



HOBART AND WILLIAM SMITH COLLEGES

Subrecipient Monitoring Procedure and Checklist

In accordance with 2 CFR 200, the “Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, the Office of Sponsored Programs (OSP) has developed this procedure and checklist for subawards issued under federal assistance agreements. This document outlines the pre- and post-award requirements for subrecipient monitoring as well as the recommendations for individuals responsible for carrying out each task. This document will be updated to reflect changes to the Audit Compliance Supplement issued by the White House Office of Management and Budget.

1. Pre-Award Procedures:

A. During the Proposal Development/Pre-Submission Phase:

Before HWS submits a proposal for funding involving one or more subrecipients, the Colleges obtain verification from the subrecipient, either by letter or as evidenced by the completion of the Subrecipient Commitment Form and related documentation, that the proposed subrecipient is committed to participating in the project and is generally eligible to receive federal funds. This form also confirms the Subrecipient has the basic policies and procedures in place to manage federal funds.

In addition to the Commitment Form, the subrecipient must also provide to HWS a statement of work, budget, and other necessary documentation, such as a copy of its federally negotiated F&A rate agreement, if applicable. These documents should inform the overall content of HWS’s funding proposal and will form the basis for the subaward agreement if the grant is awarded.

B. During the Award Negotiation Phase:

After the federal agency has issued a notice of award to HWS, the Colleges are responsible for initiating subaward agreement(s) with the proposed subrecipient(s). Before sending the subaward agreement, HWS conducts a risk assessment of the subrecipient’s compliance processes and eligibility to receive federal funds. This may include review of the following databases and other materials, as applicable:

- The online System for Award Management (SAM), to confirm the subrecipient’s registration is current and that neither it nor its PIs/PDs are debarred, suspended, or otherwise ineligible to receive federal funds;
- The subrecipient’s most recent federal compliance audit, which must be provided to HWS for review prior to award in paper, e-mail, or online (Web link) format;
- Copies (paper or electronic) or links to the subrecipient’s policies and procedures as related to federal grants management that may include, but are not limited to the following:
 - Conflict of Interest
 - Personal Activity Reporting (Time and Effort Reporting and Certification)



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- Procurement
- Others where applicable

These documents, especially the policies and procedures, should be reviewed to provide assurance that the subrecipient has the appropriate internal controls to manage their projects successfully.

II. Post-Award Procedures

A. Initiating the Subaward Agreement:

After the subrecipient agency's materials have been reviewed, the agency has been assessed for risk, and potential concerns have been adequately addressed, HWS may issue the subaward agreement. For federal awards, HWS generally uses the Federal Demonstration Partnership's (FDP's) subaward agreement forms. The FDP forms the information—or references thereto—required by the OMB's audit compliance supplement, including federal award identification information, general and agency/award-specific terms and conditions, standard certifications and assurances, the statement of work, and the project budget. Additional terms and conditions may be included in the subaward agreement, as necessary.

The subaward agreement must be accepted and signed by individuals have the authority to enter into sponsored agreements on behalf of each institution. At HWS, the responsible individual with this level of authority is the Director of Sponsored Programs.

Although the following information is contained within the terms and conditions of the subaward agreement, the subrecipient agency should be made particularly aware of the following items during the award initiation phase of the project:

- Records retention requirements (generally 3 years after project closeout, unless otherwise specified);
- Access to records HWS, the federal awarding agency, and/or their authorized representatives;
- Due dates for financial, technical, and/or performance reports; and
- General format for and content of invoices.

Depending on the scope and nature of the subaward, other items HWS may need to review or address during the award initiation process include, but are not limited to: 1) confirmation of Institutional Review Board (IRB) or Institutional Animal Care and Use Committee (IACUC) approvals; 2) existence and enforcement of a Responsible Conduct of Research policy and procedure (NSF, NIH, and USDA proposals only); and/or 3) cost sharing commitments and reporting.

B. Monitoring:

The Office of Sponsored Programs, the Business Office, and the Principal Investigator/Project Director are jointly responsible for monitoring of the subaward throughout the life of the award. The purpose of monitoring is to 1) ensure federal funds are spent in compliance with the applicable laws, regulations and provisions, and 2) ensure performance goals are met.



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The level of monitoring engaged in by each office should correlate directly with the risk associated with the subrecipient and the project. Large projects involving subawards of \$100,000 or more and/or projects with subrecipients that have limited experience with successfully managing grants should be monitored more closely throughout the life of the project.

Sponsored Programs and the Business Office are responsible for macro- (institutional) level monitoring processes while the Principal Investigator/Project Director is responsible for micro- (project) level monitoring. Macro-level monitoring processes are outlined in the checklists provided at the end of this document, and they should include advising the subrecipient of requirements imposed on them by federal laws, regulations, and the provisions of the subaward agreement and conducting periodic spot checks of reports to ensure the award is being carried out according to the terms and conditions of the agreement. These offices should also be aware of the subrecipient's audit findings related to the award and review management decisions and corrective actions taken on said findings.

Micro-level monitoring, conducted by the Principal Investigator/Project Director (PI/PD), should involve regular (at least monthly) communication between HWS and the subrecipient organization to ensure the project is being carried out as proposed and according to schedule. Minor variations are allowable, but major variations—change of project scope, omission/addition of major activities, and/or re-budgeting between line-item categories that exceeds 25% of the total annual budget—should be addressed as soon as possible. If changes need to be made to the budget, reporting deadlines, and/or performance goals as indicated in the agreement, the PI/PD must notify the Office of Sponsored Programs as soon as possible to confirm the allowability of the revisions and to issue a revised subaward agreement or amendment, if necessary.

In addition to maintaining regular communications, micro-level monitoring by the PI/PD should include the following activities:

- Review and approval (or request for revision/additional information) of periodic technical/performance reports;
- Review and approval (or request for revision/supporting documentation) of subrecipient invoices; and
- Monitor general rate of expenditures and implementation of activities—if the project appears to be significantly behind or ahead of schedule, follow up with the subrecipient to review the project requirements and progress.

Finally, if the PI/PD feels overwhelmed by or has any questions regarding the subaward monitoring process, he/she should contact the Business Office (for questions regarding financial matters and procurement), or the Office of Sponsored Programs (for non-financial matters), at his/her earliest convenience to obtain support and assistance throughout the process.

III. Continuation Awards - will follow the same procedures as for the initiation of the subaward, but OSP will issue an amendment to the agreement rather than issuing a new agreement. Additionally, OSP will review the subrecipient's financial documentation from the previous year and address any concerns, weaknesses, and/or deficiencies noted in relation to the project.



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IV. Checklists

Office of Sponsored Programs (OSP) Responsibilities:

- During the pre-award/proposal submission stage, obtain the following documents from the potential subrecipient:
 - Subrecipient Commitment Form (HWS form)
 - Brief Statement of Work for the project
 - Itemized budget and justification
 - Other required documentation as needed
- During the award negotiation stage, review the following databases and/or documents, as applicable, for general compliance, confirmation of eligibility, and to assess risk:
 - System for Award Management (<https://www.sam.gov>)
 - Copy of the subrecipient's most recent federal compliance audit and/or most recent financial statements
 - Copies of or links to the subrecipient's policies and procedures, including information on internal controls, for the following:
 - Conflict of Interest
 - Personal activity reporting (Effort reporting/certification)
 - Procurement and Expenditure Payments
 - Other special policies required by the funding agency
- When issuing the subaward agreement, ensure the agreement contains the following information:
 - Federal Award Identification Number (FAIN), Catalog for Federal Domestic Assistance (CFDA) number, award name, name of the Federal awarding agency, the amount of the total award, and the applicable Federal compliance requirements, including but not limited to the following: the Code of Federal Regulations, the Agency-Specific Terms and Conditions, and related requirements
 - Required information for Federal Funding Accountability and Transparency Act (FFATA) reporting (as identified in the FSRS spreadsheet)
- During the subaward implementation phase, conduct periodic spot checks of reports, including performance reports and effort reports (i.e. personal activity reports), as applicable
- During the annual renewal process, if applicable, review the following databases and/or information for general compliance, confirmation of eligibility, and to assess risk, consulting with Business Office as needed:
 - System for Award Management (<https://www.sam.gov>)
 - Copy of the subrecipient's most recent federal compliance audit or financial statements



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- Feedback from the PI/PD regarding timeliness and completion of project objectives during the previous funding period(s)
- Copies of any revised/changed policies and procedures

Principal Investigator/Project Director Responsibilities:

- Prepare and maintain a system for monitoring each of the items listed in this section.
- Initiate and maintain regular communications (as often as necessary, but no less than monthly) via telephone or e-mail to confirm the project is progressing as scheduled
 - Telephone calls/e-mails should be documented and saved
 - Significant delays or deviations should be noted and addressed through additional communications
- Regularly review invoices from subrecipient to ensure costs are reasonable, allowable, consistently treated, and allocable to the project and to monitor burn down rates against the project schedule and budget
- If any costs are questioned, the PI/PD should not approve the invoices but instead should follow these steps, making sure to document each one in writing:
 - Contact the subrecipient to request additional documentation, and if the additional documentation resolves the problem and requires no changes to the invoice, approve the invoice and submit to HWS Business Office.
 - However, if the additional documentation does not support the questioned costs, inform the Business Office that the invoice contains questionable costs and therefore does not represent a final correct invoice and, if needed, contact the Grants Manager in the Business Office for guidance with Federal Rules and Regulations regarding questioned costs. The PI/PD should continue to work with the subrecipient, Grants Manager, the Office of Sponsored Programs, and other responsible parties to address the disputed charges in a timely manner, and request the subrecipient submit a revised or new invoice to the Business Office once all required changes have been made.
 - Upon approval of all costs in the invoice, the PI/PD should return it to the Business Office in order to comply with prompt payment requirements
- Review performance/technical reports on a regular basis
 - Confirm the reports are submitted on time as indicated in the subaward agreement
 - Confirm the reports contain all of the required and necessary information
- Request other information necessary for completing performance/technical reports to the federal awarding agency as needed and well in advance of prime recipient report due dates