in compliance with the originating (prime) sponsor requirements, the subaward agreement and CWU practices, and provides regular and timely invoicing, reporting and other documentation as set out in the subaward agreement. This responsibility is shared among central administration, the CWU Principal Investigator (PI), and the department administrative staff.

Background

At the time of proposal submission, CWU represents to the prime sponsor that all activity, including that of the subrecipient, will be carried out consistent with sponsor requirements. Additionally, per 2 CFR 200 Uniform Guidance, CWU must evaluate each subrecipients' risk of noncompliance with federal regulations, include specific terms and conditions in the subaward as necessary, and monitor the activities of the subrecipient through various mechanisms. These mechanisms include: Training and technical assistance to subrecipients, on-site reviews, review of audit results, increased reporting requirements and enforcement action, if necessary.

University Practice

CWU reviews each subrecipient entity prior to the issuance of a subaward. This risk assessment includes should include an entity level review of their fiscal systems, past audit activity, and if required, financial statements of the entity as well as the project specific activity proposed and that the required compliance approvals are obtained. When necessary, CWU imposes limitations and requirements on the subrecipient through subaward terms and conditions per Federal Uniform Guidance, Section 200.521, prior to the issuance or renewal of a subaward.

CWU's subrecipient monitoring requirements are comprised at a minimum of the following:

- Completion of a pre- and post-award risk assessment (i.e. Certs & Reps, Single Audit review)
- Receipt and acknowledgement of outgoing subaward terms and conditions
- Receipt of regular progress reports from subrecipient, if included in subaward
- Approval/rejection of subrecipient entity's invoice
- Tracking of cumulative totals of subaward invoices

- Maintain a record of the subaward agreement, subrecipient entity progress reports (if applicable), approved invoices, back-up documentation, and any other relevant subrecipient materials.

Roles & Responsibilities

PI / Department Responsibilities

Project level monitoring of subrecipient including:

- Monitor subrecipient technical progress & performance
- Monitor subrecipient adherence to terms & conditions
- Reviews that expenses are necessary, reasonable, and allocable to the work completed and are aligned with technical progress
- Ensure that all required reports are received
- Approve invoices for payment
- Work closely with subrecipient to ensure timely invoices
- Escalate potential cases of non-performance, non-compliance, or subaward interpretation disputes with the subrecipient to GCA, SGSR and C&P

SGSR Responsibilities

- Obtain certifications and representations from subawardee
- Perform a pre-award risk assessment of subrecipient
- Execute subaward document
- Perform FFATA, if necessary

GCA Responsibilities

- Incorporate special terms & conditions based on subrecipient entity risk assessment
- Approve invoices for payment and work closely with subrecipient to ensure timely invoices
- Monitor spending against approved budget and review source documentation
- Report subaward costs into CWU's SEFA (Schedule of Expenditures of Federal Awards)
- Entity level monitoring on annual or as needed basis (i.e. Single Audit review)
- Perform site visits as necessary
- Issue a management plan to subrecipient in accordance with Uniform Guidance as necessary
- Verify that corrective action plans have been implemented by subrecipient as necessary

Subrecipient

- Complete certification forms including annual audit request forms
- Perform & comply with applicable terms, conditions, regulations & deadlines

Procedures and Guidance

Pre-Award Subrecipient Risk Assessment

Before a subrecipient receives a subaward from CWU, SGSR performs a risk assessment of the entity. This assessment consists of ensuring the subrecipient, as an entity, has the necessary structure, policies, systems and controls in place to manage the sponsored project funding. This is achieved through reviewing the entity's financial "health" by collecting necessary information about the entity which may include compliance approvals such as IRB approval, IACUC approval, policies/procedures and any additional certifications from the subrecipient that satisfy documentation needs and the terms of the prime award.

Post-Award Subrecipient Monitoring – Entity and Project Level

Subrecipient monitoring is necessary, from the issuance of the subaward through to closeout and is carried out at a project and entity level.

The CWU PI is responsible for monitoring that the subrecipient is making progress towards the performance goals of the project; that costs associated with the progress are necessary, reasonable, and allocable to the work completed; that invoiced amounts are tracked; and that the activity carried out is in compliance with the terms and conditions of the subaward, such as the stated scope of work, timeline and budget. This may be accomplished with the receipt of regular progress reports. The frequency of such reporting is indicated in the subaward agreement and the PI, as the recipient of such reports, is best positioned to ensure the reports reflect that performance goals are achieved.

The CWU PI receives, reviews and approves/rejects subrecipient invoices in the manner and frequency stated in the subaward. By signing the invoice, the PI is acknowledging that the invoice reflects reasonable, allocable and necessary costs. Once approved, it is forwarded to the GCA office for review, tracking of the cumulative costs and to ensure it abides by 2 CFR 200.

Post-Award GCA reviews the following:

- Annual review that entity is not debarred, suspended or otherwise ineligible to participate or do business with CWU
- Review of the subaward entities annual Single Audit (if applicable)
- Site visits for programmatic and regulatory/fiscal review
- Onsite training
- Increased frequency of reporting requirements
- Corrective actions imposed through the subaward agreement

If an entity has an audit finding, the finding is reviewed to determine if the findings are related to the funding that has or will be issued under a subaward, and ensure appropriate corrective action is in process, if related. A Management Decision, per 2 CFR 200, may be issued due to the severity of the finding or associated other factors, and in all cases, is issued when audit findings relate to federal award funding that has been or will be issued under a subaward.

Invoicing by Subrecipient and Approval of Invoices

Invoices from the subrecipient are submitted and approved through GCA and the Peoplesoft FMS (Financial Management System).

The invoice is submitted under a Purchase Order (PO) that has been created in the system for the subaward. Details of the PO are available in the system. The invoice number, date, quantity, price, description of costs and other details are entered by the subrecipient entity and appropriate invoice attachments as required by the subaward agreement are provided in the system. Detailed information about invoicing is in the subaward agreement. Upon the subrecipient's submission of the invoice, the PI and GCA will review, and if appropriate, approve the invoice to be submitted into the system.

Final Closeout of Subaward

It is important that CWU receive final reports from the subrecipient in accordance with the terms and conditions of the subaward so that the CWU can submit final reports on the prime award by the prime sponsor deadline.

Reporting requirements are set out in the subaward, including the requirement for submission of the final invoice, technical report and other reports as may be necessary to fulfill the reporting requirements of the prime award. It is advisable for the CWU PI to notify his/her subrecipient PI counterpart to initiate the closeout process well in advance. Late invoices submitted by the subrecipient are subject to nonpayment.