



# CALIFORNIA STATE UNIVERSITY CHANNEL ISLANDS ACADEMIC SENATE POLICY

## Policy on Subrecipient Monitoring

### **Policy #: SP 13-15**

**Drafted By:** Research and Sponsored Programs

**Approval Date:** 04/29/14

**Effective Date:** Immediately

**Purpose:** To outline roles and responsibilities for financial and programmatic monitoring of sponsored program funds awarded to California State University Channel Islands (CI) that are subawarded or subcontracted to another institution.

**Background:** Sponsored research and other sponsored endeavors often depend on collaborative activities among faculty from different institutions. When a CI principal investigator (PI) determines that collaborations with investigators from other institutions are necessary to complete the scope of work, such collaborations are specified in the proposal. When a prime sponsor makes a single award to CI, CI issues a subcontract or subaward to the institution of the collaborating investigator. CI and its PIs are expected to take steps to provide reasonable assurance that the collaborating investigators and their institutions accomplish the work specified in the subaward or subcontract and comply with the terms and conditions of the award.

As a recipient and good steward of federal sponsored projects, CI must comply with the guidelines outlined in OMB Circular A-133, requiring that CI monitor expenses of federal funds awarded to the University that are subcontracted to another institution.

### **Accountability:**

- Principal Investigators for matters related to subrecipient proposals, technical/programmatic performance, and general monitoring and oversight.
- Senior Research Officer, Research & Sponsored Programs, for matters related to subrecipient non-financial risk assessment and subrecipient agreements.
- Vice President for Business & Financial Affairs for subrecipient matters related to budgetary/financial considerations and financially-related risk assessment (accomplished through AVP, Financial Services).

### **Applicability:**

All eligible CI faculty and staff as identified below.



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### **Definition(s):**

For the purposes of this policy,

*Principal Investigator (PI)*- is defined as the individual designated in a grant or contract to be responsible for ensuring compliance with the academic, scientific, technical, financial and administrative aspects and for day-to-day management of the Sponsored Program (grant or contract) including programmatic reporting. Depending on the nature of the grant/contract and the funding agency, the PI may carry a different title in the grant/contract. While day-to-day management of a project may be delegated to an individual other than the PI, the PI is still responsible for oversight of the project and ensuring that the grant work is conducted consistent with the funded proposal.

*Subawards*- refer to subawards and subcontracts in which CI is the prime recipient and a portion of sponsored program funds are allocated to an outside institution to carry out a portion of the project's scope of work.

*Subrecipient*- refers to any institution that receives a subaward or subcontract from CI for a portion of a sponsored project.

### **Policy:**

It is the policy of CSU Channel Islands (CI) to have processes in place that provide reasonable assurance that the subrecipients satisfactorily meet the programmatic and financial activities involved in the subaward or subcontract in order to ensure that:

- programmatic goals are achieved;
- project costs incurred by subrecipients are reasonable, allowable and allocable and within budget guidelines; and
- work is conducted in compliance with laws, regulations and terms of the award such as financial conflict of interests, responsible conduct of research, research on human subjects, *etc.*

To adequately monitor subawards, CI will perform an annual risk of assessment of subawardee institutions, will monitor subawardee progress toward completion of scope of work and adherence to subaward budget, and will require that subrecipients make an annual disclosure of any sponsored research audit findings. The frequency, type and degree of activities which monitor the subrecipient's compliance with the subaward or subcontract will be based on risk assessments performed periodically during the life of the subcontract, and adjustments will be made if there are changes in status. In order to ensure consistency, this policy and related procedures apply to all subrecipients funded from sponsored projects including those funded from both federal and non-federal sources.



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### *ROLES AND RESPONSIBILITIES*

#### Principal Investigator (PI)

- Works with potential subawardees to develop scope of work and budget for subawards that are consistent with prime award deliverables and budget, and ensures that subaward costs are allowable, allocable and reasonable.
- Submits required Subaward forms with complete information to RSP staff for initial subaward and all amendments and/or extensions, including annual assessment of subrecipient work.
- Ensures that expenses invoiced by the sub-recipient for work and effort committed are appropriate to the approved budget and scope of work of the agreement, and that adequate back-up documentation is provided. Ensures invoiced expenses are allowable, allocable and reasonable.
- Provides subrecipient oversight to ensure that project deliverables are achieved and that all required reports (financial and programmatic) are submitted to CI in a timely manner and are incorporated in PIs' required technical reports on prime award.

#### Research and Sponsored Programs (RSP)

- Works with PI to answer questions on subrecipient pre-award policies and procedures, including review and assistance with pre-award subaward budget and scope of work development.
- Checks to ensure subrecipient is not debarred and collects the documentation from subaward recipient necessary to assess risk and issue award. Ensures that subrecipient paperwork is received and complete prior to routing to Financial Services for risk analysis review and approval.
- Drafts subaward documents based on budget and scope of work received from Principal Investigator. Reviews budget for allowability, allocability and reasonableness. When necessary, negotiates special terms and conditions with subaward recipient.
- Routes subaward documentation to Financial Services for review and approval and obtains required CI signatures. Works with Financial Services to finalize risk assessment.
- Drafts and routes subaward amendments and extensions.
- Ensures that sub-recipients complete an annual certification to disclose any sponsored research audit findings.

#### Financial Services

- Reviews subaward budgets and expense invoices for allowability, allocability and reasonableness.
- Reviews subaward recipient documentation and A-133 audits and issues risk assessment and recommendations for any necessary risk mitigation strategies. Works with RSP to finalize risk assessment. Reviews corrective actions cited by subrecipients in response to audit findings, and



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determines additional requirements and/or sanctions imposed on subrecipients who are unable or unwilling to conduct required audits or address issues of non-compliance.

- Reviews invoices submitted by the subrecipient to ensure that costs are allowable, allocable and reasonable and that payment is approved by the PI based on approved budget and scope of work. Reviews back-up documentation provided for expenditures and reviews invoices and expenses-to-budget. If applicable, ensures that cost-share commitments are documented in the invoicing process.
- Confirms that the appropriate signatures have been obtained on invoices submitted and that PI has approved payment based on approved budget and scope of work and initiates payment.
- Assists PI with questions regarding subrecipient post-award management.

### *CONTACT OFFICES*

The Research & Sponsored Programs Office (RSP) shall be contacted for subrecipient matters related to the proposal, subaward agreements and administrative matters. Financial Services shall be contacted for subrecipient matters related to budgetary/financial issues, including subcontract invoice processing, expenditure tracking or specific invoice amounts. PI shall be contacted for matters related to technical/programmatic performance of subawardees and for approval of subaward invoice payment.

### **EXHIBIT(S):**

The procedures for this policy and related forms are available on the RSP website or by contacting RSP staff.