



CALIFORNIA STATE UNIVERSITY CHANNEL ISLANDS ADMINISTRATIVE POLICY MANUAL

Division of Academic Affairs
Passed by Academic Senate
September 28, 2021
Approved By: Richard Yao, Interim President

Policy Number: AA 11.014 / SP 21-01
Effective Date: September 28, 2021
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Policy on Subrecipient Monitoring

PURPOSE

To outline roles and responsibilities for financial and programmatic monitoring of sponsored program funds awarded to California State University Channel Islands (CSUCI) that are subawarded to another institution. CSUCI will provide the monitoring required by federal regulations and ensure good stewardship of sponsored projects. Although the regulations apply to federally funded awards only, most of the same monitoring processes will apply to nonfederal awards issued by CSUCI.

BACKGROUND

Sponsored research and other sponsored endeavors often depend on collaborative activities among investigators from different institutions. When a CSUCI principal investigator (PI) determines that collaborations with investigators from other organizations are necessary to complete the scope of work, such collaborations are specified in the proposal. When a prime sponsor makes a single award to CSUCI, the institution issues a subaward to the institution of the collaborating investigator. CSUCI 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 and comply with the terms and conditions of the award.

As a recipient and good steward of federal sponsored projects, CSUCI must comply with the guidelines outlined in 2 CFR 200 (The Uniform Guidance) requiring that CSUCI monitor expenses of federal funds awarded to the University that are subawarded to another institution.

POLICY

Accountability:

- PI for matters related to subrecipient proposals, technical/programmatic performance, and general monitoring and oversight.
- Chief Campus Research Officer, Research & Sponsored Programs (RSP), 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 for Financial Services).



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Applicability:

This policy applies to subrecipients on federal awards as defined by 2 CFR 200 as well as all pertinent CSUCI faculty and staff as identified below. This policy does not apply to consultant agreements or procurement of goods or services from vendors/contractors.

Definition(s):

For the purposes of this policy:

PI- The individual (whether referred to in the Contract or Grant as a Principal Investigator, Project Director or other similar term) designated by the Sponsored Program Administrator 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.

Subaward- An award (subgrant or subcontract) of financial support from a prime awardee/pass-through entity to a qualified organization for the performance of a substantive portion of the programmatic effort funded under the prime award. This term also includes awards made by a subrecipient to a lower tier subrecipient. It does not include payments to a contractor or payments to an individual that is a beneficiary of the program.

Subrecipient- The legal entity to which a subaward is made and which is accountable for the use of the funds provided in carrying out a portion of the prime awardee's/pass-through entity's programmatic effort under a sponsored project. A subrecipient has responsibility for programmatic and/or administrative decision making and adherence to the applicable sponsor program compliance requirements. The term may include institutions of higher education, non-profit organizations, for-profit corporations, and foreign or international organizations at the discretion of the Federal awarding agency.

TEXT

It is the policy of CSUCI to have processes in place that provide reasonable assurance that subrecipients satisfactorily meet the programmatic and financial activities involved in the subaward in order to ensure that:

- programmatic goals are achieved;
- project costs incurred by subrecipients are reasonable, allowable and allocable and within budget guidelines; and



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- work is conducted in compliance with applicable 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, CSUCI will perform risk assessments of non-CSU subrecipients, will monitor subrecipient 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 specifically related to the particular subaward. The frequency, type and degree of subrecipient monitoring will be based on the risk assessment. Adjustments to subrecipient monitoring will be made if there are changes in subrecipient status.

ROLES AND RESPONSIBILITIES

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 budgeted costs are allowable, allocable and reasonable.
- 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 CSUCI in a timely manner and are incorporated in the PIs' required technical reports on prime award.

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 information to assess risk and issue subaward. Ensures that subrecipient paperwork is received and complete prior to routing to Financial Services.
- Prepares subaward agreement based on budget and scope of work received from the PI. Reviews budget for allowability, allocability and reasonableness. When necessary, negotiates special terms and conditions with subrecipient.



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- Routes subaward documentation to Financial Services for review and approval and obtains required CSUCI signatures. Works with Financial Services to finalize risk assessment.
- Drafts and routes subaward amendments and extensions.
- Ensures that subrecipients complete an annual certification to disclose any sponsored research audit findings related to the subaward.

Financial Services

- Reviews subaward budgets and expense invoices for allowability, allocability and reasonableness.
- Reviews subaward recipient documentation, 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 related to the subaward and 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, that the PI has approved payments based on approved budget and scope of work, and initiates payment.
- Assists the PI with questions regarding subrecipient post-award management.

Subrecipient and contractor determinations, as outlined under 2 CFR 200: § 200.331, shall be performed by RSP. During proposal development, RSP determines whether another non-federal entity will be included on the proposal as a subrecipient or a contractor. RSP will also consult with BFA and/or the sponsor in cases where the determination is not clear.

Requirements for Pass-through Entities, as outlined under 2 CFR 200: § 200.332, shall be performed as follows:

§ 220.332(a)(1) – (6): RSP

§ 220.332(b) – (h): RSP and BFA

Considerations for entering into Fixed amount subawards, as outlined under 2 CFR 200: § 200.333,



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shall be coordinated jointly by RSP and BFA.

If a subawardee is determined to be high-risk, the PI, Financial Services and/or RSP may recommend one or more additional subrecipient monitoring activities (such as more frequent billing, additional financial back-up, desk audit, site visits, etc.) as needed.

CONTACT OFFICES

RSP: subrecipient matters related to the proposal, subaward agreements and administrative matters.

Financial Services: subrecipient matters related to budgetary/financial issues, including invoice processing, expenditure tracking or specific invoice amounts.

The PI shall serve as the contact for matters related to technical/programmatic performance of subrecipients and for approval of subaward invoice payment.

EXHIBIT(S):

[Uniform Guidance](#) (2 CFR 200)

CSU Policy Number 11002.06 - Subrecipient Monitoring

CSU Policy Number 11001.01 - SP Policy Definitions