Sub-Recipient Monitoring Policy

Issued: January, 2007
Implemented: March, 2007

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