This session will focus on:

- The life-cycle of a subaward
- Understanding roles and responsibilities
- Institutional approaches to subrecipient monitoring
- Providing an understanding of the new requirements under OMB Uniform Guidance 2 CFR Part 200.330-332 as well as resources
Presenters/Panelists

- **Adrienne Bonilla, Esq.,** Assistant Vice President for Research – University at Albany
- **Sharon Levine-Sealy,** Pre-Award Director – Downstate Medical University
- **Betsy Colón,** Grants Management Associate – SUNY Geneseo
Presenters/Panelists (cont.)

- **Justine Gordon**, Director - Office of Grants & Contracts Administration
- **Donna Kiley**, Associate Director - Office of Grants & Contracts Administration
- **Lisa LeBlanc**, Associate Director - Internal Audit
Subrecipient Policy

Reason for Policy

The Research Foundation is responsible for monitoring the programmatic and financial activities of its subrecipients in order to ensure proper stewardship of sponsored funds. This policy addresses those responsibilities to ensure that both The Research Foundation as prime awardee and subrecipients are in compliance with applicable laws, regulations and with the provisions of the prime award.

Statement of Policy

The Research Foundation must comply with any prime award’s specific requirements for issuance of subawards. All of the terms and conditions applicable to the subaward must be flowed down to the subrecipient. This Subrecipient Policy applies to all subawards issued under sponsored programs made by The Research Foundation, without regard to the primary source of funding.
Additional Federal Requirements

2 CFR Part 200 places certain additional requirements for monitoring and managing subrecipient activities on federally-funded awards. In order to ensure that the Research Foundation is in compliance with federal regulations, the requirements at 2 CFR 200.330-332 shall apply to subrecipient arrangements funded with federal funds. A toolkit has been developed to assist in determination, risk assessment and periodic monitoring of subrecipients.
The Life Cycle of a Subaward

- Proposal Stage
  *(development and submission)*
- Award Issuance Stage
- Award Period Stage
- Close-out Stage
The Research Foundation must comply with any prime award’s specific requirements for issuance of subawards.

- All of the terms and conditions applicable to the subaward must be flowed down to the subrecipient.
- The 5 step toolkit was developed to assist in determination, risk assessment and periodic monitoring of subrecipients.
- These steps are required for federal awards and are considered best practice for all others.
The Life Cycle of a Subaward

Proposal Stage
(development and submission)

Award Issuance Stage

Award Period Stage

Close-out Stage
Subrecipient and Contractor Determination
200.330

- Toolkit - Step 1 Subrecipient/Contractor Determination
  - RF Subrecipient vs. Contractor Decision Tree

- Federal agencies may supply and require specific support for determinations
  - Could create a significant documentation burden
  - Could result in unintended agency influence on determinations
Subrecipient and Contractor Determination
200.330 (cont.)

- Pass-through entities must make determinations
- “Contractor” has replaced “vendor”
- Characteristics of a subrecipient and of a contractor (formerly vendor) have not changed

**Subrecipient:**
- Has performance measured against the objectives of the Federal program
- Has responsibility for making programmatic decisions
- Has responsibility for adherence to Federal program compliance requirements
- Uses Federal funds to carry out a program of the organization, not to provide goods or services for a program of the pass-through entity
- Determines who is eligible to receive Federal financial assistance

**Contractor:**
- Provides the goods or services within normal business operations
- Provides similar goods or services to many different purchasers
- Operates in a competitive environment
- Provides goods or services that are ancillary to the operation of the Federal program
- Is not subject to compliance requirements of the Federal program
Subrecipient vs. Contractor Decision Tree

Are funds being paid to an organization or business (entity) rather than to an individual?

- Yes
  - Is the entity contributing to the scholarly and/or scientific conduct of the project?
    - No
      - CONTRACTOR - Process through Purchasing
    - Yes
      - CONTRACTOR - Process through Purchasing using an Employer ID# (EIN) or as a Consultant using a Social Security number

- No

Does the entity’s portion of the project require use of discretion and unique expertise or does the entity have responsibility for programmatic decision making?

- Yes
  - Does the entity provide similar goods or services that are within their normal business operations to many different purchasers?
    - Yes
      - CONTRACTOR - Process through Purchasing
    - No
      - Must the RF Project Director verify the entity’s satisfactory performance before payment is made?
        - Yes
          - SUBRECIPIENT - should be paid via a subaward agreement
        - No
          - CONTRACTOR - Process through Purchasing

- No

Final decision: ___________________________ Date: ___________________________
Signature of Reviewer: ___________________________ Printed Name: ___________________________
Proposal Stage *(development and submission)*

PI/Department/OSP: Subrecipient Proposal

- Statement of Work - describes the work the subrecipient investigators will perform in the project
- Proposed Budget & Justification
- Other items required by sponsor- biosketches, facilities, assurances, small business subcontracting plan, etc.
- Subrecipient Institutional Approval
- Risk Assessment Questionnaire

*Reminder: Sponsor Guidelines that apply to Prime, also apply to Subrecipient*
Subrecipient Risk Assessment Questionnaire

This questionnaire will be used to assess the subrecipient’s risk and provide the necessary information for issuance of a subaward agreement.

Section A - Core Information

Subrecipient Legal Name: ____________________________
Address: ____________________________________________
City: _________________________ State: __________ Zip: ________
Subrecipient PI Name: ________________________________
E-mail: _____________________________________________
Phone: ______________________ Fax: ___________________
Address where research will be performed:
City: _________________________ State: __________ Zip: ________
Performance Period Begin Date: ___________ End Date: ___________
RFSUNY PI Name: ________________________________
Prime Sponsor: ________________________________
Requested Sub Amount: Year One: ___________ All Years: ___________

Subrecipient’s Federal Employer Identification Number (EIN)  Subrecipient’s DUNS number

Subrecipient’s Congressional District Place of Performance Congressional District if different

Subrecipient’s Organizational Type CAGE Code

Registered in SAM? □ Yes □ No

Is Subrecipient owned or controlled by a parent entity? □ Yes □ No
If “Yes”, please provide the following:
Parent Entity Legal Name: ________________________________
Parent Entity Address: ___________________________________
City, State, Zip: _______________________________________
Parent Entity Congressional District: _______________________
Parent Entity DUNS: ______________________________________
Parent Entity EIN: _______________________________________
Toolkit - Step 3
RF Subrecipient Risk Analysis

- Review Risk Assessment Results to:
  - Determine financial adequacy of the subrecipient
  - Confirm satisfactory evidence of F&A rate(s)
  - Verify subrecipient is not debarred or suspended
  - Verify all necessary approvals have been received
    - Agency prior approvals (contracts)
    - Agency review of agreement, as required
  - Ensure all compliance approvals have been obtained
  - Make high, medium or low-risk determination
Subrecipient Risk Analysis - High/Low Risk Entities

General Instructions:
- Complete the risk analysis using the completed Subrecipient Risk Assessment Questionnaire provided by the subrecipient.
- The risk analysis must be applied each time a new subaward is issued or a modification is made to an existing award.
- This procedure applies to any subaward activity initiated after December 26, 2014. Existing subawards will need to be assessed and/or monitored as new modifications are requested or required.
- The weighted score will determine actions required.
- Financial thresholds are cumulative. Therefore, modifications may trigger the need to reassess risk.
- Campus is responsible for gathering information on whether or not the subrecipient requires additional monitoring.
- Any circumstance not covered in this version of the risk assessment can be marked in the “notes section of this form. The circumstance may increase the assessed risk of the subaward.

Subrecipient Name: _____________________________  Date: ________________
Prime Sponsor: ________________________________  Contract Officer: ________________
Subaward #: ________________________________  Risk Level Assigned: ________________

Assign an assessment rating (0, 1 or 2) for each Criteria listed below.

<table>
<thead>
<tr>
<th>Criteria</th>
<th>Lower Risk</th>
<th>Higher Risk</th>
<th>Weight</th>
<th>Assessment Rating 0 = low 1 = med 2 = high</th>
<th>Weighted Score (Weight X Assessment Rating)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Foreign or Domestic</td>
<td>Domestic</td>
<td>Foreign</td>
<td>4</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>Maturity of Subrecipient’s Organization</td>
<td>Mature</td>
<td>Start-up</td>
<td>4</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>Organization Type</td>
<td>University or non-profit</td>
<td>Industry</td>
<td>4</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>Award type</td>
<td>Grant</td>
<td>Contract or Subcontract</td>
<td>4</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>Amount of Subaward</td>
<td>Total cost is &lt; $499,999</td>
<td>Total cost is &gt; $500K</td>
<td>3</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>Percentage of RF Award Subawarded</td>
<td>Total cost is &lt; 48.9%</td>
<td>Total cost is &gt; 49%</td>
<td>2</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>Cost Sharing obligation</td>
<td>NO Cost Sharing</td>
<td>Cost Sharing</td>
<td>2</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>Established Accounting Systems</td>
<td>Yes</td>
<td>No</td>
<td>2</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>Procurement Systems</td>
<td>approved</td>
<td>Not approved / ad hoc</td>
<td>2</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>Negotiated Indirect Cost Rate Agreement</td>
<td>Yes</td>
<td>No</td>
<td>2</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>Single Audit Report on File</td>
<td>OMB Regulations (2 CFR Part 200:331f) or A-133</td>
<td>No Audit Report</td>
<td>2</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>Prior experience working with RF?</td>
<td>Previous positive experience</td>
<td>New Subrecipient, or previous negative experience</td>
<td>2</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>ITAR/EAR Type of work</td>
<td>No</td>
<td>Yes</td>
<td>2</td>
<td>0</td>
<td></td>
</tr>
</tbody>
</table>

Total Risk Score: 0.8

Risk Level Assignment & Actions (circle risk level assigned)

Low 0-11  No action necessary.

Medium 12-50  As appropriate:
- require detailed invoicing for subrecipient
- seek guidance from PI, and/or Office of Grants & Contracts on complex contract or compliance issues

High 51-83  As appropriate:
- require detailed invoicing for subrecipient
- seek guidance from PI, Office of Grants & Contracts, Legal and/or the Compliance Office on complex contract or compliance issues
- more frequent/detailed financial and/or programmatic reporting, etc. including how and by whom the monitoring will be done.

Very High >=84  Monitoring and management discussions with PI, Office of Grants & Contracts, Legal and/or the Compliance Office are required prior to issuance of a subaward.

Notes:

Reviewer Initials: _____________________________  Date: ________________
The Life Cycle of a Subaward

- **Proposal Stage**
  - (development and submission)

- **Award Issuance Stage**

- **Award Period Stage**

- **Close-out Stage**
Award Issuance Stage

A legal agreement between a prime recipient and a third party (subrecipient) to provide a specified portion of the work required in the prime contract or grant.

Sets forth:
- work to be performed or expected deliverables
- compensation
- period of performance
- terms and conditions, including flow-downs from Prime Award

AKA: Subcontract, Subgrant, Subagreement, Subrecipient Agreement, or Consortium Agreement . . . a Sub!
Award Issuance Stage (cont.).

- Determine necessary risk mitigation following risk analysis
- Prepare subaward in accordance with requirements of the prime award and risk assessment
  - FDP Template or Model Agreement
  - Special award terms and conditions
  - Intercampus letter agreement
- If sponsor approval required, copy submitted for review
- During approval or subrecipient acceptance process, changes may need to be negotiated or clarifications included in subaward
Award Issuance Stage (cont.).

- More prescriptive Post-Award requirements (2 CFR§200.331)
  - Add a lengthy list of elements to the subaward terms
  - Establish a monitoring plan for the subrecipient and enforcement action against noncompliant subrecipients
    - Financial review
    - Programmatic review
  - Must use subrecipient’s negotiated F&A rate or provide a 10% MTDC “de minimis” rate (or another negotiated rate with the subrecipient)
    - Fixed amount subawards require written prior approval from the federal agency.
      - (2 CFR Part 200.332)

- Federal and Pass-Through Entity Requirements
- Defined Audit Requirements & Access
- Closeout Terms & Conditions
The Life Cycle of a Subaward

- Proposal Stage
  - (development and submission)
- Award Issuance Stage
- Award Period Stage
- Close-out Stage
Award Period Stage

Toolkit - Step 4 Monitoring

- Subaward Monitoring
  - Review financial and programmatic reports §200.331(d)(1)
  - Follow up and ensuring that timely action on all deficiencies are taken §200.331(d)(2)
  - Issue a management decision for audit findings §200.331(d)(2)

- Modifications
  - SOW changes
  - Re-budgeting
Award Period Stage (cont.)

Monitoring

Principal Investigator Responsibility

- Identify content for subawarding programmatic activity (SOW, Budgets)
- Ensure subrecipients comply with the technical and reporting provisions of the subaward
- Approve and sign all subrecipient invoices
- Document unsatisfactory performance by the subrecipient
- Determine when a subaward is to be amended. Common reasons for amending are:
  - Additional funding
  - Extending the period of performance
  - Modifying the reporting schedule
Subrecipient Name: _______________________
RF Project/Task/Award: ___________________ ___  ___________

Subrecipient Performance Monitoring Checklist

Monitoring the activities of the subrecipient is necessary to ensure that the subaward is used for authorized purposes.

Subrecipient Information

Subrecipient PI _______________________
Subrecipient Contact ___________________
Invoicing Frequency: __ Monthly __ Quarterly

Name and position of the person responsible for overseeing this record _______________________

Scheduled Reporting Dates (based on the terms of the subaward)

<table>
<thead>
<tr>
<th>Date Due</th>
<th>Actual Date Received</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
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</tbody>
</table>

Informal Progress Reports Completed

<table>
<thead>
<tr>
<th>Date</th>
<th>Method</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Other Communications

<table>
<thead>
<tr>
<th>Date</th>
<th>Method</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
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<td></td>
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</tbody>
</table>
Award Period Stage (cont.)

Monitoring

Research Administrators Responsibility

- Ensure compliance for subrecipient monitoring
- Review subaward invoices and collect PI signature prior to processing for payment
- Assist PI in monitoring responsibilities and maintaining supporting documentation of costs and deliverables
- Review and sign off on invoices from subrecipients for adherence to budget guidelines
- Seek clarification or support from subrecipient for any unusual, miscellaneous, seemingly excessive or other charges invoiced by the subrecipient
- Assist with modifications and timely closeout of subawards
Subrecipient Name:  

RF Project/Task/Award:  

**Subrecipient Invoice Checklist**

<table>
<thead>
<tr>
<th>Invoice #</th>
<th>Comments:</th>
</tr>
</thead>
<tbody>
<tr>
<td>[ ] Review Invoices</td>
<td></td>
</tr>
<tr>
<td>[ ] Amount is correct in accordance with budget</td>
<td></td>
</tr>
<tr>
<td>[ ] Sufficient detail is provided to permit identification of costs.</td>
<td></td>
</tr>
<tr>
<td>[ ] Request submission of backup documentation to support invoiced expenditures during the award period and/or at closeout. It may include: copies of paid invoices; detail of travel charges, payroll registers; time and effort reports.</td>
<td></td>
</tr>
<tr>
<td>[ ] Expenditures are in compliance with applicable laws, regulations and specific requirements of the program</td>
<td></td>
</tr>
<tr>
<td>[ ] Other special terms and conditions that may apply</td>
<td></td>
</tr>
<tr>
<td>[ ] Invoice is certified by subrecipient</td>
<td></td>
</tr>
</tbody>
</table>

| Review Progress/Technical Reports and/or Deliverables | |
| Have the RF PI sign certification re: completion of reports or receipt of deliverables | |

<table>
<thead>
<tr>
<th>Invoice Approved</th>
<th>Yes</th>
<th>No</th>
<th>Initial</th>
</tr>
</thead>
</table>

*If problems are encountered with the subrecipient, refer to Enforcement Measures for next steps as necessary.*
Requirements for Pass-through Entities 200.331 (cont.)

- All pass-through entities must...

Toolkit - Step 5 (Enforcement)

- Consider taking enforcement action against noncompliant subrecipients §200.331(h)
Subrecipient Name: ____________________________
RF Project/Task/Award: ________________________

**Subrecipient Enforcement Measures – Post-Award**

*If problems are encountered with the subrecipient, one or more of the following steps may be taken*

<table>
<thead>
<tr>
<th>Step</th>
<th>Comments:</th>
<th>Initial</th>
</tr>
</thead>
<tbody>
<tr>
<td>☐ Contact subrecipient officials to discuss areas of concern</td>
<td></td>
<td></td>
</tr>
<tr>
<td>☐ Make site visits to review supporting documentation to support invoiced expenditures</td>
<td></td>
<td></td>
</tr>
<tr>
<td>☐ Review backup documentation to support invoice expenditures</td>
<td></td>
<td></td>
</tr>
<tr>
<td>☐ Copy of paid invoices</td>
<td></td>
<td></td>
</tr>
<tr>
<td>☐ Detail of travel charges</td>
<td></td>
<td></td>
</tr>
<tr>
<td>☐ Payroll registers</td>
<td></td>
<td></td>
</tr>
<tr>
<td>☐ Time and effort reports</td>
<td></td>
<td></td>
</tr>
<tr>
<td>☐ Negotiation agreements for fringe benefits and F and A rates</td>
<td></td>
<td></td>
</tr>
<tr>
<td>☐ Observe operations and project performance for deliverable requirements</td>
<td></td>
<td></td>
</tr>
<tr>
<td>☐ Arrange for outside audit</td>
<td></td>
<td></td>
</tr>
<tr>
<td>☐ Review subrecipient single audit or program specific audit results, if available</td>
<td></td>
<td></td>
</tr>
<tr>
<td>☐ Audit findings</td>
<td></td>
<td></td>
</tr>
<tr>
<td>☐ Corrective action plans</td>
<td></td>
<td></td>
</tr>
<tr>
<td>☐ Other actions taken</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
The Life Cycle of a Subaward

Proposal Stage
*(development and submission)*

Award Issuance Stage

Award Period Stage

Close-out Stage
Close-out Stage

- Meet with PI to ascertain successful project completion by subrecipient
- Verify receipt of all technical and financial reports
- Verify receipt and accuracy of invoice marked “FINAL”
Internal Audit Testing

No substantial changes resulting from Uniform Guidance

- Verify initial risk assessment performed
- Verify sub-recipient agreement contains appropriate language
- Verify evidence of sub-recipient performance monitoring checklist
- Verify allowability and accuracy of sub-recipient invoices and attached certification by the sub-recipient
Best Practices

What do you do on your campus?
Resources

- Public webpage on the Research Foundation’s website:
  - Subrecipient Monitoring and Management
  - Includes PDF and Word documents from the 5 step toolkit
Questions