

# 5 Sub-Recipient Setup and Monitoring Policy & Procedure

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## *Institutional Policy*

Title:	5 Sub-Recipient Setup and Monitoring Policy & Procedure
Responsible Officer:	Grant Manager, Grant Assistant; Vice President Research Administration
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Approved By:	<i>Kathryn Tasker</i>

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### **1 Purpose**

The Federal government has issued regulations to govern the management of sub-recipient activity on sponsored awards, and HSL/Marcus Institute will conduct this level of management oversight on its Federal awards. The purpose of this document is to define the internal procedures and processes which will be followed to maintain compliance with these regulations.

## 2 Scope

This policy applies to all subrecipient agreements on all sponsored awards

## 3 Definitions

*Sub-Recipient*: an award provided by a pass-through entity to a subrecipient for the subrecipient to carry out part of a program for which the prime recipient received sponsored accounts

*PI*: The Principle Investigator for the award/contract as identified in the award documents

## 4 Policy Statement

This policy serves to maintain the consistent oversight of subcontract invoices to meet audit requirements

## 5 Procedures

### 5.1 Vendor Authorization

- a. The grant assistant will certify that all subcontract vendors are not excluded from providing services by using the vendor authorization website as directed by the NIH policy (subject to change by NIH standards, currently System for Award Management “SAM” <https://www.sam.gov/portal/public/SAM>). Though authorization is not mandated for payments to vendors from non-federal accounts, we will extend this practice to all vendors.
- b. For subcontracts on Federal funds, The DUNS number of the institution is confirmed prior to entering into an agreement as per the DUNS Number Policy & Procedure

### 5.2 Invoice Monitoring

As the prime grantee, the Marcus Institute and the Principal Investigator has certain obligations for oversight of the entire project. These obligations include:

- a. Research Administration ensures the vendor is a federally authorized vendor.
- b. **Appropriate monitoring of a subcontractor’s performance and costs.** All invoices should be reviewed to ensure they are consistent with the progress expected to be made on the project and that all costs appear to be reasonable in accordance with the Purchasing Policy & Procedure. Upon receipt of a subcontract invoice, the Grant Administrator ensures that costs are consistent with the time and budget of the grant. The invoice will then be sent to the PI, or

authorized signatory, for approval. If it is believed there is a problem with any invoice, it should not be approved for payment. Issues are to be brought to the VP of Research Administration or your Grant Manager.

- c. **Monitoring the technical progress of the subcontractor.** PIs and/or authorized persons should keep abreast of the subcontractor's progress via telephone, email, meetings, or progress reports of site visits. If it is believed that satisfactory progress or timely reporting is not being accomplished, the PI will consult with Research Administration about possible actions under these circumstances.
- d. **Final Invoice.** In order to certify that the subcontractor has achieved the overall goals of the project, final invoices should only be approved for payment if the PI is satisfied the goals of the prime award have been met and that costs incurred are appropriate.

### 5.3 Monitoring Through A-133 Audit

- a. Annually, Research Administration will run reports from Federal Audit Clearinghouse based on the current fiscal year sub-recipient list to identify sub-recipients with findings.
- b. If a finding is documented, Research Administration will contact the sub-recipient institution to request/obtain their financial statements, detailed finding and their corrective action plan.
- c. For sub-recipients that are not subject to an A-133 Audit - such as foreign institutions - Research Administration will obtain documentation of the institution's required final audit report from the past completed fiscal year. Full General Ledger expense reports from the institution for the account being billed may be required as additional backup to accompany all invoices from the subrecipient.

### 5.4 Termination/modification of subcontract

- a. Research Administration will determine the severity of the finding as well as effort to correct. If unresolved based on their audit, the subcontract will be terminated.
- b. Should it be necessary to modify or terminate an executed subcontract on the PI's end, they contact Research Administration as soon as possible.

## 6 Related Policies

Purchasing Policies & Procedures  
DUNS Policy and Procedure