

Subrecipient Monitoring and You

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Agenda

Subrecipient Monitoring and You

- Definition of Subrecipient Monitoring and its Requirements
- Best Practices in Subrecipient Monitoring
- Our Subrecipient Monitoring processes throughout the Life Cycle of the Project

What is Subrecipient Monitoring?

We become the Sponsor!

“With ~~great~~ grant power comes ~~great~~ grant responsibility!”

Subrecipient Monitoring - sʌb·rɪ'·sɪp·iənt 'mɒn·ɪ·tər·ɪŋ

The requirement and culpability to ensure the compliance of another entity to the rules and regulations of a sponsored project in place of the Sponsor.

Pop Quiz!

Q: Why do we bother?

What compels us to monitor the actions of others?

Q: What are the consequences?

What are the penalties for poor Subrecipient Monitoring?

They made me do it!

Regulatory Requirements of Subrecipient Monitoring

A: Prime Recipient Obligations

A pass-through entity shall...Monitor the activities of subrecipients as necessary to ensure that Federal awards are used for authorized purposes in compliance with laws, regulations, and the provisions of contracts or grant agreements and that performance goals are achieved.

2 CFR §200.331 - Requirements for Pass-through Entities

Scare Tactics

Prime Recipient Financial Culpability

A: Dire Consequences

A-01-05-01501 – HHS Audit Yale Subaward

- Audit identifies severe management deficiencies
- Results in U Mass repaying NIH \$193,779

A-01-05-01504 – HHS Audit Roger Williams Hospital Subaward

- Results in U Mass repaying NIH \$55,746

A-01-06-01500 – HHS Audit U Mass Medical School (Prime)

- Repayment of \$249,525 based on improper activity of two Subrecipients

DOJ, HHS, DOD, NSF, NASA et al. Audit Yale

- Based on deficiencies of earlier audit & unfortunate communication trail
- \$7.6 Million Settlement paid to the government

Pop Quiz!

Q: How do we do it here?

What are examples of Subrecipient Monitoring practices?

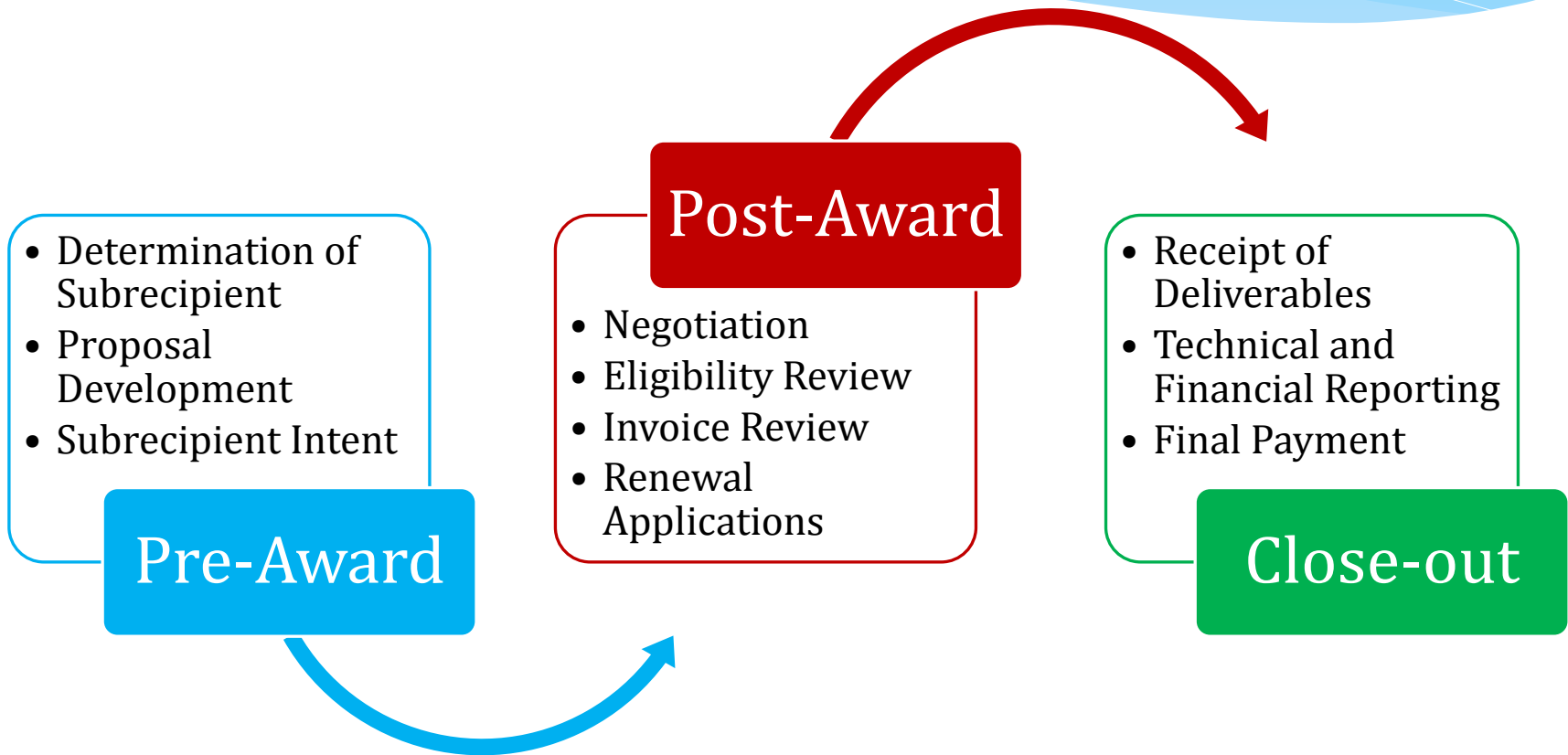
The Hit List

Best Practices in Subrecipient Monitoring

- Obtain complete Proposal at Preaward
- Letter of Commitment
- Detailed Scope of Work
- Disclosure of Award Terms and Conditions
- Agreement Negotiation
- Evaluating Sub's Eligibility and Management Capability
- Review of recent Single Audits
- Risk Analysis
- Renewal applications
- Technical review of invoices by PI
- Budgetary review of invoices by Department
- Communication between Sub and PI
- Site visits
- Ability to Audit Subrecipient's Records
- Subrecipient Technical and Financial Reports

Subrecipient Monitoring Life Cycle

When, Who, and How to Help



Identifying a Subrecipient

Not a 'tomayto, tomahto' situation

Subrecipient

vs.

Vendor

What indicates the difference?

- Involvement of Investigators at different institutions
- Entity will have freedom to conduct their work
- Possibility of Intellectual Property creation
- Entity's involvement does not involve analysis
- Personnel are not involved in shaping the direction of the science
- Actions are dictated by Prime

Pre-Award

Proposal Stage Compliance

Subrecipient Monitoring Life Cycle

- Allowability of Budget items
- Confirmation that lower tier Subrecipients are allowable by Sponsor and Program
- Institutional Support pledged by Authorized Official of Subrecipient
- Animal Welfare and Federal-Wide Assurance Numbers when working with Research Subjects

Pre-Award

Requirements for Subaward Creation

Subrecipient Monitoring Life Cycle

Post-Award

Detailed Budget and Justification

A complete document provided by the Subrecipient and approved by the PI that matches the current year's funding to the Subrecipient

Scope of Work

Detailed description of the tasks and deliverables to be accomplished by the Subrecipient to avoid future conflict

Prime Award or Contract

All terms and conditions that need to be disclosed to the Subrecipient

Disclosure to Sponsor of Subrecipient

Are Subrecipients allowed by the Sponsor? Were they duly informed at Proposal?
Are there any clearances required before we fund Subrecipient?

Eligibility Criteria

Subrecipient Monitoring Life Cycle

Post-Award

- Institutional feasibility
- Audit Review
- Data Universal Numbering System (DUNS)
- SAM.gov (formerly CCR) Registration
- Previous project defaults
- Confirmation of Federally Negotiated Rate
- Congruence with Prime Research Subject Protocols
- Size of Subrecipient's Federal Portfolio
- Debarment, Suspension, Exclusion or other Misconduct
- Conflict of Interest Policy

Compliance During the Project

Subrecipient Monitoring Life Cycle

Post-Award

Annual Submission of Subrecipient's Single Audit

All Subrecipients are required to submit their compliant annual audit for our review

PI Review of Subrecipient Invoices

Confirmation that deliverables are on schedule and Subrecipient performance is acceptable

Departmental Review of Subrecipient Invoices

Expenses are within the budget and submits for payment

Central Office Review of Subrecipient Invoices

Expenditures meet cost principles; additional review of debarment, suspension, exclusion status for Subrecipient Personnel, Institution, and any International Banking

Amendments and Renewals

Subrecipient Monitoring Life Cycle

Post-Award

- Obtain Renewal Application from Subrecipient for Prime Renewal
- Receive new funding and restrict funds for Subrecipient pending executed Agreement
- Obtain all Required Documents for the new period
- Submit new Amendment to the Subaward or Subcontract to the Subrecipient for signature
- Review Amendment for all required information and screen all Eligibility Criteria for the new period
- Execute the Agreement
- Unrestrict Subaccount funds

Preparations for Closure

Subrecipient Monitoring Life Cycle

- Collection of Final Technical Report for use in Prime Final Reporting
- Receipt of all deliverables
- PI Approval of Final Invoice
- Confirmation of Final Invoice receipt for accounting purposes

Close-Out

Department Toolbox

Proactive Methods

Know the Award

If you know how it is supposed to look here, you'll know what you should see there!

Identification at Proposal

Early notification is key! The sooner we know all the details, the easier the task of setup.

Detailed Scope of Work

Give good instructions! The more detailed SOW, the less opportunity for deviation or dispute.

Annual Line Item Budgets

No carte blanche allowed! When in doubt get a revised budget. Fluctuating award levels don't mean we can be lax on the details. Bottom lines should match the awarded funds every year.

Open Dialogue

Use invoices to start a conversation! Make sure the PI is satisfied with the Sub so action can be taken if necessary. The sooner we identify possible problems, the better.

Questions?