UNT Health
FORT WORTH

SUBRECIPIENT MONITORING

Roles and Responsibilities for
Principal Investigators,
Department Administrators,
and Office of Sponsored Programs

The purpose of this document is to outline the business activities to be completed in monitoring subrecipient activity associated with sponsored projects. All UNT Health Fort Worth departments, faculty, staff, and administrative personnel who are involved in the conduct of sponsored research wherein a subrecipient is conducting a portion of the research activity should follow these

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Subrecipient Monitoring

1.0 Introduction

1.1 Purpose

The purpose of this document is to outline the business activities to be completed in monitoring subrecipient activity associated with sponsored projects. All UNT Health departments, faculty, staff, and administrative personnel who are involved in the conduct of sponsored research wherein a subrecipient is conducting a portion of the research activity should follow these procedures. Effective subrecipient monitoring is a collaborative effort among faculty, staff, department, the Office of Sponsored Programs (OSP) and Research Financial Services (RFS).

1.2 Definitions

Award: An award is a binding agreement between an external sponsor and UNT Health to support research, instruction, training, service, or other scholarly activities with a set of terms and conditions.

Subaward: A subaward of financial or other support from a prime awardee to a qualified organization for the performance of a substantive portion of the programmatic effort under the prime award.

Subrecipient: The legal entity to which a subaward is made and which is accountable to the University for the use of the funds provided in carrying out a portion of the University's programmatic effort under a sponsored project. This may include institutions of higher education, for-profit corporations, foreign or international organizations, and other non-profit organizations.

Characteristics of a subrecipient:

- Receiving entity determines who is eligible to receive financial assistance;
- Has its performance measured against whether the objectives of the program are met;
- Has responsibility for programmatic decision making;
- Has responsibility for adherence to applicable programs compliance requirements; and
- Uses the funds to carry out a program of UNT Health as compared to a vendor who provides goods or services in the ordinary course of business being carried out by UNT Health

Vendor: A dealer, distributor, merchant or other seller providing goods or services that are required for the conduct of the sponsored project. These goods or services may be for an organization's own use or for the use of beneficiaries of the project.

1.2 Definitions (Continued)

Characteristics of a vendor:

- Provides the goods and services within normal business operations;
- Provides similar goods or services to many different purchasers;
- Operates in a competitive environment;
- Provides goods or services that are ancillary to the operation of the sponsored project and therefore is not subject to the compliance requirements of the sponsored project

Subrecipient Monitoring: Activities undertaken to review the financial status and management controls of a subrecipient to mitigate the risks involved when subcontracting out a portion of the work under a sponsored project; monitoring subrecipient financial and technical activities through-out the life of the subaward.

1.3 Department, Center or Institute Administrative Support...

Department or project administrative staff may assist PI's with administrative tasks involved in any of the PI responsibilities listed below which may include but is not limited to:

- Reviewing invoices from subrecipients to ensure expenditures are allowable based upon subaward budget and scope of work
- Ensuring that invoices are approved by the PI and submitted to the Business Service Center (BSC) in a timely manner
- Contacting RFS If there are any unusual or excessive charges invoiced by the subrecipient that do not appear to be directly related to the subaward scope of work and budget
- Maintaining copies of all invoices that provide evidence of the regular review of invoices by the PI. "Evidence" can be in the form of authorized signature by the PI or his/her designee, PI's initials, email communications, or notes of a meeting between the PI with the department/project administrative assistant
- Maintaining documentation of all monitoring efforts (copies of email, phone log, etc.)
- Other administrative type tasks to help reduce the administrative burden on the faculty so they may focus on the technical aspects of the project

1.4 Outgoing Subrecipient Workflow

Apply
- Principal Investigator (PI) submits a grant application that includes a subcontractor statement of work and budget.

Award
- PI is awarded grant or contract from sponsor.
- Office of Sponsored Programs (OSP) establishes ProjID and loads subcontractor funds into appropriate budget category.

Contract
- OSP Contracts Team generates subcontract documents and routes for all approvals and signatures.
- Once all signatures from UNT Health and subcontractor are received subcontract is considered "executed." OSP sends executed copy to PI/Department Contract
- PI Department Administrator creates a requisition, attaching executed agreement and submits in Marketplace for review and approval.
- Purchasing approves requisition and generates a purchase order.
- OSP Contracts hands off to Post-Award and Research Financial Compliance.

Invoices
- Invoices are received from subcontractor.
- Reserach Financial Compliance (RFC) Team checks invoice for allowability as well as available balance in MarketPlace and on purchase order.
- RFC Team reviews invoice and complete the Subrecipient Monitoring Checklist form, then submits to BSC
- to process the invoice
- Research Financial Compliance Audit Manager reviews via MarketPlace then once it's reviewed and approved, it routes to the PI for their approval
- BSC Payment Services processes payment to subcontractor

Close
- After final invoice is received and paid, the Department Contact sends email to EIS helpdesk to disencumber remaining balance on the Purchase Order(s), if any.
- Steps are taken by Sponsored Accounting to close ProjID

2.0 Pre-Award Subrecipient Review

2.1 Proposal Submission

By making a proper determination at the proposal stage, the appropriate relationship can be established from the start. Sponsor approval is not required before entering into a subcontract. However, proper classification between a subcontract and a vendor relationship must still be ensured.

PI/Dept/Center will be responsible for:

- Disclosing names and costs of all external universities, non-profit organizations, industry partners, independent contractors, and consultants involved in completing the project objectives listed in the proposal narrative.
- Listing all subrecipient organizations on UNT Health's Grants & Research Administration Management Suite (GRAMS).
- Negotiating the scope of work and budget with co-investigator at subrecipient organization
- Submitting subrecipient's scope of work and budget to OSP to align with proposal submission timeline.
- Working with OSP to determine if the activities with an external entity should be classified as a vendor or subrecipient.

OSP will be responsible for:

- Making the final determination if applicant should be classified as a subrecipient or vendor. If a vendor, no additional information will be required to submit the proposal. If a subrecipient, a scope of work and budget will be required and possibly other forms depending on the sponsor requirements, i.e. conflict of interest on PHS proposals.
- Verifying F&A calculation in prime budget based on determination of vendor vs. subrecipient.
- Obtaining a business contact name, telephone number and email address at the subrecipient organization
- Requesting subrecipient scope of work and budget to be submitted to OSP to align with the proposal submission timeline.
- Verifying the subrecipient has an IRB or IACUC approved research protocol when applicable

3.0 Post-Award

Federal regulations in Uniform Guidance requires UNT Health, on an ongoing basis, to effectively monitor its subrecipients throughout the life of the award, for compliance with applicable laws, regulations, terms and conditions to ensure awarded funds are used for authorized purposes in compliance with the provision of the agreement. Upon receipt of award by OSP, subcontracts will be prepared, negotiated, and executed for each subrecipient organization in the approved sponsor budget.

3.1 Subcontract Development and Execution Process

The subcontract will be written based on the scope of work and budget information collected during proposal development and submission process. The terms of the subrecipient's relationship with the university are documented in a written subcontract or subaward agreement between the university and the Subrecipient organization.

PI/Dept/Center will be responsible for:

- Telling OSP about any changes from originally agreed upon scope of work or budget for period of performance
- Informing OSP of special requirements that must be added to subrecipient agreement
- Reviewing subrecipient agreement for accuracy and completeness
- Informing OSP of any changes in scope of work, budget, start and end dates, performance concerns resulting in potential subcontract termination

OSP will be responsible for:

- Verifying the subrecipient entity and sub-PI have not been debarred or suspended from receiving federal funds at https://www.sam.gov/portal/public/SAM/
- Drafting, negotiating, and executing the subcontract with the Subrecipient organization
- Advising subrecipient through the subcontract of the relevant Federal award information (e.g. CFDA title and number, award name, name of Federal agency) and applicable compliance requirements, including any appropriate flow-down provisions from the prime agreement
- Determining invoicing requirements and providing sample invoice to subrecipient...
- Sending to PI for final review of content and accuracy
- Routing to obtain authorized signatures
- Tracking status of subrecipient agreement throughout signature process
- Tracking executed subcontracts in database
- Drafting, negotiating, and executing subcontract modifications and/or terminations
- Maintaining subrecipient agreement templates
- Collecting Uniform Guidance audit reports annually

3.1 Subcontract Development and Execution Process (Continued)

- Reviewing Uniform Guidance audit reports and completing a risk assessment to determine risk level
- If high risk, involving appropriate stakeholders to determine any corrective action to be taken on subrecipient organizations related to technical or financial concerns
- Determining requirements for non-Uniform Guidance covered entities
- Completing Federal Funding Accountability and Transparency Act (FFATA) reports in the FFATA Subaward Reporting System (FSRS) as required

3.2 Establishing Requisition and Purchase Order

Once the subcontract has been executed, OSP Contracts will forward a copy to the PI and Department Administrator to initiate a requisition/purchase order to encumber funds on the ProjID to pay invoices received from the subrecipients.

PI/Dept/Center will be responsible for:

- Initiating a blanket requisition for the full value of the signed subcontract through Marketplace using appropriate budget category and account information as provided by OSP Contracts in purchase order direction email.

OSP will be responsible for:

- Reviewing and approving the requisition in Marketplace for accurate budget category and account numbers

RFS will be responsible for:

- Reviewing the PO and adding the subrecipient information to the SubTracker

4.0 Invoice Review and Processing

PI/Dept/Center will be responsible for:

- Monitoring email and addressing requests for signature through DocuSign in a timely manner
- Reviewing the invoices to ensure they reasonably reflect the percentage of project objectives completed to date
- Reviewing for accuracy of purchase order number referenced on cover letter
- Immediately informing OSP of any issues or concerns

RFS will be responsible for:

- Reviewing invoices to ensure amount does not exceed subcontract value and expenditures invoiced are allowable, in an acceptable format with adequate level of details, and included in the approved budget
- Monitoring receipt of invoices in a timely manner and addressing with subrecipient as needed
- Processing and tracking invoices through Marketplace for PI review and approval
- Reconciling invoices to purchase order encumbrance balances in EIS to ensure invoices were not paid without PI and RFS approval via Marketplace
- Ensuring invoices are paid on correct purchase order numbers on multiple year projects
- Monitoring timely payment of invoices by BSC Payment Services

Business Services Center (BSC) Payment Services will be responsible for:

- Establishing and maintaining subrecipient payment profiles in EIS and Marketplace
- Ensuring invoices have been approved by PI and OSP prior to processing for payment
- Ensuring invoices are paid in a timely manner
- Forwarding all invoices received directly from subrecipients to RFS for compliance review and PI approval

4.1 Subrecipient Monitoring

UNT Health's objective is to monitor that sponsor funds are properly spent, that performance goals are met, and that subrecipients comply with all applicable law, regulations, and prime award sponsor terms and conditions. The university may impose specific controls, as needed, for certain Subrecipients based on relevant risk factors.

PI/Dept/Center will be responsible for:

- Establishing and maintaining effective lines of communication with the subcontract PI through email, telephone, face-to-face and on-site visits as necessary and feasible
- Reviewing technical progress report on a routine basis. OSP recommends at least quarterly or semi-annually, depending on the kind of project, length of performance period and technical reporting requirements of prime sponsor...
- Including funds for technical on-site visits/communication, when appropriate, in the proposal budget
- Ensuring all deliverables required per agreement terms and conditions (technical and/or invention) are being completed and provided in a timely manner
- Ensuring reports are received in a timely manner
- Reviewing and providing timely feedback to subrecipients on technical/performance reports as necessary
- Identifying and reporting to OSP any concerns or issues discovered during review process. **NOTE:** If there are serious technical deficiencies that may require PI to consider terminating the collaborative relationship, they must contact OSP immediately to discuss options for resolution before contacting the subrecipient.
- Maintaining documentation of visits and communication activities
- Upon notification from OSP regarding a concern about a subrecipient's financial controls, proposing and determining corrective action
- Identifying and involving other UNT Health stakeholders, including Chair or Dean as necessary
- Requesting OSP to modify subcontract end dates for no-cost extensions in a timely manner

4.1 Subrecipient Monitoring (Continued)

OSP will be responsible for:

- Providing financial information as needed to PI for technical visits/communication
- Obtaining a Small Business Subcontracting Plan from the subrecipient if a subaward is on a federal contract incorporating this requirement, AND the amount of the subaward is $500,000 or more AND the subrecipient is not a small business
- Collecting and reviewing subrecipient audit reports annually

RFS will be responsible for:

- Ensuring mandatory cost sharing is fulfilled and reported by subrecipient directly on the invoices or by attaching a separate certification to the invoices
- Desk reviews of subrecipients

5.0 Project Close-out

PI/Dept/Center will be responsible for:

- Ensuring receipt of all required deliverables including final progress or invention reports
- Not approving or signing final invoice until all required deliverables are received
- Contacting OSP if there are any difficulties encountered in getting the final reports and/or deliverables in a timely manner
- Upon receipt of 90 and 30 day emails from OSP, following up with subrecipient PI to ensure final invoice and final progress reports or deliverables will be completed and/or submitted in a timely manner

OSP will be responsible for:

- Sending out emails to PI and Department/Project Administrative Staff 90 and 30 days from the end of the project period to initiate close-out communication

RFS will be responsible for:

- Communications with subrecipients 90 and 30 days from the end of the project period to initiate close-out communication
- Tracking receipt of final invoice

6.0 Record Retention

PI/Dept/Center and OSP are responsible for:

- Maintaining all documentation related to the project according to record retention guidelines in the subaward. The number of years varies by sponsor, but typically it is not less than three years and no more than five years, however, you must confirm for each project by referring to the official agreement

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