

UAS GM 11: Subrecipients

Definition

“Subrecipient means a non-Federal entity that receives a subaward from a pass-through entity to carry out part of a Federal program; but does not include an individual that is a beneficiary of such program. A subrecipient may also be a recipient of other Federal awards directly from a Federal awarding agency” (Uniform Guidance Subpart A, 200.93).

The terms of UAS-subrecipient relationships are documented in the contract agreement. These guidelines and procedures are provided to assist responsible faculty and staff in ensuring that subrecipients conduct their portions of sponsored projects in compliance with laws, regulations and terms and conditions of awards and subawards and that project costs incurred by subrecipients are reasonable and allowable.

For each new award to the university with its own unique identifier whether for a continuing large program or not, a new subaward must be generated and will be active within the life of that new prime award. A new purchase order will also match up with the new subaward. If the award allows F&A, it will be collected on the first \$25,000. Each discrete award, and its encumbrances, will be closed within 90 days of the award end date.

See UA Statewide Accounting and Administrative Manual, Section 100: Accounting and Finance, Subawards and Vendor Contracts, No. D-06, for help to determine the appropriate type of contract.

Roles and Responsibilities

Principal Investigators (PIs) have primary responsibility for monitoring and documenting subrecipients to ensure compliance with federal regulations and both prime and subrecipient award terms and conditions. The PI is responsible for ensuring that an acceptable final technical report is received from the subrecipient. The PI must receive the technical report(s) and deliverables before final payment can be made. A copy of the subrecipient’s final report transmittal letter must be submitted to the Grants Office. The PI should thoroughly review the subrecipient’s final voucher before authorizing final payment. If the total billings for any sub-agreement will be less than that originally authorized, the PI, in conjunction with the unit, should initiate a request for modification of the sub-agreement. If the subrecipient concurs, the subaward/subcontract will then be modified and the encumbrance reduced accordingly by the proper procurement authority.

Documented subrecipient monitoring should occur not less than quarterly throughout the fiscal year. The first page of each subrecipient monitoring report must be submitted to the Grants Office for maintenance.

The Grants Office has the responsibility for ensuring that the University's subrecipient monitoring procedures are compliant with federal and other applicable regulations and are consistent with sound business practices.

See Uniform Guidance Subpart D, Subrecipient Monitoring and Management (200.330-200.332).

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Federal Regulations

The federal regulations that describe subrecipient monitoring are general, but contain the following core elements of compliance.

- Advising subrecipients of all applicable federal laws and regulations, and all appropriate flow-down provisions from the prime agreement.
- The routine receipt and review of Technical Performance Reports.
- The routine review of expenses-to-budget.
- The periodic performance of on-site visits, or regular contact, if necessary.
- The option to perform "audits" if necessary.
- Review of Subpart F audit reports filed by subrecipients and any audit findings.
- Review of corrective actions cited by subrecipients in response to their audit findings.
- Consideration of sanctions on subrecipients in cases of continued inability or unwillingness to have required audits or to correct non-compliant actions.

The above list does not include all compliance requirements. In addition to the general elements of compliance noted above, there may be additional sponsor- or program-specific requirements that mandate collecting and documenting other assurances (e.g. on lab animals, human subjects, biohazards, etc.) during the course of a project.

UAS Subrecipient Monitoring Guidelines

All active subcontracts should be reviewed on an annual basis to determine the necessity for additional oversight. Factors for consideration include:

- Total award size relative to the subrecipient's contract. (The larger the percentage of program award passed through, the greater the need for subrecipient monitoring.)
- Award complexity, sensitivity of the work and/or extensiveness of the governing regulations.
- Prior experience with the subrecipient, e.g. a new subrecipient, an inexperienced subrecipient, a history of non-compliance, having new personnel, or having new or substantially changed systems.