Policy on Subrecipient Monitoring

PURPOSE:
To outline roles and responsibilities for financial and programmatic monitoring of sponsored program funds awarded to California State University Channel Islands (CICSUCI) that are subawarded or subcontracted to another institution. CICSUCI will provide the monitoring required by the Federal regulations and ensure good stewardship of sponsored projects. Non-federal subawards will be subject to most of the same subrecipient monitoring as federal awards.

BACKGROUND:
Sponsored research and other sponsored endeavors often depend on collaborative activities among faculty investigators from different institutions. When a CICSUCI principal investigator (PI) determines that collaborations with investigators from other institutions are necessary to complete the scope of work, such collaborations are specified in the proposal. When a prime sponsor makes a single award to CICSUCI, the institution issues a subcontract or subaward to the institution of the collaborating investigator. CICSUCI and its PIs are expected to take steps to provide reasonable assurance that the collaborating investigators and their institutions accomplish the work specified in the subaward or subcontract and comply with the terms and conditions of the award.

As a recipient and good steward of federal sponsored projects, CICSUCI must comply with the guidelines outlined in OMB Circular A-133, 2 CFR 200 (The Uniform Guidance) requiring that CICSUCI monitor expenses of federal funds awarded to the University that are subcontracted or subawarded to another institution.

POLICY: Accountability:
- Principal Investigators (PI) for matters related to subrecipient proposals, technical/programmatic performance, and general monitoring and oversight.
- Senior Chief Campus Research Officer, Research & Sponsored Programs (RSP), for matters related to subrecipient non-financial risk assessment and subrecipient agreements.
- Vice President for Business & Financial Affairs for subrecipient matters related to budgetary/financial considerations and financially-related risk assessment (accomplished through AVP, Financial Services).
Policy on Subrecipient Monitoring

Applicability:
All eligible CICSUCI faculty and staff as identified below. This policy does not apply to consultant agreements or procurement of goods or services from vendors/contractors. This policy applies to subrecipients on federal awards as defined by 2 CFR 200.

Definition(s):
For the purposes of this policy,

- **Principal Investigator (PI)** - The individual (whether referred to in the Contract or Grant as a Principal Investigator, Project Director or other similar term) designated by the Sponsored Program Administrator to be responsible for ensuring compliance with the academic, scientific, technical, financial and administrative aspects and for day-to-day management of the Sponsored Program is defined as the individual designated in a grant or contract to be responsible for ensuring compliance with the academic, scientific, technical, financial and administrative aspects and for day-to-day management of the Sponsored Program (grant or contract) including programmatic reporting. Depending on the nature of the grant/contract and the funding agency, the PI may carry a different title in the grant/contract. While day-to-day management of a project may be delegated to an individual other than the PI, the PI is still responsible for oversight of the project and ensuring that the grant work is conducted consistent with the funded proposal.

- **Subawards** - An award (subgrant or subcontract) of financial support from a prime awardee/pass-through entity to a qualified organization for the performance of a substantive portion of the programmatic effort funded under the prime award. This term also includes awards made by a subrecipient to a lower tier subrecipient. It does not include payments to a contractor or payments to an individual that is a beneficiary of the program. Refer to subawards and subcontracts in which CI is the prime recipient and a portion of sponsored program funds are allocated to an outside institution to carry out a portion of the project’s scope of work.

- **Subrecipient** - The legal entity to which a subaward is made and which is accountable for the use of the funds provided in carrying out a portion of the prime awardee’s/pass-through entity’s programmatic effort under a sponsored project. A subrecipient has responsibility for programmatic and/or administrative decision making and adherence to the applicable sponsor program compliance requirements. The term may include institutions of higher education, non-profit organizations, for-profit corporations, and foreign or international organizations at the discretion of the Federal...
Policy on Subrecipient Monitoring

Text:

It is the policy of CSU Channel Islands (CI) to have processes in place that provide reasonable assurance that the subrecipients satisfactorily meet the programmatic and financial activities involved in the subaward or subcontract in order to ensure that:

- programmatic goals are achieved;
- project costs incurred by subrecipients are reasonable, allowable and allocable and within budget guidelines; and
- work is conducted in compliance with applicable laws, regulations and terms of the award such as financial conflict of interests, responsible conduct of research, research on human subjects, etc.

To adequately monitor subawards, CSUCICI will perform both an initial and an annual risk of assessment of non-CSU subawardee institutions, will monitor subawardee subrecipient progress toward completion of scope of work and adherence to subaward budget, and will require that subrecipients make an annual disclosure of any sponsored research audit findings specifically related to the particular subaward. The frequency, type and degree of activities which monitor the subrecipient’s compliance with the subaward or subcontract subrecipient monitoring will be based on the risk assessments performed periodically during the life of the subcontract, and adjustments to subrecipient monitoring will be made if there are changes in subrecipient status.

In order to ensure consistency, this policy and related procedures apply to all subrecipients funded from sponsored projects including those funded from both federal and non-federal sources.

**ROLES AND RESPONSIBILITIES**

**Principal Investigator (PI)**

- Works with potential subawardees to develop scope of work and budget for subawards that are consistent with prime award deliverables and budget, and ensures that subaward budgeted costs are allowable, allocable and reasonable.
- Submits required Subaward forms with complete information to RSP staff for initial, subaward and all amendments and/or extensions, including annual assessment of subrecipient work.
- Ensures that expenses invoiced by the sub-recipient for work and effort committed are appropriate to the approved budget and scope of work of the agreement, and that adequate.
Policy on Subrecipient Monitoring

back-up documentation is provided. Ensures invoiced expenses are allowable, allocable and reasonable.

- Provides subrecipient oversight to ensure that project deliverables are achieved and that all required reports (financial and programmatic) are submitted to CICSUCI in a timely manner and are incorporated in the PIs’ required technical reports on prime award.

Research and Sponsored Programs (RSP)

- Works with PI to answer questions on subrecipient pre-award policies and procedures, including review and assistance with pre-award subaward budget and scope of work development.
- Checks to ensure subrecipient is not debarred and collects the documentation information from subaward recipient necessary to assess risk and issue subaward. Ensures that subrecipient paperwork is received and complete prior to routing to Financial Services for risk analysis review and approval.
- Drafts prepares subaward documents agreement based on budget and scope of work received from the PI Principal Investigator. Reviews budget for allowability, allocability and reasonableness. When necessary, negotiates special terms and conditions with subaward recipient.
- Routes subaward documentation to Financial Services for review and approval and obtains required CICSUCI signatures. Works with Financial Services to finalize risk assessment.
-Drafts and routes subaward amendments and extensions.
- Ensures that sub-recipients complete an annual certification to disclose any sponsored research audit findings related to the subaward.

Financial Services

- Reviews subaward budgets and expense invoices for allowability, allocability and reasonableness.
- Reviews subaward recipient documentation and A-133 audits, and issues risk assessment and recommendations for any necessary risk mitigation strategies. Works with RSP to finalize risk assessment. Reviews corrective actions cited by subrecipients in response to audit findings related to the subaward, and determines additional requirements and/or sanctions imposed on subrecipients who are unable or unwilling to conduct required audits or address issues of non-compliance.
- Reviews invoices submitted by the subrecipient to ensure that costs are allowable, allocable and reasonable and that payment is approved by the PI based on approved budget and scope of work. Reviews back-up documentation provided for expenditures and reviews invoices
Policy on Subrecipient Monitoring

- and expenses-to-budget. If applicable, ensures that cost-share commitments are documented in the invoicing process.
- Confirms that the appropriate signatures have been obtained on invoices submitted and that the PI has approved payments based on approved budget and scope of work, and initiates payment.
- Assists the PI with questions regarding subrecipient post-award management.

If a subawardee is determined to be high-risk, the PI, Financial Services and/or RSP may recommend one or more additional subrecipient monitoring activities (such as more frequent billing, additional financial back-up, desk audit, site visits, etc.) as needed.

CONTACT OFFICES

The Research & Sponsored Programs Office (RSP): shall be contacted for subrecipient matters related to the proposal, subaward agreements and administrative matters.

Financial Services: shall be contacted for subrecipient matters related to budgetary/financial issues, including subcontract invoice processing, expenditure tracking or specific invoice amounts.

The PI shall serve as the contact for matters related to technical/programmatic performance of subawardees and for approval of subaward invoice payment.

EXHIBIT(S):

(2 CFR Part 200 OMB Uniform Guidance (2 CFR 200)) The procedures for this policy and related forms are available on the RSP website or by contacting RSP staff.

CSU Policy Number 11002.06 - Subrecipient Monitoring