Boise State University
Federal Subrecipient Monitoring Guidelines

I. Overview:

The purpose of this document is to communicate Boise State University’s (“University”) guidelines related to the programmatic and financial monitoring of its sponsored project Subrecipients (the “Guidelines”). A “Subrecipient” is a non-Federal entity that receives a Subaward from University to carry out part of an Award.

These Guidelines provide University’s procedures for making Subrecipient determinations and assessing and determining Subrecipients’ levels of risk. These Guidelines also set forth the required Subrecipient monitoring activities throughout the life-cycle of sponsored projects and define roles and responsibilities for these activities.

II. Definitions:

- **Award**: A formal written agreement related to a University sponsored project that is entered into by University and Sponsor to support Federally-funded research, instruction, training, service or other scholarly activities. An Award is either: (i) Federal “Financial Assistance” (i.e., a Grant or a Cooperative Agreement under the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards in 2 CFR Part 200 (“Uniform Guidance”); or (ii) a Federal “Contract” under the Federal Acquisition Regulation in 48 CFR Parts 1 – 53 (“FAR”).
- **Contractor**: A vendor, dealer, distributor, merchant or other seller providing goods or services (i.e., a procurement relationship) that are required for the conduct of an Award.
- **Sponsor**: The party entering into an Award with University and providing Federal funds to University either directly (i.e., as a Federal agency) or as a pass-through entity.
- **Subaward**: A Subaward is a formal written agreement made between University and a Subrecipient to perform a portion of the Statement of Work under an Award. Subawards generally contain flow-down terms and conditions from the Award.

III. Purpose:

When University assigns responsibility to Subrecipients to perform work, University remains responsible to the Sponsor for the management of the funds and the
performance of the work. University is responsible for ensuring the work performed by Subrecipients is conducted and administered in compliance with Federal regulations, Sponsor regulations and University policies.

IV. Determine if the Proposed Activities Creates Subrecipient or Contractor (Vendor) Relationships with University.

Before entering into relationships with other entities for goods, services, or substantive work under an Award, determinations must be made regarding the nature of the entities’ relationships to the University. (2 CFR § 200.330).¹

At the time of proposal submission, the University Principal Investigator (“PI”), in collaboration with the Office of Sponsored Programs (“OSP”) Research Administrator (“RA”), will answer questions designed to assist in making these determinations. This effort is documented in Section 8 of the OSP Proposal & Award Acceptance Workflow (“Proposal Workflow”). See Section 2.2.10, Completing Section 8, of the Frevvo User Guide for details.

OSP will make the overall determinations for evaluated entities. If it is determined that the entities are Subrecipients, risk evaluations are required (Section V.)

V. Subrecipient Risk Assessment

University is required to evaluate each Subrecipient’s risk of noncompliance with Federal statutes, regulations and the terms and conditions of a Subaward. (2 CFR § 200.331).

At the time of proposal submission, University’s PI, in collaboration with the RA, will answer questions designed to assist in making these determinations. This effort is documented in Section 8 of the Proposal Workflow. See Section 2.2.10, Completing Section 8, of the Frevvo User Guide for details.

Based on the answers and information provided during the proposal preparation stage, the RA will classify Subrecipients as low, medium or high risk. Subrecipient monitoring activities will be determined and performed based on the risk classification.

¹ Many citations in this Guidance refer only to the Uniform Guidance. This is because most University Awards are Financial Assistance. In many instances, Federal Contracts have similar requirements, so University’s process treats similarly Subawards under the Uniform Guidance and the FAR.
VI. Pre-award Process

When a proposal includes Subrecipients, the following components are required:

- **Subrecipient Commitment Forms ("SCFs")** – SCFs include information designed to assist with Subrecipient monitoring. The information on the SCFs includes, but is not limited to:
  - Information as to whether or not the proposed Scopes of Work include human and/or animal subjects, or biosafety issues;
  - Conflict of Interest certifications;
  - Verification that prospective Subrecipients are not debarred or suspended and do not have active exclusions in the System for Award Management ("SAM");
  - Certifications and commitments by prospective Subrecipients’ Authorized Officials to participate in the project and abide by the associated terms and conditions of potential Subawards; and
  - That prospective Subrecipients are in compliance with audit requirements per Subpart F to CFR Part 200, or provide information why they are not subject to the audit requirements per 2 CFR § 200.501.

- **Scopes of Work** – Must outline the work to be provided and accomplished by Subrecipients during the project period.

- **Budget and Budget Justification** – The RA will verify that prospective Subrecipients’ Facilities and Administrative ("F&A") costs are budgeted in accordance with: (i) Subrecipients’ Federally Negotiated Indirect Cost Rate Agreements ("F&A Agreements"); or (ii) a de minimis rate 10% of modified total direct costs.

- **Additional items** may be required if prospective Subrecipients are foreign entities.

- **Sponsor specific requirements** may also apply. For example, if the ultimate funding source is NASA, a signed acknowledgement of the NASA Assurance of Compliance – China Funding Restriction form is required.²

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VII. Establishing Subawards

Subawards are issued only after a fully executed Award is received by OSP from the Sponsor. Following receipt of the Award, OSP will prepare Subawards.

All Subawards will include the following information as required by 2 CFR § 200.331(a):
- Federal Award Identification Information;
- All applicable flow-down provisions from the Award; and
- Subrecipients’ applicable F&A rates as verified by obtaining Subrecipients’ F&A Agreements, or a de minimis rate of 10% modified total direct costs.

The OSP Contracting Officer (“CO”) will work with University’s PI, applicable Business Manager and applicable Departmental Administrator as defined in the Proposal Workflow to negotiate terms and conditions and ensure that applicable requirements are met.

The CO will:
- Verify that Subrecipients and Subrecipients’ PIs have not been debarred or suspended;
- Obtain protocol approval numbers as required (e.g., Institutional Review Board (“IRB”), Institutional Animal Care and Use Committee (“IACUC”), Institutional Biosafety Committee (“IBC”));
- Review the risk assignments;
- Include special terms and conditions deemed necessary to mitigate risk of conducting business with Subrecipients. Special terms and conditions or other steps to mitigate risk include, without limitation:
  - Providing training materials and including acknowledgement statements in Subawards;
  - Requiring additional, more detailed financial reports;
  - Establishing detailed prior approval requirements; and
  - Requiring additional, more detailed programmatic reporting.

OSP will route the completed Subawards as established in the Steps for Subaward Negotiation and Acceptance. See Subawards web page.
VIII. Subrecipient Monitoring During the Project Period

After Subawards are issued, Subrecipient monitoring activities begin. Activities will vary depending on the levels of risk assigned. Generally, the following monitoring activities will be performed:

**Low Risk**
- Review audit reports and evaluate any findings; and
- Review Subrecipient invoices to ensure that:
  - Work is performed within the project period (and any applicable budget periods);
  - They are complete and accurate;
  - The expenditures are allowable per Subaward budgets and University’s PI approves as acceptable to issue payment.

**Medium Risk** - Perform all review steps as listed in the “Low Risk” category in addition to the following:
- Determine how material any audit findings are in the audit reports and whether they pose an increased risk to Subrecipients’ abilities to be in compliance and carry out their Statements of Work;
- Request expenditure detail as supporting documentation for invoices on a monthly or quarterly basis, and evaluate documentation received for sufficiency; and
- Request and review financial reports more frequently, if possible.

**High Risk** - Perform all review steps as listed in the “Low Risk” and “Medium Risk” categories in addition to the following:
- Request expenditure detail as supporting documentation for all invoices;
- Maintain regular contact with Subrecipients’ PIs to ensure Subrecipients are meeting programmatic expectations and document communication in Subaward files;
- Exercise the option to audit or consider performing a site visit or desk review; and
- Withhold payments to Subrecipients if deemed necessary.

IX. Subaward Invoice Review and Processing

Subrecipients are expected to send their invoices to OSP’s applicable financial contacts (i.e., Sponsored Project Administrators (“SPAs”)) consistent with the terms of the Subawards. Upon receipt of invoices, SPAs will date stamp the receipt date on the invoices. SPAs will review the invoices and forward stamped copies to University’s PI for review and approval. SPAs should consider the following items when reviewing Subrecipients’ invoices:
• Correct Subrecipient and Subaward numbers are provided;
• Total amount of Subawards are listed and accurate;
• Time periods of invoices coincide with the previous invoices (they generally should not overlap, have gaps in time or exceed the project end dates);
• If possible, check that the fringe benefit rates and amounts are accurate for current invoices;
• Check F&A rates to determine they are calculating correctly and are the federally approved F&A rates;
• The current and cumulative totals are in accordance with the approved budgets, including any line-item categories and total amounts; and
• Cost sharing and match commitments are documented on the invoices.

If there are concerns, SPAs will contact Subrecipients for clarification or additional documentation. No invoices will be approved for payment until all issues have been resolved. If concerns cannot be reasonably resolved or if the same concerns repeatedly occur, SPAs should consult with the OSP post-award manager who will re-evaluate Subrecipients’ risk categories.

If University’s PI determines there are concerns with one or more invoices related to the performance of the work, University’s PI should contact the Subrecipients’ PIs to discuss the concerns and notify OSP of the concerns.

X. Subaward Closeout

Important parts of Subrecipient monitoring are the closeout activities at the end of the project period. At this stage, a final determination is made by University’s PI and SPA (with input from the CO) that Subrecipients have fulfilled all of their responsibilities under the Subawards. In general, Subawards are closed when all deliverables have been met and the final payments have been made.

The overall performance of Subrecipients will be documented for future use in assessing risk classification of Subrecipients.

XI. Responsibility Matrix

The following matrix may be used as a reference by University personnel when managing Subawards.
## Roles and Responsibility Matrix

<table>
<thead>
<tr>
<th>Principal Investigator</th>
<th>Business Manager</th>
<th>Departmental Administrator</th>
<th>OSP Research Administrator</th>
<th>OSP Contract Officer</th>
<th>Sponsored Project Administrator</th>
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</thead>
<tbody>
<tr>
<td><strong>Proposal Stage</strong></td>
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<tr>
<td>Determine if the proposed activity creates Subrecipient or Contractor (vendor) relationships.</td>
<td>✓</td>
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<tr>
<td>Obtain detailed Scopes of Work, Budgets, and Budget Justifications from Subrecipients and ensure the Subrecipients’ roles on the project are clearly defined.</td>
<td>✓</td>
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<tr>
<td>Obtain Subrecipient Commitment Forms (completed by Subrecipients)</td>
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<td>Verify that the program and regulations allow Subawards.</td>
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<tr>
<td>Review Budgets for correct F&amp;A rates and obtain F&amp;A Agreements.</td>
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<td>Verify Subrecipients are registered in any proposal submission systems (FastLane, eRA Commons, etc. if necessary).</td>
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<td>Check SAM to verify the Subrecipients and Subrecipient PIs have not been debarred or suspended.</td>
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<td>✓</td>
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<td>Complete Risk Assessments and Classify Subrecipients in Risk Categories using the Proposal Workflow.</td>
<td>✓</td>
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<tr>
<td><strong>Subaward Review and Negotiation Stage</strong></td>
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<tr>
<td>Review Risk Assessments</td>
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<td>Review Subrecipients’ audits to assess if additional monitoring may be required.</td>
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<td>Verify if Subawards are subject to FFATA.</td>
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<td>Draft Subawards and include any special terms and conditions deemed necessary to mitigate risk.</td>
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<tr>
<td>Complete the Subaward review process.</td>
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<tr>
<td><strong>Post-Award Stage</strong></td>
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<tr>
<td>Review invoices from Subrecipients to ensure expenditures are allowable based on Subaward budgets.</td>
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<tr>
<td>Certify that the work performed by</td>
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<tr>
<td>Principal Investigator</td>
<td>Business Manager</td>
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<tr>
<td><strong>Subrecipients is being completed and is acceptable by signing Subrecipients’ invoices in a timely manner.</strong></td>
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<tr>
<td><strong>Maintain regular contact with Subrecipients regarding all technical aspects of the Subawards.</strong></td>
<td>✓</td>
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<tr>
<td><strong>Ensure that all deliverables required by Subawards are being completed and provided.</strong></td>
<td>✓</td>
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<tr>
<td><strong>Communicate with Subrecipients throughout the project period regarding any programmatic, administrative and/or or financial issues that may arise.</strong></td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td><strong>Communicate with OSP staff about any deliverable or performance-related issues.</strong></td>
<td>✓</td>
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</table>

**Subaward Closeout Stage**

| **Verify that final invoices are received and marked “final.”** |  |  |  | ✓ |  |
| **Review all financial reports for completeness and accuracy.** |  |  |  | ✓ |  |
| **Review all technical/programmatic reports for completeness and accuracy and inform OSP of any concerns.** | ✓ |  |  |  |  |
| **Inform OSP as to the overall experience with the Subrecipients.** | ✓ |  |  |  |  |
| **Document the overall performance of the Subrecipients for future use in assessing the risk classification of Subrecipients.** | ✓ |  |  | ✓ | ✓ |