

The purpose of this document is to outline the business activities to be completed in monitoring subrecipient activity associated with sponsored projects. All UNTHSC departments, faculty, staff, and administrative personnel who are involved in the conduct of sponsored research wherein a subrecipient is conducting a portion of the research activity should follow these procedures.

Subrecipient Monitoring

Roles and Responsibilities for
Principal Investigators,
Department Administrators,
and Office of Sponsored
Programs

Subrecipient Monitoring

Table of Contents

1. Introduction.....	2
1.1 Purpose.....	2
1.2 Definitions.....	2
1.3 Department, Center or Institute Administrative Support.....	3
1.4 Subrecipient Workflow.....	4
2. Pre-Award.....	5
2.1 Proposal Submission.....	5
3. Post-Award.....	5
3.1 Subcontract Development and Execution Process.....	6
3.2 Establishing Requisition and Purchase Order.....	7
3.3 Invoice Review and Processing.....	7
3.4 Subrecipient Monitoring.....	8
4. Project Close-out.....	9
5. Record Retention.....	10

Appendix A: Subrecipient Monitoring Form

Appendix B: A-133 Risk Assessment Worksheet

Subrecipient Monitoring

1.0 Introduction

1.1 Purpose

The purpose of this document is to outline the business activities to be completed in monitoring subrecipient activity associated with sponsored projects. All UNTHSC departments, faculty, staff, and administrative personnel who are involved in the conduct of sponsored research wherein a subrecipient is conducting a portion of the research activity should follow these procedures.

Effective subrecipient monitoring is a collaborative effort among faculty, staff, department and the Office of Sponsored Programs(OSP),

1.2 Definitions

Award: An award is a binding agreement between an external sponsor and UNTHSC to support research, instruction, training, service, or other scholarly activities with a set of terms and conditions.

Subaward: A subaward of financial or other support from a prime awardee to a qualified organization for the performance of substantive portion of the programmatic effort under the prime award.

Subrecipient: The legal entity to which a subaward is made and which is accountable to the University for the use of the funds provided in carrying out a portion of the University's programmatic effort under a sponsored project. This may include institutions of higher education, for-profit corporations, foreign or international organizations, and other non-profit organizations.

Characteristics of a subrecipient:

- Receiving entity determines who is eligible to receive financial assistance;
- Has its performance measured against whether the objectives of the program are met;
- Has responsibility for programmatic decision making;
- Has responsibility for adherence to applicable programs compliance requirements; and

- Uses the funds to carry out a program of UNTHSC as compared to a vendor who provides goods or services in the ordinary course of business being carried out by UNTHSC

Vendor: A dealer, distributor, merchant or other seller providing goods or services that is required for the conduct of the sponsored project. These goods or services may be for an organizations own use or for the use of beneficiaries of the project.

Characteristics of a vendor:

- Provides the goods and 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 sponsored project and therefore is not subject to the compliance requirements of the sponsored project

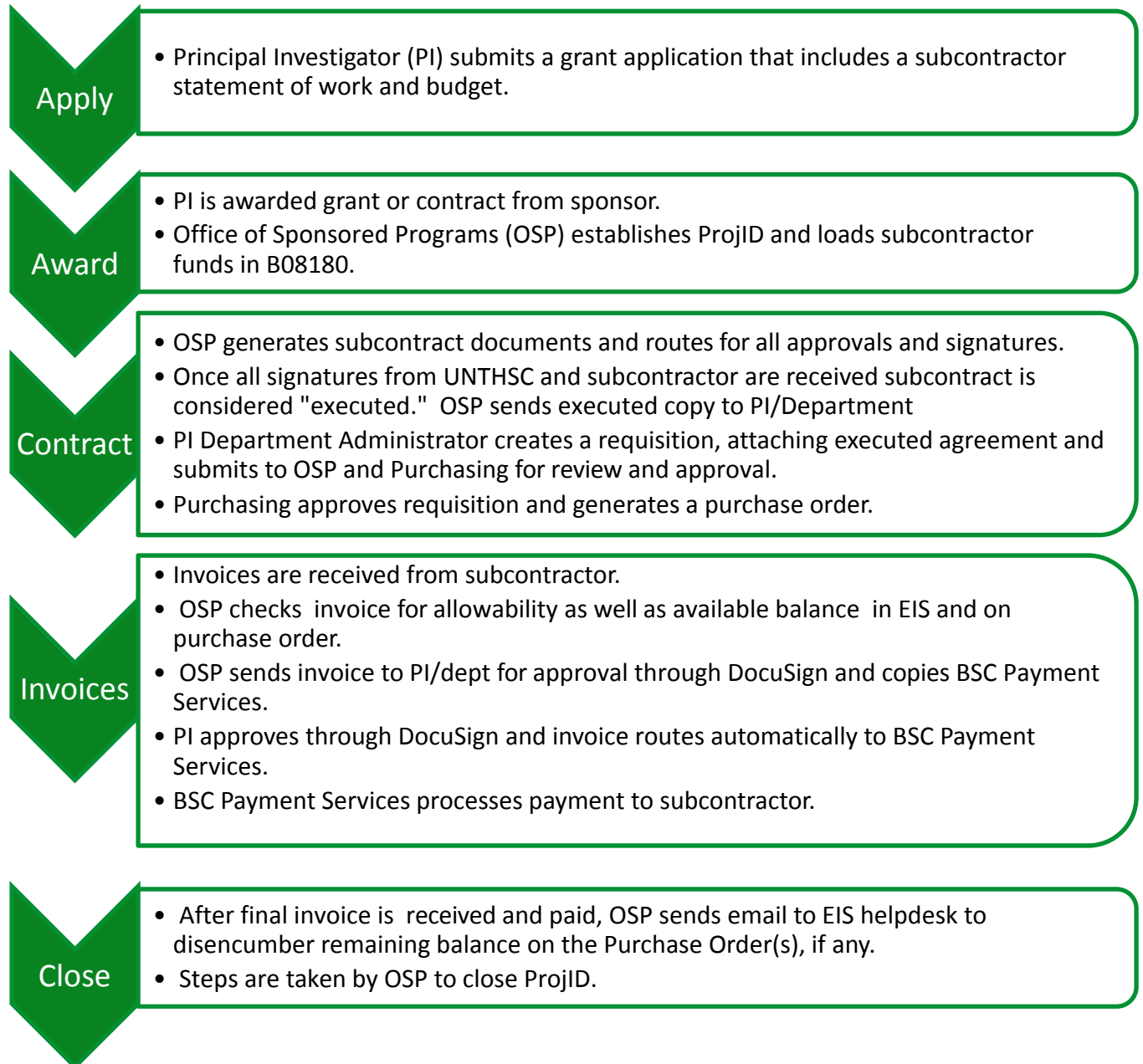
Subrecipient Monitoring: Activities undertaken to review the financial status and management controls of a subrecipient to mitigate the risks involved when subcontracting out a portion of the work under a sponsored project; monitoring subrecipient financial and technical activities through-out the life of the subaward.

1.3 Department, Center or Institute Administrative Support

Department or project administrative staff may assist PI's with administrative tasks involved in any of the PI responsibilities listed below which may include but is not limited to:

- Reviewing invoices from subrecipients to ensure expenditures are allowable based upon subaward budget and scope of work
- Ensuring that invoices are approved by the PI and submitted to BSC in a timely manner
- Contacting OSP If there are any unusual or excessive charges invoiced by the subrecipient that do not appear to be directly related to the subaward scope of work and budget
- Maintaining copies of all invoices that provide evidence of the regular review of invoices by the PI. "Evidence" can be in the form of authorized signature by the PI or his/her designee, PI's initials, email communications, or notes of a meeting between the PI with the department/project administrative assistant
- Maintaining documentation of all monitoring efforts (copies of email, phone log, etc.)
- Other administrative type tasks to help reduce the administrative burden on the faculty so they may focus on the technical aspects of the project

1.4 Subrecipient Workflow



2.0 Pre-Award Subrecipient Review

2.1 Proposal Submission

By making a proper determination at the proposal stage, the appropriate relationship can be established from the start. Sponsor approval is required prior to entering into a subcontract. Sponsor approval is NOT required if it is a vendor relationship.

PI/Dept/Center will be responsible for:

- Disclosing names and costs of all external universities, non-profit organizations, industry partners, independent contractors, and consultants involved in completing the project objectives listed in the proposal narrative
- Listing all subrecipient organizations on UNTHSC internal transmittal form
- Negotiating the scope of work and budget with co-investigator at subrecipient organization
- Submitting subrecipient's scope of work and budget to OSP at least 5 days prior to sponsor deadline
- Working with OSP to determine if the activities with an external entity should be classified as a vendor or subrecipient

OSP will be responsible for:

- Making the final determination if applicant should be classified as a subrecipient or vendor. If a vendor, no additional information will be required to submit the proposal. If a subrecipient, a scope of work and budget will be required and possibly other forms depending on the sponsor requirements, i.e. conflict of interest on PHS proposals.
- Verifying F&A calculation in prime budget based on determination of vendor vs. subrecipient.
- Obtaining a business contact name, telephone number and email address at the subrecipient organization
- Requesting subrecipient scope of work and budget to be submitted to OSP at least 5 business days prior to the published proposal deadline.
- Verifying the subrecipient has an IRB or IACUC approved research protocol when applicable

3.0 Post-Award

Federal regulations in OMB circular A-133/Uniform Guidance requires UNTHSC, on an ongoing basis, to effectively monitor its subrecipients throughout the life of the award, for compliance

with applicable laws, regulations, terms and conditions to ensure awarded funds are used for authorized purposes in compliance with the provision of the agreement.

Upon receipt of award by OSP, subcontracts will be prepared, negotiated, and executed for each subrecipient organization in the approved sponsor budget.

3.1 Subcontract Development and Execution Process

The subcontract will be written based on the scope of work and budget information collected during proposal development and submission process. The terms of the subrecipient's relationship with the university are documented in a written subcontract or subaward agreement between the university and the Subrecipient organization.

PI/Dept/Center will be responsible for:

- Telling OSP about any changes from originally agreed upon scope of work or budget for period of performance
- Informing OSP of special requirements that must be added to subrecipient agreement
- Reviewing subrecipient agreement for accuracy and completeness
- Informing OSP of any changes in scope of work, budget, start and end dates, performance concerns resulting in potential subcontract termination

OSP will be responsible for:

- Verifying the subrecipient entity and sub-PI have not been debarred or suspended from receiving federal funds at <https://www.sam.gov/portal/public/SAM/>
- Drafting, negotiating, and executing the subcontract with the Subrecipient organization
- Advising subrecipient through the subcontract of the relevant Federal award information (e.g. CFDA title and number, award name, name of Federal agency) and applicable compliance requirements, including any appropriate flow-down provisions from the prime agreement
- Determining invoicing requirements and providing sample invoice to subrecipient
- Sending to PI for final review of content and accuracy
- Routing to obtain authorized signatures
- Tracking status of subrecipient agreement throughout signature process
- Tracking executed subcontracts in database
- Drafting, negotiating, and executing subcontract modifications and/or terminations
- Maintaining subrecipient agreement templates
- Collecting A-133/Uniform Guidance audit reports annually

- Reviewing A-133/Uniform Guidance audit reports and completing a risk assessment to determine risk level
- If high risk, involving appropriate stakeholders to determine any corrective action to be taken on subrecipient organizations related to technical or financial concerns
- Determining requirements for non-A-133/Uniform Guidance covered entities
- Completing Federal Funding Accountability and Transparency Act (FFATA) reports in the FFATA Subaward Reporting System (FSRS) as required

3.2 Establishing Requisition and Purchase Order

Once the subcontract has been executed, OSP will forward a copy to the PI and Department Administrator to initiate a requisition/purchase order to encumber funds on the ProjID to pay invoices received from the subrecipients.

PI/Dept/Center will be responsible for:

- Initiating a blanket requisition for the full value of the signed subcontract through ePro using appropriate budget category and account numbers
- Ensuring budget category is always 8180 on the requisition
- If subcontract is \$25,000 or less, use account number 506151
- If the subcontract is for more than \$25,000, the purchase order must be split between two account numbers; use account number 506151 for the first \$25,000 and account number 506152 for the remaining amount of the subcontract value

OSP will be responsible for:

- Reviewing and approving the requisition in ePro for accurate budget category and account numbers

3.3 Invoice Review and Processing

PI/Dept/Center will be responsible for:

- Monitoring email and addressing requests for signature through DocuSign in a timely manner
- Reviewing the invoices to ensure they reasonably reflect the percentage of project objectives completed to date
- Reviewing for accuracy of purchase order number referenced on cover letter
- Immediately informing OSP of any issues or concerns

OSP will be responsible for:

- Reviewing invoices to ensure amount does not exceed subcontract value and expenditures invoiced are allowable, in an acceptable format with adequate level of details, and included in the approved budget
- Monitoring receipt of invoices in a timely manner and addressing with subrecipient as needed
- Processing and tracking invoices through DocuSign for PI review and approval
- Reconciling invoices to purchase order encumbrance balances in EISS to ensure invoices were not paid without PI and OSP approval
- Ensuring invoices are paid on correct purchase order numbers on multiple year projects
- Monitoring timely payment of invoices by BSC Payment Services

Business Services Center (BSC) Payment Services will be responsible for:

- Establishing and maintaining subrecipient payment profiles in EIS
- Ensuring invoices have been approved by PI and OSP prior to processing for payment
- Ensuring invoices are paid in a timely manner
- Forwarding all invoices received directly from subrecipients to OSP for compliance review and PI approval

3.4 Subrecipient Monitoring

UNTHSC's objective is to monitor that sponsor funds are properly spent, that performance goals are met, and that subrecipients comply with all applicable law, regulations, and prime award sponsor terms and conditions. The university may impose specific controls, as needed, for certain Subrecipients based on relevant risk factors.

PI/Dept/Center will be responsible for:

- Establishing and maintaining effective lines of communication with the subcontract PI through email, telephone, face-to-face and on-site visits as necessary and feasible
- Reviewing technical progress report on a routine basis. OSP recommends at least quarterly or semi-annually, depending on the kind of project, length of performance period and technical reporting requirements of prime sponsor
- Including funds for technical on-site visits/communication, when appropriate, in the proposal budget
- Ensuring all deliverables required per agreement terms and conditions (technical and/or invention) are being completed and provided in a timely manner
- Ensuring reports are received in a timely manner

- Reviewing and providing timely feedback to subrecipients on technical/performance reports as necessary
- Identifying and reporting to OSP any concerns or issues discovered during review process. **NOTE:** If there are serious technical deficiencies that may require the PI to consider terminating the collaborative relationship, they must contact OSP immediately to discuss options for resolution before contacting the subrecipient.
- Maintaining documentation of visits and communication activities
- Upon notification from OSP regarding a concern about a subrecipient's financial controls, proposing and determining corrective action
- Identifying and involving other UNTHSC stakeholders, including Chair or Dean as necessary
- Requesting OSP to modify subcontract end dates for no-cost extensions in a timely manner

OSP will be responsible for:

- Providing financial information as needed to PI for technical visits/communication
- Ensuring mandatory cost sharing is fulfilled and reported by subrecipient directly on the invoices or by attaching a separate certification to invoices
- Obtaining a Small Business Subcontracting Plan from the subrecipient if a subaward is on a federal contract incorporating this requirement, AND the amount of the subaward is \$500,000 or more AND the subrecipient is not a small business
- Collecting and reviewing subrecipient audit reports annually

4.0 Project Close-out

PI/Dept/Center will be responsible for:

- Ensuring receipt of all required deliverables including final progress or invention reports
- Not approving or signing final invoice until all required deliverables are received
- Contacting OSP if there are any difficulties encountered in getting the final reports and/or deliverables in a timely manner
- Upon receipt of 90 and 30 day emails from OSP, following up with subrecipient PI to ensure final invoice and final progress reports or deliverables will be completed and/or submitted in a timely manner

OSP will be responsible for:

- Sending out emails to PI and Department/Project Administrative Staff 90 and 30 days from the end of the project period to initiate close-out communication with subrecipients
- Tracking receipt of final invoice

5.0 Record Retention

PI/Dept/Center and OSP are responsible for:

- Maintaining all documentation related to the project according to record retention guidelines in the subaward. The number of years varies by sponsor, but typically it is not less than three years and no more than 5 years, however, you must confirm for each project by referring to the official agreement

Fiscal Year 2013 Subrecipient Monitoring Form

Part 1 – SUBRECIPIENT (Please check all applicable boxes)

ALL of the fields MUST be completed; else, it may delay processing of pending Subagreement.

U.S. Non-Profit, Educational Institution, or State/Local Government entity subject to:
 OMB Circular A-133; OR, Exempt since we expended < \$500,000 of Federal Funds during this Fiscal Year.

U.S. For-Profit entity, Sole Proprietor, Independent Contractor or Foreign entity:
 With OR Without FEDERAL awards and we certify we comply with:
 FAR Part 30 or 31; OR, <http://www.acquisition.gov/far/html/FARTOCP30.html>
 Generally Accepted Accounting Principles or financial standards and internal controls for sound business practices and where our signature below certifies that the cost estimates and prices we provide to University of North Texas Health Science Center are not greater than those prices charged our most favored customers for like quantities and conditions of sale.

Legal Name of Subrecipient: _____

Subrecipient's Financial Point of Contact: _____
 (This should be the person within YOUR institution/organization/business responsible for maintaining your audit reports)

Title: _____ **Email Address:** _____

Mailing Address: _____

City: _____ **State:** _____ **Zip + 4:** _____ **Country:** _____

Physical Address: _____ **Congressional District** _____

Phone #: _____ **POC Email:** _____

Financial Fiscal Year: _____ to _____ **Employer Identification Number (EIN):** _____
 month/day month/day

Commercial and Governmental Entity (CAGE) or NATO CAGE (NCAGE) Code: _____ **DUNS + 4 number:** _____

Registered in System for Award Management (SAM)?: Yes No **Registration Valid until:** _____

In the preceding completed fiscal year, did your organization receive 80 percent or more of its annual gross revenues in U.S. federal contracts, subcontracts, loans, grants, subgrants, and/or cooperative agreements; AND \$25,000,000 or more in annual gross revenues from U.S. federal contracts, subcontracts, loans, grants, subgrants, and/or cooperative agreements; AND the public does not have access to this information about the compensation of the senior executives of the organization through periodic reports filed under the Securities Exchange Act of 1934 or the Internal Revenue Code of 1986? Yes No

If Yes, complete the names and total annual compensation of the five most highly compensated officers of the organization in the table below:

Name of Top 5 Officers	Compensation Amount

Part 2 – Representation of Financial Statements & Controls

Please select/input the appropriate item to complete statement and provide any required reports, as applicable:

Our audit report for the subject fiscal year

has has not _____ been completed.

No audit report as a Sole Proprietor or Other Entity, but we adhere to Generally Accepted Accounting Principles or financial standards and internal controls for sound business practices.

For audits that have been completed:

were were not There _____ material weakness(es) or instances of noncompliance, significant deficiency (ies), and/or findings regarding financial internal controls.

did did not Any or all _____ relate to any subaward(s) from The University of North Texas Health Science Center.

For audits that have yet to be available:

_____ We expect the audit to be completed on _____. *Within thirty (30) days of availability, we will advise you of the results.*
(Please Input Audit Projected Availability Date)

Authorized Official's Signature: _____ **Printed Name** _____

Date: _____

Below Information to be completed by UNTHSC		
Subaward #: _____	PI Name _____	Prime Sponsor _____
ProjID# _____	PO# _____	Amount of Award _____

Print Form

Submit By Email

University of North Texas Health Science Center at Fort Worth
Subrecipient A-133 Risk Assessment Worksheet

Appendix B

Sub Name: _____	Sponsor: _____
ProjID #: _____	Total Award _____

Item	Risk Factor	Enter "1" if TRUE	Score
1a	The Subawardee is subject to annual A-133 audits.	<input type="checkbox"/>	0
1b	The Subawardee receives federal funds and undergoes an annual external audit (not A-133).	<input type="checkbox"/>	0
1c	The Subawardee undergoes an annual external audit.	<input type="checkbox"/>	0
1d	The most recent external audit (A-133 or other) included findings of noncompliance.	<input type="checkbox"/>	0
1e	The Subawardee does not undergo an annual independent, external audit.	<input type="checkbox"/>	0
2a	Subawardee has been in business less than 5 years.	<input type="checkbox"/>	0
2b	Sub PI or principals of the organization appear on the federal Debarment and Suspension List at www.epls.gov (If TRUE, Stop. Subaward may not be issued.)	<input type="checkbox"/>	0
3	Subawardee has a history of non-compliance.	<input type="checkbox"/>	0
4a	Complex project (multiple indicators of complexity, such as multiple tasks, second tier awards, consultant costs, equipment costs)	<input type="checkbox"/>	0
4b	Moderately complex project (at least one indicator of complexity)	<input type="checkbox"/>	0
4c	Simple project (no complicating aspects)	<input type="checkbox"/>	0
5a	More than 30% of award is passed through to Subawardee.	<input type="checkbox"/>	0
5b	Between 10% and 30% of award is passed through to Subawardee.	<input type="checkbox"/>	0
5c	Less than 10% of award is passed through to Subawardee.	<input type="checkbox"/>	0
6a	Subaward budget exceeds \$250,000.	<input type="checkbox"/>	0
6b	Subaward budget is greater than \$100,000 but less than \$250,000.	<input type="checkbox"/>	0
6c	Subaward budget is less than \$100,000.	<input type="checkbox"/>	0

Total Risk Score: 0

Total Risk Score =	Subrecipient should be considered:
4 or lower	Low risk for A-133 non-compliance
5-6	Moderate risk for A-133 non-compliance
7 or higher	High risk for A-133 non-compliance

Completed By: _____
Date: _____