

Policy on Subrecipient Monitoring	Effective Date: July 15, 2014
Related Policies and Procedures:	

I. GENERAL STATEMENT

This Policy sets forth the requirements for assessing subrecipient capacity to properly manage subawards, and also for evaluating and monitoring financial and programmatic performance of subrecipients. The University is ultimately responsible for financial and programmatic monitoring of sponsored project funds and, accordingly, remains responsible to the sponsor for management of funds and performance goals when the University enters into a subaward. This Policy applies to all subawards issued under the University's sponsored projects, but does not apply to consultant agreements or to the procurement of goods or services from vendors. To the extent this Policy conflicts with the Government of the District of Columbia Subrecipient Monitoring Manual (DC Subrecipient Manual) the procedures set forth in the DC Subrecipient Manual shall govern. The DC Subrecipient Manual is available at http://cte.ed.gov/FMI/app/webroot/files/VFMI_2012_Session_5_District_of_Columbia_Subrecipient_Monitoring_Manual.pdf. The Policy applies to all Principal Investigators (PIs), co-PIs, and any other person with a role or responsibility in the application for, receipt of, or administration of sponsored projects.

II. DEFINITIONS

- A. OMB Circular A-133: The document published by the federal government's Office of Management and Budget assigning certain responsibilities to primary recipients of sponsored project funds. This document requires that the University monitor the activities of subrecipients as necessary to assure that sponsored project funds are used appropriately and that performance goals are achieved.
- B. Principal Investigator: The individual designated by the University as responsible for the scientific or technical direction of the sponsored project. The Principal Investigator is also part of the University team responsible for a sponsored project's financial and administrative compliance.
- C. Subaward: A legal instrument by which the University provides funds (or property in lieu of funds) to an eligible subrecipient (or a lower-tier transaction) to perform a substantive portion of a sponsored project. The term

does not include procurement of goods and services from vendors or to consultant agreements.

- D. Subrecipient: The legal entity that receives a subaward from the University under a sponsored project and that is accountable to the University for the use of the funds provided by the subaward.
- E. Vendor: A dealer, distributor, merchant, or other seller providing goods or services that support a sponsored project. These goods or services may be for an organization's own use or for the use of beneficiaries of the sponsored project. Additional guidance on distinguishing between a subrecipient and a vendor is provided in OMB Circular A-133.

III. PROCEDURE

A. Preliminary Procedures

The University will assess the subrecipient's financial status and internal controls based on documentation from the subrecipient and other independent sources (including, for example, audit reports, past monitoring reports, corrective action reports, etc.), in order to establish terms and conditions in the subaward agreement and a strategy for monitoring the subrecipient consistent with the level of perceived risk.

Based on this assessment, the University will place each subrecipient in one of the following categories: low risk, medium risk or high risk.

B. Subrecipient Monitoring

Based on the information obtained in the Preliminary Procedures process described in Section A of this Policy, the Offices of Sponsored Programs and CFO will collect data and information during the period of the subaward in order to monitor the financial controls and programmatic progress of the subrecipient. The University will use different monitoring processes depending on whether the subrecipient is designated as low risk, medium risk or high risk. Please see the DC Subrecipient Manual for further details on the specific requirements for monitoring each category of subrecipient.

C. Monitoring Reports

If any findings or concerns regarding a subrecipient are uncovered during the monitoring process, the University should communicate these findings or concerns to the subrecipient in a monitoring report. Copies of the monitoring report should be distributed to the Principal Investigator or Project Director and appropriate program and fiscal staff of the subrecipient, and others as appropriate.

The monitoring report should include the following information:

- Identification of the subrecipient and the program monitored;
- Description of the sponsored project activities the subrecipient is performing, including information about the eligible client population (if applicable);
- The dates of the monitoring review;
- University personnel who conducted the monitoring;
- Description of the monitoring activities and the information collected;
- Description of any findings or concerns made as a result of the monitoring activities;
- Corrective action recommendations and a timeline for a corrective action plan; and
- Any relevant University observations regarding the subrecipient's strengths and weaknesses.

D. Monitoring Follow-Up

To the extent necessary, the University will follow-up on any issues identified in the subrecipient monitoring report.

E. Failure to Comply with Subrecipient Monitoring Policy

Failure to comply with the Policy set forth above may result in disciplinary action up to and including termination of employment.

IV. EMPLOYEES OF OTHER DISTRICT OF COLUMBIA AGENCIES

To the extent the foregoing Policy is relevant to employees of District of Columbia agencies over whom the University lacks personnel authority, the University will work in good faith with those employees to effectuate adherence to the Policy.

V. CONTACTS

University Office of the Chief Financial Officer
University Office of Sponsored Programs

VI. COMMITTEES REVIEWING/APPROVING PROCEDURE:

Sponsored Programs Policy Committee
Audit, Administration and Governance Committee of the Board of Trustees
Board of Trustees of the University of the District of Columbia

HISTORY/REVISION DATES

Last Amended Date: July 10, 2014

Next Review Date: