



Subrecipient Monitoring Program Risk Determination



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Table of Contents

Table of Contents

1. Purpose 3

2. New Requirement 3

3. References 3

4. Tables..... 3

5. Processes for RAS, Local Departments, OSP, and FGC 3

Table 1: OSP Analyst Risk Decision Chart..... 4

Table 2: FGC Analyst Risk Decision Chart..... 5

6. FGC is responsible for the following ongoing monitoring activities: 7

7. General/Automated Monitoring Activities: 7



Subrecipient Monitoring Program Risk Determination

1. Purpose

As part of the implementation of Uniform Guidance on December 26, 2014, the federal agencies have added additional specific requirements for oversight of subrecipients. As a result, our Subrecipient Monitoring Program has been expanded to meet these requirements and includes additional steps for local departments, as well as the Research Administration Shared Services departments, the Office of Sponsored Programs, and the Finance Grants and Contracts (formerly OGCA). This new requirement includes the following.

2. New Requirement

Effective October 1, 2015, two new documents will be required for new Subrecipient request.

- Subrecipient Commitment Form and Institutional Profile
- Checklist to Determining Sub vs. Contractor Classification

Subcontracts will not be processed will not be processed without these forms.

3. References

- Subrecipient Commitment Form and Institutional Profile
- Checklist to Determining Sub vs. Contractor Classification
- Subcontracts Invoice Processing Overview Document
- Procure and Pay Subcontracts Procedures Document
- Compass Subrecipient Viewing Table Job Aid for Viewing Profile Information

4. Tables

- Table 1: OSP Analyst Risk Decision Chart
- Table 2: FGC Analyst Risk Decision Chart

5. Processes for RAS, Local Departments, OSP, and FGC

A. Additional steps for **RAS** (or local department) Staff when requesting Subaward:

1. *Checklist to Determine Subrecipient or Contractor Classification*. Complete Vendor vs. Subrecipient determination in consultation with PI.
2. *Subrecipient Commitment Form and Institutional Profile*. The Subrecipient Commitment Form (pages 1 and 2) should already be on file from the proposal submission. The second half of this form, the Institutional Profile (pages 3 and 4), is used to perform a risk assessment and a copy of the Profile, signed within the past year, must be on file with OSP. If a signed Institutional Profile is not on file, a copy **must be provided as part of the Subaward Request**. To determine whether a signed Institutional Profile is on file, the RAS Unit or department should check OSP's central database of subrecipients. See document entitled "Compass Subrecipient Table – Viewing Profile Information" for instructions. If the Subrecipient has completed a form less than one year ago, a signed copy of the form



Subrecipient Monitoring Program Risk Determination

does not need to be attached to the Subaward request. If a signed copy of the form is not on file, or is older than one-year-old, attach a completed and signed copy with the Subaward request. Any such Subaward requests which do not contain a signed form will be denied.

B. OSP Analyst completes the following:

- i. If Subrecipient is part of the FDP Expanded Clearinghouse demonstration pilot, no Institutional Profile form is required.
- ii. If a new Institutional Profile form is not necessary, handle according to the requirements on the existing Institutional Profile form.
- iii. If a new Institutional Profile form has been provided, evaluate Questionnaire and review Single Audit information (if applicable).
 - i. If a Single Audit Report is available and it has no findings, save the Questionnaire to the appropriate OSP file location and record receipt in the Compass Subrecipient/Vendor Comment section with a comment of "No Concern". Proceed with issuing the Subaward.
 - ii. All other situations should be handled as follows:

Table 1: OSP Analyst Risk Decision Chart

If...	Then...
No Finding on most recent Single Audit Report	OSP Issues Subaward.
Finding on most recent Single Audit Report	Forward completed Institutional Profile form to FGC Reviewer with link or copy of Single Audit Report
No Single Audit Report	Ensure that Subawardee provided a copy of most recent Audited Financial Statements and forward with completed Institutional Profile form to FGC Reviewer.
No Audited Financial Statements	Forward completed Institutional Profile form to FGC Reviewer.



Subrecipient Monitoring Program Risk Determination

- C. FGC Analyst will review and designate as follows (within 2 business day turn around):

Table 2: FGC Analyst Risk Decision Chart

If...	Then...
Evaluation Level 0 – No Concern: No R&D Findings on most recent Single Audit Report	Review Single Audit findings. If none are research and development related, approve risk assessment & return to OSP to issue Subaward.
Evaluation Level 1 - Concern: Findings on most recent Single Audit Report	Review Single Audit findings. If findings are research and development related, review management plan and determine what additional requirements should be included in agreement. These can include requirements to attach copies of labor distribution reports, general ledger print outs, etc. Provide additional requirements to OSP Analyst for inclusion in Subaward.
Evaluation Level 2 - Concern: No Single Audit Report	Review audited financial statements. If there are relevant findings, determine what additional requirements should be included in the agreement. Evaluate whether organization is likely to understand the responsibilities related to sponsored projects administration. Evaluation should be made based upon past experience with federal funds administration. Provide additional requirements to OSP Analyst for inclusion in Subaward. If there is any question regarding Subrecipient’s ability to administer federal funds, follow the requirements for a Level 3 Concern.
Evaluation Level 3 - Concern: No Audited Financial Statements	FGC will provide educational information and obtain certification from Subrecipient that they will use this information to make decisions regarding expenditure of funds. Require copies of detailed payroll and GL expenditure reports to be attached to all invoices. Provide additional requirements to OSP Analyst for inclusion in Subaward.

**Subrecipient Monitoring Program Risk Determination**

After the determination is complete, FGC will return the signed/approved forms to OSP, and the OSP Analyst will save the Institutional Profile form into the appropriate file location and enter date of form and level of concern into Compass Subrecipient Comment tables, specifying "Evaluation Level 0" (equates to No Concern), "Evaluation Level 1" equates to Level 1 Concern), "Evaluation Level 2" (equates to Level 2 Concern), or "Evaluation Level 3" (equates to Level 3 Concern).

- D. RAS** (or assigned local receiver) Review of Invoices:
- i. Responsible reviewer in RAS must be aware of any additional requirements per the terms of the Subaward. A summary of any such additional requirements will be attached in Emory Express.
 - ii. Before approving any invoice, they must ensure:
 - a. All attachments required by agreement are included.
 - b. The attachments provided match the invoiced amount and are appropriate per the terms of the agreement.
 - c. The PI has provided approval to pay the invoice (verifying that work is occurring as expected and invoiced amounts are appropriate).
 - d. All invoices, unless there is a concern about performance, are required to be paid within 30 calendar days (from receipt of the invoice by Emory Procurement). The RAS or assigned local receiver is responsible to ensure that this occurs.
 - iii. Concerns regarding invoices:
 - a. If invoices do not include appropriate attachments, RAS should contact the subrecipient to notify them that the invoice cannot be approved until appropriate attachments are received (cc'ing PI). Once attachments are received, RAS should save them to the I:Drive and approve the invoice (with PI approval). (If attachments are attached to original invoice, they do not need to be saved to I:Drive as they will be saved in Emory Express.)
 - b. If expenditures do not appear appropriate, Subrecipient should be contacted for further clarification. If invoices will not be paid, Subrecipient must be notified within 30 days regarding the concerns or reasons.
 - c. If there is a concern regarding lack of performance by Subrecipient or inappropriate invoicing which has not been resolved despite efforts by the RAS Unit and PI, the OSP Director and FGC Director should be notified immediately. OSP will handle issuing stop order on work/expenditures and/or termination of the agreement. FGC will review situation to determine if further action is required. Further action may include, but is not limited to, request of further documentation from subrecipient, conducting review or audit of subrecipient's records or other action, up to and including, taking enforcement action against subrecipient.
 - iv. Prior to final reconciliation of project:
 - a. Need to confirm that all invoices have been received and processed. If



Subrecipient Monitoring Program Risk Determination

invoices have not been received by due date, need to contact subrecipient and notify them that the invoice is needed by X date or cannot be reimbursed (with cc to PI). Lack of receipt of final invoice by due date will likely result in inability to reimburse subrecipient.

b. Responsible to ensure closeout PO following end of agreement.

6. FGC is responsible for the following ongoing monitoring activities:

- A. Ensuring that FFATA reporting is completed monthly in a timely manner.
- B. Ensuring that annually all subrecipients are requested to verify in writing that they have completed an A-133 Single Audit (if required).
- C. Ensuring that all subrecipients are notified on a quarterly basis via email that they must inform Emory (via email or in writing) of all findings on an Emory Subcontract within 60 days of receipt of communication.
- D. Issuing a management decision on any finding on an Emory Subaward within 6 months of finding being reported in Federal Award Clearinghouse (FAC).

7. General/Automated Monitoring Activities:

All subrecipients are automatically screened using the Visual Compliance software when payments are processed to determine whether the Subrecipient (a vendor in Emory University's purchasing system) is either debarred or suspended.

NOTES: Forms related to Subrecipient Monitoring are found on the OSP website at <http://osp.emory.edu>.

Stakeholder Approvals		
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3	Kerry Peluso	August 28, 2015

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