Subrecipient Monitoring under the Uniform Guidance

Presented by Sponsored Projects Accounting & the Office of Sponsored Research Services

April 2015
Topics

- Subrecipient Risk Assessment
- Roles and Responsibilities
- Subrecipient vs. Vendor
- Technical & Financial Monitoring
- Prompt Payment
- F&A Rate Reminder
Subrecipient Risk Assessment

- Developed by UG Subaward Task Force

**Process:** Risk Assessment Decision Process

**Summary of Risk assessments on UG website:** Subrecipient Risk Assessment Table

- New institutions will be sent a survey
  - Responses/timing – coordinate with PI/Dept. and SPA/OSRS
Risk Levels

• Low Risk: Standard Terms & Conditions

• Medium Risk:
  ◦ Require sub to provide detailed budget
  ◦ Additional terms: Training & Invoice Detail

• High Risk:
  ◦ Meeting/Call with PI and DA to discuss risk
  ◦ Specifically identified via 389X
  ◦ Additional terms: Training & Invoice Detail
  ◦ Desk checks, audits and/or site visits, as needed
# Roles and Responsibility

**Updated policy provides overview and summary of Roles**

<table>
<thead>
<tr>
<th>Principal Investigator (PI) or Designee</th>
<th>Department Administrator (DA)</th>
<th>OSRS</th>
<th>SPA</th>
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<tbody>
<tr>
<td>- Monitors technical progress of subrecipient</td>
<td>- Reviews invoices for reasonableness</td>
<td>- Issues subaward &amp; applicable terms and conditions based on risk level</td>
<td>- Performs risk assessment, subrecipient monitoring, and desk checks in accordance with risk level</td>
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<td>- Reviews invoices for reasonableness</td>
<td>- Primary liaison between central offices and PI</td>
<td>- Primary contact for DA(s) &amp; PI(s) for concerns with subrecipients and will coordinate with other central offices and parties as needed</td>
<td>- Resource for DA training on invoice review</td>
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<tr>
<td>- Monitors financial data and approves invoices</td>
<td>- Notifies OSRS of any concerns as needed</td>
<td>-Make vendor vs. subrecipient determination and contacts OSRS as needed</td>
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<td>- Notifies OSRS of any concerns as needed</td>
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Subrecipient vs. Vendor

- “...the substance of the relationship is more important than the form of the agreement.” §200.330(c)
- Designation determined *primarily* by the department at the proposal stage
- Contact OSRS if the determination is unclear
- Utilize FDP Form, ([link to form](#))
- Additional tools available on [SUBSystem website](#)
Technical Monitoring

- Review of “programmatic reports” required under the agreement §200.330(d)(1)

- PI monitors progress of sub’s scope of work and/or deliverables
  - Phone conversations
  - Email correspondence
  - Formal reports...

- Retain documentation of monitoring
Financial Monitoring

- Review invoices submitted by sub
  - Expenses are reasonable based upon technical progress
  - Amounts in invoices correspond to budget
  - Invoices are submitted in a timely manner
  - Contain authorized signature

- Request explanations for vague or unusual items (e.g., “miscellaneous”)
Financial Monitoring, cont.

- Desk checks & Audits
  - Review payroll distribution reports and/or effort reports
  - Provide copies of invoices, travel reports and other supporting documentation
  - Assess internal controls and infrastructure

- Coordinate with SPA, OSRS, DA, PI and subrecipient’s personnel

- Suspend payment
Annual Audit Verification

- SPA contacts each sub institution
- Request A-133/UG audit info
  - Findings
  - Corrective action plan
- Determine if risk level should be modified
Prompt Payment

- Pass-through entities are expected to issue payment within 30 calendar days after receipt of the billing (§200.305(b)(3))
- PI/designee should review and approve invoice in a timely manner
- Document unexpected issues and other reasons which impact timing
F&A Rate Reminder

• If the subrecipient does not have a negotiated F&A rate, the UG requires the use of at least a 10% de minimis rate

• NIH exception on foreign subs: Request 8% on foreign outgoing subawards

• NIH received a deviation from HHS to pay only 8%
Points of Contact

- **OSRS – Connie Motoki**
  - 314-747-5272 / motokic@wustl.edu

- **SPA – Joe Gindhart**
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- **SPA – Molly Gianino**
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