Office of Research and Sponsored Programs
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Subrecipient Monitoring Policy

I. Policy Statement

The Office of Management and Budget's Guidance for Federal Financial Assistance (formerly "Uniform Guidance", now FFA guidance) 2 CFR §200.332 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.

II. Acronyms

- DRA/Unit Staff - Department Research Administrators, department or unit level business managers, grant administrators or any other award administration and management staff
- GCA - Grant and Contract Administrator, ORSP Preaward
- SFRA – Subaward Financial Research Administrator, ORSP Postaward
- SGCA – Subaward Grants and Contracts Administrator, ORSP Preaward
- USMC – University Subrecipient Monitoring Committee

III. Scope

This policy applies to all subawards issued by University of Massachusetts Boston (UMB). This policy does not apply to professional services and consultant agreements or the procurement of goods or services from contractors.

IV. Policy

UMB is responsible for monitoring the programmatic and financial activities of its subrecipients to ensure proper stewardship of sponsored funds. This policy addresses institutional responsibilities and assists Principal Investigators and staff in ensuring that, in addition to achieving performance goals, subrecipients comply with federal laws and regulations, and with the provisions of any agreements that govern the subaward.

Roles and Responsibilities

UMB's subrecipient monitoring responsibilities include:

- Evaluating subrecipient risk to determine the appropriate level of monitoring,
- Ensuring that federal funds are used for authorized purposes in accordance with federal statutes, regulations, and the terms and conditions of the subaward,
- Reviewing financial and programmatic reports to ensure proper stewardship of sponsored funds,
- Conducting on-going review of activities and overseeing subrecipient progress to ensure that performance goals (scope of work or specific aims) are achieved,

- Verifying that the subrecipient is audited as required by FFA guidance,
- Issuing management decisions on audit findings related directly to UMB awards, after receipt of the subrecipient's audit report, and ensuring that subrecipients take appropriate and timely corrective action.

UMB takes a risk-based approach to subrecipient monitoring, focusing monitoring efforts more closely on those subrecipients who are deemed to pose a greater risk for potential non-compliance. Subrecipient monitoring responsibilities are shared among the following:

Principal Investigators (PIs) responsibilities:

- During the proposal development process, PIs are responsible for identifying all potential collaborators, developing scopes of work (SOW) and budget targets for each collaborator.
- PIs should communicate regularly with subrecipient PIs and review progress/programmatic reports or other specified deliverables on a timely basis to ensure that the subaward funds are being used for authorized purposes and that performance goals are being achieved. Any issues should be discussed with Office of Research and Sponsored Programs (ORSP).
- PIs are responsible for reviewing and approving invoices and certifying deliverables received from the subrecipient. PI signatures certify to the best of their knowledge the expenditures on the invoices are for the purposes and objectives set forth in the terms and conditions of the award.
- PIs should alert SFRA of invoiced charges that appear unusual, excessive, or otherwise questionable. SFRA may request detailed justification to verify that the costs are allowable.
- PIs (and/or DRA/Unit Staff) should communicate with ORSP regarding any change in expectations of performance of work, payment terms, change in key personnel, reporting requirements, budgeting, deliverables, etc.

DRA/Unit Staff responsibilities:

- Once a collaborator is identified, verify Entity and PI are not debarred or delinquent in SAM.gov and that subrecipient has a Unique Entity Identifier (UEI).
- During the proposal phase, or as prospective subrecipients are identified, a case-by-case determination is made as to whether the party receiving the funds is properly classified as a subrecipient or a contractor (see Subrecipient vs Contractor Classification Guidance Document
- Work with collaborators to collect all necessary documents including: Letter of Intent (LOI), Subrecipient Commitment Form (SCF), SOW, Budget, Budget Justification, Negotiated Indirect Cost Rate Agreement (NICRA), and the most recent Audit documentation.
    - All documents must be uploaded into the proposal record in Kuali PD.
    - The Clearinghouse profile for active participants of Federal Demonstration Partner Expanded Clearinghouse will be utilized in lieu of independently collecting the Subrecipient Commitment Form, NICRA, and Audit documentation.
- PIs (and/or DRA/Unit Staff) should communicate with ORSP regarding any change in expectations of performance of work, payment terms, change in key personnel, reporting requirements, budgeting, deliverables, etc.
- Coordinate final expenditures and invoicing from the subrecipient.

Office of Research and Sponsored Programs (ORSP) responsibilities:

- Review LOI or SCF and proposal documentation with institutional concurrence before proposal submission.
- Prior to issuing a subaward, ORSP will perform a subrecipient entity and subrecipient PI risk assessment to determine an overall risk level to the subrecipient and identify any additional monitoring requirements and/or special terms and conditions that may be necessary to monitor the subrecipient appropriately.
- For subrecipients deemed to require closer monitoring or who are higher risk, UMB may impose additional subaward terms and conditions as needed.
- Annually ORSP will verify that subrecipients, if applicable, are audited as required by the Audit Requirements in the FFA guidance and will review the subrecipients' audit reports to assess audit findings, if any.
- ORSP is responsible for following-up and ensuring that the subrecipient takes timely and appropriate action to address all deficiencies directly related to UMB's prime awards that are identified through audits, on- site reviews, and other means.
- ORSP is responsible for all administrative and financial subrecipient monitoring, including receiving, reviewing, and processing all incoming invoices and filing any necessary reporting (e.g. FFATA).
- For subrecipients not subject to Audit Requirements of the FFA guidance, audited financial statements or the Financial Questionnaire (FQ) are requested.
- ORSP will provide guidance in interpreting regulations and subrecipient award terms and conditions.

University Subrecipient Monitoring Committee (USMC) composition and responsibilities:

The Committee will be comprised of:

- Associate Director, ORSP Postaward Services
- Associate Director, ORSP Preaward Services
- As well as the SFRA and SGCA

The Committee is responsible for performing the following tasks:

- Meeting annually to discuss noncompliant subrecipients deemed applicable by SFRA and/or SGCA,
- Coordinate and collaborate on any issues brought forward to the Committee by faculty and staff related to subawards (as applicable and necessary),
- Discuss any findings from the annual financial reviews as applicable,
- Re-evaluate the policies and procedures annually.

V. Related Links and Information

Office of Management and Budget's Guidance for Federal Financial Assistance (formerly "Uniform Guidance", now FFA guidance) 2 CFR §200.332

Financial Questionnaire

Federal Audit Clearinghouse

Federal Demonstration Partnership

Letter of Intent

Subrecipient Commitment Form

VI. Definitions

Contract - for the purpose of Federal financial assistance, a legal instrument by which a recipient or subrecipient conducts procurement transactions under a Federal award.

Contractor – an entity that receives a contract as defined in Contract (see definition above).

Corrective Action – action taken by the auditee that: (a) corrects identified deficiencies; (b) produces recommended improvements; or (c) demonstrates that audit findings are either invalid or do not warrant auditee action.

Federal Funding Accountability and Transparency Act (FFATA) - The Federal Funding Accountability and Transparency Act (FFATA) requires all recipients of federal awards to report purchases of $25,000 and greater under federal contracts. The act requires the reported data be made available to the public via www.USASpending.gov.

Pass-through entity – a non-federal entity that provides a subaward to a subrecipient to carry out part of a federal program. The authority of the pass-through entity under this part flows through the subaward agreement between the pass-through entity and subrecipient.

Prime Recipient – a non-federal entity that receives an award directly from a federal awarding agency to carry out an activity under a federal program.

Subaward – an award provided by a pass-through entity to a subrecipient for the subrecipient to carry out part of a federal award received by the pass-through entity. A subaward does not include payments to a contractor or payments to an individual who is a beneficiary of a federal program. A subaward may be provided through any form of legal agreement, including an agreement that the pass-through entity considers a contract.

Subrecipient – a non-federal entity that receives a subaward from a pass-through entity to carry out part of a federal program. A subrecipient may also be a recipient of other awards directly from a federal awarding agency.

Subrecipient Monitoring – Activities undertaken to review the financial status and management controls of (a) subrecipient(s) to mitigate the risk of contracting with (a) subrecipient(s).