



Sub-Recipient Monitoring Policy

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POLICY

San Francisco State University (SFSU) is responsible for financial and programmatic monitoring of sponsored project funds awarded to SFSU that are subcontracted to another institution, organization, or individual (sub-recipient).

For subcontracts that include any federal funds, sub-recipients are required to make an annual disclosure of any sponsored research audit findings. As a recipient of federal sponsored projects, SFSU must comply with the guidelines outlined in OMB Circular A-133.

SFSU is required by federal regulation to monitor expenses of federal funds awarded to the University that are sub-contracted to another institution, organization, or individual. To provide the monitoring required by federal regulations and to ensure good stewardship of sponsored projects, SFSU will review all sub-recipient expenditures for allowability, allocability, reasonableness, and proper compliance.

SCOPE

This policy applies to all sub-awards or sub-contracts issued under sponsored projects awarded to SFSU without regard to the primary source of funding. The following are the objectives of implementing this policy:

- A. Manages or eliminates any conflict of interest that arises from a sub-award or sub-contract by the university to an entity in which the university, Principal Investigator, or key personnel have a financial interest.
- B. Advises sub-recipients of federal laws or regulations, terms and conditions of the prime award or agreement, and SFSU requirements that apply to the sub-award or sub-contract.
- C. Provides sub-recipients with information regarding the prime award including Catalog of Federal Domestic Assistance number (CFDA), title, award name and number, award dates, and sponsoring agency, as required by OMB Circular A-133.
- D. Monitors costs and activities of sub-recipients to ensure that expenditures charged to SFSU are allowable, allocable and reasonable, and reflected in the scope of work of the sub-award or sub-contract. Ensures that the performance goals set forth in the scope of work are being met in a timely manner.
- E. Ensures that cost-share commitments made by sub-recipients are documented and adhere to all relevant regulations.
- F. Conducts an annual risk assessment of all active sub-contracts or sub-awards to determine which sub-recipients require closer scrutiny.

- G. Ensures that sub-recipients expending \$500,000 or more in federal awards during the sub-recipient's fiscal year have met the OMB Circular A-133 audit requirements for that fiscal year.
- H. Issues management decisions on audit findings within six months after receipt of the sub-recipient's audit report and ensures that the sub-recipient takes appropriate and timely corrective action.
- I. Considers whether sub-recipient audits necessitate adjustment of SFSU's records, such as budget modifications, or re-allocation of cost-shared resources.

ROLES AND RESPONSIBILITIES

Office of Research and Sponsored Programs (ORSP)

All sub-contractors or sub-recipients receive a copy of the sub-recipient monitoring policy.

- **Contract Specialist**
 - Ensures that sub-contract/sub-award paperwork is reviewed by the GA before sending to the Director of Procurement for signature.
 - Logs all expenditures/invoices on the sub-contract/sub-award.
 - Ensures that appropriate back-up documentation for expenditures has been provided by sub-recipient.
 - Routes the invoice to Accounts Payable for approval and payment.
 - Checks Excluded Parties List System to ensure that sub-recipient is not on debarred list.
- **Grants Administrator**
 - Reviews budget and scope of work before agreement is signed.
 - Reviews invoices submitted by the sub-recipient to ensure that costs are allowable, allocable and reasonable. Reviews back-up documentation provided for expenditures.
 - Reviews invoices and expenses-to-budget.
 - Ensures that cost-share commitments are documented in the invoicing process.
 - Authorizes approval for any invoices under \$5,000.
 - Assists PI with questions regarding sub-recipient invoices.
- **Post-Award Manager**
 - Completes a Quality Assurance review and signs all invoices between \$5,000 and \$10,000.
- **ORSP Director**
 - Completes a Quality Assurance review and signs all invoices over \$10,000.

- **Compliance Officer (CO)**
 - The CO has primary oversight responsibility for ensuring that sub-recipients complete an annual certification to disclose any sponsored research audit findings.
 - Conducts a risk assessment of sub-recipients to determine the level of oversight needed on each project.
 - Ensures that cost-shared commitments of sub-recipients are met and documented.
 - Performs periodic audits or site visits as deemed necessary.
 - Reviews A-133 audit reports filed by sub-recipients and any audit findings.
 - Reviews corrective actions cited by sub-recipients in response to audit findings, and determines sanctions imposed on sub-recipients who are unable or unwilling to conduct required audits or address issues of non-compliance.

Fiscal Affairs

- **Accounts Payable**
 - Confirms that the appropriate signatures have been obtained in ORSP.
 - Generates payment to the sub-recipient for the approved amount.

Academic Department

- **Principal Investigator**
 - Ensures that expenses invoiced by the sub-recipient for work and effort committed are appropriate to the approved budget and scope of work of the agreement.
 - Reviews technical or performance reports.
 - Ensures that any project deliverables (reports, financial or programmatic) are submitted to SFSU in a timely manner.

RELATED DOCUMENTS

- [OMB Circular A-21, “Cost Principles for Educational Institutions”](#)
- [OMB Circular A-110, “Uniform Administrative Requirements for Grants and Agreements with Higher Education, Hospitals and Other Non-Profit Organizations”](#)
- [OMB Circular A-133, “Audits of States, Local Governments, and Non-Profit Organizations”](#)
- [California State University Policies and Procedures](#)