

# Subrecipient Monitoring at UCSF

## Introduction

The purpose of this document is to:

1. Assist University faculty and staff in the preparation and administration of subrecipient agreements issued under sponsored projects,
2. Assure compliance with the requirements of Uniform Guidance under 2 CFR § 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards by outlining required procedures for proper monitoring of all subawards issued by UCSF, and
3. Define proper roles and responsibilities for monitoring of subrecipients.

## What is a Subrecipient Agreement?

A subaward is for the purpose of carrying out a portion of a federal award and creates a federal assistance relationship with the subrecipient.

Characteristics which support the classification of the non-Federal entity as a subrecipient include when the non-Federal entity:

- Determines who is eligible to receive what Federal assistance.
- Has its performance been measured in relation to whether the objectives of a federal program were met?
- Has responsibility for programmatic decision-making.
- Is responsible for adherence to applicable Federal program requirements specified in the Federal award; and
- In accordance with its agreement, uses the Federal funds to carry out a program for a public purpose specified in the authorizing statute, as opposed to providing goods or services for the benefit of the pass-through entity.

A contract is intended to obtain goods and services for the non-Federal entity's own use and establishes a procurement relationship with the contractor.

Characteristics indicative of a procurement relationship between the non-Federal entity and a contractor are when the contractor:

- Provides the goods and services within normal business operations.
- Provides similar goods or services to many different purchasers.
- Normally, it operates in a competitive environment.
- Provides goods or services that are ancillary to the operation of the Federal program; and
- It is not subject to compliance with the requirements of the Federal program as a result of the agreement, though similar requirements may apply for other reasons.

## How to Have a Subaward Issued at UCSF

To request issuance of an outgoing subaward at UCSF, complete a Subaward Request Form.

## Roles and Responsibilities

### Principal Investigator ("PI") Roles and Responsibilities

**Note on Definition of PI:** When an award received and managed at UCSF includes multiple projects, the PI responsible for approving outgoing subcontract requests and authorizing invoices is defined as the individual whose name is listed as the Principal Investigator on the prime award made to UCSF. This will be the Award PI in PeopleSoft.

1. Timely submission of all required material to OSR needed for subrecipient agreement issuance.
2. Oversight of the subrecipient's budget for allowability and reasonableness.
3. Provide appropriate assurance that IRB/IACUC materials have been collected and approved as per UCSF/outside agency requirements.
4. Assure that reports and other materials requested from subrecipients have been collected prior to payment of invoices. Monitor the subrecipient's progress and ensure payments align with progress and the terms of the subaward contract. Review the subrecipient's invoices; if acceptable, sign and date them, and forward them to the appropriate business office for payment.
5. The PI may delegate approval authority for signing and approving subrecipient invoices for payment. This delegation does not relieve the PI of responsibility for monitoring the subrecipient's progress or for determining that payments are in line with the progress and terms of the contract. A Form 242 (Signature Authorization or Cancellation) must be on file in Accounts Payable for everyone to whom approval authority has been delegated. The type of authorization being delegated must be noted on the form.

### **Department Roles and Responsibilities**

1. Assist PI in the collection and preparation of all materials required by OSR for issuance of subrecipient agreements. Subrecipient agreement requests should be sent to OSR in a timely manner after the receipt of the prime award so that the scientific progress of the prime award is not delayed.
2. Review invoices received from the subrecipient for allocability, allowability and reasonableness of costs and that charges are within the period of performance of the subaward and prime award. Subrecipient invoices should include enough detail to determine how awarded funds are being used. In addition, if the subrecipient is contributing to any mandatory or voluntary committed cost-sharing commitments, the department should review the invoice for indications that the subrecipient is meeting the commitments and has certified that all expenses are appropriate. Department reviewers should coordinate closely with the PI of the prime project to ensure that costs are appropriate for the subaward.
3. Monitor subrecipient to assure that invoices and progress reports are submitted in a timely manner.
4. Question costs which differ materially from the approved budget, or which appear unusual or unallowable, and withhold payment until a satisfactory explanation is received.
5. Assure that final invoices are identified as such, and assist PI as needed in completing project closeout requirements required by federal award terms.

### **Office of Sponsored Research Roles and Responsibilities**

1. Issue and approve subawards to outside institutions based upon receipt of a formal subrecipient agreement request from the UCSF departments/Principal Investigators.
2. Advise subrecipients of requirements imposed on them by federal laws, regulations, and the provisions of contracts and grant agreements, as well as any supplemental requirements imposed by UCSF by issuance of a formal subrecipient agreement referencing appropriate flow-through terms and conditions. OSR shall also attach all appropriate Assistance Listing information to the subaward.
3. All federal flow-through subcontracts shall include appropriate debarment language requiring the subrecipient to ensure that the PI, principals on the project, and institution are not debarred from receiving federal funds.
4. Monitor subrecipients by performing an annual review of the federal audit clearinghouse and/or FDP Expanded Clearinghouse for those institutions that are required to have a federal Single Audit under the Uniform Guidance, and setting up proper monitoring procedures for those institutions determined to be non-low-risk institutions.
5. Collect proper audit or questionnaire material from foreign subrecipients or from domestic institutions that do not have a federal Single Audit, and review material received for risk management assessment and setup of proper monitoring of funds.

6. Review IRB/IACUC materials provided by the department/PI for the subrecipient and review that all assurances and approvals are up-to-date prior to issuance of a subcontract or adding restrictive language for IRB/IACUC use as needed.
7. Require each subrecipient to permit UCSF and its auditors to have access to the records and financial statements as necessary to ensure that the subrecipient follows the Uniform Guidance.

### **Controller's Office Roles and Responsibilities**

1. If, through the PI/department review, any problems have been found in a subrecipient's performance that constitute non-compliance, such as improper costs billed to an award, the University's records shall be adjusted as needed so the sponsor is not impacted (e.g., final project financial statements should be adjusted if needed).
2. Coordination with PIs/Department to ensure that proper financial close-out procedures have been followed. Close-out procedures should include proper documentation of mandatory or voluntary committed cost-sharing, collection of progress and financial reports, and receipt of an invoice marked as "final." Depending on federal requirements, equipment close-out reports or other materials may be required.