

# Office of Research and Sponsored Programs

## GRANT Forum Grant Research Administrators' Network Team

April 17, 2024

# AGENDA

## Subrecipient Monitoring

# Outline

- Pre-Award (Subaward Coordinator, Anne-Marie Baker)
  - Proposal Submission Phase
  - Subaward Issuance Phase
- Post-Award (Financial Research Specialist, Subawards and Subcontracts; Ashley R. DePasquale)
  - Subaward On-Going Monitoring/Continued Assessment Phase
  - Subaward Close-Out Phase

# Proposal Submission Phase

# Proposal Submission Phase

- Subrecipient vs Contractor Determination
- UEI
- SAM (subrecipient entity and subrecipient PI)
- Subrecipient Commitment Form
- Budget and Budget Justification
- Statement of Work

# Subrecipient vs Contractor

## Definitions [2 CFR §200.1](#)

**Subaward** means 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.

**Subrecipient** means an entity, usually but not limited to non-Federal entities, that receives a subaward from a pass-through entity to carry out part of a Federal award; but does not include an individual that is a beneficiary of such award.

# Subrecipient vs Contractor

## Scope of Work

Contractor	Subrecipient
<p>If the contractor provides goods or services <b>for the PTE's benefit</b> (in support of the award's objectives), they are considered contractors and the services are generally provided through a <b>procurement</b> arrangement.</p>	<p>If the subrecipient is using these funds to assist in <b>promoting general welfare and broader public purpose</b>, federal program requirements <b>flow down</b> to Subrecipients, and the subaward is in the form of <b>financial assistance</b></p>
<p>Contractors generally provides goods or services within normal business operations</p>	<p>Subrecipients have responsibility for programmatic decisions</p>
<p>Contractors typically provide similar goods or services to many different purchasers</p>	<p>Subrecipients performance directly contribute to the attainment of the federal program objectives</p>
<p>Contractors are generally not subject to the compliance requirements of the Federal program</p>	<p>Subrecipients typically contribute to proposing deliverables</p>

# Subrecipient vs Contractor

## Scope of Work, continued

Contractor	Subrecipient
Contract Services are “purchased”, “acquired”, “procured”	Subrecipient services are provided as a “grant”, “support”, “financial assistance”
Contractors generally provides goods or services within normal business operations (often “production” but can be commercial services)	Subrecipients have responsibility for programmatic decisions (often “research and development”)
Often solicited through Request for Quote (RFQ) or bid	Often solicited through a PA (Program Announcement), BAA (Broad Agency Announcement), FOA (Funding Opportunity Announcement), RFA (Request for Application), or NOFO (Notice of Funding Opportunity)
PTE requests specific deliverables, services	Subrecipient proposes what services will be conducted
Contractors are often for-profit agencies	Subrecipients are often non-profit organizations



# Criticality of Subrecipient Classification

- There's a financial incentive to define collaborators as Subrecipients: definition of Modified Total Direct Costs (MTDC)
  - Only have the indirect rate levied against the first \$25K of subrecipients
  - Indirect rate applies to all contractor and consultant costs
- Significant administrative and programmatic responsibilities associated with being a Subrecipient; must comply with regulations just like UMB as the Pass-Through Entity (PTE) (regulations “flow down”)

# Subrecipient vs Contractor Pitfalls & Tips

For PTE's:

- Don't allow budget implications to influence the correct determination
- Document the final determination with UMB's [Subrecipient vs Contractor Determination](#)
- Work with the PI and read the FOA to define the federal objective and understand the collaborator's scope of work.

# Proposal Submission Phase

- Subrecipient vs Contractor Determination
- **UEI, SAM**
- Subrecipient Commitment Form
- Budget Development
- Statement of Work

# UEI

Regulatory Requirement [2 CFR §25.300](#)

**Requirement for recipients to ensure subrecipients have a unique entity identifier.**

- (a) A recipient **may not make a subaward to a subrecipient unless that subrecipient has obtained and provided to the recipient a unique entity identifier.** Subrecipients are not required to compete full SAM registration to obtain a unique entity identifier.
- (b) A recipient must notify any potential subrecipients that the recipient cannot make a subaward unless the subrecipient has obtained a unique entity identifier as described in paragraph (a) of this section.

# UEI in [SAM](#)

- Subrecipients: don't need full registration; just the UEI (a 12 character alphanumeric value) validating legal name and address of organization
- Pass-Through Entities (PTE's): need full registration which involves assertions, representations & certifications, business information *and* registration must be active (renewed annually)

# SAM

## Eligibility

- [2 CFR §200.214](#): **Suspension and Debarment**
- Non-Federal entities are subject to the non-procurement debarment and suspension regulations implementing Executive Orders 12549 and 12689, 2 CFR part 180. The regulations in 2 CFR part 180 restrict awards, subawards, and contracts with certain parties that are debarred, suspended, or otherwise excluded from or ineligible for participation in Federal assistance programs or activities.

# Proposal Submission Phase

- Subrecipient vs Contractor Determination
- UEI, SAM
- **Subrecipient Commitment Form**
- Budget Development
- Statement of Work

# Subrecipient Commitment Form

- Institutional compliance: Financial Conflict of Interest (FCOI) etc.
- Institutional concurrence: signed by Authorized Organization Representative (AOR)
- Check-list for required proposal submission forms
- UMB's [Subrecipient Commitment Form](#)
- FDP has a [Letter of Intent](#) template to provide to subrecipients who are members of the [FDP Expanded Clearinghouse](#).



# Subrecipient Commitment Form Checklist

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## SECTION A. Proposal Documents

As applicable, please check the following Subrecipient documents that are included in UMB's proposal submission and covered by the certifications below.

- STATEMENT OF WORK** (required)
- BUDGET AND SUPPORTING BUDGET JUSTIFICATION** (required)
- Sponsor-required proposal documents
- Biosketches of all Key Personnel, in agency-required format

# Subrecipient Commitment Form Pitfalls & Tips

- Incomplete or missing attachments
- A non-authorized official's signature
- Completed after proposal submission
- Lack of familiarity with regulatory background:
  - Audit Status ([2 CFR §200.501](#))
  - Conflict of Interest ([2 CFR §200.112](#))
  - Federal Award Performance and Integrity Information System ([FAPIIS](#)); migrated to SAM

# Proposal Submission Phase

- Subrecipient vs Contractor Determination
- UEI, SAM
- Subrecipient Commitment Form
- **Budget Development**
- Statement of Work

# Budget Development Guidance

- Adequate budget templates (UMB's as PTE and/or Sponsoring Agency's Budget template, i.e. SF424)
- Review budget categories
- Budget consistent with SoW
  - Cost Reimbursement Subaward or
  - Fixed Amount Subaward
- Compliant with the Funding Opportunity Announcement
- Accurate, consistent, fully inclusive of anticipated costs or required expenses

# Subaward Issuance Phase:

## Upon Receipt of a Notice of Award

- PeopleSoft Vendor Registration Process
- Conduct Entity and Project Risk Assessments
- FDP Subaward Templates
  - CR (Cost Reimbursement)
  - FP (Fixed Price)
  - Foreign (Fixed Price per UMB policy, include FP language in proposal budget justification)

# Risk Assessment

## Audit Status

- Subject to Single Audit
- Not subject to Single Audit, but have an independent audit
- No financial audits

# Risk Assessment

## Audit Status

If the Subrecipient is not subject to a Single Audit, request an [UMB Financial Questionnaire](#):

- **General Financial & Audit Information** (if no external audits of financial statements, do they follow Generally Accepted Accounting Principles (GAAP)?)
- **Fiscal Responsibility & Internal Controls** (reviews segregation of duties for journal entries, reimbursement requests, periodic review of procedures, expenditure/procurement systems)
- **Facilities & Administrative Costs** (is there an indirect cost allocation plan?)

# Risk Assessment Questionnaire

## Risk Assessment Questionnaire

Subrecipient Institution	
Subject to Single Audit?	Yes <input type="checkbox"/> No <input type="checkbox"/>
Relevant Findings?	Yes <input type="checkbox"/> No <input type="checkbox"/>
Internal Project Identifier	
Prime Sponsor	
DUNS	
FAC EIN	
See other tab for <a href="#">guidance and frequently asked questions</a>	

### Threshold Questions (Not Scored)

	Yes	No
<i>If yes to 1, 2, or 3, consider alternatives to initiating agreement:</i>		
1. Is the Subrecipient Institution presently debarred or suspended?	<input type="checkbox"/>	<input type="checkbox"/>
2. Is the Subrecipient Institution's PI presently debarred or suspended?	<input type="checkbox"/>	<input type="checkbox"/>
3. Does the Subrecipient show "delinquent federal debt" in SAM?	<input type="checkbox"/>	<input type="checkbox"/>

<i>If no to 4, 5, 6, or 7, consider alternatives to initiating agreement:</i>		
4. If required by the sponsor, does the Subrecipient have a compliant conflict of interest policy?	<input type="checkbox"/>	<input type="checkbox"/>
5. Does the Subrecipient have an acceptable accounting system?	<input type="checkbox"/>	<input type="checkbox"/>
6. Does the Subrecipient have an acceptable procurement system?	<input type="checkbox"/>	<input type="checkbox"/>
7. If required, has the Subrecipient completed audit under A-133 or Uniform Guidance for the most recent fiscal year?	<input type="checkbox"/>	<input type="checkbox"/>

### Other Considerations (Not Scored)

8. Has there been a PTE-issued management decision on audit findings that may affect this award?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
9. Does the Subrecipient have a negotiated indirect cost rate (or experience setting up such a rate)?	<input type="checkbox"/>	<input type="checkbox"/>
10. Does the project include work covered by ITAR or EAR (at Subrecipient, or Subrecipient accessing at PTE)?	<input type="checkbox"/>	<input type="checkbox"/>
11. Is there a potential or identified conflict of interest?	<input type="checkbox"/>	<input type="checkbox"/>
12. Is cost-share required or included?	<input type="checkbox"/>	<input type="checkbox"/>
13. Is participant support included in the Subrecipient's budget?	<input type="checkbox"/>	<input type="checkbox"/>
14. Does the Subrecipient have adequate experience receiving same or similar federal awards?	<input type="checkbox"/>	<input type="checkbox"/>
15. Have other risks been identified? <i>If yes, explain in Notes below.</i>	<input type="checkbox"/>	<input type="checkbox"/>

Notes:

### Institution Questions (Scored)

Score

16. Is the Subrecipient institution foreign or domestic?	0
<click to select>	
17. What is the Subrecipient Organization type?	0
<click to select>	
18. Does the Subrecipient have a Negotiated IDC Rate Agreement?	0
<click to select>	
19. Were the results of the most recent Single audit (or similar) satisfactory?	0
<click to select>	
20. Is the Subrecipient Institution mature?	0
<click to select>	
21. Does the Subrecipient Institution have experience with determining conflicts of interest (evidence of an acceptable COI Policy)?	0
<click to select>	

### Project Questions (Scored)

22. What is the Prime Sponsor type?	0
<click to select>	
23. What is the Prime Award type?	0
<click to select>	
24. Amount of Outgoing Funds?	0
<click to select>	
25. What is the percentage of the Prime Award being subcontracted (specific to this Subrecipient—not total)?	0
<click to select>	
26. Does the work include Human Subjects, Animal Subjects, or Embryonic stem cells?	0
<click to select>	
27. What are the Subrecipient's Scope of Work/Deliverables?	0
<click to select>	
28. Where is the Place of Performance?	0
<click to select>	

Assessment Performed	
Initials	Date

*Assessment Incomplete*

Assessed Risk	Score
Institution	0
Project	0
Total	0



# Risk Assessment Questionnaire

## Examples of High Risk Subrecipients:

- Material/Relevant Audit Findings
- Subrecipient organizations that are start-ups or foreign institutions
- Additional compliance considerations such as:
  - Export controls
  - Conflicts of interest
  - Human and/or Animal Subjects

# Subaward Issuance

## Subaward Agreements

- Subaward attachments
  - Reviewing and validating all attachments are up-to-date and consistent with prime award document
- Subaward routing & execution
  - Identifying Attachment 3B contacts
  - Identifying routing process for signatures (i.e. DocuSign)

# Subaward Ongoing Monitoring and Continued Assessment Phase

# What's Next?

- Roles and Responsibilities
- Know Your Award
- Invoicing Compliance
- Cost Compliance
- Fixed Price Agreements
- Continuations and Risk Assessments
- Closeout

# Roles and Responsibilities

## Ongoing Monitoring Phase

- Department Support Staff:
  - Assist PI with overall budget maintenance
  - If applicable to your role, be familiar with subrecipient scope of work
- PI:
  - Approve all expenditures on subaward costs
  - Communicate with subrecipient for programmatic check ins
  - Receive and approve progress reports
  - Understand and track their scope of work progress
- ORSP Subaward FRA:
  - Manage all purchase orders (creation, change orders, closeout)
  - Receive all invoices, review for compliance, submit to PI for final approval
  - Communicate with subaward site regarding any financial questions

# Know Your Award

- The prime award is going to dictate how we engage with our subrecipients and what rules they might have to follow.
- Know what's allowable/allocable
- Know any reporting deadlines – give enough time to include their costs and progress updates!
- Know our FNA rate, and whether subawards are collecting the 25k threshold
- Uniform Guidance is our best friend: [2 CFR 200.331](#)
- Be sure to check any additional rules/responsibilities for your specific awarding agency!

# Know Your Subrecipient

- Once the work begins, it's our job to help the subaward recipient succeed in meeting their financial requirements. It's important to keep in mind that many of these research groups and institutions do not have staff dedicated to grant accounting – or even accounting in general!
- *Be patient and supportive – our role is to help this project be as successful as possible.*
- We are their expert.

# If Your Subrecipient is Foreign

- Foreign fixed price requires agency approval
- All invoices and budgets are in US dollars
- NIH has new guidelines and requires lab documents from all foreign subrecipients - NOT-OD-23-182:

*For foreign subrecipients, a provision requiring the foreign subrecipient to provide copies of all lab notebooks, all data, and all documentation that supports the research outcomes as described in the progress report. These supporting materials must be provided to prime recipient with each scientific update (no less than once every three months) in line with the timelines outlined in the agreement.*



# Invoicing Compliance:

## Cost Reimbursable

- Subrecipient's responsibility: Invoices every month or quarter, with current and cumulative cost totals by category, with the subaward number clearly visible and the cost certification language signed on the invoice.
- PTE's responsibility: Invoices that meet the requirements should be paid within 30 calendar days of receipt of the acceptable invoice.

*Subrecipient shall submit invoices not more often than monthly and not less frequently than quarterly for allowable costs incurred. Upon the receipt of proper invoices, the PTE agrees to process payments in accordance with this Subaward and 2 CFR 200.305. All invoices shall be submitted using Subrecipient's standard invoice, but at a minimum shall include current and cumulative costs (including cost sharing), breakdown by major cost category, Subaward number, and certification, as required in 2 CFR 200.415(a).*

# Invoicing Compliance: Cost Reimbursable

- Each invoice should comply with the most recent budget justification
  - Check for budget tolerance
  - Check the subrecipient's indirect calculation
  - Look for any unallowable costs, and verify timeliness of costs
  - Ask for financial system backup if something looks odd! Sites should be able to provide payroll and purchasing documentation as part of their management of federal funds
- Check the cumulatives!
- Dates from invoices are not duplicated or overlapping, but no dates are missed.
- PI has reviewed and signed the invoice
- If anything is missing or incorrect, reject the invoice outright and work with site to correct. Never just shortpay or partial pay an invoice.

# Invoicing Compliance: Fixed Price Agreements

- Subrecipient's responsibility: Invoices are timely, match deliverable schedule, and deliverable obligations are being met. Invoices are signed, and a certification at the end of work is received certifying all deliverables have been met and work is complete.
- PTE's responsibility: Invoices that meet the requirements should be paid within 30 calendar days of receipt of the acceptable invoice.

# Invoicing Compliance: Fixed Price Agreements

- (cannot include subrecipients with Cost-Share requirements)
- Instead of billing on costs on their ledger, sites bill on milestones or deliverables completed. 200.201 governs the use of these agreements:
- *The Federal awarding agency or pass-through entity may use fixed amount awards if the project scope has measurable goals and objectives and if adequate cost, historical, or unit pricing data is available to establish a fixed amount award based on a reasonable estimate of actual cost. Payments are based on meeting specific requirements of the Federal award. Accountability is based on performance and results. Except in the case of termination before completion of the Federal award, there is no governmental review of the actual costs incurred by the non-Federal entity in performance of the award.*
- These invoices should be matched to their original timeline of expected completion, outlined during the Pre-Award phase.

# Ongoing Monitoring: Continuations

## Reassessing Risk

Multi-year awards require annual monitoring. This is a great opportunity to gauge the compliance and health of our subawards.

- The CAT of the FDP is a great tool for capturing the risk of the continuation
- Rerun the SAMs for PI and Site and get the newest Audit
- Evaluate their financial performance over the last year

### Continuing Assessment Tool

Subrecipient Institution			
Internal Project Identifier			
Previously elevated risk?	Yes <input type="checkbox"/>	No <input type="checkbox"/>	
Mgmt. plan in place?	Yes <input type="checkbox"/>	No <input type="checkbox"/>	

Not

Answers indicating a higher risk level should be explained in the Notes.

	Yes	No	N/A
<i>General Considerations:</i>			
1 Is either the Subrecipient Institution or its PI presently debarred or suspended?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Does the Subrecipient show "delinquent federal debt" or other problems in SAM or other federal sources?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Are there concerns with respect to single audit?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4 Have any concerns been raised through monitoring, e.g. review of financial or performance reports?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5 Have other new concerns been identified?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<i>Project Specific Considerations:</i>			
6 If cost-share is included, is it being met/reported as specified?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7 If participant support is included, is it being invoiced correctly?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<i>Monitoring Plan Considerations:</i>			
8 If additional requirements or specific subaward conditions were ever imposed, did the subrecipient comply?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9 Did the Subrecipient have required corrective action(s) that resulted from monitoring or audits?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<i>Foreign &amp; For-profit Subrecipient Considerations:</i>			
10 Has subrecipient's overhead or other rates changed materially?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11 Have any financial concerns been identified?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12 Change current level of monitoring? <i>If yes, explain in Notes.</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

# Ongoing Monitoring: Elevating Risk

- If the subrecipient has struggled with compliance during the first period of performance, we can always increase the oversight by implementing a **higher risk status**
- The subrecipient must be informed them in their amendment about this status, and explain what the new monitoring requirements are and when/if they will expire
- **Additional Terms and Conditions:** The University of Massachusetts Boston (UMB) appreciates the important contributions being made by our subaward site, and their participation is important for achievement of this program's objectives. However during the first budget period of this program, **subaward site failed to submit invoices in a timely manner and did not comply with the invoicing terms and conditions of the federal award.** UMB, as PTE, joins our subaward site in taking pride in full compliance with federal regulations and as careful financial stewards of federal funds. As such, an additional condition being applied to this Cost Reimbursable Subaward per 2 CFR 200.332(e)(1); **invoices must be submitted monthly for enhanced financial management.** Please also provide backup for invoices from **your financial system.** We will discuss financial administrative matters as necessary in accordance with 2 CFR 200.208(c)(3).
- If after this budget period invoicing frequency is **compliant** with monthly obligations, **this term will revert to the standard frequency** of no more frequently than monthly and no less frequently than quarterly.



# Ongoing Monitoring: Continuations

- Once the Risk Assessment is completed and an amendment is ready to be executed for the subsequent year, work with your site and with the central office to document any changes to the agreement, invoicing terms, and carry-forward.
- Consider whether a new Purchase Order is needed/required, or whether funding can continue on the same number.

# Final Financials: Requirements

- Final Invoice and Financial Reports
- The due dates are on the agreement, but should also be communicated at the end of the PoP and at 60 and 30 days before
- Any progress reports need to be to the PI and other required parties before the final invoice is received
- The final invoice meets all required invoicing components and cumulative costs tie to system records
- There are no outstanding invoices or missing cycle dates
- FNA rate ties to agreement
- Any Participant Support and/or Cost Share requirements are met and documented



# Close-out Phase

Once the work is coming to an end, we help ensure that your subrecipient is ready to meet all the deadlines and requirements!

- PO Closeout after Final Invoice is rec'd and paid
- Confirmation that all reports are in and work was completed successfully
- Discussions about carryforward balances if applicable

# Internal Training Opportunities

## Kuali Trainings:

- See [Kuali ORSP Webpage](#)

## Kuali Proposal Development Approver Training Sessions

Sign up for a 1-hour session using the link below:

[Thursday, May 16 from 3:30-4:30 p.m.](#)

## Kuali Proposal Development Aggregator (proposal entry) Training Sessions

Sign up for a 2-hour session using the link below:

[Thursday, May 16 from 1-3 p.m.](#)

## SUMMIT Trainings:

- See [Training & Education ORSP Webpage](#)

## SUMMIT for Sponsored Projects Training Sessions

- [Monday, April 20 at 2 p.m.](#)

# External Training Opportunities

[NCURA: Virtual Conferences Available](#)

[2024 Virtual Workshop Dates](#)

**April 15-18, 2024**

[Financial Research Administration](#)

**May 13-16, 2024**

[Level II: Sponsored Projects Administration-  
Critical Issues in Research Administration](#)

Las Vegas, NV

**June 24-26, 2024**

[Level I: Fundamentals of Sponsored Projects  
Administration](#)

[Level II: Sponsored Projects Administration-  
Critical Issues in Research Administration  
Departmental Research Administration](#)

[SRA 2024 Subrecipient Monitoring and  
Management Mini Intensive](#)

**Tuesday, April 16 - 18, 2024 – 1:00 pm ET**

[SRA Webinar | Record-keeping, Document  
Ownership and Control, and Inspection and  
Privacy](#)

**Thursday, April 18, 2024 - 2:00 pm ET**

[SRA Science and Security Mini Intensive](#) - May  
**Thursday and Friday, May 9 & 10, 2024 – 1:00  
pm ET**

NCURA Annual Meeting

**August 4-7, 2024** - Registration opening April  
2024!

2024 PRIM&R Annual Conference  
Seattle, Washington  
**November 17–20, 2024**



# QUESTIONS

# ORSP Leadership

[Matthew Meyer](#)

Associate Vice Provost for Research  
and Director of ORSP

[Shala Bonyun](#)

Associate Director of ORSP  
Preaward Support Services

[Rebecca Hanson](#)

Associate Director of ORSP  
Postaward Support Services

[Tracey Poston, PhD](#)

Associate Director of ORSP  
Research Compliance and Integrity

[Virginia Maki](#)

Assistant Director of ORSP  
eRA Systems and Training

[Serena Wang](#)

Research Core Facilities &  
Operations Manager of ORSP