



Subrecipient Monitoring Policy

I. Policy statement

Seattle University is responsible for monitoring the programmatic and financial activities of its subrecipients to ensure proper stewardship of sponsor funds. The following policy applies to all subawards issued under sponsored programs, without regard to the primary source of funding. Additionally, 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 agreement.

II. Reason for Policy

OMB Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (2 CFR 200) (“Uniform Guidance”), specifically §200.331, requires pass-through entities to evaluate each subrecipient's risk of noncompliance. The University must determine the appropriate monitoring level of each subrecipient and monitor the activities of the subrecipient organizations to ensure that the subcomplies with applicable Federal statutes and regulations and terms of the subaward, and verify that subrecipients receive required audits per Subpart F of the Uniform Guidance.

For non-federal awards, SU 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.

Failure to adequately monitor the compliance of subrecipients could result in reputational damage to the University and Schools, and jeopardize current and future funding. It is the responsibility of SU, as the pass-through entity, to ensure the good stewardship of sponsored funding. All funds assigned to subrecipient organizations should receive the same diligence as sponsored funds that remain at SU.

III. Procedures

To comply with federal regulations on subrecipient monitoring Seattle University has the following procedures.

Pre-Award

- The Sponsored Research Officer (SRO) works with the Principal Investigator (PI) to determine if there will be any flow-through funding for third parties who might be engaged in completing the scope of work. The Subrecipient or Contractor checklist is available to help determine if the vendor is considered a subrecipient relationship. The SRO will complete the rationale for determining if the third party relationship is a subrecipient or contractor on the checklist.
- If it is a contractor, please refer to Independent Contractor Process and Procurement Process.



- If a subrecipient, SRO will work with the PI or contact the subrecipient directly to request the following information from the subrecipient:
 - Letter of commitment, including DUNS Number, signed by the authorized institutional officer with assurance that subrecipient has adequate systems in place for managing conflict of interest.
 - A scope of work statement, budget and justification.
 - Subrecipient's indirect cost rate with accompanying documentation. If there is no negotiated IDC rate, then SU will budget the de minimis rate of 10% of subrecipient's modified total direct costs for IDC.
 - Contact information for subrecipient's authorized organizational representative.
 - These documents must be finalized and received in OSP five business days before the grant proposal is submitted.

Post-Award

- If the prime grant is awarded, OSP will initiate the subrecipient risk assessment process using the Subrecipient Risk Assessment Questionnaire. The SRO forwards information to the Grant and Finance Accountant in the Controller's Office who will perform a risk assessment based on CFR Title 2 Part 200.331. The Controller's Office notifies OSP of the risk assessment results and suggests appropriate monitoring plan if necessary.
- OSP, in consultation with University Counsel, drafts the Subrecipient award Contract. OSP ensures that all conditions in the prime award are provided to the pass through as required by CFR Title 2 Part 200.331. OSP will not execute the contract until after receiving the completed risk assessment back from the Grant and Finance Accountant.
- Once the subrecipient award contract is executed, SU continues the monitoring as follows:
 - If the sub-award is from federal flow-thru funds and the total amount of the award is \$25,000 or more, then OSP registers the subrecipient award information in *Federal Funding Accountability and Transparency Act (FFATA) online system*.
 - The PI receives interim project reports (frequency to be determined based at the time of the contract issuance) from the subrecipient.
 - PI/Budget Manager review subrecipient invoices and submit them for payment through ProcureSU. ProcureSU requires a grant review by Controller's Office staff for each PO, confirming that the expenses appear allowable and allocable. Each invoice submitted against that PO requires the PI or Budget Manager to confirm receipt of the services in the system.
 - The Grant & Financial Accountant requests and reviews subrecipient audit reports and performs a monitoring assessment annually (to be completed before 6/30 year-end). Controller oversees any risk mitigation plan that might be in place.
 - OSP reviews subrecipient requests that require prior approval by SU and/or prime sponsor, and facilitates communication with prime sponsor as needed. OSP, in consultation with University Counsel, executes any amendments to the contract.



Closeout

- The PI verifies that the final technical reports have been received from subrecipients.