

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](#)).

Subrecipient vs. Contractor Determination:

JSU will conduct a determination process consistent with [2 CR 200.331](#) to classify external entities as either subrecipients or contractors. The following guidelines will be used:

- A **subrecipient** is an entity outside JSU who will help carry out a portion of a federal award and adhere to programmatic decision-making, performance objectives, and compliance requirements. This relationship implies that the subrecipient is an integral part of the project and accepts responsibility for a portion of the project effort. Subrecipients are usually in the original proposal as collaborating institutions.
- A **contractor** is an individual or entity outside JSU who possesses specialized expertise, engaged to give professional advice, make recommendations, or address a specific problem. They provide goods and services within normal business operations and have little or no responsibility for overall project effort and are usually retained on a short-term basis.
- A **checklist** and **decision matrix** will be used during proposal development to classify the relationship based on [2 CFR 200.330](#) criteria. This determination will be documented and filed.

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.
 - II Collecting necessary information from the sub-recipient regarding specific project compliance approvals such as FCOI, IRB, IACUC, etc.

Approval by NSF (or Federal Sponsor) Prior to Award:

Before any subaward agreement is drafted or executed, JSU must seek written approval from NSF or the relevant Federal sponsor. No subawards may be issued or funds disbursed until sponsor approval is obtained. This approval will be documented and included in the subaward file.

- Depending on the risk level (low, medium, high), USP will determine what language should be included in the subaward agreement.
- USP then issues the new subaward using the appropriate template from the Federal Demonstration Partnership (FDP) website.
- If the subaward is \$750,000 or more, USP must request a Small Business Subcontracting Plan from the subrecipient.

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 review them for any audit findings. 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.
- USP completes risk assessments on a rolling 3-year basis for single audit entities.
- PI ensures that subawardees are making programmatic progress and provides USP with a copy of all reports.
- 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 Compliance Officer reviews problematic subawards and establishes an Entity Monitory Plan.

FFATA Prime Awardee Reporting:

USP will document the process for reporting all subawards over \$25,000 to the Federal Funding Accountability and Transparency Act (FFATA) Subaward Reporting System (FSRS) as required under 2 CFR 170. This reporting will be completed no later than the end of the month following the month in which the subaward is executed. The reporting process will be centralized, and the designated personnel will be responsible for completing and verifying these reports. (See process on subsequent pages).

Subaward 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 of the project.
- PI is responsible for obtaining all technical/progress reports, patent invention documentation, and 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 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, verify the availability of funds, and forward them to Accounts Payable.
- The Research Compliance Officer will assess the risk level and customize a monitoring plan for the subrecipient.
- A site visit may be deemed necessary based on assessment results, particularly for high-risk subrecipients.
- Any instances of non-compliance will be formally written up and presented to the Vice President for Research and Economic Development.

Subrecipient vs. Contractor Checklist

Instructions: Check all boxes that best describe the relationship with the third-party entity. The column with the greatest number of checked boxes indicates whether the entity should be classified as a **subrecipient** or a **contractor**. Use judgment in making the final determination, prioritizing the nature of the collaboration over the form of the agreement. This checklist and decision matrix follow the guidelines of [2 CFR 200.331](#).

Subrecipient Characteristics (Check if true)

- ☐ Entity will **carry out a portion of the Federal award's programmatic work**.
- ☐ **Performance** of the entity is **measured** in relation to whether the objectives of the program are met.
- ☐ Entity has **programmatic decision-making** authority.
- ☐ Entity is responsible for adherence to applicable **Federal program requirements** specified in the award.
- ☐ Entity's work may involve the creation of **intellectual property**, and they may have the right to **publish** results.
- ☐ Entity's personnel are included as **PI/PD, Co-PI, or Key Personnel** on the prime project.
- ☐ Entity will use the funds to **carry out a program** for a **public purpose** rather than providing goods or services for the benefit of JSU.
- ☐ The entity is subject to **Federal compliance regulations**, such as audit, record retention, IRB, IACUC, and reporting requirements.
- ☐ The entity will provide **cost share** or **matching funds**.

Contractor Characteristics (Check if true)

- ☐ Entity provides **goods or services** within their **normal business operations**.
 - ☐ Entity provides similar goods or services to **many different purchasers**.
 - ☐ Entity **operates in a competitive environment** and is engaged through **procurement**.
 - ☐ Entity is providing **goods or services ancillary** to the program's goals (e.g., equipment or routine services).
 - ☐ Entity **does not have programmatic decision-making** responsibility.
 - ☐ Entity is **not responsible** for determining research results and is **not subject to programmatic compliance**.
 - ☐ Entity is **not expected to author** or co-author publications or contribute to the program's research design.
 - ☐ **Work is measured** based on compliance with the **purchase agreement or contract**, rather than program outcomes.
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Decision Matrix

Criteria	Subrecipient	Contractor
Role in the Project	Performs a significant portion of the Federal award's scope of work.	Provides goods or services needed to support the program, as part of normal business.
Decision-Making Responsibility	Makes programmatic decisions and determines how to meet objectives.	Follows specific terms of a contract to deliver goods or services.
Performance Measurement	Measured against whether programmatic objectives are met.	Measured based on contract performance and delivery of specified goods/services.
Compliance	Adheres to Federal program requirements (e.g., IRB, IACUC, audits).	Not subject to Federal program requirements, unless specifically stated.
Public Benefit vs. Business Benefit	Work primarily benefits a public purpose under the Federal award.	Provides goods/services as part of routine business transactions.
Intellectual Property	May develop patentable or copyrightable technology, has rights to publications.	Not involved in creating or owning intellectual property related to the award.

Final Determination:

If most checks fall under **Subrecipient Characteristics**, the entity should be classified as a **Subrecipient** and a subaward should be created. If most checks are under **Contractor Characteristics**, the entity should be classified as a **Contractor** and handled through JSU's procurement processes.

Process for FFATA Reporting

1. Identifying FFATA-Applicable Subawards:

- **Criteria for Reporting:** Any **subaward over \$25,000** issued by JSU must be reported in the Federal Subaward Reporting System (FSRS), in line with FFATA requirements. This includes both domestic and international subrecipients who receive federal funds.
- **Subaward Classification:** During the subaward setup process, the Unit of Sponsored Programs (USP) will flag subawards that meet the FFATA reporting threshold based on the total award amount.

2. Data Collection:

- **Required Information for FSRS:**
 - Subrecipient's **Unique Entity Identifier (UEI)** and DUNS number.
 - Subrecipient's name and address.
 - Total value of the subaward and project description.
 - **Location of the entity** receiving the award, including congressional district.
 - Principal investigator or point of contact at the subrecipient organization.
- JSU will ensure that this information is collected from the subrecipient prior to finalizing the subaward agreement.

3. Data Entry into FSRS:

- **Responsibility:** The designated staff within the USP will be responsible for entering the data into FSRS.
- **Submission Timeline:** FFATA reporting for subawards must be completed by the **end of the month following the month in which the subaward was executed**. JSU will develop internal tracking to ensure that all applicable subawards are reported on time.

4. Review and Verification:

- **Internal Review:** The Compliance Officer will conduct a secondary review of the FSRS data before submission to ensure completeness and accuracy.
- **Cross-Check for Accuracy:** The data entered in FSRS will be cross-checked with the award documents to ensure consistency, especially regarding the total award amount, subrecipient information, and project details.

5. Annual Reporting Process:

- FFATA reports must be generated and reviewed **annually** to ensure that all subawards have been properly reported and updated, as required. Any new subawards or modifications to existing ones must be updated in the FSRS system accordingly.

6. Compliance Monitoring:

- **Audit Trail:** JSU will maintain documentation of FFATA submissions, including submission dates, data provided, and any correspondence with FSRS. This ensures an audit trail in case of federal reviews or inquiries.
- **Regular Monitoring:** JSU will implement a monitoring system to review the compliance status of its subaward reporting at regular intervals (e.g., quarterly reviews).