

<b>Policy:</b>	<b>Subrecipient Monitoring</b>		
<b>Responsible Office:</b>	Office of Sponsored Programs	<b>Prepared By:</b>	Erica Kennedy, MBA, CRA Director, Office of Sponsored Programs
<b>Approved Date:</b>	03/10/2022	<b>Reviewed By:</b>	James Krukones, PhD Associate Academic Vice President
<b>Last Revised Date:</b>	03/10/2022	<b>Approved By:</b>	Steven T. Herbert, PhD Provost and Academic Vice President

**Scope**

This policy applies to all federal and federal flow through Subawards issued under sponsored awards made to John Carroll University. This is intended for use by principal investigators, department administrators, and the Office of Sponsored Programs (OSP) to define their respective roles and responsibilities for Subrecipient Monitoring. This policy does not apply to consultant agreements or the procurement of goods and services from vendors.

**Purpose**

As a recipient of federal sponsored awards, John Carroll University must comply with the Office of Management and Budget federal regulation [2 CFR part 200](#) “Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards” and any future applicable circulars. In addition, the University must comply with the Subrecipient monitoring requirements specifically contained in the following:

1. [31 USC 7502\(f\)\(2\)\(B\)](#) (Single Audit Act Amendments of 1996 (Pub. L. No. 104-156)), which directs that each Prime Recipient is responsible for monitoring its Subrecipient’s use of federal funds;
2. 2 CFR part 200 ([200.331](#), [200.505](#)) which dictates sanctions on entities which do not comply with Single Audit requirements, requires Prime Recipients to provide CFDA numbers and titles to Subrecipients, and requires Prime Recipients to advise Subrecipients of the award requirements and monitor the activities of the Subrecipient;
3. 2 CFR part 200 ([200.331](#)), which requires that Prime Recipients monitor Subawards for auditing requirements.
4. program legislation;
5. 2 CFR parts [25](#) and [170](#), which requires Subrecipient to obtain a Unique Entity Identifier (UEI) and SAM registration, and requires Prime Recipient to complete FFATA reporting for Subawards;
6. Federal awarding agency regulations;
7. The terms and conditions of the award.

As a condition of award acceptance, the University is obligated to monitor the work of any Subrecipients, including ongoing verification of the following:

1. That the Subrecipient’s Scope of Work is completed in a timely and satisfactory manner;

2. That sufficient progress is accomplished in the Subrecipient's Scope of Work in relation to the invoices submitted;
3. That costs included in the Subrecipient's invoices are reasonable, allowable, allocable, and properly documented;
4. That Subrecipient invoices are submitted in a timely manner and that invoices are accurate. In addition, the University must ensure that Subrecipients meet the audit requirements in 2 CFR part 200 and use funds in accordance with applicable laws, regulations and terms of the award.

### **Policy Statement**

It is the policy of John Carroll University to administer subawards consistent with the requirements of Office of Management and Budget (OMB) federal regulation 2 CFR part 200 "Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards", and in accordance with University policies, the applicable sponsor regulations, and the terms and conditions of the Prime Award. As the Prime Recipient, the University remains responsible for the management of funds and meeting performance goals when issuing Subawards.

### **Procedures**

#### **Department and Principal Investigator Responsibilities:**

1. The PI must review technical performance reports or other specified deliverables in a timely manner. Any issues must be documented, investigated, resolved, and the documentation retained in the Department's files.
2. The PI and Fiscal Officer and/or Departmental Administrator are responsible for formally requesting Subaward agreements and amendments from OSP.
3. The PI and/or Fiscal Officer must ensure that the final technical report and final invoice from the Subaward is received within the timeframe specified in the Subaward.
4. The PI must verify for each invoice that the work is completed in a satisfactory manner and there is adequate progress compared to costs incurred.
5. The Fiscal Officer must review each Subrecipient invoice for the following and retain documentation of this review in the Business Office files:
  - a. Costs are reasonable, accurate, allowable, allocable, and properly documented.
  - b. Costs on a cost-reimbursable project have been charged based upon actual expenses, rather than an allocation of the budget.
  - c. F&A costs have been calculated correctly.
  - d. Cost-sharing requirements are being met and reported regularly throughout the life of the Subaward.
  - e. Cost-reimbursable invoices identify current period and cumulative expenses.
  - f. Fixed price invoices identify deliverables/tasks which are being billed, award amount for each deliverables/tasks, and timeline/due dates (if any) for the deliverables/tasks.
6. Fiscal Officers must request the Subrecipient to provide clarification of charges that appear unreasonable, unallocable, unallowable, or unclear. In addition, Fiscal Officers may request

- detailed support for selected invoiced charges from the Subrecipient. Examples of detailed justifications or documentation that may be requested are: payroll records, copies of paid invoices, description of services rendered by consultant that are paid by Subrecipient, and details of incurred travel charges. For any costs determined to be unallowable, Fiscal Officers must notify the Subrecipient of the disallowance and request a revised invoice with the disallowed expenses removed. Fiscal Officers must also notify OSP staff of the disallowance.
7. If the Fiscal Officer or PI become aware of any issues of noncompliance with respect to the Subaward terms or if they become aware of an audit of the Subrecipient, they will immediately notify OSP staff of the noncompliance and/or audit to take appropriate action.
  8. High-risk Subrecipients may be contractually obligated to provide detailed documentation of charges. The PI and Fiscal Officer must review all required additional documentation prior to invoice approval. All high-risk Subrecipients will require additional monitoring from OSP, the PI and Fiscal Officer.
  9. Discretionary Audits of Subrecipients is an acceptable monitoring procedure under federal regulations; however, Departments should contact OSP before initiating discretionary audits. Formal audits of a Subrecipient are typically initiated outside of the university.

#### **Office of Sponsored Programs Responsibilities:**

1. Prior to issuing a federal or federal pass-through Subaward, the Office of Sponsored Programs will be responsible for the following:
  - a. OSP shall complete John Carroll University's Subrecipient Risk Assessment to determine any measures necessary to appropriately monitor the Subrecipient. These may include additional monitoring procedures, additional contract language or inclusion of special terms and conditions.
  - b. OSP shall verify whether the Subrecipient has completed a Single Audit when a risk assessment is completed.
  - c. OSP shall confirm that Subrecipient has a DUNS number/UEI.
2. OSP will include in the Subaward the necessary terms and conditions from the Prime Award, and will also include the CFDA Number and title for any federal or federal pass-through Subaward. Other identifying information will be included when the CFDA information is unavailable.
3. OSP will inform the Principal Investigator and Fiscal Officer of the additional terms and conditions included in the Subaward or other appropriate actions for high-risk Subrecipients.
4. OSP will provide the PI and Fiscal Officer a copy of the fully executed Subaward.
5. OSP will maintain documentation regarding ongoing risk analysis of Subrecipients.

#### **Related Information**

[2 CFR 200](#)

[HHS Grants Policy Statement](#)

[NIH Grants Policy Statement](#)

[NSF Proposal and Award Policies and Procedures Guide](#)