SPONSORED PROGRAMS AND GRANTS MANAGEMENT

Procedures

Date: March 10, 2010

Subject: Subrecipient monitoring on sponsored grants and contracts

I. Purpose:

As a condition of its acceptance of funding from sponsors, Radford University is obligated in its role as primary recipient to undertake certain stewardship activities as well as comply with federal, state, and local regulations. As part of this obligation, the University is responsible for monitoring the programmatic and financial performance of its sponsored project award subrecipients.

II. Policy:

OMB Circular A-133

III. Procedures:

The University is obligated to advise subrecipients of requirements that are imposed on them by federal laws, regulations, and the provisions of the sponsored project award document. Subrecipients are required to permit the University and its auditors to have access to records and financial statements pertaining to the subaward. Except in unusual cases, subrecipients must be identified in the proposal submitted to the sponsoring agency. Following the execution of subawards, the University is required to monitor the subrecipient’s activities to ensure that activities are conducted in compliance with regulations and that performance goals are achieved. In general, when a significant percentage of an award is passed through the University to a subrecipient, more intense monitoring is necessary. Regular communication with the subrecipient is required.

The University shall monitor subrecipients to ensure compliance with audit requirements. If audit findings are revealed, the University shall issue a management decision within sixty days following the receipt of the subrecipient’s audit report and confirm that the subrecipient has taken appropriate corrective actions in a timely manner. If the subrecipient’s corrective action plan is not submitted to the University within thirty days, the subrecipient will receive a follow-up phone call or email from Sponsored Programs. If the corrective action plan is not received by the end of sixty days, a letter will be sent from the Director of Sponsored Programs. After ninety days, a letter will be sent from the Director of Sponsored Programs to inform the subrecipient that failure to respond may result in the termination of the subaward.

If the subrecipient’s audit findings necessitate adjustments in the University’s financial records, such adjustments shall be made in a timely manner.
Subrecipient/Vendor Determination
Sponsored Programs shall determine classification of subrecipients. This determination is made in collaboration with the project director.

Risk Assessment
Sponsored Programs shall assess the risk level of each Subrecipient prior to the issuance of a subaward. The risk assessment will include factors such as the dollar value of the subaward, the subaward’s percentage of the prime award, the type of subrecipient, the history of the subrecipient’s existence, the subrecipient’s relationship with the University, the Subrecipient’s experience with managing federal funds, the complexity of the project activities, and the inclusion of third-tier subrecipients. The subaward document will include additional reporting and compliance requirements for subrecipients determined to be high risk.

A-133 Certifications
1. Non-profit subrecipients who expended $500,000 or more in federal funds during the previous fiscal year are required to have an A-133 audit on an annual basis or may elect to have a program-specific audit. Sponsored Programs shall request annual A-133 certifications from all subrecipients. This certification requires that subrecipients certify that their A-133 audits revealed no questionable findings or provide a detailed disclosure of findings.
2. Subrecipients who are not subject to A-133 audit requirements shall submit an audit report performed by an independent external entity, upon request by the University.
3. If audit findings are revealed, Sponsored Programs shall issue a management decision within sixty days of notification and shall provide additional monitoring to ensure that timely and appropriate corrective actions are taken in response to audit findings.
4. Internal Audit shall provide assistance with issuing management decisions and ensuring that appropriate corrective actions are taken.

Subaward Changes
1. Subrecipients are required to notify the University and obtain prior written approval from the Director of Sponsored Programs for any changes that may materially alter the terms of the subaward. Examples include, but are not limited to, changes in the period of performance, scope of work, or budget.
2. The project director shall work with the subrecipient to ensure that any changes that may materially alter the terms of the subaward are immediately reported to Sponsored Programs for approval.
3. Sponsored Programs shall provide approval in a timely manner; in most cases, a formal subaward amendment will be required.

Contract Review
The Office of Sponsored Programs shall review all subawards with variations from the approved subaward template. Sponsored Programs shall work with the project director to negotiate changes to proposed subawards prior to their execution.

Communication with Subrecipient
The project director shall maintain sufficient contact with the subrecipient to assess accurately whether the subrecipient is adequately performing the statement of work and reasonably progressing towards the achievement of the performance goals.
Review of Technical Performance Reports
The project director shall obtain periodic written performance reports from the subrecipient. Such reports should generally contain a comparison of actual accomplishments with the goals and objectives established for the period.

Review of Financial Invoices
1. Upon receipt of financial invoices, the project director shall review and assess whether the charges on the invoice reasonably match progress made on the project. If an invoice is believed to be inaccurate, project directors shall contact the subrecipient for clarification and request additional documentation before forwarding the invoice for payment.
2. Prior to approving and issuing payments on subawards, Sponsored Programs shall review financial invoices for compliance with sponsor guidelines and the terms of the subaward.
3. Sponsored Programs shall work with the project director and subrecipient to secure any additional documentation needed to process invoice payments and shall withhold payment on invoices until such documentation is received.

Compliance with FFATA (Federal Funds Accounting Transparency Act)

As of October 1, 2010, all Federal grants of $25,000 and over are subject to the FFATA subaward reporting requirements. Prime awardees are required to upload the subrecipient information in the FFATA Sub-Award Reporting System. Subrecipients must maintain an active Central Contractor Registration (CRR) in order to receive Federal funding.

When the subaward amount is $25,000 or larger, it is required that SPGM forwards the FFATA form to the subrecipient to obtain the necessary information to meet the FFATA requirements:

- Name of entity receiving award
- Amount of award
- Funding agency
- NAICS code for contracts/CFDA program number for grants
- Program source
- Award title descriptive of the purpose of the funding action
- Location of the entity (including congressional district)
- Place of performance (including congressional district)
- CCR Registration