

# Syracuse University Subrecipient Monitoring

## General Process

The subrecipient monitoring process consists of two components. The first is a *general assessment of the entity* receiving the subaward; the second is the *on-going monitoring of each active subaward*. The procedures for each are summarized below and displayed in the attached process maps.

## Subrecipient Entity Reviews

The following subrecipient monitoring procedures are:

- Primarily designed to demonstrate and insure the appropriate stewardship of external funds from all sponsors
- Applied to all subrecipients of federal funds without exception

Any decision to deviate from the below listed process requires the approval of the Associate Director of the Office of Sponsored Programs.

All requirements must be met prior to the completion of the initial subaward setup and annually thereafter.

### *Initial Review -*

- Subrecipients must:
  - Submit Syracuse University Subrecipient Profile or be a member of the Federal Demonstration Partnership (FDP) with on-line organizational profiles available in the [FDP Expanded Clearinghouse](#).
  - Be registered in the SAM (over \$25,000 subawards) if required by the prime award. In cases where the prime award does not require registration, subrecipients are encouraged to register in SAM. We ask for documentation if the subrecipient declines to be registered.
  - Submit Audited Financial Statements (if applicable and available)
  - Submit Federally Negotiated F&A Rate Agreement (if applicable)
- Entities subject to Single Audit requirements (expend more than \$750,000 in federal funds during their fiscal year) also must submit their Single Audit for review.
  - Required Single Audit is completed w/in 9 months of the end of their FY
  - Assure that required Single Audits are uploaded to the Single Audit Database as required (<https://harvester.census.gov/facdissem/SearchA133.aspx>)
  - Syracuse University must review audit findings within 6 months of receipt a subrecipient's audit
    - Audit findings are reviewed, noted and evaluated for impact on existing subawards
      - Questioned costs related to applicable CFDA #
      - Repeated findings showing lack of corrective action
      - Material findings receive special attention and review. As needed, such material finding will be referred to the Comptroller's Office for further clarification.
    - If finding has a significant impact on an existing subaward, follow-up with the subrecipient is required
    - Syracuse University must ensure that the subrecipient takes timely and appropriate corrections on all findings
    - If the subrecipient audit has no findings, the Federal Audit Clearinghouse report may be accepted in lieu of the full audit
  - Confirm that the subrecipient is not debarred or suspended via Visual Compliance subscription
  - Complete an annual risk assessment to determine appropriate risk mitigation strategies for each new subaward agreement.

## Annual Review

- Subrecipient files are reviewed with a new subaward or a modification and annually based on the subrecipient FY. Files are updated as needed.
  - Profiles are good for 1 year. After that time they will be updated with any subaward activity; i.e. new subaward, subaward modification, etc.
  - Audits for the new FY are collected and reviewed
  - Verification that most recent F&A rate agreement is on file
  - Verify current registration in the SAM as applicable
- Risk assessments are updated as needed
- As a labor saving strategy, subrecipients that do not have any active subawards and have not submitted an invoice in the prior fiscal year will not be asked to update their documents. In such cases, updates will be gathered when a new subaward is being prepared.

## Risk Assessment

- Performed prior to the first subaward to the entity
- Updated annually
- Risk level is established following review of the entity and the project
- Entity risk is based on:
  - Past experience with the subrecipient
  - Review of all gathered documents
  - Apply Decision Tree Matrix to assist in assessment of risk
- Project risk is based on:
  - Pass through percentage
  - Large amount of dollars awarded or anticipated to be awarded to the entity on the project
  - Complexity of the work being done
- Project specific risk takes precedence over the Entity risk assessment

## Risk Mitigation Strategies

- Payments tied to milestones/deliverables
- Detailed back up required with cost-reimbursable invoices
- Restriction of available budget categories based on profile response to existence of policies pertaining to personnel compensation, travel...
- Regularly scheduled communication
- Site visits

## Subaward Monitoring

### Setup, On-going and Closeout Processes

- Principal Investigator submits a *Third Party Engagement Form* and a *Request to Issue a Subaward Form* with budget and statement of work to OSP
- If available, review the *Subrecipient Commitment Form* (January 2011) submitted at proposal
- OSP will request all required documents from the subrecipient if the documents on file are outdated
- OSP will review all newly submitted documents and identify potential risk
- OSP will draft a subaward agreement insuring the:
  - Budget and Statement of Work are consistent with the prime award, and the
  - Terms of the agreement will appropriately address any identified risk

- OSP will issue the agreement and when complete will distribute the fully executed copy to all involved
- OSP will submit FFATA Reports and updates as necessary
- OSP will identify appropriate chartstring for subawards – i.e. subject to F&A, special activity code ...
- OSP will request a standing order creating a PO and financial commitment for the entire amount of the subaward
- OSP will review all incoming invoices with reference to the terms and conditions of the agreement
- The PI will review all invoices and approve for payment if:
  - the charges are consistent with the work being done, and
  - all required reports have been submitted
- Following PI approval, OSP will forward the invoice to Purchasing/Disbursements for payment.
- When the project period has ended, the PI will either submit a:
  - *Request to Modify the Subaward Form* indicating what changes are needed; or a
  - *Subaward Closeout Form*

## Subaward Setup and Monitoring Procedures

### Initial Procedures

#### *At Proposal:*

- Planned Subrecipients complete and return the ***Subrecipient Commitment Form or Letter of Intent***
- Planned Subrecipients often complete and submit a planned Statement of Work, Budget and Budget Narrative

#### *At Award:*

- Confirm/Evaluate Subrecipient:
  - Review and update documents compiled in the initial entity review as described above
  - Evaluate Program Complexity –
  - Percentage Passed Through Calculated –
  - Review Initial Risk Assessment – Subaward agreements shall be crafted to best mitigate any identified risks.
- Draft and negotiate Subaward Agreement that includes:
  - CFDA Title and Number – if applicable
  - Award Name and Number –
  - Research/Development/Other –
  - Federal Awarding Agency/Prime Sponsor Name –
  - Amount of the Award –
  - Appropriate IDC Rate –
  - Appropriate risk mitigation strategies –
  - Approved Statement of Work –
  - Approved Budget/Budget Narrative –
- Following execution of the agreement, request purchase orders to create subaward commitments in the financial system
- File FFATA Report as required –

### On-going Activities:

Methods used to reasonably determine that the “subrecipient administers sponsored awards in accordance with appropriate laws, regulations, and provisions of contracts or grant agreements” include:

- Review Invoices (see procedure below)
  - PI – reviews all invoices and certifies that all programmatic requirements have been met and that the expenditures are reasonable in the context of the work.
  - Subaward Administrator – reviews all invoices for appropriateness given the terms of the agreement; expenditures consistent with approved budget, expenditures incurred during the project period, F&A rate charge is accurate and appropriate, funds are available ..
  - Invoices should indicate that expenditures are consistent with award terms and conditions
- Review Performance Reports – PI is responsible for approving performance reports and certified this when approving expenditures
- Regular Contact – As needed either by PI or Subaward Administrator as issues arise
- Site Visit – if warranted
- Impose sanctions as needed - Options include:
  - Delay new subaward setups
  - Hold payments
  - Amend agreements
  - Terminate agreements
  - Flag as a “High Risk” subrecipient and craft future agreements with risk mitigating language.

### *Subaward Preliminary Invoice Review Procedure*

#### General

1. OSP reviews subrecipient invoices for compliance with terms and conditions of the agreement. If issues are identified, OSP will contact the subrecipient for clarification. OSP will hold the invoice until further clarification and resolution are received.
2. Invoices are then forwarded to the PI for financial and programmatic review. The PI must respond in writing to OSP’s request for approval to pay.
3. Once approval is obtained from the PI, OSP will process the invoice for payment.

#### Procedure

- If needed create an electronic copy of the Subrecipient Invoice
- Highlight the invoice date, invoice/billing period, subaward #.
- Assure that Invoice Period Dates:
  - Run consecutively from the last invoice in the file;
    - If not, contact the subrecipient to confirm that all periods and charges have been invoiced. Request corrected invoices as needed.
  - Fall within the project period
- Review the invoice line items for unusual activity or areas of particular concern. Refer to the subaward budget and budget narrative as needed.
- Locate the appropriate Subaward folder in the G drive.
  - Open the Subcontract Database, enter the invoice information and save.
    - Verify that the results of the calculations are reasonable.
    - Verify that the electronic copy of the invoice is attached in the database
  - Review the following:
    - Does the Subaward # match the Subaward you are looking at in the database?
    - Does the invoice period fall within the project period?
    - Is there an IRB/IACUC and if so is it current?
    - Does the subrecipient Cumulative Expenditures or Remaining Balance amount reconcile to ours?

- Subcontract Database will generate an email attaching the invoice. Review this email, edit as needed and forward to the PI.
- Hold the invoice until written approval is received from the PI.
- Once approved by the PI the invoice can be marked for payment. OSP highlights the amount to be paid, and add the applicable chart string, PO # and marks it with the authorizing signature stamp.
  - Identify if the current invoice is subject to F&A or not?
    - if the subaward was set up with 2 PO's and cumulative invoiced amount is less than \$25,000 it is subject to F&A (561401);
    - if the cumulative amount was greater than \$25,000 prior to this invoice, than this invoice is not subject to F&A (561402);
    - if this invoice brings the cumulative expenditures to more than \$25,000 than the invoice must be split between the 2 PO's (apply 2 stamps and identify the amounts that need to be applied to the 2 different account #).
  - Save a copy of the stamped invoice in the G drive subaward file.
  - The subrecipient invoice approved by OSP and the PI is forwarded to Purchasing at [purchasing@syr.edu](mailto:purchasing@syr.edu) who will approve and forward it to disbursements for payment.

## Appendices

Subrecipient Risk Matrix

Subaward Management Process Maps

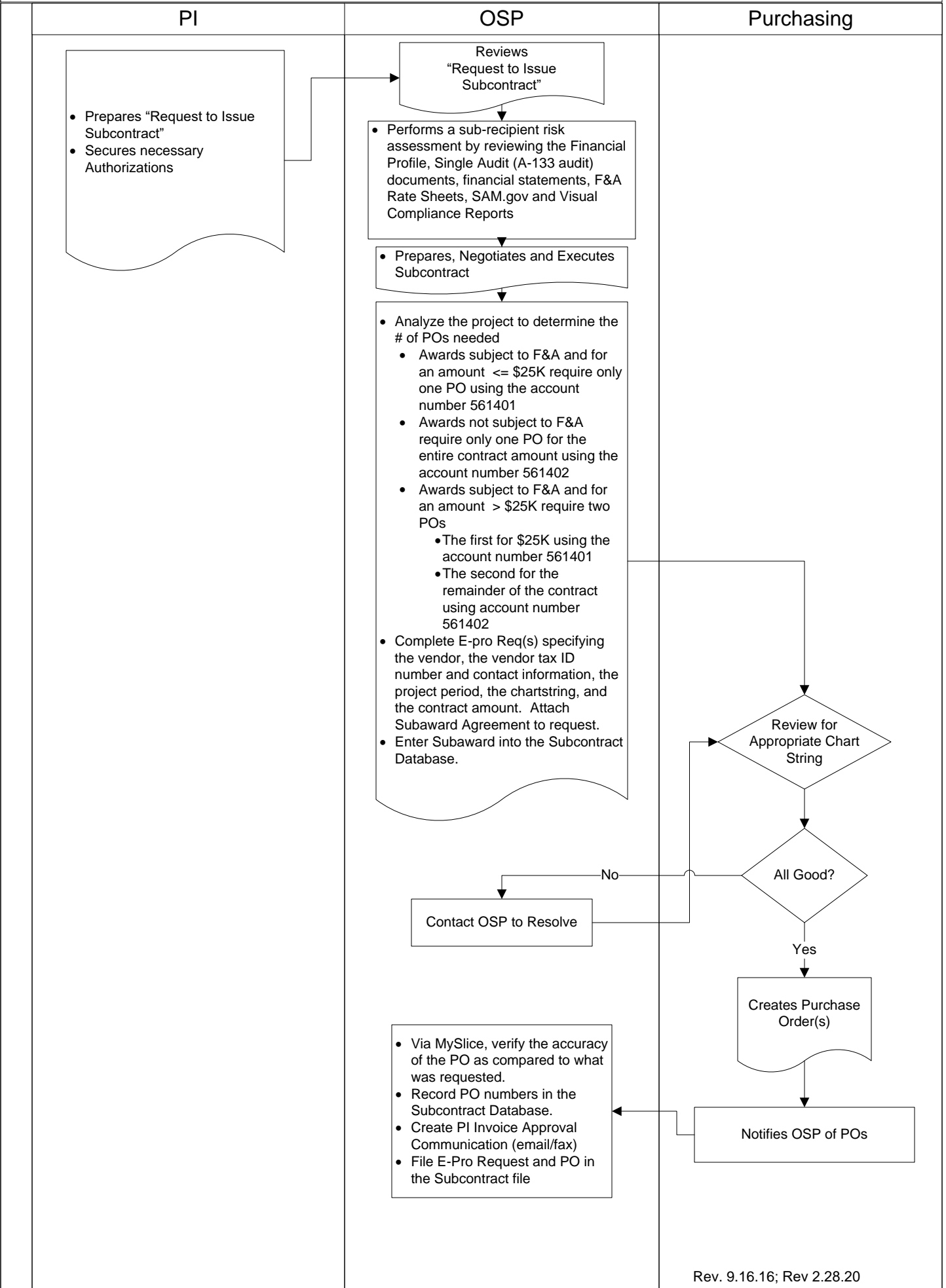
## Syracuse University Subrecipient Risk Assessment Matrix

**Institution:**

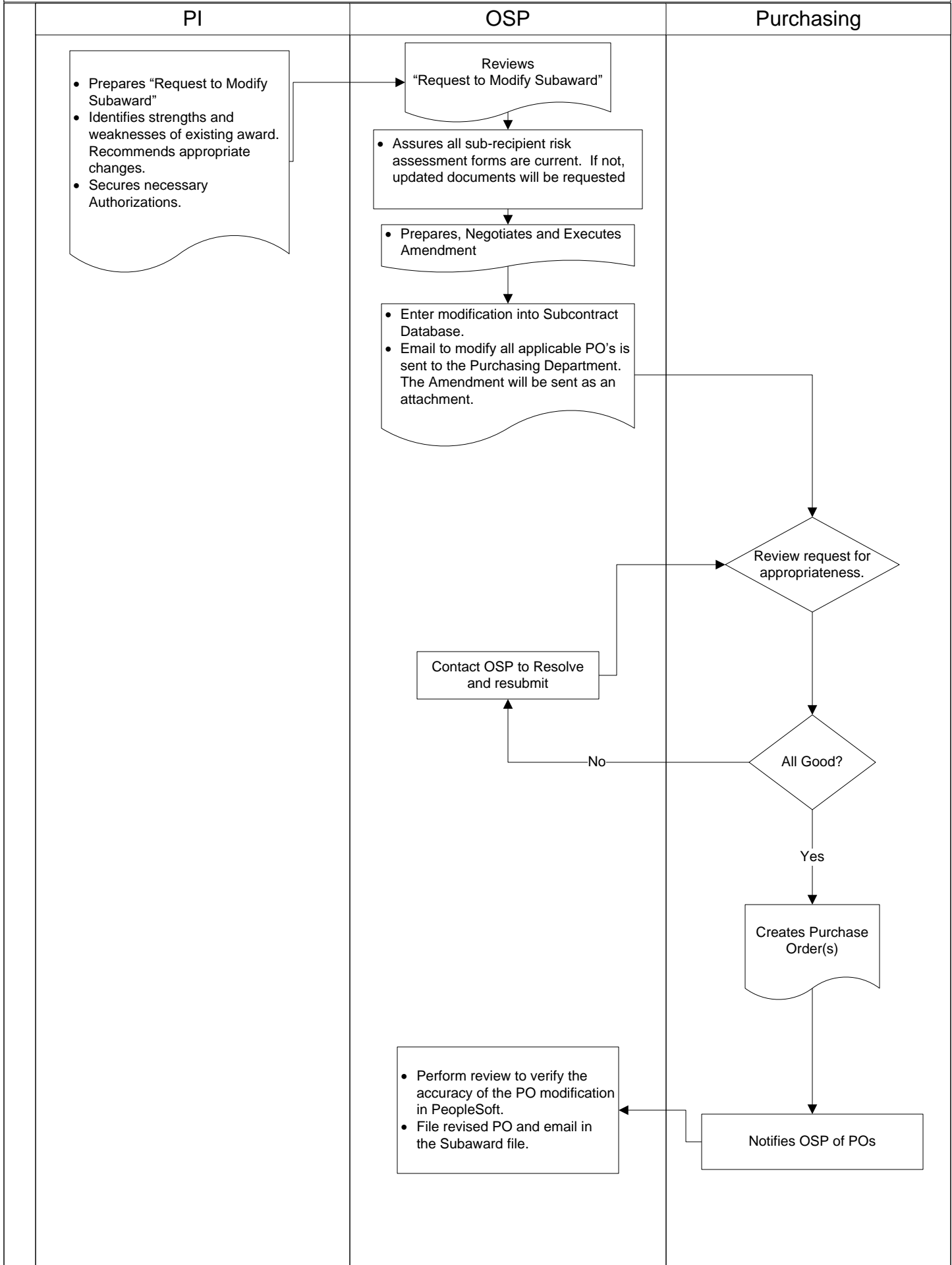
Category	Lower Risk	Medium Risk	Higher Risk	Risk Level
<b>Foreign vs Domestic</b>	Domestic (US only) Canada	US territories	All other foreign entities	
<b>Maturity of Organization</b>	Mature	Mature but not research oriented	Start-Up, Small business with limited research experience, financial resources or business processes	
<b>Subrecipient Organization Type</b>	University or Non-profit with Research experience	University or Non-profit with limited research experience	Industry Organization	
<b>Award Type</b>	Grant from Federal or non-commercial source	Coop agreement or Grant with Special Conditions	Contracts and contracts with subcontracts	
<b>Amount/Percentage</b>	Lower funding levels or percentage (e.g. <\$100K)	Funding is a large part of smaller award needs more stringent monitoring	Funding level >\$500K or >49% of award	
<b>Negotiated Indirect Cost Rate Agreement</b>	Has detailed negotiated rate agreement	Has simple rate agreement	Does not have negotiated rate agreement and is charging indirect costs/fees	
<b>Audit Report</b>	Has annual A-133 audit	Has annual third-party financial audit	Has not had an annual financial audit	
<b>Prior Experience</b>	Previous positive experience as SU subrecipient	Previous experience as SU subrecipient but may have some minor concerns	New subrecipient or previous negative experience as SU subrecipient	
<b>Compliance (Animal/Human Subjects)</b>	No compliance issues involved or exempt per IRB	A/S or H/S involved but non-medical or non-invasive	A/S H/S or other compliance issues involved	

**Overall Risk Assessment**

# Initial Subaward & PO Setup



# Subaward Modification





# Sub Recipient Invoice Payment Process

