



**GRANTS & SPONSORED PROGRAMS AND FINANCIAL GRANTS
MANAGEMENT**

SUBAWARDS & SUBRECIPIENT MONITORING POLICY

Approved by:	Office of the Provost
Policy Effective Date:	November 16, 2006;
Revised:	October 15, 2012; December 11, 2019
Related Policies:	Grants & Sponsored Programs and Financial Grants Management Policies and Procedures November 16, 2006; Revised October 15, 2012; June 12, 2018.
Additional References:	OMB 2 CFR 200.330 & 331; 200.414

PURPOSE

This document establishes a policy for ensuring that all subrecipients conduct their portion of a sponsored activity in accordance with all applicable laws, regulations, and award/subaward terms and conditions, and that costs incurred by subrecipients are reasonable, allocable and allowable.

When the University is awarded a sponsored project agreement in which a substantial portion of the work will be accomplished by another institution or organization, the policies and procedures set forth here apply. The nature of the relationship between Barry University and the outside entity will determine the contracting mechanism used; if a PI at the outside entity is contributing intellectually and independently supervising the activities, a Subcontract will be issued. However, if the outside entity is providing consulting or other services and is not contributing as a collaborator on the project, a purchase of services (vendor) agreement may be more appropriate.

This policy also covers the University’s responsibility for financial and programmatic monitoring of federally sponsored project funds awarded to the University that are subcontracted to another institution or organization (Subrecipient).

Administration of Subawards is specifically addressed in Office of Management and Budget (OMB) 2 C.F.R. 200 titled Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Specific monitoring requirements of the Subrecipients are contained in Subpart D of the Uniform Guidance and the accompanying Compliance Supplement.

POLICY STATEMENT

Barry University, as a prime recipient, is responsible for ensuring that all awarded sponsored activities, including that of its subrecipients, are compliant with award terms and conditions and applicable federal and state regulations.

Barry University shall monitor subrecipients as necessary to ensure that federal and state awards are used for authorized purposes in compliance with all applicable laws, regulations, and the provisions of award agreements and that performance goals are achieved.

BUDGETING FOR SUBRECIPIENT COSTS (PRE-AWARD)

When developing proposals for submission to a Federal Agency, PI's (Principal Investigators) need to work with the Department of Grants and Sponsored Programs (GSP) for the inclusion of a sub-contract. This will assure that the proposed subrecipient is eligible for inclusion should the grant be awarded.

When a project requires a subcontract, GSP will contact the subcontractor to provide the following documents:

- 1) BU Subrecipient Commitment Form
- 2) Letter of Intent to Participate
- 3) Scope of Work
- 4) Budget with a Budget Justification for the project.

See Subrecipient Attachments, Form 1 and samples of items 2-4.

Upon approval by Barry University PI on the Scope of Work, Budget and Budget Justification, these components will be included in the final proposal.

In the case of collaborations with another University, GSP will work with the partnering institution to develop all required documents. The Barry University Subrecipient Form Part 3, requires additional Institutional Documents, i.e., Financial Statements, Negotiated F&A Agreement. Requesting of these documents during the pre-award proposal development will contribute to the timely development of the sub-contract documents.

GSP works with the PI on the budget to determine funding needs. When collaborating with another investigator, where the investigator is contributing intellectually to the project, a subaward agreement is required. Subawards serve to establish expectations for contributions to the project and to flow down requirements from the funding sponsor to the subaward recipient.

Subawards cannot be used for routine purchases of equipment or support services.

The budget for the subaward could include both direct and facilities and administrative (F&A) costs. If F&A costs are included, a copy of the subawardee's current F&A rate Agreement (if applicable) will be obtained. The scope of work must outline the work to be accomplished by the subawardee and identify deliverables, products or expected outcomes that support the overall project.

If the subrecipient has an approved federally negotiated indirect cost rate, the University will use that rate for the subrecipient work unless the federal agency issuing the Prime Award has imposed a lower indirect cost for the Award, in which case the University will use that imposed rate for the subaward. In the event that a subrecipient does not have an approved federally negotiated indirect cost rate, the University will use a de minimis cost rate as defined in the Uniform Guidance Part 200.414 (currently 10%).

GSP and the Department of Financial Grants Management (FGM) are responsible for all negotiations of the subaward and its amendments. Any changes to the subaward document requested by the subawardee must be approved by GSP & FGM with the involvement of the PI and Legal Affairs.

ESTABLISHING SUBAWARD

Goods and services funded by sponsored projects shall be acquired in accordance with established University policy as set forth under University Procurement Policies, and any additional restrictions imposed by the sponsor.

Upon receipt of an award from the sponsor, it is the responsibility of the PI to work with GSP & FGM to establish a subaward. The PI begins by identifying the subaward recipient, providing a statement of work and a budget (should they have been revised since the submission documents), as well as any IRB or IACUC approvals covering the subrecipient project.

The award package or subaward will include the following information:

- Subrecipient Name and Dun & Bradstreet number or Universal Identifier Number
- Federal Award identification Number (FAIN)
- Federal Award Date
- Subaward Period of Performance Start and End Date
- Amount of Federal Funds Obligated by this action
- Total Amount of Federal Funds obligated to the subrecipient
- Total Amount of the Federal Award
- Federal award project description as required to be responsive to FFATA
- Name of Federal awarding agency, pass-through entity, and contact information for awarding official
- Catalogue of Federal Domestic Assistance Number and Name
- Identification of whether the award is Research & Development
- Indirect cost for the award.
- Scope of Work and budget
- Confirmation of compliance with the National Institute of Health Financial Conflict of Interest Policy.

MONITORING PROCEDURES

The University will follow the following procedures for monitoring subrecipients:

1. Review single/independent audit reports filed by subrecipients and any audit findings.
2. Issue a management decision for audit findings pertaining to the subaward.
3. Determine audit risk for subrecipients to determine the appropriate monitoring tools for compliance.
4. Ensure that subawards include all applicable laws and regulations, and all appropriate flow-down provisions from the prime agreement.
5. Review corrective actions cited by subrecipients in response to their audit findings.
6. Routine receipt and review of Technical Performance Reports.
7. Routine review of expenses relative to approved budget.
8. Periodic on-site visits, or regular contact, if necessary.
9. Perform audits, if necessary.
10. Consider sanctions on subrecipients in cases of continued inability or unwillingness to have required audits or to correct non-compliant actions.

Annual Subrecipient Audit Verification

On an annual basis, FGM will verify that subrecipient organizations have completed their 2 CFR §200 Subpart F Audit Requirements single audit, or independent audit, as applicable.

Subrecipient Audit Findings Follow-up

FGM will review the audit reports from the subrecipients. In the event that FGM has concerns about the audit report or the corrective action plan(s), the subrecipient will be contacted to resolve those issues. If the subrecipient does not respond to FGM's concerns in a timely manner, FGM will present the issues to the PI and the Provost.

When any of the following conditions are present in the subrecipient's single/independent audit report:

- Control weakness;
- Findings related to funds passed through by the University to the subrecipient;
- Subrecipient refuses to provide requested audit confirmations and/or audit reports.

The Provost and Legal Affairs will determine an appropriate course of action which may include, but is not limited to, one or more of the following:

- Determining the adequacy of the subrecipient's corrective action plan;
- Requesting an audit of the subrecipient's project related records;
- Suspension of payments, requesting refunds, or revocation of the subcontract.

RESPONSIBILITIES

Principal Investigator (Individual responsible for the conduct of the project)

The PI, at the time of the prime agreement proposal preparation, should receive from the potential subrecipient a letter of support/cooperation signed by an authorizing official, a budget, supporting documentation for subrecipient costs, and the agreed upon scope of work. Other information may be required by the sponsor, depending on the proposal preparation guidelines.

The PI, along with GSP & FGM, are responsible for ensuring that subaward costs are reasonable, allocable and allowable according to requirements of the prime award, federal and state regulations, 2 CFR §200 and Barry University's policies, as applicable. Once the University has accepted an award from a sponsor which contains a provision for a subrecipient, the PI will, as needed, assist GSP and FGM with the negotiation of the subaward and any amendments thereto.

The PI is responsible for providing source selection documentation up front. This documentation may include but is not limited to justification for sole source selection, evidence of competitive selection, etc.

The PI also determines when a subaward is to be amended and is responsible for conveying the needed changes timely to GSP & FGM for amendment preparation.

The PI must review Technical Performance Reports and/or specified deliverables on a timely basis. Any unusual or unforeseen items should be investigated, FGM notified, and documentation retained in the department's files.

The PI must ensure that invoiced costs are reasonable, allocable, allowable and within the funding limits of the agreement with the subrecipient, prior to certification of the invoice authorizing payment by FGM.

The PI is responsible for understanding the subrecipient monitoring plan and assisting FGM as needed in their monitoring activities.

Department of Grants & Sponsored Programs (GSP)

The determination of the potential need for a subaward to a business/organization is normally made at the prime proposal stage. This will also include the determination of the nature of the relationship between the parties i.e., contractor vs. subrecipient as outlined in 2 CFR §200.330. The PI must be prepared to justify the selection of the potential subrecipient.

GSP will determine the proposed subrecipient's eligibility to receive federal and/or state funds, including verifying that they are not on the Debarred and Suspended list.

GSP will review the PI's financial conflict of interest with the subrecipient and follow up on any concerns prior to submission and grant award.

GSP is responsible for developing and negotiating the subaward document on behalf of the University. FGM is responsible for reviewing and routing the document for approval by University officials. Any changes to the subaward must be mutually agreed upon in

writing by both parties. Under no circumstances should a subcontractor be authorized to start work without a fully executed subaward issued by Barry University.

Department of Financial Grants Management (FGM)

FGM is responsible for the inclusion in the subaward of all applicable federal/state requirements and other applicable regulations, for disclosures, and for obtaining the proper signatures on the subaward. The subaward will specify the source of the funds (e.g., name of the sponsor, federal or state agency, CFDA title and number, award name, etc.) and all audit requirements.

FGM will review subrecipient requests for payment along with the PI to ensure that the expenditures conform to the terms and conditions of the subaward.

FGM will review the audit reports from the subrecipients annually and will work with the PI to escalate or resolve issues as needed.