

Subrecipient Monitoring Plan for Sponsored Projects

In order to maintain compliance with federal requirements and ensure sound stewardship of sponsored project funds, Oregon State University (OSU) regularly monitors subrecipient organizations receiving pass-through funds under the University's prime awards.

Monitoring of a subrecipient's performance, financial controls, and compliance is a shared responsibility between the Principal Investigator (PI), Office for Sponsored Research and Award Administration (OSRAA) and the Business Center supporting the project.

Subrecipients are assessed for financial, organizational, and compliance risk at different stages of the sponsored project life cycle. Initial risk assessment takes place prior to proposal submission and continues during issuance of subaward agreements and modifications, annual single audit or financial control review, and documentation of closeout requirements.

Outline of subrecipient monitoring and risk assessment by stage of award life cycle:

Proposal Development

- a. OSRAA provides guidance, both online and directly to PIs, on making the distinction between a subrecipient and a vendor when developing proposal budgets consistent with the criteria included in Uniform Guidance section 200.330 (a)-(b).
- b. PI or designee submits the [Cayuse Sponsor/Subcontractor Registration Form](#) to add a subrecipient to the Cayuse proposal system for inclusion in a proposal submission. OSRAA's Administrative Program Specialist (APS) reviews request form for completeness, screens the subrecipient information through SAM.gov, and sends the information and results to the appropriate Proposal and Award Management (PAM) team.
- c. During full proposal review, AGCO reviews subrecipient statement of work, budget, and ensures a commitment letter is received from the subrecipient's authorizing official. A proposal is not approved in Cayuse until OSU has received and reviewed these documents. If questions arise during this review, the AGCO requests additional documentation or information from the subrecipient and may make notes to the Cayuse proposal record.

Award Negotiation

- a. Once a prime award or prime modification is accepted by OSU, OSRAA sends an award notification ("PI Letter") to the PI and Business Center. This email includes a notation of whether subawards are included in the award and prompts the PI to confirm when they are ready to issue the associated subaward(s). The PI completes the [New Subaward Request Form](#), or a [Subaward Amendment Request Form](#) and includes information such as changes to budget or scope and if any special conditions should be included in the subaward. Subaward Amendment Request Forms also include the PI's concurrence to whether the

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subrecipient is making sufficient progress towards completion of the scope of work. If the PI or designee provides the same information as contained in this form in e-mail format, OSRAA will not require the form.

- b. The New Subaward or Subaward Amendment Request Form is received in OSRAA, logged into the Contracts database for tracking and assigned to a Grant and Contract Officer (GCO). Once logged into the database and assigned to a GCO, the email containing the request form is forwarded to the Subawards@oregonstate.edu email and filed in the Subrecipient Risk Review folder.
- c. The Award Compliance and Education (ACE) unit within OSRAA is responsible for the initial risk assessment on all requests for new subaward agreements or subaward modifications. ACE monitors the Subawards email folder for new requests and completes the OSU Subrecipient Risk Assessment Form. Based on this assessment, higher risk subrecipients are sent an OSU Subrecipient Questionnaire so that OSU may obtain additional information in order to fully determine management needs for any identified risk.

Risk determination criteria include the following:

- OSU's current and prior experience with the subrecipient
- The subrecipient's prior audit results
- The size of the subrecipient's annual subaward budget relative to the subrecipient's total sponsored research portfolio
- The percentage of the prime award passed through to the subrecipient
- Type of subrecipient organization (for-profit, non-profit, foreign, etc.)
- The level of sophistication of the subrecipient's administrative team and financial systems

Low-risk subrecipients, such as those with clean single audit and historical performance with OSU will undergo a minimized risk assessment to include checking debarred status in SAM.gov and review of the OSU Compliance Review Log to confirm audit results and performance notes. The Subrecipient Risk Assessment Form for both low risk and high risk subrecipients will be filed in the OSU subaward file, currently in the Nolij system.

- d. If the subrecipient is an Oregon company, ACE checks the Oregon Business Registry to confirm that no principals of company are OSU employees or if a conflict may need to be managed.
- e. ACE saves the risk assessment and financial questionnaire documents in a shared file and notes the results of the risk assessment on the OSU Subrecipient Compliance Review Log so

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that once the GCO is ready to draft the subaward agreement or modification, they may access the initial risk assessment information in the log and documents.

- f. The GCO prepares the subaward agreement or modification, inserting special terms and conditions as needed to address concerns indicated in the risk assessment notes. This is in conjunction with any special terms and conditions required of the prime award and OSU's PI.
- g. As the subaward agreement or modification is drafted, negotiated and executed, the GCO completes the steps on the OSRAA Checklist for Subaward Processing. Components of this checklist include additional risk assessment for the particular prime award and subrecipient. Examples of these steps include GCO confirmation that the prime award setup has been completed, that the subaward request is consistent with the prime award and review of the status of the subrecipient in SAM.gov and screen print for the award file.
- h. Once the subaward agreement or modification is fully executed, the GCO compiles all documents for the final subaward file. These documents include the New Subaward Request or Subaward Amendment Request, OSU Subrecipient Risk Assessment, OSRAA Checklist for Subaward Processing, and SAM.gov screen-prints to be filed with the executed subaward agreement or modification in OSU's electronic project filing system, currently Nolij. The OSU Subrecipient Questionnaire will remain available in the OSRAA shared file.
- i. This assessment and documentation takes place each time a subaward modification is processed, throughout the life of an award.

Award Management

- a. OSRAA sets up each new subaward or modification in the financial system and creates an encumbrance so that the PI can readily identify which project funds are already obligated to a subrecipient.
- b. Subrecipients submit invoices directly to OSRAA, where ACE completes a review of the invoices before sending an electronic copy to the PI's Business Center to facilitate the PI's review and approval, and to process for payment. The email instructions from OSRAA include a Net30 due date for payment in order to comply with the Uniform Guidance Section 200.305 (b)(3). The PI's approval of the invoice confirms appropriateness of costs and progress towards the objectives of the subrecipient's scope of work. OSRAA queries payments made to subrecipients that are 30 days past the invoice date to document the reasons, such as a PI questioning specific costs, for any payments made past 30 days.

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- c. For subsequent budget years of a multi-year award, the PI must request an amendment of the subaward using the [Subaward Amendment Request form](#). In addition to a section of the form asking for a PI's concurrence to whether the subrecipient is making sufficient progress towards completion of the scope of work, there is a section to indicate any subrecipient issues to be addressed that may need to be managed with updated or new terms in the amendment.
- d. During the life a subaward, ACE and PAM will communicate with each other if issues arise that warrant adding additional restrictions on a subrecipient. Examples of such matters are multiple delinquent invoices, negative audit findings, and change to a subrecipient's organizational or financial capabilities.

Annual Subrecipient Audit Review

- a. Annually, ACE downloads the previous fiscal year's data from the Federal Audit Clearinghouse (FAC) and merges the information with OSU's subrecipient data. This process results in a final list of OSU subrecipients with audits filed in the FAC. ACE reviews the audit reports for subrecipients with findings and/or significant deficiencies to determine applicability of the findings to OSU's pass-through awards. This workbook is kept as the fiscal year's OSU Subrecipient Compliance Review Log where additional notes are compiled throughout the year for reference by ACE, as well as the Proposal and Award Management (PAM) AGCOs and GCOs.
- b. A portion of the OSU Subrecipient Compliance Review Log contains a list of subrecipients not subject to single audit. ACE reviews the subaward agreements for these organizations and documents review of financial controls through the subrecipient's completion of the OSU Subrecipient Questionnaire, sampling of invoice source documentation, desk audits, site visits, and results of previous projects at OSU or comparable financial and budget review documentation from federal agencies directly to the subrecipient.

Award Closeout

- a. ACE sends a closeout email to subrecipients thirty (30) days prior to the subaward end date. This email is to remind subrecipients when the final invoice and the Subaward Closeout Form (included as an attachment to the original subaward agreement) are due. When the final invoice is received, OSRAA follows the same invoice procedure as described above and also obtains a PI Closeout Form from the PI, attesting that the subrecipient work was completed and all deliverables received.
- b. If the PI indicates that there were problems with the subrecipient for the award, OSRAA works with the PI and subrecipient to resolve any issues. If the issues are unresolved, the matter may be escalated within OSRAA and the PI's unit. These issues are noted in OSRAA's Subrecipient Compliance Review Log for reference if additional subawards are requested with the organization in the future.



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Document References:

Cayuse Subcontractor Registration Form
New Subaward Request Form
Subaward Amendment Request Form
OSU Subrecipient Risk Assessment Form
OSU Subrecipient Questionnaire
OSU Subrecipient Compliance Review Log
OSRAA Checklist for Subaward Processing
Subaward Invoice Transmittal Email
Subrecipient Closeout Email
Subaward Closeout Form
PI Subaward Closeout Form
SOP – Subrecipient Audit Review
SOP – Subrecipient Risk Assessment Form