



UNIVERSITY OF NORTH FLORIDA
Office for Research and Sponsored Programs (ORSP)

SUBRECIPIENT MONITORING

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I. OVERVIEW

The Office of Research and Sponsored Programs at UNF is responsible for financial and programmatic monitoring of the subrecipients of awards made under its prime agreements with the Federal Government, in Accordance with all applicable Federal Regulations, state statutes and laws and University policies and guidelines.

A subrecipient is a third-party legal entity that is provided a federal award to perform a portion of the required tasks of a recipient's sponsored project. The subrecipient is accountable to the recipient (pass-through entity) for the funds provided. Recipients must "flow down" the rules and regulations of the prime award to their subrecipients, which in turn will "flow down" these requirements to lower tier subrecipients.

The type of subrecipient determines which cost principles and administrative requirements apply to the subaward, however all recipients of Federal awards expending more than \$500,000 in Federal awards during a fiscal year are subject to the audit requirements prescribed by OMB Circular A-133.

Institutions of Higher Education, non-profits and hospitals must adhere to the Administrative requirements contained in 2 CFR Part 215 (OMB Circular A-110). The March 2008 OMB A-133 Compliance Supplement, Part 3, Section M contains guidelines for monitoring subrecipients.

II. DEFINITIONS

A-102 Common Rule -The A-102 Common Rule establishes consistency and uniformity among Federal agencies in the management of grants and cooperative agreements with State, local, and federally- recognized Indian tribal governments by requiring all Federal agencies administering programs the programs to follow the policies in the Circular. If the enabling legislation for a specific grant program prescribes policies or requirements that differ from the Circular, the provisions of the enabling legislation govern.

Percentage passed through – The larger the percentage of program awards passed through the greater the need for subrecipient monitoring.

Program complexity – Programs with complex compliance requirements have a higher risk of non-compliance.

Regular Contact – Regular contact with subrecipients and appropriate inquiries concerning program activities.

Reporting - Reviewing financial and performance reports submitted by the subrecipient.

Site Visits – Visiting the subrecipient site to review financial and programmatic records and/or observe operations.

Subrecipient - A third-party legal entity that is provided a federal award to perform a portion of the required tasks of a recipient’s sponsored project.

Subrecipient risk – Subrecipients may be evaluated as higher risk or lower risk to determine the need for closer monitoring. Generally, new subrecipients would require closer monitoring. For existing subrecipients, based on results of during-the-award monitoring and subrecipient audits, a subrecipient may warrant closer monitoring in instances where there is (1) a history of non-compliance as either a recipient or subrecipient, (2) new personnel, or (3) new or substantially changed systems.

III. WHO IS AFFECTED BY THIS PROCEDURE

This procedure applies to all new sponsored projects and programs as of March 1, 2012. It should be understood by Principal Investigators (PIs), Department Managers and Staff, Department Chairs, Deans, and the Office of Research and Sponsored Programs (ORSP).

IV. PROCEDURES

This section describes the procedures to follow during the subrecipient monitoring process:

- 1) ORSP creates a general encumbrance for the amount the subrecipient should be paid based on the award budget.

- 2) Technical performance reports of the subrecipient are received and evaluated by the Principal Investigator (PI).
- 3) The PI verifies that the technical reports are complete and acceptable and informs ORSP, generally in the form of an email.
- 4) ORSP places the email confirmation in the grant file. In some cases, subaward terms may require specified deliverables in addition to, or in lieu of, technical report.
- 5) ORSP reviews subrecipient's invoices showing both current period and cumulative expenses for cost-reimbursement sub agreements. For fixed price subawards, ORSP must ensure that all deliverable associated with the payment have been met.
- 6) ORSP submits a Certificate of Contractors Performance to the PI when an invoice is received from a subrecipient.
- 7) The PI signs and approves the Certificate of Contractors Performance confirming that deliverables have been met and payment should be made to the subrecipient for work performed.
- 8) The PI returns the signed Certificate of Contractors Performance to ORSP.
- 9) ORSP completes an invoice in Banner from the general encumbrance created in order to initiate payment to the subrecipient.
- 10) Copies of the subrecipient invoice and Certificate of Contractors Performance are placed in the grant. The original documents are forwarded to the Controller's Office.

Audits

Annually, GAFM reviews all of its subawards under federal programs and verifies that each subrecipient has completed their OMB Circular A-133 audit for the period. GAFM, in conjunction with the ORSP Director, review the subrecipients' turnaround letters for compliance with A-133 and takes corrective action as necessary. For subrecipients who report that they are not subject to A-133, no further action is required. Subrecipients which have completed their audits for the period, and for which there are no material instances of non-compliance related to the subaward, the turn-around letter is placed in the grant file. No further action is needed at this time. For subrecipients who have not completed their audits, an estimated completion date is required. These subrecipients are required to report back to UNF ORSP, the disposition of their audit within 30 days of its completion. For audits with findings related to the subaward, a copy of their audit reporting package is required. Subrecipients with audit findings related to their subawards must submit a copy of the audit package to UNF for review and follow up.