

Subrecipient Risk Assessment

Purpose

2 CFR 200.331(b) requires that institutions, at a minimum, *evaluate each sub-recipient's risk of non-compliance with Federal statutes, regulations, and the terms and conditions of the subaward for purposes of determining the appropriate sub-recipient monitoring.* . . . The risk assessment form is a tool for pass-through entities to determine the risk of sub-recipients. The purpose of this form is to assist in effectively monitoring risks associated with grants made with federal pass-through funds to sub-recipients.

1. Subrecipient Information

Completed by the appropriate Pre-Award Officer

Subrecipient Name: _____

Agreement Number: _____

UEI: _____

Prime Sponsor: _____

Subaward Amount: _____

2. Scoring Guide/How Scores are Determined

Each question is assigned **0, 1, or 2 points** based on the level of risk presented by the subrecipient's answer.

0 points = Low risk

Award **0 points** when the subrecipient clearly meets Federal requirements and shows low likelihood of non-compliance.

Examples:

- They have a clean audit record.
- They have strong internal controls.
- They have significant experience with Federal awards.
- No regulatory complexity is expected for their portion of work.

1 point = Moderate risk

Award **1 point** when the subrecipient meets requirements but presents **some risk indicators**, uncertainty, or limited experience.

Examples:

- Minor past audit findings that were resolved.
- Limited experience with Federal awards but acceptable systems.
- Moderate complexity in their project work.
- Policies exist but are new or not fully documented.

This category flags issues that are not severe but may require occasional follow-up.

2 points = High risk

Award **2 points** when the subrecipient shows **clear risk indicators** or has gaps that could affect compliance or performance.

Examples:

- Past unresolved audit findings or compliance issues.
- Missing or significantly weak internal controls.
- Inexperienced organization (new, small, or foreign entity).
- High-complexity work such as human subjects, animal care, or large financial responsibilities.
- Large subaward amount or critical project dependence.

High-risk items automatically raise monitoring needs and strongly influence the final score.

Practical Examples for Scoring

Example Question: “Does the subrecipient have experience with Federal awards?”

- **0 points:** Yes, extensive experience with clean history
- **1 point:** Some experience; one or two prior awards
- **2 points:** No or very limited Federal award experience

Example Question: “Are there prior audit findings?”

- **0 points:** None
- **1 point:** Minor findings resolved
- **2 points:** Significant findings or unresolved issues

Example Question: “Does work involve human subjects, animals, or complex compliance?”

- **0 points:** No
- **1 point:** Yes, but subrecipient manages its own IRB/IACUC
- **2 points:** Yes, and relying on PTE’s compliance oversight or multiple complex Regulations

3. Risk Categories and Scores

Completed by the Contract and Subaward Compliance Officer

A. Eligibility and Compliance

(High scores here may require reconsideration of the subaward)

Question		Score
1. Subrecipient or PI is debarred/suspended	0 / 1 / 2	_____
2. Delinquent federal debt in SAM.gov	0 / 1 / 2	_____
3. No recent Single Audit (if required)	0 / 1 / 2	_____
4. Current, documented COI policy	0 / 1 / 2	_____
5. Subrecipient is a foreign institution	0 / 1 / 2	_____

Subtotal A: _____

B. Institutional Capacity

Question		Score
6. Limited experience with Federal awards	0 / 1 / 2	_____
7. No negotiated indirect cost rate (and no documentation)	0 / 1 / 2	_____
8. New or emerging institution (<4 years)	0 / 1 / 2	_____
9. Prior audit findings or history of Non-compliance	0 / 1 / 2	_____

Subtotal B: _____

C. Programmatic & Financial Complexity

Question		Score
10. Subaward makes up >50% of total project funds	0 / 1 / 2	_____
11. Subaward exceeds \$500,000	0 / 1 / 2	_____
12. Work involves human subjects, animals or stem cells	0 / 1 / 2	_____
13. Subrecipient performs critical/essential project Tasks	0 / 1 / 2	_____
14. Participant support or cost share included	0 / 1 / 2	_____

Subtotal C: _____

4. Total Score

Total Risk Score (A + B + C): _____/28 possible points

5. Risk Level Determination

<u>Total Score</u>	<u>Risk Level</u>	<u>Monitoring Requirement</u>
0-8	Low Risk	General Monitoring
9-28	Elevated Risk	Elevated Monitoring

***See Monitoring Plan Guidelines for detailed monitoring requirements**

6. Risk Level Assigned

Low Risk

Elevated Risk

Notes:

Monitoring Plan (if required)

Assessment Completed By: _____

Date: _____

Risk Level	Monitoring Plan Guidelines
<p style="text-align: center;">Level 1 General Monitoring</p>	<p>General Monitoring-Level 1 One or more of the following attributes may be present to be considered <u>low risk</u> and fall into the “General Monitoring-Level 1” Classification:</p> <ul style="list-style-type: none"> • Entity has complied with the terms and conditions of prior grant awards • No known financial management problems or financial instability • High quality programmatic performance • No or very insignificant audit or other monitoring findings • Timely and accurate financial and performance reports • Program likely does not have complex compliance requirements • Entity has received some sort of monitoring (single audit, on site review, etc...) <p>General Monitoring-Level 1 requires the following:</p> <ul style="list-style-type: none"> • Invoice PI Certification form Accompanies all invoices when sent to MURC for processing and payment. Completed by the PI, this form certifies that invoice charges are in line with the project and the PI is satisfied with the performance of the sub-recipient. • Annual Audit Certification Form This form is sent to all sub-recipients on an annual basis by the Contract and Subaward Compliance Officer. • Continuing Assessment Tool Completed by the Contract and Subaward Compliance Officer on an annual basis to help determine if any issues have come up that we as the prime institution need to be aware of.
<p style="text-align: center;">Level 2 Elevated Risk Monitoring</p>	<p>One or more of the following attributes may be present to be considered <u>elevated risk</u> and fall into the “Elevated Monitoring-Level 2” Classification:</p> <ul style="list-style-type: none"> • History of unsatisfactory performance or failure to adhere to prior grant terms and conditions • Finance management problems and/or instability • Program has highly complex compliance requirements • Significant findings or questioned costs from prior audit • Untimely, inadequate, inaccurate reports • Recurring/unresolved issues • Lack of contact with entity or any prior monitoring • Large award amount • The work is to be performed outside of the United States • Other: Any additional circumstances not listed above that, in the judgment of the Prime Recipient, may indicate elevated risk or create concern regarding the subrecipient’s ability to comply with the Subaward terms, sponsor requirements, or applicable regulations. <p>Elevated Monitoring-Level 2 requires the following: In addition to the monitoring requirements set forth in “General Monitoring-Level 1”, “Elevated Monitoring-Level 2” will be tailored to the circumstance(s) that dictated the need for additional monitoring.</p> <p>Level 2 sub-recipients may be required to provide additional information to enable MURC to document sub-recipient internal controls and management procedures and to otherwise verify compliance with sponsor requirements.</p>

	<p>Examples include, but are not limited to:</p> <ul style="list-style-type: none"> • Requiring source documentation for every sub recipient invoice. • Completion of the High Risk Sub-recipient Invoice Checklist with each invoice by the Contract and Subaward Compliance Officer • Quarterly conference call/meeting with MURC compliance staff, sub-recipient PI and prime award PI to assess performance goals and progress • Desk Audit performed by MURC compliance staff <p>Non-Compliance</p> <p>If it is determined that a sub-recipient is non-compliant and cannot be remedied by imposing specific conditions, corrective action taken might include:</p> <ul style="list-style-type: none"> • Temporarily withhold payments until the sub-recipient takes corrective action • Disallow costs for all or part of the activity associated with the non-compliance of the sub-recipient • Suspend or terminate the award in part or in its entirety • Withhold further funds (new awards or continuation funding) for the project or program • Pursue other legally available remedies
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After an evaluation of the above criteria, and upon identification of subawards requiring management oversight beyond Monitoring Level 1, appropriate actions will be taken to ensure compliance with subaward performance, financial terms and conditions, sponsor requirements, and applicable State law, Federal law, rules, and regulations.

In addition to routine monitoring procedures, MURC will work with MU/MURC PI/PDs and school/department administrators to establish channels of communication with sub-recipients where expanded oversight is necessary.