



Office of Research and Sponsored Programs

Sub-Recipient Monitoring - Review Procedures

Issued: January, 2007

Implemented: March, 2007

POLICY BACKGROUND

A sub-recipient is any institution that receives a sub-contract from San Francisco State University (SFSU) for a portion of a sponsored project. For all sub-contracts that originate from a prime award funded by federal funds, SFSU requires the sub-recipient institution 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 the following OMB Circulars A-21, A-110, and A-133.

Therefore, all sub-recipient awards or sub-contracts are subject to the same regulations. SFSU will review all sub-recipient invoices for allowability and proper compliance, to provide the monitoring required by the federal regulations and ensure good stewardship of sponsored projects.

ORSP POST-AWARD

A. Receipt of Invoices from Sub-Recipient Institutions

1. Invoices are sent to the Grants Administrator (GA) as the contact person listed in the terms and conditions of the agreement.
2. Invoice is reviewed by GA and forwarded to the Grants Support Coordinator (GSC) who enters the following information in the sub-contract folder:
 - a. Date received
 - b. Invoice date
 - c. Invoice number
 - d. Invoice period
 - e. Invoice amount
 - f. PO (Purchase Order) balance

B. Grants Support Coordinator Review

1. GSC ensures that the invoiced period is within the contract period, and that any cost-sharing requirements have been met. (See Cost-Sharing/Matching Funds/In-Kind Contributions Procedures for details).
2. GSC discusses any unusual expense items with the GA or the Post-Award Manager to rectify the situation.

3. GSC contacts the sub-recipient to amend the invoice or to obtain additional supporting documentation.
4. GSC initials the invoice once the expense review is complete and any issues have been resolved.
5. GSC sends a copy of the invoice and back-up documentation to the Principal Investigator (PI) for review of charges.

C. Principal Investigator Review

1. PI reviews the invoice for appropriateness with sponsor requirements and programmatic progress.
2. If there are no concerns, PI signs the invoice and sends it to the GSC.
3. If concerns are found, the PI contacts the GA to discuss the unallowable or questionable items.

D. Grants Administrator Review

1. GA may request additional supporting documentation to justify expenses. For instance, the GA may request receipts, supporting invoices, payroll information, and other supporting documents.

E. Principal Investigator Returns the Signed and Approved Invoice to ORSP

F. Grants Support Coordinator Processes Approved Invoice

1. GSC stamps the invoice with the appropriate FMS chartfield information. NOTE: Sub-contract expenses under \$25,000 should be charged to account# 613001. While, sub-contract expenses over \$25,000 should be charged to account# 613800 (waived F&A).
2. GSC attaches supporting documentation for invoice.
3. GSC forwards all documents to GA, Post-Award Manager, or ORSP Director for approval, as appropriate:
 - a. GA approves invoices under \$5,000.
 - b. Post-Award Manager approves invoices under \$10,000.
 - c. ORSP Director approves all invoices over \$10,000.
4. GSC forwards approved invoice to Accounts Payable for payment.

ORSP COMPLIANCE

A. Risk Assessment of Sub-Recipients

1. Compliance Officer (CO) and ORSP Director conduct an annual risk assessment of sub-recipients to determine the level of scrutiny needed in the review of sub-recipient expenditures, based on the following criteria:
 - a. Size of the sub-contract or sub-award
 - i. Sub-awards or sub-contracts with annual budgets of over \$500,000 will require frequent review and monitoring.
 - ii. Sub-awards or sub-contracts with annual budgets of under \$100,000 will undergo routine monitoring procedures.

- b. Percentage of funds passed-through
- c. Award complexity, terms and conditions of prime award
- d. Prior experience with the sub-recipient
- e. CO determines the appropriate course of action which may include the following:
 - i. Audits of invoices and back-up documentation
 - ii. Reviews compliance with financial terms and conditions
 - iii. Reviews all cost-sharing commitments and back-up documentation
 - iv. Conducts site visits

RELATED DOCUMENTS

- [OMB Circular A-21, “Cost Principles for Educational Institutions, Principals for Determining Costs Applicable to Grants, Contracts, and other Agreements with Educational Institutions” Subpart A.3](#)
- [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](#)