

William Paterson University Policy

Functional Policy

SUBJECT:	University Policy	TITLE:	Federal Subaward Monitoring Policy		
CATEGORY: Check One	Board of Trustees <input type="checkbox"/>	University <input type="checkbox"/>	Functional Error! Bookmark not defined.	School/Unit <input type="checkbox"/>	
Responsible Executive:	Provost & Senior Vice President of Academic Affairs		Responsible Office:	Office of Sponsored Programs & Office of Controller	
CODING:	02-20-00-00-00	ADOPTED:		AMENDED:	
LAST REVIEWED: 12/11/2024					

William Paterson University as a pass-through entity is responsible for monitoring the programmatic and financial activities of its subrecipients to ensure proper stewardship of sponsor funds. This policy addresses institutional responsibilities and assists Principal Investigators (PIs) and administrators to ensure that, in addition to achieving performance goals, subrecipients comply with applicable federal laws and regulations and with the provisions of each subaward. It applies to all subawards issued under sponsored programs made to WP, without any regard to the primary source of funding.

Federal Subaward Monitoring Policy

I. Purpose

In accordance with the Office of Management and Budget (OMB) "Uniform Guidance" (2 CFR 200), specifically §200.332, this policy establishes procedures for monitoring subrecipients to ensure compliance with federal statutes, regulations, and the terms and conditions of the subaward.

For non-federal awards, WP may also be required by the sponsor to provide evidence of due diligence in reviewing the ability of a subrecipient to properly meet the objectives of the subaward and account for the sponsor's funds.

II. Applicability

This policy applies to all subawards issued under federal grants and cooperative agreements.

III. Roles and Responsibilities

a. Principal Investigator:

- i. Submit to OSP the preliminary review of the subrecipient organization at the time of proposal.

- ii. Provide a scope of work, budget, and completed Subrecipient Commitment Form signed by the organization's authorized representative. The form must include the organization's Unique Entity Identity Number (UIE) and confirm registration in SAM.gov. A copy of the last single audit and W-9 form may be requested.
- iii. Confirm statement of work and review any non-standard terms and conditions of the subaward during the subaward agreement negotiation process.
- iv. Review and approval of the subrecipient invoices by PI or designee.
- v. Monitor each subaward throughout the performance period and escalate concerns to OSP and the Associate Director, Post Award Grants.
- vi. Receive and approve program reports, financial reports and invoices from Subrecipients. The PI's approval and acceptance of these reports must be contingent on work that has been undertaken and completed based on the approved scope of work and project specific aims as approved in the funded proposal.

b. Office for Sponsored Programs (OSP)

- i. Complete risk assessments on new subrecipient organizations and conduct annual assessments on active non-single audit subrecipient organizations.
- ii. Review information obtained for initial and annual subrecipient organization risk assessment and assign a risk rating.
- iii. Incorporate additional terms into subawards if needed, based on information from the PI, department/local level managing unit, and the risk assessment of the subrecipient organization
- iv. During the award setup process obtain:
 - 1. Current subaward information to complete the subaward agreement.
 - 2. Current Institutional Official details
 - 3. Current budget and scope of work that aligns with award limits
 - 4. Current Single-Audit or financial review information
 - 5. Indirect cost negotiated rate agreement in effect on award date, if applicable.
 - 6. Human and/or Animal Assurance documentation, if applicable.
 - 7. Data Use Agreements, if applicable.
 - 8. Last Single Audit or comparable financial document for subrecipient
 - 9. W-9 for the subrecipient
- v. Complete the subaward agreement form using the Federal Demonstration Project (FDP) Cost Reimbursement Subaward forms available at: <https://thefdp.org/demonstrations-resources/subaward-templates-and-tools/>
- vi. Ensure the terms and conditions of the award, budget, scope of work are included in the subaward agreement.

- vii. Ensure subawards financial obligations follow the agency award terms and financial obligations.
- viii. Transmit subaward documents for institutional signatures and serve as the primary point of contact for agreement amendments and actions.

c. Post Award Grants, Finance

- i. For single audit entities:
 - 1. On an annual basis confirm that there are no findings against a WP subaward, and;
 - 2. Check SAM.gov to ensure the subrecipient is not debarred from doing business with the government.
 - 3. Maintain the subrecipient monitoring organizational risk assessment business process
 - 4. Complete risk assessments on a rolling 3-year basis
 - 5. Consult with OSP when a subrecipient risk level is changed to determine if an amendment to incorporate additional terms and conditions into the subaward agreement is warranted.
- ii. For non-single audit entities:
 - 1. Review any financial information available and/or review other relevant subrecipient risk assessment resources.
 - 2. Consult with PI on invoice/financial report review for compliance with terms of the subaward agreement and contain accurate and appropriate certification.
 - 3. Request additional supporting documentation for any questionable expense(s) prior to payment to confirm compliance with Uniform Guidance Cost Accounting Standards.
 - 4. Report and escalate any identified significant issues to the VP, Senior director

d. OSP and Post Award Grants, Finance

- i. Subrecipient Risk Assessment
 - 1. Evaluate each subrecipient's risk of noncompliance with federal statutes, regulations, and the terms and conditions of the subaward. Consider factors such as:
 - a. Prior experience with similar subawards
 - b. Results of previous audits
 - c. New personnel or systems
 - d. Federal agency monitoring results
- ii. Subaward Requirements
 - 1. Ensure each subaward agreement includes:
 - a. Federal award identification
 - b. Subrecipient's name and unique entity identifier
 - c. Federal Award Identification Number (FAIN)
 - d. Federal Award Date

- e. Subaward Period of Performance
 - f. Amount of Federal Funds Obligated
 - g. Total Amount of Federal Funds Obligated to the subrecipient
 - h. Federal award project description
 - i. Name of the Federal agency and pass-through entity
 - j. Assistance Listings title and number
 - k. Indirect cost rate
 - l. Notice of Award
 - m. Scope of work and budget for subrecipient
2. Ensure federal subawards are filed within the appropriate federal monitoring and reporting system outlined in the Federal Transparency and Accountability Act.
- iii. Monitoring Activities
 1. Review Financial and Performance Reports: Ensure timely submission and accuracy.
 2. Audit Reports: Review subrecipient audit reports and ensure corrective actions are taken for any findings.
 3. Technical Assistance: Provide guidance and support to subrecipients as needed.
 4. Site Visits: Conduct site visits to review financial and programmatic records and observe operations in instances when there are performance issues, severe programmatic issues or administrative evaluation is needed.
 - iv. Record Retention
 1. Maintain records of all subaward documents and monitoring activities for a minimum of three years from the date of submission of the final expenditure report.
 - v. Corrective Actions
 1. Implement corrective actions for subrecipients that fail to comply with federal requirements or the terms of the subaward. Actions may include:
 - a. Providing additional training and technical assistance
 - b. Imposing specific award conditions
 - c. Withholding payments
 - d. Terminating the subaward
 - vi. Closeout Procedures
 1. Ensure all subaward activities are completed, final reports are submitted, and all remaining funds are returned.
 2. This policy framework ensures that subrecipients are effectively monitored and comply with all federal requirements[1][2][3].

IV. Definitions

- **Subrecipient:** A non-federal entity (organization) that receives a subaward to carry out part of a federal program.

- **Subaward:** enforceable agreement between subrecipient and pass-through entity.
- **Pass-through Entity:** A non-federal entity that provides a subaward to a subrecipient to carry out part of a federal program.
- **Principal Investigator (PI):** A Principal Investigator (PI) is designated by the recipient organization to direct the project or activity being supported by the grant. The PI is responsible and accountable to the recipient for the proper conduct of the project or activity.

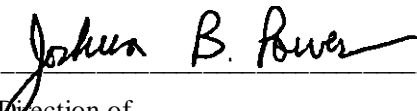
References

[1] [2 CFR Part 200 Subpart D - Subrecipient Monitoring and Management](#)

[OMB Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards \(2 CFR 200\)](#)

[2] [SAMPLE SUBRECIPIENT MONITORING CHECKLIST - Office of Justice Programs](#)

[3] Final Updated Policy Guidance for Subaward/Consortium Written Agreements” ([NOT-OD-23-182. September 15, 2023](#))

	12-20-24
By Direction of	Date

By Direction of	