

Sub-Recipient Monitoring

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Purpose

This policy applies to all sub-awards issued under any sponsored research awards made to Illinois Institute of Technology, and it seeks to ensure adherence by sub-recipients to the administrative requirements imposed by award sponsors'. As a condition of acceptance of awards from sponsors, the University is obligated in its role as the primary recipient of an award, to ensure sponsored research-related activities comply with federal, state and local regulations or other grant terms and conditions as outlined in the specific award documentation.

Policy

To monitor sub-awards to ensure specific performance/financial goals are achieved in accordance with the negotiated sub-agreement, the terms of the sub-recipient relationship shall be documented in a negotiated sub-agreement to be executed by the University's Office of Sponsored Research and Programs and by an authorized representative of the sub-recipient. The sub-agreement shall indicate the award number, agency, CFDA number and Title (if applicable). Compliance with the terms and conditions of such agreements will be monitored during the life of the agreement.

Definitions

Sub-recipient means the legal entity to which a sub-award is made and which is accountable to the University for the use of the funds provided in carrying out a portion of the University's programmatic goals under the sponsored project. The term may include institutions of higher education, domestic for-profit corporations and not-for-profit institutions and foreign for-profit and not-for-profit organizations.

Sub-award is an award of financial support from a prime awardee to a qualified organization for the performance of a substantive portion of the program funded under the prime award. The term also includes awards made by a sub-recipient to a lower tier sub-recipient. It does not include procurement of goods and services funded by a prime award, i.e., vendors are not considered sub-recipients.

Procedures

Execution of Agreement

Within the agreement, sub-recipients are to be notified of the financial and non-financial reporting requirements imposed on them by federal laws, regulations of the flow-down provisions of the prime contract or grant agreement and any supplemental requirements imposed by the University dependent on the level of risk as determined by the University.

1. Once a fully executed agreement is in place, all documentation is provided to the Grant and Contract Accounting to begin the monitoring process.
2. The University will begin monitoring the costs and activities of the sub-recipients to ensure that

funding provided to the sub-recipient is used for purposes authorized and outlined within the agreement and that performance goals articulated in the scope of work are achieved.

3. At the end of each calendar year, letters requesting audit disclosures are sent out to all sub-recipients to determine if there were any findings related to any negotiated agreements with the sub-recipient and Illinois Institute of Technology. Selections are also outlined in the letter that aid in pre-determining if the sub-recipient requires further follow-up with regarding to A-133 compliance requirements (i.e., determining if the sub-recipient has expended \$500,000 or more in federal awards during the sub-recipients fiscal year).
4. If it is disclosed that there were no findings related to any sub-agreements with IIT, such disclosure is retained and noted in the file.
5. If it is disclosed that there were findings related to sub-agreements with Illinois Institute of Technology, the audit report is then requested (either via link to a website or hard copy).
6. The University will confirm that the sub-recipient has taken appropriate and timely action. If a material weakness or other reportable condition exists, monitoring of the sub-recipient will be more frequent and management actions will be taken as appropriate, and may also necessitate adjustments to the University's financial records.

Guidelines

Refer to respective negotiated sub-agreement.

References

[OMB Circular A-133: Audits of States, Local Governments, and Non-Profit Organizations](#)

[OMB Circular A-133: Compliance Supplement \(See audit requirements\)](#)

[OMB Circular A-110: Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals and Other Non-Profit Organizations](#)

Responsibilities

Principal Investigator - Responsible for ensuring that the programmatic goals are met as outlined in the specifics of the award. Subsequent approval of invoices if programmatic goals have been met.

Grant and Contract Accounting – Monitors the financial and compliance aspects of the award to ensure that sub-recipients are adhering to the grant terms and conditions outlined in the sub-agreement.

Required Forms

Sub-recipient Monitoring Checklist