



Policy

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Title	Subrecipient Monitoring
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POLICY STATEMENT:

The Marshall University Research Corporation (here after ‘MURC’) is responsible for monitoring the activities of its subrecipients to ensure that awarded funds are used for authorized purposes and that performance goals are achieved. MURC is committed to complying with all sponsor administrative requirements and conditions established for the responsible management of extramural funding provided in support of research, training, and related activities.

PURPOSE:

The purpose of these procedures is to provide general guidance in fulfilling MURC’s obligations related to the management of sub-recipient agreements. These procedures apply to sub-awards and sub-recipients, as defined below. These procedures do not address the issuance or management of procurement contracts by MURC.

DEFINITIONS:

Pass-through entity – Non-federal entity that provides a federal award to a subrecipient to carry out a federal program; sometimes referred to as the “prime” organization.

Sponsored award – Funding arrangement in which the MURC is providing a return benefit to, or agrees to provide a defined deliverable or complete a set of activities for, the sponsor in exchange for the funds, regardless of whether the funding instrument is designated a contract, cooperative agreement, grant, consortium agreement, or otherwise.

Subaward – Enforceable agreement, issued under a prime sponsored project, between a pass-through entity and a subrecipient for the performance of a substantive portion of the program; these terms do NOT apply to the procurement of goods or services from a contractor (vendor).

Subrecipient (subcontractor or subawardee) – Organization eligible to receive a financial award. A subrecipient’s performance is measured against whether the objectives of the sponsored program are met; subrecipients have responsibility for programmatic decision-making and for adherence to applicable program compliance responsibilities. Subrecipients are responsible for performing a substantive portion of the program, as opposed to providing goods and services.

SUBRECIPIENT REVIEW AND PROCESSING:

MURC will do the following as part of the subrecipient review process:

- Confirm that potential or current sub-recipient organizations, and those directing work for them under a proposed sub-award, are not debarred or prohibited from doing business with the State of West Virginia or the U.S. Government;
- Obtain and verify F&A and fringe benefit rates for potential sub-recipients
- Verify that sub-recipient proposal and award budget information is correct and comprised of allowable costs
- Confirm that the sub-recipient’s proposal has the approval of the MURC PI and appropriate department, school, or center officials
- Ensure that sub-recipient agreements proposed under Federal assistance awards include the Federal agency and the Catalog of Federal Domestic Assistance (CFDA) number as required by OMB Uniform Guidance and the Federal Funding Accountability and Transparency Act of 2006 (FFATA);
- Ensure that sub-recipient agreements on Federal awards include the Data Universal Numbering System (DUNS) identifier for all sub-recipients as required by the FFATA;
- Ensure that all Federal sub-awards include a clause requiring that sub-recipient’s invoices state that costs are in compliance with OMB Uniform Guidance and/or the sponsor’s requirements. Similar compliance statements will be required for non-Federal sub-awards;
- Ensure that sub-recipient agreements include appropriate conflict of interest language and, for sub-awards governed by Federal rules, state whether financial conflict of interest requirements of the sub-recipient or sponsor apply; and
- Ensure the inclusion of appropriate terms and conditions concerning closeout of the sub-award.

The above list is not exhaustive of all compliance requirements. In addition to the general compliance elements noted above, there may be additional sponsor or program requirements that necessitate the collection and documentation of assurances such as animal care & use, human subject protections, biohazards, etc. during the life of a project.

SUBRECIPIENT MONITORING:

Sub-recipients will default to the “General Monitoring” category. If compliance issues develop over the course of the subaward, or if sub-recipient is not meeting required performance standards, the sub-recipient will be moved to the “Advanced Monitoring” category.

GENERAL MONITORING REQUIREMENTS

- Sub-recipient completes the audit certification form annually **or** compliance reviews audit report through Federal Clearinghouse
- Review invoices and reports to ensure:
 - Timeliness, completeness and accuracy
 - Project is in line with spending
 - PI certification
 - Work is performed within the period of performance
 - Compliance with special terms (if applicable)
- PI Certification form required for each invoice submitted for payment

ADVANCED MONITORING REQUIREMENTS

In addition to the monitoring requirements set forth in general monitoring, advanced monitoring will be tailored to the circumstance(s) that dictated the need for additional monitoring. Examples include, but are not limited to:

- Requiring source documentation for every sub recipient invoice,
- Quarterly conference call/meeting with MURC compliance staff, subrecipient PI and prime award PI to assess performance goals and progress
- Desk Audit performed by MURC

PROCESSING OF SUBRECIPIENT INVOICES

- Invoice received from sub-recipient; sent to either Principal Investigator (PI) or Administrative Contact (AC)
- PI/AC reviews invoice for accuracy and reasonableness based on approved sub-award budget and identifies correct purchase order for payment
- If acceptable, PI approves, certifies, and returns to AC for further processing. If unacceptable, PI and AC address discrepancies with sub-recipient; notifying MURC when there is a compliance concern.
- Once PI deems the invoice appropriate for payment, PI completes the PI Certification Form and submits both the invoice and certification to MURC Accounts Payable for processing.
- MURC Accounts Payable receives all required documents, reviews invoice for active and correct PO and processes for payment.

CLOSE OUT OF SUBAWARD

MURC will close-out the sub-award when it determines that all applicable administrative actions, including sub-award financial accounting, and all required substantive programmatic work set forth in the sub-award has been completed by the sub-recipient.

- MURC will confirm with the PI that all sub-award work was conducted as stated in the sub-award scope-of-work and that all required sub-recipient technical reports have been received and accepted by the PI/PD prior to formal close-out.
- All financial close-out actions will be conducted by MURC consistent with MURC policies and procedures.

ROLES AND RESPONSIBILITIES

PRINCIPAL INVESTIGATOR (PI):

- Obtain an approved proposal from proposed sub-recipients for incorporation into the proposal submitted to sponsors
- Review of sub-recipient technical performance reports
- Maintain communications with the sub-recipient PI and technical team sufficient to assess the quantity and quality of work being performed
- Receive, review and approve sub-recipient invoices (in coordination with administrative contact)
- Certify that invoiced amounts are consistent with the amount and type of work performed to date

- Work with sub-recipient to clarify any charges which appear to be unallowable, unallocable, unusual, or excessive (in accordance with Administrative Contact)
- Notify MURC of changes that need to be made to the scope-of-work, budget, or period of performance
- Notify MURC of sub-recipient's failure to provide timely technical reports, invoices, or other requested information
- Review of invoices and comparison of invoices to established sub-award budgets
- Provide payment approval via "*PI Payment and Performance Certification*" form, signed by the PI and included with each invoice
- Process sub-recipient invoices in accordance with the sub-recipient invoicing process.

SUBRECIPIENT:

- Perform the work set forth in the sub-award scope-of-work in accordance with the sub-award terms and conditions
- Notify PI and MURC of all issues and concerns related to sub-recipient's performance and compliance
- Comply with all requests for information or additional documentation related to the performance of the subaward
- Maintain a system of records related to the performance of project work in sufficient detail to permit MURC and sponsor to evaluate sub-recipient's technical and financial performance under the sub-award
- Complete annual Audit Certification form

MURC PRE AWARD:

- Initiate, negotiate, issue, amend, and execute sub-awards
- Ensure each sub-recipient proposal has the approval of the MURC PI and appropriate school/center officials
- Ensure subrecipient completes *Subrecipient Profile Questionnaire*
- Evaluate sub-recipients and those directly responsible for the performance of services under sub-recipient agreements to ensure that they are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded by any State or Federal department or agency
- Obtain and verify F&A and fringe benefit rates for sub-recipients
- Verify that proposal and award budget information is correct and comprised of allowable costs
- Verify that sub-recipient proposals and sub-award documents have the proper approvals by authorized officials at the sub-recipient's organization

MURC POST AWARD:

- Conduct annual sub-recipient monitoring as provided for in this policy (See general and advanced monitoring requirements)
- Assist PI in resolving financial questions related to invoices

- Advise the Director of Grants and Contracts of all sub-award issues or deficiencies that present a compliance risk to MURC
- Review, approve and process sub-recipient invoices upon receipt and proper authorization from the PI
- Invoicing and billing
- Financial reporting

References:

[Federal Uniform Guidance](#)



PI Payment and Performance Certification

Marshall University Research Corporation

Sub-recipient Name:

Invoice Number:

Sub-recipient PI:

Invoice Date:

PO Number:

Invoice Amount:

Invoice Period Covered:

Yes No

Are the expenses allowable per the sub-award and the prime award? Remember the prime award requirements and budget restrictions flow down to the sub-recipient.

Are the invoiced expenses included in the sub-award budget? The sub-recipient should only invoice for approved expenses per the sub-award.

Is the invoice period clearly stated?

Are the expenses incurred within the period of performance?

Are the expenses in the agreement consistent with the programmatic plan or work completed to date? The expenses invoiced should agree with the work incurred.

Did an authorized official of the sub-recipient institution sign the sub-recipient invoice?

Are the cumulative expenses within the overall approved budget amount? Ensure that the sub-recipient is not invoicing for amounts over the approved budget.

Are the invoice expenses per budget category in agreement with the budgeted amount per line item category?

Do expenses appear to be based on actual expenses? Cost reimbursable sub-awards require invoicing based on actual expenses only.

Does the invoice total correctly?

Are the indirect costs calculated correctly based on the agreed upon rate?

Does the invoice contain a signed certification as to the appropriateness of the charges? Example: I certify that this request represents actual, allowable cost incurred during the invoice period and these costs are appropriate and in accordance with the executed agreement.

I hereby authorize payment for the attached invoice and certify that I have received and reviewed all due reports and/or deliverables from the Sub-recipient that are the basis of this invoice. I am satisfied with the Sub-recipient's performance to date. To the best of my knowledge, the Sub-recipient's invoice reflects expenditures that are reasonable, allowable and allocable and are in compliance with the terms and conditions of the sub-award.

MURC PI Approval Signature:

Date:

Note: Most invoices do not include a large amount of detail. Ask for back-up documentation on specific budget line items if something does not appear correct. **If the answer to any of the questions above is "No", do not approve until all items are resolved.**