



UT Health San Antonio Subrecipient Monitoring

Introduction

The purpose of this document is to:

1. Assist UT Health San Antonio faculty and staff in the preparation and administration of subrecipient agreements issued under sponsored projects.
2. Assure compliance with the requirements of the Office of Management and Budget (OMB) Uniform Guidance, "Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards" by outlining required procedures for proper monitoring of all subagreements issued by UT Health San Antonio, and
3. To define the proper roles and responsibilities for monitoring subrecipients.

What is a Subrecipient Agreement?

A subrecipient is the recipient of a subagreement awarded to a domestic or foreign organization (either non-profit, educational institution, or private industry) for the performance of a portion of the work statement covered by a prime agreement that is funded either directly or indirectly with sponsored funds. It does not include agreements for consulting services or purchase orders for equipment, materials or other services.

An organization is considered to be a subrecipient of a federal award when it:

- Has its performance measured to determine whether the objectives of the federal program are met;
- Has responsibility for programmatic decision-making including possible authorship of manuscripts;
- Has responsibility for adherence to applicable federal program compliance requirements; and
- Uses the federal funds to carry out a program of the organization as compared to providing goods or services for a program of the pass-through entity.

A vendor relationship means a dealer, distributor, merchants, or other seller providing goods or services that are required for the conduct of a federal program. These goods or services may be for an organization's own use or for the use of beneficiaries of the federal program.

An organization is considered to be a vendor when it:

- Provides the goods and services within normal business operations;
- Provides similar goods or services to many different purchasers;
- Operates in a competitive environment;
- Provides goods or services that are ancillary to the operation of the federal program; and
- Is not subject to compliance requirements of the federal program.

Procedures for requesting that a subagreement be issued from UTHSCSA

To request issuance of an outgoing subagreement at UT Health San Antonio, contact the Office of Sponsored Programs (OSP). In order to issue the agreement, OSP will need, **in editable electronic format where appropriate**, subrecipient workscope, administrative contacts, any other deliverables required, budget, and any F&A rate agreements applicable to the subagreement.

ROLES AND RESPONSIBILITIES

Principal Investigator/Project Director (PI/PD) Roles and Responsibilities

1. Timely submission of all required material to OSP needed for subrecipient agreement issuance.
2. Oversight of the subrecipient's budget for allowability and reasonableness.
3. Provide appropriate assurance that any IACUC/IRB material has been collected and approved as per UT Health San Antonio/outside agency requirements.
4. Assure that reports and other material requested from subrecipients have been collected prior to payment of invoices. Monitor the subrecipient's progress and determine that payments are in line with the progress and the terms of the subagreement. Review the subrecipient's invoice, and if acceptable, sign and date the OSP Subrecipient Invoice Approval Form and return it back to the Office of Sponsored Programs.
5. If, through the PI/department review, any problems have been found in a subrecipient's performance that constitute non-compliance, such as improper costs billed to an award, inform OSP so that the University's records shall be adjusted as needed so the sponsor is not impacted (e.g. final project FFRs should be adjusted if needed).

Department/Administrative Unit Roles and Responsibilities

1. Assist PI/PD in the collection and preparation of all material required by OSP for issuance of subrecipient agreements. Subrecipient agreement requests should be sent to OSP in a timely

manner after the receipt of the prime award so that the scientific or other progress of the prime award is not delayed.

2. Review invoices received from the subrecipient for allocability, allowability and reasonableness of costs and that charges are within the period of performance of the prime award. Subrecipient invoices should include enough detail to determine how awarded funds are being used. In addition, if the subrecipient is contributing to any cost sharing commitments, the department should review the invoice for indications the subrecipient is meeting the commitments and has certified that all expenses are appropriate. Department/administrative unit reviewers should coordinate closely with the PI/PD of the prime project in order to determine that costs are appropriate for the subagreement.
3. Monitor subrecipient to assure that invoices and progress reports are submitted in a timely manner. Review the subrecipient's invoice, and if acceptable, sign and date the OSP Subrecipient Invoice Approval Form and return it back to the Office of Sponsored Programs.
4. Question costs which differ materially from the approved budget or which appear unusual or unallowable, and withhold payment until a satisfactory explanation is received.
5. Assures that final invoices are identified as such, and assist PI/PD as needed in completing project closeout requirements required by federal award terms.

Office of Sponsored Programs Roles and Responsibilities

1. Issue and approve subagreements to outside institutions based upon receipt of a formal subrecipient agreement request from the UT Health San Antonio PI/PDs or their departments/administrative units.
2. Before issuing the subaward, OSP obtains federal sponsor approval, if required, and completes a subrecipient risk assessment. OSP verifies that both the PI and Subawardee is not debarred by utilizing the third party system Visual Compliance. OSP reviews for any findings and compliance risks on subrecipients most recent singlewide federal audit report. OSP documents its review by completing a Subrecipient Risk Assessment and Compliance Record (SRAC). The SRAC documents verification of the subawardees registration in SAM, ensures no debarment actions in Visual Compliance and if the subawardee is subject to a federal single audit. If the organization does not have a federally negotiated rate, does not have a federal single audit, or is a foreign entity, OSP requires the organization to complete the "Subrecipient Audit and Compliance Questionnaire Long Form".

OSP's Subrecipient Audit and Compliance Questionnaire Long Form ensures the organization has the proper accounting techniques for delineating and managing federal funds. If an organization fails to demonstrate the proper procedures required to manage federal funding, OSP will not issue a subaward agreement to that entity. Lastly, once a subaward is issued and executed with applicable FFATA elements reported in FSRS, all pertinent information (ie. Issue date, FAIN and FFATA completion date) is entered into the OSP "Subaward Log" which servers as OSP local record for all subawards issued by our institution.

3. Advise subrecipients of requirements imposed on them by federal laws, regulations, and the provisions of contracts and grant agreements (i.e. debarment clauses) as well as any

supplemental requirements imposed by UTHSCSA by issuance of a formal subrecipient agreement referencing appropriate flow-through terms and conditions. OSP shall provide the award number, title of the award, and also include appropriate CFDA information to the subagreement.

4. All federal flow-through subagreements shall include appropriate debarment language requiring the subrecipient to assure that the PI, individuals working on the project, and institution are not debarred from receiving federal funds.
5. Monitor subrecipients by either collecting federal single audit certifications or performing an annual review of the federal audit clearinghouse for those institutions receiving \$750,000 or more per year in federal funds, and setting up proper monitoring procedures for those institutions determined to be non-low risk institutions.
6. Require each subrecipient to permit UT Health San Antonio and its auditors to have access to the records and financial statements as necessary to ensure that the subrecipient is in compliance with the OMB Uniform Guidance.
7. At time of initial issuance of subagreement, send monitoring email to PI/PD and department/administrative unit administrator that outlines subrecipient monitoring obligations. (See Attachment A)
8. Any problems that have been found in a subrecipient's performance, as reported by the PI/department review, that constitute non-compliance, such as improper costs billed to an award, OSP shall take the appropriate action to make any necessary adjustments. (e.g. final project FFRs should be adjusted if needed).
9. Process and complete required Federal Funding Accountability and Transparency Act (FFATA) reports on www.fsr.gov
9. Receive invoices from subrecipients, prepare OSP Subrecipient Invoice Approval Form and forward to appropriate department/administrator and PI for review and approval. The invoiced is reviewed to assure that the invoice number is correct, the amount invoiced is within the approved total cost of the subrecipient agreement, costs have been incurred within the subagreement period, and final invoices are submitted within sixty (60) days of the termination of the subaward. No subagreement invoices shall be approved if the review notes discrepancies.
10. Review, final approve and submit to the Office of Accounting for payment all subrecipient invoices after department review and approval of each invoice has been performed.
11. When disbursing funds to subrecipients, OSP provides the Office Accounting data elements to identify the dollar amount made available under the federal award and the CFDA number to be included on the check notes.

Attachment A
PI Monitoring Email

Dear Dr.

We have recently completed issuing the referenced subaward for work to be conducted under your award. It is attached for your files.

As the prime grantee, both UTHSCSA and you, as principal investigator/project director, have certain obligations for oversight of the entire project. These obligations include appropriate monitoring of a subawardee's performance and costs and ensuring that these costs are properly incurred in support of the project and that they are consistent with the deliverables being developed.

As you are aware, the subawardee is required to submit periodic invoices to OSP. In turn, OSP will prepare a Local/State voucher for payment and send that to you along with the subawardee's invoice for review, approval, and payment authorization. Federal regulations currently require that invoices be paid within thirty business days of receipt. In order to meet this deadline, we must have a timely review of the invoice. OSP will provide a due date for the invoice to be returned with the voucher.

Prior to your approval, you should review the invoice to determine that the amount being requested for payment is consistent with the accomplishments of the subawardee during the billing period. If there are deliverables or reports due, they need to be reviewed and accepted by you. If you believe there are problems with the invoice, such as equipment purchased without any required prior approval or more labor charged than you believe was expended, you should not approve the invoice for payment. Rather, you should consult with your department/administrative unit and Sponsored Programs to resolve these issues.

You are required to sign and make certain certifications on the voucher. These certifications are required by federal regulations and serve an important audit function for UTHSCSA.

Final invoices should only be approved for payment if you are satisfied that the subawardee has completed its performance under the award, has delivered all reports and deliverables and that the costs incurred are appropriate for that performance. You will be provided a Close Out Checklist along with the final voucher to help you verify all the program and audit requirements have been met.

Should it be necessary to terminate the award early, you should notify Sponsored Programs in writing. We will then coordinate the termination with you.

If you have any questions, please do not hesitate to contact your post-award accountant for assistance. We are happy to help.