

Subrecipient Assessment and Monitoring Policy for Funded Agreements

Policy number: 800-BA-14
Policy owner: Controller's Office and Office of Sponsored Programs

Date of initial publication: May 16, 2023
Date of latest revision: N/A

SECTION I. PURPOSE

University of St. Thomas ("St. Thomas") performs funded grant projects and cooperative agreements in collaboration with partner institutions of higher education ("IHEs") and other entities. In some instances, such partners are Subrecipients of St. Thomas. This policy sets forth St. Thomas' policy with respect to Subrecipient risk assessments and monitoring as required by 2 C.F.R. § 200.332.

SECTION II. SCOPE AND APPLICABILITY

This policy applies to all subawards of Funded Agreement funds. It sets forth St. Thomas key policies and expectations with respect to all collaborative projects, including Subrecipient oversight.

The Office of Sponsored Programs and the Controller's Office will share responsibility for risk assessments and the Controller's Office will be responsible for monitoring activities. The Office of General Counsel will support these offices as needed for technical advice in the course of such activities.

SECTION III. DEFINITIONS

When used in this policy, the following terms have the following meanings:

- a. **Funded Agreement** means any agreement signed by St. Thomas that provides funding to the University, in whole or in part, from federal, state or private funds and to which goods or services may be charged to fulfill its stated purpose. Examples of funded agreements include grants and federal procurement contracts.
- b. **Subrecipient** means an entity, usually but not limited to non-federal entities, that receives a subaward from the University to carry out part of an award from a Funded Agreement; but does not include an individual that is a beneficiary of such award.

SECTION IV. COLLABORATION IN APPLICATION AND PROJECT IMPLEMENTATIONS

Generally, potential Subrecipients will be identified in the project planning phase for any Funded Agreement opportunity.

To the maximum extent possible, Subrecipients will be identified in grant and cooperative agreement applications. When required by funding opportunity announcement ("FOA")/solicitation terms, Subrecipient scopes of work and budgets will be included in project applications. Even when not required, Office of Sponsored Program personnel will work with Principal Investigators and other project leaders to clearly identify any intended Subrecipient roles early in the project planning process.

Each Subrecipient must have a Unique Entity Identifier (“UEI”) to be eligible for receipt of a subaward.

SECTION V. RISK ASSESSMENT

A risk assessment will be performed with respect to each Subrecipient relationship on a project-by-project, entity-by-entity basis. Though risk assessments may vary, and should be tailored to the circumstances of a particular project and partner, they will generally include assessment of the following:

- a. Risk inherent in complexity of prime award agreement terms and conditions;
- b. Risk inherent in complexity of the substantive work to be carried out by the Subrecipient;
- c. Prior experience with the Subrecipient; and
- d. Publicly available data regarding the Subrecipient, including (i) the Subrecipient’s most recent Single Audit Act audit report, and (ii) SAM.gov exclusion check

Though such sequencing is not mandated by federal regulations, risk assessments should generally be accomplished in advance of negotiating subaward agreement terms to better enable mitigation of risks through effective contract obligations.

The results of each risk assessment should be briefly documented and retained in the prime award file.

SECTION VI. ENTERING SUBAWARD AGREEMENTS, OVERSIGHT AND MONITORING

Subawards will be entered by written agreement signed by the Director of Sponsored Programs. Certain standard terms and conditions will be applicable to all subaward agreements.¹ However, each subaward opportunity will differ as reflected by the results of the risk assessment. Agreement terms should be tailored as needed. Subaward invoices will be reviewed and approved by the Controller’s Office and the Purchasing and Payables Department.

In performance of the subaward work for a state or federal Funded Agreement, the Controller’s Office will ensure ongoing oversight of the Subrecipient through the following mechanisms:

- a. Review of routine invoices (including supporting documentation appropriate to the circumstances, taking into account Subrecipient level of experience with federal awards and sophistication of Subrecipient financial management systems);
- b. Review of periodic financial reports and programmatic reports; and
- c. Desk reviews of key policies relevant to grant performance (generally at the outset of performance and most commonly with respect to less experienced Subrecipients)

In the discretion of the Controller’s Office, these monitoring efforts may also be put in place for a privately Funded Agreement when circumstances dictate.

¹ Federal Demonstration Partnership (“FDP”) Subaward Forms may be used, so long as tailored as needed to address specific risks inherent in any particular relationship. *See:* <https://thefdp.org/default/subaward-forms/>.

Results of monitoring efforts will be documented by the Controller's Office. Payment of invoices will generally suffice as documentation of routine invoice review. For report review, date of review will be annotated in the grant file. For desk review and site visits, date of accomplishment and a brief description of outcome will be documented in the grant file.

If any matters of noncompliance are identified, the Controller's Office will take remedial action appropriate to the circumstances. Such action will be collaborative to the extent possible, so long as Funded Agreement funds and project accomplishment are safeguarded.