

UACES Subrecipient Monitoring Policy Statement

UACES monitors the financial and programmatic performance of Subrecipients, and evaluates their capacity to effectively manage a Subaward. The university's objective is to monitor that sponsor funds are appropriately spent, that performance goals are met, and that Subrecipients comply with all applicable law, regulations, and prime award terms. UACES may impose specific controls, as needed, for certain Subrecipients based on relevant risk factors. The terms of the Subrecipient's relationship with the university are documented in a written Subaward agreement between the university and the Subrecipient organization.

Reason for Policy/Purpose:

UACES becomes responsible for the financial and programmatic monitoring of the sponsor's funds upon acceptance of a sponsored agreement. Subawards become necessary when UACES wishes to assign responsibility for conducting a portion of the project work to another entity (Subrecipient). UACES remains ultimately responsible to the sponsor for the programmatic and financial management of all funding. To ensure proper stewardship of sponsored projects adherence to applicable federal, state and local regulations is required. UACES undertakes specific monitoring activities as it relates to Subrecipients, including but not limited to Subrecipient pre-qualification(risk assessments), reporting, regular contact, and other means as necessary to provide reasonable assurance that Subrecipients administer and perform Subawards in compliance with applicable law, regulations, and the provisions of the sponsored agreement. This policy applies to all Subawards issued under all sponsored projects awarded to the UACES regardless of the primary source of funding. This policy does not apply to consultant agreements or the procurement of goods or services from Contractors.

Policy/Procedures

This policy includes the following elements:

1. Determination Subrecipient versus Contractor

With each agreement UACES makes for the disbursement of federal and non-federal funds there is a determination as to whether the entity receiving the funds is in the role of a Subrecipient or a Contractor. Subrecipients follow different rules and regulations than Contractors. This policy only applies to Subrecipients.

2. Pre-Qualification of Subrecipients (Risk Assessment)

3. Subrecipient Monitoring (Procedures): During the period of the Subaward, the university performs the following activities with regard to Subrecipients:

SUBRECIPIENT MONITORING UACES PROCEDURES

Background

University of Arkansas Cooperative Extension Service (UACES) is responsible for ensuring that sponsored funds, including those provided by UACES to other entities, are spent in accordance with all applicable laws and regulations. UACES is required to monitor its subrecipients as if it were the primary sponsor. This monitoring requirement places UACES in much the same position as if it were a federal agency dealing with its own primary recipient.

The Uniform Guidance, specifically §200.305, §200.330, §200.331, §200.332 and §200.338, sets forth the responsibilities and obligations of institutions such as UACES, for determining eligibility of subrecipients, issuance of subawards, monitoring subrecipients and applying remedies for noncompliance, when federal funds are transferred to subrecipients. As such, whenever UACES issues a subaward to a subrecipient, the University must first assess the subrecipient's eligibility to receive federal funds and follow up by monitoring the subrecipient to ensure its compliance with federal laws and regulations.

Although Principal Investigators have primary responsibility for monitoring the technical progress and claimed costs of subrecipients¹, it is understood that some responsibilities are frequently delegated by Principal Investigators to departmental staff or administrators. The following guidance is provided to assist Principal Investigators and those to whom they have delegated some of these responsibilities.

Definitions

Pass-Through Entity: defined as a non-federal entity that provides a subaward to a subrecipient to carry out part of a federal program. The pass-through entity assumes responsibility for negotiation, issuance, oversight, and management of a subaward. The pass-through entity assumes many of the responsibilities typically assigned to a prime sponsor in issuance and oversight of an award to a grantee or contractor, including verification of the financial viability, adequacy of compliance controls and audit status of its subrecipients as well as oversight and verification of the subrecipient's fulfillment of its portion of the programmatic effort. UACES serves as the pass-through entity for subawards issued under its sponsored projects.

Subrecipient: means a non-federal entity that receives a subaward from a pass-through entity (e.g., UACES) to carry out part of a federal program; but does not include an individual that is a beneficiary of such program. Characteristics which support the classification of the non-federal entity as a subrecipient include when the non-federal entity: (1) Determines who is eligible to receive what federal assistance; (2) Has its performance measured in relation to whether objectives of a federal program were met; (3) Has responsibility for programmatic decision making; (4) Is responsible for adherence to applicable federal program requirements specified in

¹ Certification and authorization of payment may not be delegated. Principal Investigator's must certify project monitoring activities with a signature.

the federal award; and (5) In accordance with its agreement, uses the federal funds to carry out a program for a public purpose specified in authorizing statute, as opposed to providing goods or services for the benefit of the pass-through entity.

Subaward: is defined, for the purpose of this guidance, as the legal agreement between UACES and a subrecipient to carry out part of a federal assistance award received by UACES. It does not include a legal agreement to provide payments to a contractor for goods or services or payments to an individual that is a beneficiary of a federal program.

Subrecipient Monitoring Guidelines

The following are **”Specific Responsibilities”** for principal investigator monitoring of subrecipients:

1. Monitor the activities of the subrecipient sufficiently to ensure that the subaward is used for authorized purposes, in compliance with federal statutes, regulations, and the terms and conditions of the subaward; and that subaward performance goals are achieved. Principal Investigator’s monitoring of subrecipients, in this regard, must include: (1) Reviewing financial and programmatic reports on an on-going basis; (2) Following-up and ensuring that subrecipients take timely and appropriate action on all deficiencies pertaining to the subaward which are detected through on-site reviews, monitoring of progress and financial reports and other means.
2. Certify all subrecipient’s invoices, evidencing performance goals were met and authorizing payment. Sub recipients send their invoices to the Principal Investigator (PI). The PI is responsible for reviewing each invoice to verify the validity of expenses related to his/her project, ensure sponsor terms and conditions specified in the award are being met, and the guidance in the *Invoice Monitoring Checklist* has been followed. The PI will review the invoice in a timely manner of receipt. If during the review of an invoice, the PI determines there is a concern, the PI will contact the sub recipient for clarification or additional documentation. Should the PI determine there are unallowable charges that are not reimbursable, he/she will request a revised invoice from the sub recipient. Once the PI approves an invoice for reimbursement, he/she will sign and date the invoice and forward it to the Office of Sponsored Programs (OSP). OSP will review the invoice for accuracy in accordance with the *Invoice Monitoring Checklist* and send the approved invoice to Financial Services for payment.
3. Respond in a manner to allow for timely payments for all proper invoices from subrecipients.

The Subrecipient Monitoring UACES Procedures, Subrecipient Monitoring Certification Form and Invoice Monitoring Checklist should be shared with the Principal Investigator during the Bridge Conference. The signed Certification Form should be filed with OSP at that time.

Invoice Monitoring Checklist

How to use: This guide is a list of questions to consider when monitoring invoices for completeness and compliance with UACES’s procedures.

Guide for review of subaward invoices. Responsibilities for specific subrecipient tasks may differ as indicated by the checked boxes under Principle Investigator (PI) and Office of Sponsored Programs (OSP).	<i>PI</i>	<i>OSP</i>
1. Are the correct Subaward No., PO No., and Account Number provided?		X
2. Are the expenses allowable per the subaward and the prime award? Remember the prime award requirements and budget restrictions flow down to the sub-recipient.	X	X
3. Are the invoiced expenses included in the subaward budget? The subrecipient should only invoice for approved expenses per the subaward or ask for approval to modify budget?	X	X
4. Are invoiced expenses consistent with the programmatic plan, work completed to date and progress reports? The expenses invoiced should agree with the work incurred.	X	
5. Obtain Principal Investigator’s (PI) signature on the sub recipient invoice. By signing the PI certifies as follows: <i>Approval of Invoice payment, attest the charges appear reasonable, and progress to date for this project is satisfactory and in keeping with the statement of work.</i>	X	
6. Were all the expenses incurred within the subaward start and end dates? Ensure that the dates on the invoice are within the subaward dates.	X	X
7. Are the cumulative expenses within the overall approved budget amount? Ensure that subrecipients are not invoicing for amounts over the approved total budget.	X	X
8. Are the invoice expenses per budget category in agreement with the budgeted amount per line item category or within an allowable deviation?	X	X
9. Does Invoice include cost share/match as required in the subaward?	X	X
10. Are the fringe rates and amounts accurate for the current invoice?		X
11. Does the invoice total correctly? If invoice is final, subrecipient must indicate FINAL on the invoice.	X	X
12. Are the Indirect Costs (IDC) calculated correctly with the correct and agreed upon rate for the subrecipient? Ensure the calculated IDC agrees with the methodology in the budget.		X
13. Does the invoice have an institutional official signature and contain the following statement: <i>“I certify that all expenditures reported (or payment requested) are for appropriate purposes and in accordance with the provisions of the application and award documents.” (Requirement of OMB Uniform Guidance).</i>	X	X

NOTE: Most invoices do not include a large amount of detail. Ask the sub recipient for back-up documentation on specific budget line items if something does not appear correct. **IF THERE ARE ANY QUESTIONS ON THE INVOICES, DO NOT APPROVE UNTIL ALL ITEMS ARE APPROPRIATELY RESOLVED.**

SUBRECIPIENT CERTIFICATION FORM

University of Arkansas Cooperative Extension Service (UACES) is responsible for ensuring that sponsor funds, including those provided by UACES to other entities, are spent in accordance with all applicable laws and regulations. UACES is required to monitor its subrecipients as if it were the sponsor. This monitoring requirement places UACES in much the same position as if it were a federal agency dealing with its own primary recipient. Therefore, the following responsibilities are required to be carried out by the principal investigator for their grant funded project.

The following are **”Specific Responsibilities”** for principal investigator monitoring of subrecipients:

1. I will monitor the activities of the subrecipient sufficiently to ensure that the subaward is used for authorized purposes, in compliance with federal statutes, regulations, and the terms and conditions of the subaward; and that subaward performance goals are achieved. I agree to review financial, programmatic and progress reports on an on-going basis; follow-up and ensuring that subrecipients take timely and appropriate action on all deficiencies pertaining to the subaward which are detected through on-site reviews or other means.
2. I agree to certify all subrecipient’s invoices, review the evidence that performance goals are met and authorize payment, prior to submission to OSP for review and submission to Accounting for payment.
3. I will respond throughout the subrecipient monitoring process in a manner to allow for timely payments for all proper invoices received from subrecipients.

In signing below, I have reviewed and understand the subrecipient monitoring guidelines established by UACES and agree to 1) monitor both financial and programmatic activities of all project sub-awards and 2) approve payment on each invoice and attest that charges appear reasonable and progress to date on the below referenced project is satisfactory and in keeping with the statement of work.

Grant Project Number: _____

_____ Principal Investigator	_____ Date	_____ Sponsored Program’s Official	_____ Date
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