Policy:

The KU Medical Center Research Institute (RI) requires that subrecipients be monitored to ensure compliance with Federal laws, regulations and requirements. The Principal Investigator is responsible for the supervision of the technical progress of the subaward.

Purpose:

Monitoring of subrecipients is a collective effort made by RI staff, Principal Investigators (PIs) and departmental staff, and the subrecipient institution that occurs throughout the life of the subaward. The 2CFR200 Uniform Guidance (UG) requires that subrecipients receiving Federally-funded subawards be closely monitored to ensure Federal compliance requirements. As the Pass-through Entity (PTE), the RI is responsible for ensuring that procedures are in place to monitor subrecipients on a consistent and timely basis, and to ensure audit requirements are fulfilled and any audit findings are resolved.

Procedures:

The RI has the responsibility of informing the subrecipient of all regulations and requirements associated with the award and ensure that every subaward is clearly identified to the subrecipient as a subaward and includes the following information at the time of the subaward and if any of these data elements change, include the changes in subsequent subaward modification. The responsibility also falls on the Research Institute to determine that a subrecipient meets all criteria of eligibility.

(i) Subrecipient name
(ii) Subrecipient's unique entity identifier;
(iii) Federal Award Identification Number (FAIN);
(iv) Federal Award Date
(v) Subaward Period of Performance Start and End Date;
(vi) Amount of Federal Funds Obligated by this action;
(vii) Total Amount of Federal Funds Obligated to the subrecipient;
(viii) Total Amount of the Federal Award;
(ix) Federal award project description, as required to be responsive to the Federal Funding Accountability and Transparency Act (FFATA);
(x) Name of Federal awarding agency, pass-through entity, and contact information for awarding official,
(xi) CFDA Number and Name; the pass-through entity must identify the dollar amount made available under each Federal award and the CFDA number at time of disbursement;
(xii) Identification of whether the award is R&D; and
(xiii) Indirect cost rate for the Federal award (including if the de minimis rate is charged per §200.414 Indirect (F&A) cost

Risk Assessment
RI:
- Check Federal Audit Clearinghouse
- Check SAM.gov to determine if subrecipient is registered
- Verify subrecipient is not debarred or suspended

Pre Award:
Principal Investigator:
- Includes subrecipient information in proposal
- Obtains sole source justification if necessary

Subrecipient:
Subrecipients must demonstrate that they are willing and able to comply with the requirements set forth in the award. This includes, but is not limited to: financial system and internal control systems; financial conflict-of-interest; human and animal subjects approvals; the regulations of the UG; and the skills, location and ability necessary to perform the requirements of the award.
- Must meet eligibility determinations.
- Pass debarment and suspension check
- Be fully informed of all applicable laws and regulations.
- Submit an official proposal to be included in the Prime Institution’s proposal:
  - Statement of work and deliverables
  - Budget and budget justification
Life of Award:
Principal Investigator:
The Principal Investigator (PI) of the Prime Institution is the individual with the education and experience to determine whether a subrecipient is meeting its obligations of the subaward. Therefore, it is imperative that the PI be in regular communication with the subrecipient PI to track and monitor technical progress.
- Regularly tracking technical progress of subrecipient
- Regular contact with the subrecipient Principal Investigator
- Review and certify invoices

Subrecipient:
- Meets all compliance regulations
- Submits detailed invoices on time
- Regular reporting of progress via quarterly performance reports
- Provides annual review of audit status and take corrective action if necessary.
  - Document when corrective action will be taken
  - Document that actions will be consistent with A133 or UG audit requirements

Post Award Administrator:
- Tracking that subrecipient is submitting invoices on time
- Monitoring Invoices
  - Invoices arrive on a pre-determined schedule (i.e.; monthly)
  - Correct level of detail is provided (itemized)
  - Adequate documentation is provided
  - Review to be sure there are no duplicate costs or invoices
  - Items invoiced are in accordance to the UG
  - Invoices arrive within the time frame of the subaward
  - Expenses coincide with research performance
  - Invoices are certified by an institutional official at the subrecipient site.
  - Obtains PI certification to process payment
- Annual review of audit reports. If there are findings, follow up on corrective actions.

Close Out:
Principal Investigator:
- Review deliverables (technical reports and other items)
- Review final invoice
- Final invention/patent report, if applicable
- Final technical report

Subrecipient:
- 90 days before the award end date, communicate with Prime if the project will be completed on time
- File an audit report (or equivalent)
- Submit invoice marked as “Final”
- Submit all close out reports no later than 60 days after subaward end date

Post Award Administrator:
- 30 to 60 days before the award end date, request an itemized invoice marked “FINAL”.
- Obtain all required reports from the subrecipient
- Settle any disputed or unallowable costs
- Verify fulfillment of cost sharing commitments
- Verify compliance with Research Records and Ownership Policy
- Verify the subrecipient has filed an audit report (or equivalent)

Foreign Entities:
- Consider fixed price contracts
- Determine how fluctuating currency rates will be addressed
- Monitor and ensure payments are in compliance with regulations, laws, and provisions of the awards
- Submit letter to subrecipient to verify compliance with federal guidelines.

Definitions:
2CFR200 Uniform Guidance: Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards
Contractor: An entity that receives a contract by which a non-Federal entity purchases property or services needed to carry out the project or program under a Federal award.

Debarment and Suspension: Actions taken by the federal government (Executive Order 12549 and FAR 521.209-5) against organizations or individuals who have committed fraud or a criminal offense in violation of federal law. Institutions are not allowed to contract with these organizations or individuals where federal funds are involved.

Denied Persons List: A list of individuals and entities that have been denied export privileges. Any dealings with a party on this list that would violate the terms of its denial order is prohibited.

Prime Institution: Applicant institution which has been awarded the primary grant, contract, or cooperative agreement.

Sole Source Justification: A written statement that the vendor chosen for procurement is the only vendor that is capable of supplying the commodity or service; the “sole source”. This may occur when the goods or services are specialized or unique in character.

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. It does not include payments to a contractor or payments to an individual that 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; but does not include an individual that is a beneficiary of such program. A subrecipient may also be a recipient of other Federal awards directly from a Federal awarding agency.

Responsible Parties:

The Principal Investigator is ultimately responsible for the monitoring of subrecipient progress and adherence to established regulations.

Exemptions:

For subawards less than $750,000 in a fiscal year, a financial questionnaire may be completed by the subrecipient in lieu of an audit.

Related Policies and Links:

Executive Order 12549: [http://www.epa.gov/isdc/eo12549.htm](http://www.epa.gov/isdc/eo12549.htm)
Federal Acquisition Regulation: [http://www.arnet.gov/far/](http://www.arnet.gov/far/)
Federal Demonstration Partnership: [www.thefdp.org](http://www.thefdp.org)
System for Award Management, [www.sam.gov](http://www.sam.gov)

Contacts:

Vice Chancellor for Research: 913-588-1698; 913-588-5436
Director of Sponsored Programs Administration: 913-588-1261

History:

Original Issue Date: 4/1/2008
Current Issue Date: 06/08/2015
RAC approved: 4/30/2008
Effective date: 5/6/2008