**Sub-Recipient Monitoring Process
(Reference URI Policy 99-01 Subrecipient Monitoring)**Rev. February 17, 2022

Office of
Sponsored Projects



The University of Rhode Island (URI) has developed this Standard Operating Procedure (SOP) in accordance with Federal Policies including recommendations under the uniform guidance (2 CFR §200, effective 12/26/14 when monitoring subrecipients).

The URI Pre-award office of the University of Rhode Island uses the forms attached to monitor the activities of our sub-recipients and to ensure that federal awards are administered in compliance with regulations, laws and agreements. Additional risk assessments are performed if a subrecipient is deemed to be high risk.

The URI collects a Checklist to Determine Subrecipient Involvement. This form is used to ensure that this is a true Subrecipient arrangement.

The Following documents are included as part of the subrecipient monitoring:

* Scope of Work
* Budget
* Budget Justification
* Checklist to Determine Sub-recipient Contractor Involvement
* Domestic Sub-recipient Monitoring Form
* Foreign Sub-recipient Monitoring Form
* Risk Assessment checklist
* Negotiated Indirect Cost Rate Agreement (NICRA)

Subrecipients are required to provide a copy of their negotiated indirect cost rate agreement (In §200.414(f), the guidance states that nonfederal entities that have never received a negotiated indirect cost rate, except those covered in Appendix VII (D) (1) (b), may elect to charge a de Minimis rate of **10 percent** of modified total direct cost, which may be used indefinitely), scope of work, budget, budget justification and the forms listed below. All the forms become part of the official proposal package. If the subrecipient is a participant of the Federal Demonstration Project (FDP), OSP requires subrecipients to only complete a portion of the subrecipient monitoring form that is relevant to the project.

* Checklist to Determine Subrecipient or Contractor Involvement
<https://web.uri.edu/research-admin/files/Checklist-to-Determine-Subrecipient-or-Contractor-Involvement.pdf>
* Domestic Subrecipient Monitoring Profile
<https://web.uri.edu/research-admin/files/Domestic-Subreceipient-Monitoring-Profile-and-Letter-of-Intent-to-Enter-Consortium-Agreement-Oct-12-2021.pdf>
* Foreign Subrecipient Monitoring Profile
[Microsoft Word - Foreign Subrecipient Monitoring Profile July 28, 2019 (uri.edu)](https://web.uri.edu/research-admin/files/Foreign-Subrecipient-Monitoring-Profile-and-Letter-of-Intent-to-Enter-Consortium-Agreement.pdf)

All forms are reviewed to ensure that subrecipients are in compliance with federal guidelines as well as other sponsor guidelines. They are designed to show that all subrecipients have policies in place to enable participation on grants.

Subrecipients must verify that they are not debarred or suspended. Subrecipients must be registered in SAM and must have and active DUNS number. Forms listed above must be approved by the authorized organization representative (AOR) to ensure compliance with institutional policies as well as other policies.

 After the award is received, the Principal Investigator (PI) initiates the requisition to create the sub-award agreement. A requisition should be submitted with Supplemental Requisition Form, Attachment B and the required documents. Once the requisition is received by OSP, the Post Award Specialist reviews to ensure subrecipient agreements were approved by the grantor agency

The requisition, and all related documents such as Scope of Work, Budget Justification and Budget are attached and submitted through PeopleSoft Workflow. At that point the responsible OSP Post Award Specialist will review the requisition and verify all the related documents. Upon review and verification of the necessary documents the requisition will be approved in workflow. If the requisition was deemed incomplete in any way it will be denied in workflow and returned to the department.

**PROCEDURES FOR APPROVING SUBCONTRACT REQUISITION**

1. **Section 1: DESCRIPTION OF ITEM(S)**

|  |  |
| --- | --- |
| 1. Is the cost(s) allowable, reasonable and allocable to the project that is being charged?
 | Yes/No |
| If Yes, refer to A2; |  |
| If No, ask PI to justify and agency approval may be required. If it is not clear to you whether the cost(s) is the same as what is in the budget get explanation from PI or speak with Assistant Director for guidance on whether to move SUBCONTRACT REQUISITION forward or to get agency approval. |  |
| 2. Are the goods and / or services to be purchased or provided within the project period? Instructions for checking project dates are at the end of the document. | Yes/No |
|  If Yes, refer to B |  |
|  If No, ask PI to justify and agency approval may be required. |  |

1. **Section 2: CHARTFIELD DISTRIBUTION**

|  |  |
| --- | --- |
| 1. Is the proper account code, fund, department, program and project number being charged?
 | Yes/No  |
| If Yes, refer to Section C |  |
| If No, ask PI to justify and agency approval may be required |  |

1. **Section 3: REQUIRED SIGNATURES**

|  |  |
| --- | --- |
| 1. Is SUBCONTRACT REQUISITION signed by authorized signatory on grant? Instructions for checking the authorized signatories in PS is at the end of this document.
 | Yes/No |
| If Yes, Post-award Specialist approves the requisition in Peoplesoft. |  |
| If No, contact PI and ask them how they want to proceed in getting the appropriate signature. |  |

Once the requisition is approved, an OSP Pre Award Grant Specialist performs a risk assessment prior to issuing a subcontract. Under federal guidelines (2CFR200.331), the prime awardee is required to evaluate a subrecipient’s risk of noncompliance with Federal statues, regulations and terms and conditions prior to the issuance of a subrecipient agreement. This includes consideration of a subrecipient’s audit (if available) or financial statements (See [Attachment 1 for Risk Assessment Questionnaire](https://web.uri.edu/research-admin/files/risk_assessment_questionaire-September-13.xlsx)).

All out-going subrecipients as screened through Visual Compliance for Restricted Party Screening

The Pre-Award Grant Specialist will review the subrecipients audit information in the Audit Clearinghouse if available. If the audit is not available or has findings, the Grant Specialist will request their A-133 audit or their financial statements.

Upon receipt of the audit and/or financial statements, the Pre-Award Grant Specialist completes the Risk Assessment Questionnaire. In addition to reviewing the audit/financial statements, the Pre-Award Grant Specialist uses the criteria in Attachment 1 to determine risk.

If it is determined that the subrecipient is high risk (score of >50), the subrecipient is elevated to the Associate Vice President for Research Administration.

The Associate Vice President for Research Administration, along with the Associate Director of Pre-Award, will assess the subrecipient and determine whether to proceed with that organization based on the nature of the high risk, or if additional terms are needed in the subrecipient agreement that may require additional monitoring/documentation. If OSP determines that a subrecipient agreement will be offered, it will develop a plan specific to that organization and the nature of the high risk to be included under special terms and condition of the agreement that allow for closer and frequent monitoring (i.e, quarterly financial reporting of activities, yearly assessment including but not limited to site visits).

Once the risk assessment is complete, OSP will issue a subrecipient agreement. Following its full execution, a PO will be sent to the subrecipient so they may begin invoicing on the project.

PIs risk incurring personal liability if they authorize a subcontractor to begin work and guarantee payment in the absence of an executed subagreement and purchase order. Additionally, the subrecipient is not authorized to perform any work prior to the issuance of a valid purchase order by the Office Sponsored Programs.

After the subrecipient begins work, all invoices are sent directly to the PI. After the PI reviews and approves the invoice, it is then forwarded to the OSP Post Award Specialist for further review against approved budget line items before authorizing payment.

The Post Award Specialist is responsible for sending it to AP for payment.

**PROCEDURES FOR APPROVING SUBCONTRACT INVOICE**

**A. Section 1: DESCRIPTION OF ITEM(S)**

|  |  |
| --- | --- |
| 1. Is the invoice referencing the correct Subcontract Purchase Order and Subrecipient award number?
 | Yes/No |
| If Yes, refer to A2; |  |
| If No, ask PI to verify the Purchase Order related to the invoice submitted to OSP for review. |  |
| 1. Were the goods and / or services provided within the project period?
 | Yes/No |
| If Yes, refer to A3; |  |
| If No, ask PI to justify and agency approval may be required. |  |
| 1. Is the Chartfield string correct?
 | Yes/No |
| If Yes, refer to A4; |  |
| If No, ask PI to clarify. |  |
| 1. Are sufficient funds available on the Subcontract Purchase Order? Were goods and/or services provided according to budget?
 | Yes/No |
| If Yes, proceed to A5; |  |
| If No, contact the PI to clarify; agency approval may be required. |  |
| 1. Does the invoice contain the federally-required certification wording?

([2 CFR 200.415](https://www.ecfr.gov/cgi-bin/text-idx?SID=f587d16e4b0f40f6476e199eac572c98&mc=true&node=pt2.1.200&rgn=div5#se2.1.200_1415)) | Yes/No |
| If Yes, proceed to B; |  |
| If No, return the invoice to the PI for follow-up with the sub-recipient. |  |

1. **B. Section 2: REQUIRED SIGNATURES**

|  |  |
| --- | --- |
| 1. Is the Subcontract Invoice signed by the sub-recipient?
 | Yes/No |
| If Yes, proceed to B2; |  |
| If No, contact PI for follow-up with the sub-recipient. |  |
| 1. Is the Subcontract Invoice signed by PI? All invoices should be reviewed and approved for payment by PI.
 | Yes/No |
| If Yes, OSP Post-award Specialist approves the invoice and forwards to Kingston AP to be processed. |  |
| If No, return the invoice to the PI for review and signature. |  |

Amendments or Modifications to Subcontracts are initiated by the PI and processed by OSP. The PI will submit a Requisition for an Advice of Change for the subrecipient. The advice of change should include the Supplemental Requisition Information Form, attachment B and other necessary documents. An OSP Pre Award Grant Specialist will prepare the amendment and obtain all necessary approvals and signatures.

The fiscal activity during the life of the subcontract is monitored by the Post Award Specialist. During the close out process, the work completed is verified by the PI or their department. If needed, liquidation of the remaining balance of the subcontract will be initiated by the department in conjunction with AP, and the Purchase Order will be closed.