

## **Subaward Monitoring Policy**

Stetson University is responsible for monitoring the programmatic and financial activities of its subrecipients in order to ensure proper stewardship of sponsor funds. For subawards under federal prime awards, we must comply with OMB Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (2 CFR §200) ("Uniform Guidance"), specifically sections §200.330 and §200.331, that require prime recipients of federal funds to monitor subawardees and to ensure subrecipients meet the audit requirements in Subpart F and use funds in accordance with applicable laws, regulations and terms of the award.

Stetson University through the Office of Grants, Sponsored Research and Strategic Initiatives, fully supports institutional and departmental grant applications in all stages of grant writing and administration. Specific to post-award administration, a unit within the University's grants office—Sponsored Programs Administration (SPA)—will review the business and financial qualifications of each subrecipient organization to determine the risk level for those grants assigned to the DeLand campus. Reviews are carried out upon receipt of a grant award using the Grants Office Subrecipient Questionnaire. Subrecipient Monitoring is ongoing after the initial review based on a subrecipient's ability to meet programmatic and financial goals. SPA will work with Principal Investigators (PIs) and Project Directors (PD) to craft appropriate management plans for high-risk subrecipients.

Specific to post-award administration at Stetson's College of Law (COL), the COL Office of Budget and Finance post-award administration will review the business and financial qualifications of each subrecipient organization to determine the risk level. Reviews are carried out upon receipt of a grant award and on an ongoing basis after the initial review based on a subrecipient's ability to meet programmatic and financial goals. COL Budget and Finance will work with Principal Investigators (PIs) and Project Directors (PD) to craft appropriate management plans for high-risk subrecipients.

### **Subaward Monitoring Procedures:**

#### **Principal Investigators/Project Directors Responsibilities**

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PIs/PDs have primary responsibility for monitoring subrecipients to ensure the responsible stewardship of funds, including:

- Authorizing the subaward, including funding level, period of performance, and scope of work
- Certifying that work performed by the subrecipient is complete and acceptable:
  - When the PI/PD reviews/approves an invoice, they are certifying that to the best of their knowledge, the subawardee's invoice costs appear reasonable, conform to the approved budget, and fairly correlate with the technical progress made on this research project or program.
- Maintaining regular contact with the subrecipient PI/PD regarding all technical aspects of the project
- Ensuring all deliverables required under the subaward agreement are being completed and provided
- Reviewing and approving subrecipient invoices in a timely manner

- Communicating problems with reporting, inappropriate spending, and/or deliverables to SPA or COL Budget and Finance.

### **Grants, Sponsored Research and Strategic Initiatives Responsibilities**

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The Grants Office and COL Budget and Finance assist PIs/PDs in carrying out their subrecipient monitoring responsibilities. Support may include:

- Identifying the potential risk levels of potential subrecipient organizations and providing advice about subawards for potentially high-risk organizations
- Securing budgets, budget justifications, scopes of work, and letters of commitment or endorsement from subaward organizations and consultants
- Making a preliminary determination during the pre-award stage whether the collaboration is a subaward or Independent Contractor/Consultant (vendor) relationship. Note: an incorrect classification could lead to additional costs to the project, because indirect costs applied to subawards are limited to the first \$25,000, whereas indirect cost are allowable on the full cost of independent contractor agreements and other purchase services.
- Maintaining and documenting changes to scopes of work, budgets, and other supporting information as needed

### **Invoicing Responsibilities**

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SPA is responsible for the oversight of Stetson University's subrecipient monitoring program and ensuring that the subrecipient monitoring procedures are compliant with federal and other applicable regulations on the DeLand campus. COL Budget and Finance is responsible for this oversight and monitoring at the COL campus and center. These responsibilities include:

- Ensuring that invoices are approved by the PI or his/her designee on a timely basis
- Maintaining copies of all invoices that provide evidence of the regular review of invoices by the PI
  - "Evidence" can be in the form of an authorized signature by the PI or his/her designee, PI's initials, e-mail communications, or notes of meeting between the PI with the SPA Assistant Director or Associate Vice President for Budget and Finance at the COL.
- Maintaining documentation of monitoring efforts (copies of e-mails, phone log, annual review questionnaire, etc.)

### **Subrecipient Award Responsibilities by SPA and COL Budget and Finance**

- Maintaining a database of current subrecipient organizations, including relevant information (name, address, federal identifiers, status in System for Award Management (SAM))
- Upon receipt of award, reviewing and assessing the level of risk of organizations and making a high/medium/low risk determination for each organization
- In coordination with the PI, making the final subrecipient / vendor determination for each new subaward
- Sending questionnaires to potential new subrecipients and making a preliminary risk assessment; notifying PIs and subrecipients of high-risk determinations

- In coordination with the PI, developing risk mitigation strategies for high-risk subaward organizations, enabling collaborative research to be carried out and the responsible stewardship of sponsored funds
- Identifying to the subrecipient the award information (e.g., CFDA title and number, award name, name of federal agency) and applicable compliance requirements.
- Developing and issuing subawards to subrecipients with the appropriate terms and conditions, including any appropriate flow-down provisions from the prime agreement.
- Reviewing subrecipient invoices to determine if they meet the following standards prior to sending to the PI for approval:
  - Invoiced amounts are within the available fund's limits, approved funding categories, and within the approved period of performance
  - Cost share requirements are being reported in accordance with the approved budget
  - Labor and indirect cost rates are in accordance with the approved budget
  - Reconciling all receipts and expenditures in Banner
  - Charges comply with the terms and conditions of the award
- Informing the PI of potential or possible issues with the submitted invoice
- Requesting clarification from the subrecipient regarding any unusual or excessive charges invoiced by the subrecipient
- Ensuring all closeout reports have been received, the final invoice has been paid, and the purchase order, independent consulting or contractor agreement, or subaward is closed out properly.