



Subrecipient Monitoring- Sponsored Programs

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Policy Administrator:	Provost and VP for Academic Affairs
Policy Initiator:	Director of Sponsored Programs
Authority:	Uniform Guidance Regulations – 2 CFR 200
Effective Date:	August 2015
Revised Date:	
Approved:	President Thomas A. Cropper
Approval Signature:	/s/

Purpose:

The purpose of this policy is to establish standards to properly manage subawards made through a Sponsored Program (SPEL) grant, contract, cooperative agreement or other agreement.

Scope:

CSU Maritime Academy (Cal Maritime) is responsible for ensuring that Sponsored Program funding received by the university is managed and spent according to the terms and conditions of the sponsor, as well as the policies and regulations of Cal Maritime. This responsibility extends to our work with partnering entities.

Accountability:

The Director of Sponsored Programs is delegated the responsibility to ensure compliance with federal, state, CSU and Cal Maritime regulations regarding the awarding and reporting of subawards under a federal grant, contract, cooperative agreement or other agreement.

Policy:

Cal Maritime is responsible for monitoring the programmatic and financial activities of its subrecipients in order to ensure proper stewardship of Sponsored Program funds. This policy addresses institutional responsibilities and assists Principal Investigators and staff to ensure that, in addition to achieving performance goals, subrecipients comply with federal and state laws and regulations and with the provisions of any agreements that govern the subaward.

A. Assessing and Managing Risk

Cal Maritime assesses, among other factors, the subrecipient organization’s financial status and internal controls based on documentation from the subrecipient and other independent sources, in order to determine whether to proceed with the subrecipient. Based on that assessment, terms and conditions should be established in the subaward agreement to be consistent with the level of perceived risk and if necessary Cal Maritime will identify specific monitoring activities.

B. Subrecipient Monitoring

During the period of the subaward, as necessary, Cal Maritime will perform the following activities with regard to subrecipients.

1. Advise the subrecipient of federal, state or CSU requirements, terms and conditions of the prime award, and Cal Maritime requirements that apply to the subaward.
2. If the prime award is federally funded or if the funding award to Cal Maritime is a federal flow-through award, Cal Maritime will provide the subrecipient with the information available to identify the federal prime award. Cal Maritime monitors costs and activities of subrecipients to confirm that expenditures charged to subaward agreements are consistent with the budget and scope of work of the subaward.
3. Verify that the performance goals set forth in the subaward scope of work are being met in a timely manner.
4. Verify that subrecipients are audited as required by Federal Guidance. (2 CFR §200)
5. If necessary Cal Maritime will take proper enforcement action against noncompliant subrecipients.

C. Roles and Responsibilities

1. Sponsored Programs (SP):

- a. Collects Subrecipient Risk Assessment form for all initial subawards to ensure essential information is collected to conduct a full compliance review.
 - b. Conducts a search of the Federal Audit Clearinghouse for the entities not subject to A-133 or when a public audit is unavailable. The entities' findings are then analyzed to determine risk and if contractual changes are required to ensure research results are met and funding is protected.
 - c. Contacts the agency for prior approval if awarding a fixed amount subaward.
 - d. Collaborates with PI to ensure budget costs are allowable, allocable, and reasonable.
 - e. Assists the PI in ensuring action is taken when subawardees do not perform in accordance with the scope of work.
 - f. When a subaward is funded by a Public Health Systems (PHS/FCOI) or National Science Foundation (NSF/FCOI) entity, the subrecipient is required to have a compliant policy. If the entity does not have a compliant policy, they may accept Cal Maritime's policy.
- 2. Principal Investigators (PIs):** have the primary responsibility to ensure compliance with federal regulations and conditions within the award and subaward.
- a. Conducts ongoing budget reviews to determine that the level and types of resources are needed and appropriate.
 - b. Reviews progress reports comparing results and progress against the scope of work and deliverables.
 - c. Questions costs which differ substantially from the approved budget, are unusual or unallowable, and reserves the right to withhold payment until acceptably justified.
 - d. Informs SP if contractual issues arise during the performance period which necessitates the dissolution of the agreement or requires the modification of agreement terms.
 - e. Acts as the controlling point for allowable, allocability and reasonableness of research expenses.
 - f. Notifies SP to initiate any amendments/modifications to an existing subaward.

D. Definitions

1. **Subaward:** A Subaward (also referred to as a subgrant if the prime award is a grant or subcontract if the prime award is a contract) is an instrument through which financial or other support is awarded to an eligible and qualified organization for the performance of a substantive portion of the program or project funded under the prime award. The term also includes awards made by a subrecipient to a lower-tier subrecipient. The term does not include procurement of goods and services (i.e., a contractor agreement is not a subaward).
2. **Subrecipient:** A Subrecipient (also referred to as a subawardee, or subgrantee if the prime award is a grant, or a subcontractor if the prime award is a contract, fixed amount award or cooperative agreement) is the legal entity that receives a subaward and that is accountable to the university for the use of sponsor funds provided to the entity to carry out a portion of the university's programmatic activity under the prime award. The term may include but is not limited to institutions of higher education, for-profit corporations, not-for-profit organizations, and foreign or international organizations at the discretion of the funding sponsor.

E. Related Documents

1. [OMB Uniform Guidance \(2 CFR §200\)](#)
2. [2 CFR, Part 220 \(Formerly OMB Circular A-21\)](#)
3. [System for Award Management \(SAM\)](#)
4. [Federal Audit Clearinghouse \(FAC\)](#)