Subrecipient Monitoring Policy

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POLICY
San Francisco State University (SFSU) is responsible for financial and programmatic monitoring of sponsored project funds awarded to SFSU that are subcontracted to another institution, organization, or individual (“Subrecipient”). For Subawards or Subcontracts (“Subrecipient Agreements”) that include federal funds, Subrecipients are required to make an annual disclosure of any sponsored research audit findings. As a recipient of federal sponsored projects, SFSU must comply with the guidelines outlined in OMB Circular A-133. To provide the monitoring required by these federal regulations, and to ensure good stewardship of sponsored projects, staff in the Office of Research and Sponsored Programs (ORSP) review all Subrecipient expenditures for allowability, allocability, reasonableness, and compliance with applicable terms and conditions.

Subrecipients are informed of federal laws or regulations, terms and conditions of the prime award or agreement, and SFSU-specific requirements that apply to the Subrecipient relationship, via the Subrecipient Agreement issued by SFSU. Additionally, the Subrecipient Agreement provides information regarding the prime award, including the Catalog of Federal Domestic Assistance (CFDA) number (if applicable), title, award name and number, award dates, and sponsoring agency, as required by OMB Circular A-133. A signature from the Subrecipient is considered intent to comply with all stated requirements.

SCOPE
This policy applies to all Subrecipient Agreements issued under sponsored projects awarded to SFSU, regardless of the source of funding.

OBJECTIVES
A. Monitor Subrecipient costs and activities to ensure that expenditures charged to SFSU are allowable, allocable and reasonable, and reflected in the scope of work
B. Ensure that the performance goals set forth in the scope of work are being met in a timely manner
C. Ensure that cost-share commitments made by Subrecipients are documented and adhere to all relevant regulations
D. Conduct a risk assessment for each proposed Subrecipient prior to initiating an Agreement in order to determine if a Subrecipient requires closer scrutiny
E. Ensure that Subrecipients expending $500,000 or more in federal awards during the Subrecipient’s fiscal year have met the OMB Circular A-133 audit requirements for that fiscal year
F. Issue management decisions on audit findings within six months after receipt of the Subrecipient’s audit report and ensures that the Subrecipient takes appropriate and timely corrective action
G. Consider whether Subrecipient audits necessitate adjustment of SFSU’s records, such as budget modifications, or re-allocation of cost-shared resources
ROLES AND RESPONSIBILITIES

- **Grant Support Coordinator (GSC)**
  - Conducts a risk assessment of proposed Subrecipients before an Agreement is issued in order to determine the level of oversight needed on each project.
  - Checks the Subrecipient’s debarment status at [https://www.sam.gov](https://www.sam.gov) to verify the Subrecipient is not excluded from receiving Federal funds, prior to issuing an Agreement and prior to processing for payment when an invoice is received.

- **Grant Administrator (GA)**
  - Reviews the budget and scope of work before Agreement is signed.
  - Reviews invoices submitted by the Subrecipient to ensure that costs are allowable, allocable and reasonable. Reviews back-up documentation provided for expenditures.
  - Ensures that cost-share commitments are documented in the invoicing process.
  - Authorizes approval for invoices based on level of signature authority.

- **Sponsored Programs Manager (SPM)**
  - Reviews Subrecipient Agreements prior to being submitted to the Procurement Office for review and signature.
  - Reviews and approves all invoices above the signature limit of the GA.

- **ORSP Director**
  - Reviews and approves all invoices over the signature authority limit of the SPM.
  - Determines how to proceed, should an entity be debarred from receiving federal funds.
  - Determines how to proceed with a “high risk” Subrecipient.

- **Compliance Unit (CU)**
  - Responsible for ensuring that Subrecipients complete an annual certification to disclose any sponsored research audit findings.
  - Ensures that cost-shared commitments of Subrecipients are met and documented.
  - Performs periodic mini audits of Subrecipient invoices.
  - Reviews A-133 audit reports filed by Subrecipients and any audit findings.
  - Reviews corrective actions cited by Subrecipients in response to audit findings, and determines sanctions imposed on Subrecipients who are unable or unwilling to conduct required audits or address issues of non-compliance.
  - Works with the Office of Internal Audit and Advisory Services to coordinate site visits, or review of high risk agreements, as necessary.

- **Principal Investigator**
  - Certifies that expenses invoiced by the Subrecipient for work and effort committed are appropriate to the approved budget and scope of work of the Subrecipient Agreement.
  - Reviews technical or performance reports submitted by the Subrecipient.
  - Ensures that project deliverables (reports, financial or programmatic) are submitted to ORSP in a timely manner.

**RELATED DOCUMENTS**

- OMB Circular A-21, “Cost Principles for Educational Institutions”
- OMB Circular A-110, “Uniform Administrative Requirements for Grants and Agreements with Higher Education, Hospitals and Other Non-Profit Organizations”
- OMB Circular A-133, “Audits of States, Local Governments, and Non-Profit Organizations”