

University of Denver
Office of Research and Sponsored Programs (ORSP)
Sub-recipient Monitoring Policy

#E-2

Revised 10/1/2011

I. PURPOSE/REFERENCE

OMB Circular A-133 requires federal awardees to monitor activities of sub-recipients to ensure compliance with program and administrative requirements and to ensure that performance goals are achieved. This includes monitoring to ensure that sub-recipients are meeting their own OMB-A-133 requirements. Sub-recipients may be evaluated as higher risk or lower risk to determine the need for closer monitoring.

II. POLICY

The University (DU), ORSP, Principal Investigators (PI's), and academic departments are required to monitor activities of sub-recipients to ensure compliance with program and administrative requirements and to ensure that performance goals are achieved.

For all sub-recipients, PI's and departments have primary responsibility for ensuring performance goals are achieved and reviewing/documenting performance. ORSP will perform a risk assessment on all sub-recipients to determine the sub-recipients level of risk and if additional monitoring may be required. ORSP will request and review sub-recipient OMB A-133 audits for regulatory compliance and any required monitoring changes.

III. PROCEDURES

A. SUB-RECIPIENT RISK ASSESSMENT

Prior to executing a subagreement, ORSP will perform a risk assessment on the sub-recipient to determine the level of risk in regard to recipient and the award. The risk factors may include (but not limited to):

- Results of A-133 audits,
- Nature and complexity of the research,
- Dollar amount of the award,
- Location,
- Knowledge of federal requirements, and
- Prior experience with the sub-recipient.

The risk assessment will be documented using the "Risk Assessment Analysis" similar to the template in Exhibit A. The risk assessment will be used to determine if the sub-recipient is a low or high risk sub-recipient and what additional monitoring may be required.

B. MONITORING REQUIREMENTS

Monitoring is required on all sub-recipients. PI's and departments have primary responsibility for:

- Establishing channels of communication with sub-recipients;
- Ensuring performance goals are achieved;
- Reviewing invoices from sub-recipients for compliance with regulations and award terms and conditions as needed based on sub-recipient assessment;
- Reviewing and documenting performance; and
- Approving final invoices in a timely manner for closeout

Upon audit or request, DU and the PI must provide documentation that monitoring has occurred. This includes documenting correspondence and progress reports received. The form of this record is at the discretion of the PI, but should be similar to the "Subrecipient Monitoring Record" example in Exhibit B.

Based on the Risk Assessment on whether sub-recipient is determined low or high risk, ORSP will determine if additional monitoring will be required. Additional monitoring may consist of (but not limited to):

- Invoices must be approved by PI
- Sub-recipient monitoring records submitted at periodic intervals to ORSP
- PI Site reviews required
- ORSP Desk or Site review required

The additional monitoring will be determined by the ORSP Director on a case by case basis based on the risk assessment. The risk determination and additional monitoring will be part of the subagreement file and logged in the ORSP subagreement database.

C. SUB-RECIPIENT MONITORING AND RECORDS

Once the subagreement has been executed, ORSP will send the PI/department a "Subrecipient Monitoring Notice" (Exhibit C) that includes the monitoring requirements determined by ORSP. A copy of this notice will be included in ORSP subagreement file.

The notice sent to the PI/department includes the following monitoring checklists:

- Subrecipient Monitoring Checklist (Exhibit D)
- Subrecipient Invoice Approval Checklist (Exhibit E)

These are checklists/guidelines on the monitoring issues that should be reviewed by the PI/department during the course of the subagreement and when submitting invoices for payment. These do not need to be submitted to ORSP. As noted in Exhibit E, by signing off and approving an invoice, the PI/Department is attesting that the sub-recipient has been appropriately monitored and has met the terms and conditions of the subagreement.

The sample “Subrecipient Monitoring Record” template (Exhibit B) is also included with the notice. As noted in #B above, the form of this record is at the discretion of the PI, but should be similar in content to this form. This record is not required to be submitted to ORSP unless required as additional monitoring requirements on the notice. However, the PI must provide documentation that monitoring has occurred if requested by ORSP or audits.

ORSP will periodically request that “Subrecipient Monitoring Records” be submitted even on some grants that are determined “Low” risk to ensure that records are being properly maintained by the PI/department.

D. MONITORING OF A-133 AUDIT REPORTS

- ORSP will track all subagreements that are issued under a prime grant/contract including whether the prime sponsor is federal or non-federal. Each year (generally between March 1 and April 30), ORSP shall request A-133 certifications (Exhibit F) from those sub-recipients on a federal prime award (and non-federal required by risk assessment) that were active during the prior fiscal year.
- ORSP will review certifications/reports for audit findings and will follow up with the sub-recipients’ response and resolution to audit findings.
- A summary report will be prepared and submitted to the ORSP Director for review. The ORSP Director will make any risk determinations on all findings and as necessary add or adjust additional monitoring requirements.
- If a sub-recipient fails to respond to the certification request, ORSP will take appropriate action such as placing a stop work order or terminating the subagreement.

IV. DEFINITIONS

- Prime sponsor: The agency or entity that provides external funding to the University for a grant/contract.
- Subagreement: A grant or contract issued by the University to another organization, in which the University received funding from a Prime Sponsor.
- Subrecipient: The organization that receives a subagreement from the University. For an organization to receive a subagreement (rather than a vendor, or consulting agreement), that organization must have responsibility for substantive project design, implementation, or programmatic reporting.