

## Texas Woman's University Procedures for Monitoring Subrecipients

### Purpose

To ensure that subrecipient monitoring is conducted in compliance with laws, regulations, and terms and conditions of awards.

### Definitions

Subrecipients subject to OMB Circular A-133 are non-profit organizations exceeding the federal expenditure threshold of \$500,000 per annum.

Vendor: The table below provides guidance on determining whether an agency should be classified as a subrecipient or a vendor.

#### ***Subrecipient***

- Meets the objectives of the funded program through performance measures
- Makes programmatic decisions
- Complies with applicable program requirements
- Uses the funds awarded to carry out a portion of the program

#### ***Vendor***

- Provides goods and services as part of their normal business operations to a prime entity
- Provides similar goods and services to many different purchasers
- Provides goods and services that support the operation of the federal program
- Operates in a competitive environment

\* other definitions found in policy

### Proposal Stage

The following documents are required from potential subrecipients (pre-award) during the proposal stage:

- Letter of intent, consortium agreement, or other documentation of commitment.
- Statement of work, budget and budget justification strongly encouraged.
- On proposals submitted to PHS, NSF, and any other agencies with significant financial conflict of interest (FCOI) requirements, an assurance that subrecipients will comply with regulations. Refer to FCOI procedures for more detail.

### Award Notification

1. Review the Excluded Parties List System (<https://www.sam.gov/portal/public/SAM/>) to ensure the entities are not excluded from receiving federal funding. The date of this

debarment check should be input into the subrecipient database form. If an entity is not on the list, proceed to next step. If entity is debarred: 1) a subcontract will not be issued on a federal grant or contract; and 2) if subcontracting on a non-federal award, a subcontract may not be issued or the agency will be classified as high-risk.

2. Enter all information for each subcontractor into database. Database information includes FFATA data elements and risk assessment information (See appendix A for risk assessment matrix).
3. Run the Subrecipient Risk Assessment Profile. Once the profile is complete and risk level determined, a.pdf of this report must be saved in the electronic grant subcontract file before issuing an agreement to the subrecipient.
4. If the entity is determined to be a medium-risk or high-risk subcontractor, the PI and ORSP will work together to develop a management plan before the subcontract is issued. Items from this management plan will be incorporated into the agreement and added to the database timeline in the grants management screen.

Below are possible items to consider when developing the management plan:

- write a more detailed Statement of Work
- authorize more limited allotments of time and money
- require more frequent technical reporting, additional correspondence with PI
- add more detailed or frequent invoicing requirements
- add requirement for expenditure backup materials
- develop a management plan for FCOI if the subrecipient does not have a current FCOI policy in place
- tie payments to receipt of satisfactory technical progress reports
- require on-site or desk monitoring (technical and financial)

### **Initiating and Executing the Contract**

1. ORSP drafts the subcontract based on the FDP template which has been approved by TWU's General Counsel. The template will be modified as needed based on agency requirement, subrecipients risk level (and management plan), and other project-specific requirements.
2. Subcontract draft is sent to PI for review and approval, specifically the scope of work, budget, and reporting information.
3. Once draft has been approved by all parties, ORSP issues subcontract to the subrecipient agency. Unless TWU has an audit letter less than one-year old on file for the subrecipient, the audit letter is sent with the subcontract.

4. Once the partially executed subcontract and audit letter are returned, the audit letter will be reviewed to determine whether or not the risk needs to be reevaluated.
5. Once review has been done and contract is ready for execution, it will be sent to the Provost for signature.
6. ORSP will send a fully executed copy to the subrecipient and PI.
7. ORSP will initiate a purchase order in the Oracle system, attach a copy of the fully executed contract to the requisition, and send to the authorized account holder for approval.

### **Monitoring Subrecipient**

1. PI should review all reports submitted by the subrecipient.
2. PI should have regular contact in order to review and evaluate **progress** through phone conversations, email communication, face-to-face discussion, site visits, technical reports, or other deliverables, as appropriate, to make periodic determinations about the subrecipient's overall progress. All types of contacts should be documented via meeting notes, notes on phone conversations, etc.
3. ORSP will annually request and review audit letters to determine if the risk assessment needs to be reevaluated.
4. OSRP and PI will review invoices prior to payment. PI will indicate approval of invoice in writing to ORSP before invoice is processed. Items to be reviewed may include but are not limited to:
  - is cost share documentation acceptable,
  - does billing match progress and approved budget allocations, and
  - is subrecipient making adequate progress towards objectives?

### **Closeout**

1. PI will review final technical reports to verify that all work is complete.
2. PI and ORSP will verify that all required closeout documents have been received
3. Upon verification that requirements #1 and #2 have been met, final invoice will be paid.

### **Roles and Responsibilities**

**Principal Investigators (PIs)** have primary responsibility for monitoring. The duties of the PI include but are not limited to:

- Approval of the scope of work.
- Approval of the subrecipient's proposed budget.
- Regularly review and evaluate subrecipient's progress.
- Review of all technical reports and submit copies of these reports to ORSP. Any unusual or unforeseen items outlined in or omitted from the technical reports should be investigated by the PI.
- Review of subrecipient invoices and approval for payment.
- Approval of any budget or program changes.

***The Office of Research and Sponsored Programs (ORSP)*** is responsible for:

- Review of grant applications to ensure that required subrecipient documents are complete.
- Conducting pre-award/award setup meeting, conference, or communication with PI that will include providing PI with copy of subrecipient monitoring policy and procedures
- Negotiating, preparing, and executing subaward agreements. ORSP will provide copies of fully executed to the subrecipient and PI.
- Reviewing, processing, and maintaining records of financial reports and invoices. This would include notifying the PI if ORSP observes that subrecipient funds are not being expended as outlined, cost share is not being met, documentation is incomplete, etc.
- Updating information at least annually related to audit status of subrecipients.

**APPENDIX A: RISK ASSESSMENT DETERMINATION MATRIX**

Description of Risk Assessment Item	Option	Score
Foreign / Domestic	Domestic	0
	Foreign	10
Organization Type	Higher Education	0
	School District	2
	Government Agency	0
	Private Non-Profit	2
	Private For-Profit	4
Maturity of Organization	Start Up (0-2 years)	8
	Relatively New (3-5 years)	4
	Established (more than 5 years)	0
Accounting / Procurement Systems	Yes	0
	No	6
Prior Experience with TWU	None	2
	Previous positive experience	0
	Previous negative experience	8
Amount of Initial Subaward / Subcontract	Less than \$25,000	0
	Between \$25,000 and \$100,000	2
	More than \$100,000	4
Special Considerations (i.e., audit findings, % of subaward to total funding, etc.): 1-10 points can be added or subtracted based on evaluation. Add description and points as needed.		-10 to 10
<b>RISK ASSESSMENT DETERMINATION:</b>		
<p>&lt; 6 points = LOW RISK          6 – 15 points = MEDIUM RISK          &gt; 15 points = HIGH RISK</p>		

**APPENDIX B: SUBRECIPIENT RISK ASSESSMENT PROFILE SAMPLE**

**Subrecipient Risk Assessment Profile for Illinois Institute of Technology  
Subaward 2011-106-1**

**TWU PI** Dr. Dojin Ryu  
**Title** Risk Assessment and Intervention Strategies for the Emerging Food Safety Threat of Ochratoxin in the United States  
**Agency** U.S. Department of Agriculture (USDA)

**RISK ASSESSMENT DETERMINATION: LOW RISK**

**Subrecipient Information**

**Tax ID #** 36-2170136  
**DUNS #** 042084434  
**Agreement Type** Subaward

**Date of Initial Debarment Check** 9/20/2011  
**Audit Type** A-133  
**Date of Most Recent A-133 Letter** 5/2/2011  
**Date of AD-1048 (USDA Only)** 5/2/2011

**Subrecipient PI** Dr. Jack Cappozzo [jcappozz@iit.edu](mailto:jcappozz@iit.edu)  
**Administrative Contact** Domenica G. Pappas [pappas@iit.edu](mailto:pappas@iit.edu)  
**Financial Contact** Jatan Clark [jclark9@iit.edu](mailto:jclark9@iit.edu)

Item	Start Date	End Date	Amount	PO #
Initial Agreement	3/1/2011	2/29/2012	\$37,447	40507

**Description of Risk Assessment Item**

**Foreign / Domestic** Domestic  
**Risk Organization Type** Higher Education  
**Maturity of Organization** Established (more than 5 years)  
**Accounting / Procurement Systems** Yes  
**Prior Experience with TWU** None  
**Initial Amount** \$37,447  
**Special Considerations** N/A

Tracy Lindsay  


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**Person Conducting Risk Assessment**

8/25/2011  


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**Date Assessment Completed**