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# Subrecipient Monitoring Policy

Date: May 2016

## **Policy Statement**

Seton Hall University is responsible for monitoring the programmatic and financial activities of its subrecipients to ensure proper stewardship of sponsor funds. The following policy applies to all subawards issued under sponsored programs. Additionally, this policy addresses institutional responsibilities and assists Principal Investigators (PIs) and administrators to ensure that, in addition to achieving performance goals, subrecipients comply with applicable federal laws and regulations and with the provisions of each subaward agreement.

## **Reason for Policy**

OMB Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (2 CFR 200) (“Uniform Guidance”), specifically §200.331, requires pass-through entities to evaluate each subrecipient’s risk of noncompliance in order to determine the appropriate monitoring level, to monitor the activities of subrecipient organizations to ensure that the subaward is in compliance with applicable Federal statutes and regulations and terms of the subaward, and to verify that subrecipients are audited as required by Subpart F of the Uniform Guidance.

For non-federal awards, Seton Hall may also be required by the sponsor to provide evidence of due diligence in reviewing the ability of a subrecipient to properly meet the objectives of the subaward and account for the sponsor’s funds.

Failure to adequately monitor the compliance of subrecipients could result in reputational damage to the University and Schools, and jeopardize current and future funding. It is the responsibility of Seton Hall, as the pass-through entity, to ensure the good stewardship of sponsored funding. All funds assigned to subrecipient organizations should receive the same diligence as sponsored funds that remain at Seton Hall.

## **Who Must Comply**

All Principal Investigators (PIs) and administrators at Seton Hall University within all schools, units, divisions, University-wide initiatives, and centers, who are involved with the administration and conduct of sponsored awards that issue and manage subawards must comply with this policy.

## **Roles and Responsibilities**

Subrecipient monitoring responsibilities are shared among the following:

### **PI and Department**

- Request subrecipient organization information using the University's Subrecipient Questionnaire prior to proposal submission. Provide the completed Subrecipient Questionnaire, along with copies of the Single Audit Reports if the entity is subject to 2 CFR 200, Subpart F (or request financial and other relevant information for institutions not subject to the Single Audit requirements), to the Office of Grants Accounting.
- Consider the ability of the subrecipient organization to perform the work in conjunction with the Office of Grants and Research Services.
- Monitor programmatic progress and ability of the subrecipient to meet objectives of the subaward.
- Monitor each subaward throughout the period of performance and escalate concerns to the Office of Grants and Research Services. (OGRS).

### **Office of Grants and Research Services (ORGS)**

- Review all subaward agreements and Subrecipient Questionnaires and consider any prior Seton Hall experience with the subrecipient, and any other available information to determine if additional terms and conditions should be included in the subaward agreement.
- Consider the ability of the subrecipient organization to perform the work in collaboration with the PI and the Department.
- Prior to proposal submission, obtain administrative and financial review of the subawardee(s) from the Office of Grants Accounting.
- Once it is determined that a subaward is appropriate, all applicable terms and conditions of the prime award must be flowed down to the subrecipient organization.
- If a subaward is found not appropriate by either OGRS or OGA, work with the PI to resolve the problem or to identify an alternate subawardee. No subaward will be granted without approval by both OGRS and OGA.
- Confirm the statement of work and review any non-standard terms and conditions of the subaward during the subaward agreement negotiation process.

Obtain approval of the finalized subaward agreement from the subawardee(s).

Work with PI(s), OGA and subawardee(s) to resolve any issues identified by the PI, OGRS or OGA prior to proposal submission or at any time that a subaward is active.

### **Office of Grants Accounting (OGA)**

- Assess potential subrecipient organizations for financial, and administrative suitability prior to proposal submission.
- Consider the ability of the subrecipient organization to adequately manage the administrative and financial responsibilities in accordance with the subaward terms and conditions and Uniform Guidance.
- After assessment and evaluation, OGA provides concurrence or non-concurrence of the subaward to OGRS.
- Obtain an updated Subrecipient Questionnaire from all active subrecipients annually, which includes obtaining copies of the Single Audit Reports if the entity is subject to 2 CFR 200, Subpart F (or request financial and other relevant information for institutions not subject to the Single Audit requirements).
- Monitor all subrecipients quarterly through review of press releases, grant information services, regulatory reports, and any other news outlets, along with communications with PI's and departments.
- Inform OGRS and PI(s) when issues are identified with a subrecipient organization with whom they have an active subaward.

### **Additional Resources**

#### **Related Policies**

Conflict of Interest for Federal and State Sponsored Awards  
University conflict of Interest and Commitment Policy  
Procurement for Federal and State Sponsored Awards

#### **Related Documents**

OGRS website

OMB Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (2 CFR 200)

Subrecipient Questionnaire

## **Contacts and Subject Matter Experts**

- OGRS: Nicholas H. Snow, Ph.D.,  
nicholas.snow@shu.edu
- OGA: Brenda Dunlop, Brenda.dunlop@shu.edu

## **Definitions**

**Contractor (Vendor)** – Organization that provides goods and services within normal business operations. Contractors (vendors) provide similar goods and services to many different purchasers, operate in a competitive environment, and provide goods or services that are ancillary to the operation of the sponsored program.

**Federal Audit Clearinghouse** – Division of the Office of Management and Budget (OMB) that collects information on Single Audit (formerly A-133) results.

**Pass-through entity** – Non-federal entity that provides a federal award to a subrecipient to carry out a federal program; sometimes referred to as the “prime” or “lead” organization.

**Subaward** – Enforceable agreement, issued under a prime sponsored project, between a pass-through entity and a subrecipient for the performance of a substantive portion of the program; these terms do NOT apply to the procurement of goods or services from a contractor (vendor).

**Sponsored award** – Funding arrangement in which the University is providing a return benefit to, or agrees to provide a defined deliverable or complete a set of activities for, the sponsor in exchange for the funds, regardless of whether the funding instrument is designated a contract, cooperative agreement, grant, consortium agreement, or otherwise.

**Subrecipient (subcontractor or subawardee)** – Organization eligible to receive a financial award. A subrecipient’s performance is measured against whether the objectives of the sponsored program are met; subrecipients have responsibility for programmatic decision-making and for adherence to applicable program compliance responsibilities. Subrecipients are responsible for performing a substantive

portion of the program, as opposed to providing goods and services.

**Uniform Guidance** – OMB publication entitled “Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards” (2 CFR 200).