

Subrecipient Monitoring Procedures

Jackson State University, as the pass-through entity, is responsible for monitoring the programmatic and financial activities of its subrecipients to ensure proper stewardship of sponsor funds. The following procedures accompany [JSU's Subrecipient Monitoring Policy \(12000.017\)](#) and describe the proper management of subrecipient activity for JSU sponsored projects.

At Proposal Development Stage:

- JSU PI submits a request to the Unit of Sponsored Programs (USP) for a preliminary review of the subrecipient organization and key personnel at the time of proposal development.
- The USP checks that the potential subrecipient entity is not debarred, suspended or pose a potential risk that would make them ineligible to participate or do business with JSU. (Please refer to [JSU's Suspension and Debarment Procedures](#)).

Initiating a New Subaward

- Upon receiving award, PI submits to USP the Scope of Work, Budget, Name of Subrecipient PI and entity, and any non-standard terms and/or conditions of the subaward.
- Prior to generating subaward, USP submits a Subrecipient Certification Form to subrecipient institution for completion.
- Upon receipt of the completed Subrecipient Certification Form, USP conducts a two level review on the sub-recipient using a uniformed Risk Assessment Questionnaire (RAQ):
 - I. Ensuring the sub-recipient, as an entity, has the necessary structure, policies, systems and controls in place to manage the sponsored project funding. This is achieved through reviewing the entity's financial standing.
 - II Collecting necessary information from the sub-recipient regarding specific project compliance approvals such as FCOI, IRB, IACUC, and any additional certifications from the sub-recipient that satisfy the terms of the prime award and sub agreement.
- Depending on the risk level (low, medium, high), USP will determine what language should be included in the subaward agreement. High risk category usually include items such as:
 - Findings on their most recent Single Audit audit report that relate to sponsored program activity.
 - The subrecipient does not have an annual Single Audit audit (if they are a single audit entity).
 - The subrecipient is a foundation or corporation.
 - The entity and/or the PI have a history of non-compliance.
 - A known history of non-performance.
 - A small company new to receiving sponsored program funds.
 - A foreign entity.
- The ratings are as follows: Low Risk (0-12); Medium Risk (12 –25) and; High Risk (25+)
- USP then issues the new subaward by using the appropriate template (Cost Reimbursement or Fixed Price) from the Federal Demonstration Partnership (FDP) website.
- If the subaward is \$750,000 and more, USP **must** request a Small Business Subcontracting Plan (*specific to the funding agency*) from the subrecipient.

- USP reports all new subawards by completing FATA reports in the Federal Funding Accountability and Transparency Act Subaward Reporting System (FSRS).

Continuous Subrecipient Monitoring

Sub-recipient monitoring is conducted throughout the life of the award.

- USP conducts annual assessments on active non-single audit subrecipient organizations;
- On an annual basis, USP must request single audit reports (A-133) and share with the Research Fiscal Compliance Officer;
- USP completes risk assessments on a rolling 3-year basis for single audit entities. High risk subrecipients are shared with the Research Fiscal Compliance Officer;
- PI ensures that subawardee is making programmatic progress. PI provides USP with a copy of all reports and evidence of work completion;
- Unit of Grants and Contracts (UGC) reviews and approves subrecipient invoices, and monitors subrecipient spending to ensure it is in accordance with the terms and conditions of the subaward (*See Invoice Centralizing Process below*); and
- The Fiscal Compliance Officer reviews problematic subawards and establishes an Entity Monitoring Plan.

An Entity Monitoring Plan (EMP) is established based on RAQ rating and is documented with the following:

- Initial RAQ and annual or renewal RAQ
- Audit Reports per 2 CFR 200 criteria or annual financial certification form
- Document maintenance of sub-recipient financial and programmatic activities i.e, financial reports and progress reports
- Compliance training certifications (and on-site reviews, if warranted)

If an entity has an audit finding, the finding is reviewed to determine if it is related to the funding that has or will be issued under a subaward, and ensure an appropriate corrective action plan is in process. Severe findings will warrant the Vice President for Research and Economic Development decision for proceeding with the subaward.

Site visits should be conducted annually for subrecipients that are categorized as high-risk. (*See Invoice Centralization Process*).

Subward Closeout

The closeout process is an integral part of subrecipient monitoring. At the end of the project period, the JSU PI, USP, and UGC, make the final determination that the subrecipient has fulfilled all of its responsibilities under the agreement. The closeout process includes the following:

- Review of the subrecipient at least 60 days prior to the end.

- PI is responsible for obtaining all technical/progress reports, patent invention documentation, and any equipment reports (if applicable).
- UGC ensures that final invoices have been received and approved for payment.
- USP issues Subaward Close Out Form to subrecipient for completion. The form serves as final certification of technical completion of the subaward.

Invoice Centralization Process

- The Unit of Grants and Contracts will get the invoice(s) from the vendor. Upon receipt, UGC will verify the availability of funds according to the approved budget and forward to Accounts Payables. AP will send to the originating Department for verification and approval prior to payment.
- The Research Fiscal Compliance Officer (RFC) will determine the risk level and customize a monitoring plan for the sub-recipient upon approval of award by USP. If there are questionable costs during the invoice processing, the PI may request the RFC to conduct a compliance assessment of that sub-recipient.
- A site visit may be deemed necessary upon the results of an assessment. This visit allows us to examine and determine if there are any additional risks involved with the sub-recipient. Deeming a sub-recipient as high risk may warrant regular compliance visits to ensure fiscal accountability and stability exists. This internal control also aligns with and support section 200.331 of 2 CFR Part 200.
- The compliance assessment conducted by the RFC will be formally written up and presented to Vice President for Research and Economic Development within 30 days. Should any material instances of non-compliance exist, the RFC will make recommendations on how to proceed.
- UGC will withhold payment(s) until any and all concerns have been resolved. The Principal Investigator will notify the sub-awardee of any delay of payment and an explanation will be provided regarding the delay.
- Should any costs be disallowed or questionable, Accounts Payables will be notified to return the original invoice to the sub-recipient. A revised one will be submitted and the review and approval process must begin again.
- If there are no more discrepancies and approvals have been obtained, then the invoice will be processed by Accounts Payables for payment. AP **MUST** see both UGC and PI approvals prior to processing.