

## PROCEDURES FOR ISSUING AND MONITORING FEDERAL SUBAWARDS

### CONFIRM THAT THE SUBAWARD IS AUTHORIZED

- Confirm that the subaward is included in the budget awarded by the federal agency.
- Make sure that the proposed budget has been fully funded or the subaward amount has been adjusted, as needed.
- Confirm that ORS has a complete subaward packet on file, including a letter of commitment, scope of work, and budget.
- By reviewing the subaward packet, confirm that the recipient organization classifies as a subrecipient, as opposed to a contractor, for the purposes of this project. See [Section 330 of the Uniform Administrative Requirements \(2 CFR 200\)](#).
- Check to be sure that the PI is ready to have the subaward issued.

If any of the above is not the case, address it before moving on to the next steps.

### ASSESS THE RECIPIENT'S READINESS FOR THE SUBAWARD

#### Obtain and Review Subrecipient Financial Information

- Obtain the subrecipient's DUNS number.
- Check the [System for Award Management \(SAM\)](#) to confirm that the subrecipient is not on the excluded parties list and print that results page for the grant file. If subrecipient is on the list, stop the process here.
- Using the [Federal Audit Clearinghouse](#), review the subrecipient's A-133 audit results, assessing the relevance of any issues reported to the pending subaward; request a full copy of the audit report as needed.
- If there are no A-133 audit results, send the **Subrecipient Survey** to help assess the organization's readiness to manage federal funds.
- Obtain a copy of the subrecipient's federally negotiated F&A and FB (fringe benefit) rate agreements and confirm that the rates in the subaward budget correspond to the them.
- If the subrecipient does not have a federally negotiated F&A rate agreement, confirm that the F&A rate in the subaward budget conforms to the the "de minimis" rate of 10% of MTDC available to non-federal entities that have never received a negotiated indirect cost rate. See [Section 414 of the Uniform Administrative Requirements \(2 CFR 200\)](#).

- If the subrecipient does not have an FB rate agreement, ask the subrecipient for a breakout of the FB rate used in the subaward budget.

### **Assess the Subrecipient's Compliance with Federal RCR Regulations**

- Confirm that the subrecipient has an active and enforced conflict of interest policy that meets the standards of the funding agency:

For NSF funding, see *Grantee Standards: Conflict of Interest Policies*, Chapter IV, Part A of the [NSF Award and Administration Guide, February 2014](#).

For PHS funding, see *Responsibility of Applicants for Promoting Objectivity in Research*, [42 CFR Part 50, Subpart F](#). (Check the [FDP Institutional Clearinghouse](#) to see if the organization is listed as PHS-FCOI compliant.)

Note: If the subrecipient lacks such a policy, it has the option to abide by DePaul's for the purposes of this subaward.

- Confirm that the subrecipient has an active and enforced research misconduct policy that meets the standards of the funding agency:

For NSF funding, see *Research Misconduct*, [45 CFR, Part 689](#).

For PHS funding, see *Public Health Service Policies on Research Misconduct*, [42 CFR, Part 93](#).

Note: If the subrecipient lacks such a policy, it has the option to follow the Office of Research Integrity's [Sample Policy & Procedures for Responding to Research Misconduct Allegations](#) for the purposes of this subaward.

- Confirm that the subrecipient has an institutional plan to conduct required RCR training.

If the funding agency is NSF, confirm that the subrecipient maintains an Institutional Plan to meet NSF's Educational Requirements for the Responsible Conduct of Research, as required under the *America COMPETES Act*. (See [Grantee Standards: Responsible Conduct of Research, Chapter IV, Part A of the NSF Award and Administration Guide, February 2014](#).)

Note: If the subrecipient does not have such an Institutional Plan, it must develop a plan to provide training in RCR in accordance with NSF standards for any undergraduates, graduate students, or postdocs who will receive NSF support to conduct research via the subaward.

- If the subaward will support research involving human subjects. If so, a copy of the IRB approval must be provided before the subaward can be issued.

- If the subaward will support research involving animal subjects. If so, inform the subrecipient that a copy of the IACUC approval must be provided before the subaward can be issued.

### **Assign an Overall Risk Level**

- Drawing on the information obtained above, complete the risk assessment using the ***Subrecipient Risk Assessment Matrix***.
- On the basis of the trends that emerge, place the subrecipient in the overall risk category-- lower risk, medium risk, or higher risk—that seems most appropriate given the overall assessment.

### **Develop a Monitoring Plan that Reflects the Risk Level**

- Using the ***Monitoring Plan Template***, develop a monitoring plan that reflects the subrecipient’s overall risk category and the specific conditions that led to the risk classification.

#### *Standard Monitoring Plan for Lower-Risk Subrecipients:*

- ✓ A PO is created for the subaward, and the PI approves invoices against the PO.
- ✓ Technical (progress) reports, typically required with the submission of invoices, are also reviewed by the PI.
- ✓ Financial reports, typically required with the submission of invoices, are reviewed by RA.
- ✓ The PI maintains regular contact with the subrecipient, providing oversight and promptly reporting any significant issues.
- ✓ A-133 audit reports are reviewed annually by RA for the duration of the subaward. If findings relevant to the award are present, adjustments in the risk category and monitoring plan are made, as needed, by RA in consultation with the PI and Office of Research Services (ORS).
- ✓ The monitoring plan is reviewed annually by RA and adjusted as needed in consultation with the PI and ORS.

#### *Additional Monitoring Steps for Medium-Risk or Higher-Risk Subrecipients:*

Add any of the following steps (or other steps) as needed to complete the monitoring plan for a medium-risk or higher-risk subrecipient. The steps added will depend upon the specific conditions that led to the risk classification:

- Review the monitoring plan semi-annually (instead of annually) and adjust as needed in consultation with the PI and ORS.
- Carry out “agreed-upon procedures engagements” or other forms of external audit.
- Confirm that there is a Corrective Action Plan for audit findings relevant to the subaward or inadequate internal controls.
- Request and review subrecipient policies and procedures that are relevant to the performance of the subaward.
- Require development of a more detailed scope of work with explicit understandings about methodology, procedures, and deliverables, along with consequences for not fulfilling the work scope.

- Develop a more detailed budget to better guide spending by the subrecipient.
- Restrict the subrecipient's options to rebudget without prior approval.
- Authorize more limited allotments of time and money.
- Require additional correspondence and phone conferences with the PI.
- Add more invoicing requirements.
- Require supporting documentation for cost reimbursement.
- Require periodic on-site monitoring (technical and/or financial).
- Add more stringent termination or stop-work language for failure to comply with requirements.
- Include the obligation to notify DePaul promptly of any changes in audit status, compliance approvals, conflict of interest, or other material changes.
- In the agreement, spell out requirements for the reporting of cost sharing by the subrecipient; as needed, develop a more detailed plan for the tracking and reporting of cost sharing.

### PREPARE, ISSUE, AND REPORT ON THE SUBAWARD

- Before issuing the subaward, wait as needed for the results of any additional subrecipient screening measures such as agreed-upon procedures engagements or review of targeted policies and procedures.
- As a general rule, use the [FDP subaward agreement forms](#) (or agreement language from the forms) for institutions of higher education, hospitals, and other non-project organizations unless a more targeted agreement is needed for a higher-risk subrecipient.
- As part of the agreement, include the following information regarding Federal Award Identification required by [Section 331 of the Uniform Administrative Guidance \(2 CFR 200\)](#).
  - ✓ Federal Award Identification Number (FAIN)
  - ✓ Federal award date
  - ✓ Name of Federal awarding agency
  - ✓ Total amount of the federal award
  - ✓ Indirect cost rate for the Federal award
  - ✓ Federal award project description (as required for FFATA reporting)
  - ✓ Name of pass-through entity
  - ✓ Contact information for awarding official
  - ✓ CFDA number and name
  - ✓ Subrecipient's name (must match registered name in DUNS)
  - ✓ Subrecipient's DUNS number
  - ✓ Subaward period of performance: start and end date
  - ✓ Amount of federal funds obligated by this action
  - ✓ Total amount of federal funds obligated to the subrecipient
  - ✓ The indirect cost rate that applies to the subaward
  - ✓ Whether the award is for research and development

- Also include the following requirements, provisions, and certifications:
  - ✓ All flow-through requirements necessary to ensure that the subaward is used in accordance with federal statutes, regulations, and the terms and conditions of the federal award.
  - ✓ Any additional requirements that DePaul needs to impose to meet its own responsibilities to the Federal awarding agency, including identification of any required financial and performance reports.
  - ✓ A requirement that the subrecipient permit DePaul and auditors to have access to the subrecipient's records and financial statements, as necessary for DePaul to meet its obligations as a federal pass-through entity.
  - ✓ Any additional terms and conditions associated with the subrecipient monitoring plan (especially for plans involving medium or higher risk subs).
  - ✓ A debarment/suspension certification that complies with [OMB Guidelines to Agencies on Governmentwide Debarment and Suspension, 2 CFR 180.](#)
  - ✓ For a subaward involving PHS funding, a certification of compliance with [Responsibility of Applicants for Promoting Objectivity in Research, 42 CFR Part 50, Subpart F](#) and an indication of whether DePaul's policy or the policy of the subrecipient will apply.
  - ✓ Appropriate terms and conditions concerning closeout of the subaward.
  
- As needed, request OGC review and approval for any special terms and provisions not included in the FDP subaward agreement forms or DePaul's subaward template.
  
- Request Restricted Accounting's comments on the agreement before submitting it to the subrecipient.
  
- Submit the agreement to the subrecipient's grants office or the identified contact, with scope of work and budget attached.
  
- As needed, negotiate the agreement, consulting with OGC, Restricted Accounting, and the PI as the situation requires.
  
- Finalize the agreement, securing the appropriate signatures. and provide
  
- Make copies available to OGC, Restricted Accounting and the PI, requesting that the PI initiate a Purchase Order.
  
- In compliance with the [Federal Funding Accountability and Transparency Act, 2 CFR 170,](#) enter the subaward in the [Federal Subaward Reporting System](#) if the subaward is a first-tier one that exceeds \$25,000. (Report is due by the end of the month following the month in which the subaward obligation is made.)

## CONDUCT ONGOING MONITORING OF THE SUBAWARD

- Note and address any problems associated with invoicing, including late invoices or the need for further cost documentation.
- Review technical and financial reports required as part of the subaward agreement.
- Conduct other financial/technical monitoring activities that are part of the monitoring plan developed for the subrecipient.
- Review the subrecipient's A-133 audit results annually.
- Review the monitoring plan annually (or semi-annually, as indicated in the monitoring plan), to:
  - ✓ Confirm that the monitoring plan is being carried out.
  - ✓ Assess the subrecipient's level of compliance with the plan.
  - ✓ Confirm that the risk classification is still appropriate considering the subrecipient's audit results, its performance during the past year, and any recent changes in status.
- Based on the review, make any adjustments in the overall risk level and the monitoring plan that are needed.
- Consider taking enforcement action against noncompliant subrecipients as described in [Section 338 of the Uniform Administrative Requirements \(2 CFR 200\)](#) and in program regulations.

## CLOSE OUT THE SUBAWARD

- Remind the subrecipient of the approaching end date and the need to wrap up any remaining work on the project and submit a final invoice.
- Review any final technical reports and deliverables to ensure that reports are complete and accurate, and that the subrecipient has met its obligations as described in the scope of work.
- Confirm that the final invoice is marked "final."

## ROLES AND RESPONSIBILITIES

CONFIRM THAT THE SUBAWARD IS AUTHORIZED	ORS	RA	PI
Confirm that the subaward is included in the budget awarded by the federal agency.	✓		
Make sure that the proposal budget was fully funded or the subaward amount was adjusted.	✓		
Confirm that ORS has a complete subaward packet on file.	✓		
Confirm that the recipient organization classifies as a subrecipient, not a contractor, in this case.	✓	✓	
Check to make sure that the PI is ready to have the subaward issued.	✓		✓
ASSESS THE RECIPIENT'S READINESS FOR THE SUBAWARD			
Obtain and Review Subrecipient Financial Information			
Obtain the subrecipient's DUNS number.	✓		
Confirm that the subrecipient is not on the excluded parties list.	✓		
Obtain and review the subrecipient's A-133 audit results.		✓	
If no A-133 audit, request completion of the <b>Subrecipient Survey</b> and review results.		✓	
Confirm that the F&A and FB rates in the subaward budget match the subrecipient's federal F&A and FB rate agreements.		✓	
If no F&A rate agreement, confirm that the F&A rate in the subaward budget equals the "de minimus" rate of 10% MTDC.		✓	
If no FB rate agreement, request a breakout of the fringe benefit rate in the subaward budget.		✓	
Assess the Subrecipient's Compliance with Federal RCR Regulations			
Confirm that the subrecipient has a federally compliant conflict of interest policy.	✓		
Confirm that the subrecipient has a federally compliant research misconduct policy.	✓		
If the funding agency is NSF, confirm that the subrecipient has an Institutional Plan for RCR training.	✓		
If there are human subjects, obtain copy of the IRB approval before issuing the subaward.	✓		
If there are animal subjects, obtain copy of the IACUC approval before issuing the subaward.	✓		
Assign an Overall Risk Level			
Drawing on the information obtained above, complete the risk assessment using the <b>Subrecipient Risk Assessment Matrix</b> and place the subrecipient in an overall risk category.	✓	✓	
Develop a Monitoring Plan			
Develop a monitoring plan based on the subrecipient's overall risk category and the specific conditions that led to the risk classification.	✓	✓	✓

Note: A red check indicates which party has primary responsibility when more than one party is involved.

<b>PREPARE, ISSUE, AND REPORT ON THE SUBAWARD</b>	<b>ORS</b>	<b>RA</b>	<b>PI</b>
Use the <a href="#">FDP subaward agreement forms</a> (or language from the forms) whenever possible.	✓		
In the subaward agreement, include the Federal Award Information listed on page 4 above.	✓		
Also include the requirements, provisions, and certifications listed on pages 4 & 5 above.	✓	✓	
As needed, request OGC review and approval for any special terms and provisions not included in the FDP subaward agreement forms or DePaul's subaward template.	✓		
Request RA's comments on the agreement before submitting it to the subrecipient.	✓	✓	
Submit the agreement to the subrecipient's grants office or the identified contact, with scope of work and budget attached.	✓		
As needed, negotiate the agreement, consulting with OGC, RA, and the PI as the situation requires.	✓	✓	✓
Finalize the agreement, securing the appropriate signatures.	✓		
Make copies available to OGC, the PI, and to RA, requesting that the PI initiate a Purchase Order	✓		
Fulfill the FFATA reporting requirement, as applicable.	✓		
<b>CONDUCT ONGOING MONITORING OF THE SUBAWARD</b>			
Note and address any problems associated with invoicing, including late invoices or the need for further cost documentation.		✓	
Review technical reports submitted by the subrecipient.			✓
Review financial reports submitted by the subrecipient.		✓	
Conduct other financial/technical monitoring activities that are part of the monitoring plan developed for the subrecipient.	✓	✓	✓
Review the subrecipient's A-133 audit results annually.		✓	
Review the monitoring plan annually (or semi-annually, as indicated in the plan).	✓	✓	✓
Based on the review, make any adjustments needed in the risk level and the monitoring plan.	✓	✓	✓
Consider taking enforcement action against noncompliant subrecipients.	✓	✓	
<b>CLOSE OUT THE SUBAWARD</b>			
Remind the subrecipient of the approaching end date and of the need to wrap up any remaining work on the project and submit a final invoice.	✓		✓
Review any final technical reports and deliverables.			✓
Confirm that the invoice is marked final.		✓	