

Campus Administrative Policy

Policy Title: Recipient Monitoring

Policy Number: 2036 Functional Area: **Finance**

Effective: February 1, 2006~~TBD~~
 Date Last Amended/Reviewed: February 1, 2006~~TBD~~
 Date Scheduled for Review: July 1, 2013~~TBD~~
 Supersedes: Recipient Monitoring (July 1, 2006)~~N/A~~

Approved by: Donald M. Elliman, Jr.
Chancellor, University of Colorado Anschutz Medical Campus

~~Vice Chancellor for Research~~

Prepared by: Associate Vice Chancellor – Financial Services & Controller
Director of the Office of Grants and Contracts

Reviewing Officer: ~~_____~~ Executive Vice Chancellor for Administration and Finance |
CFO, University of Colorado Anschutz Medical Campus

~~Office of Grants and Contracts~~

Responsible Office: ~~Office of Grants and Contracts~~ Associate Vice Chancellor –
Financial Services & Controller

Applies to: University of Colorado Anschutz Medical Campus

A. INTRODUCTION

It is campus policy to have timely ongoing communication with and ongoing monitoring of organizations subcontracted by the University of Colorado Anschutz Medical Campus (CU Anschutz) to perform certain services for CU Anschutz prime-awarded sponsor projects. In this role, CU Anschutz can be referred to as the pass-through entity and is responsible for:

Award Identification – at time of the award, informing the subrecipient of award information and compliance requirements.

Award Monitoring – monitoring subrecipient’s use of awards through reporting or regular contact to determine if the subrecipient is in compliance with relevant laws, regulations and sub-contract requirements.

Subrecipient Audits – completion or review of required A-133 or other audits within nine months of the end of the subrecipient’s audit period along with ensuring appropriate action is taken to respond to audit findings

CU Anschutz Principal Investigator – Evaluate the impact of subrecipient activities on CU Anschutz’s ability to comply with federal regulations and/or subcontract obligations.

B. TABLE OF CONTENTS

A. Introduction..... 1
B. Table of Contents..... 2
C. Definitions 2
D. Policy Statement 2
E. Procedures for Project and Fiscal Monitoring 4
Notes 5

C. DEFINITIONS

1. *Award*: Financial assistance that provides support or stimulation to accomplish a public purpose. Awards include grants and other agreements in the form of money or property in lieu of money, by the Federal Government to an eligible recipient. The term does not include: technical assistance, which provides services instead of money; other assistance in the form of loans, loan guarantees, interest subsidies, or insurance; direct payments of any kind to individuals; and, contracts which are required to be entered into and administered under procurement laws and regulations.
2. *Monitoring* (PreAward, PostAward, Award Closeout): The monitoring of a subrecipient’s use of awards by the PreAward, Post Award and Award Closeout sections of the Office of Grants and Contracts to provide reasonable assurance that the awards are being administered in compliance with laws, regulations, and the provisions of contracts or grant agreements and performance goals.
3. *Pass-Through Entity*: A non-federal entity that provides a Federal award to a subrecipient to carry out a Federal program.
4. *Subrecipient*: The legal entity to which a subaward is made and which is accountable to the recipient for the use of the funds provided. May include foreign or international organizations (such as agencies of the United Nations) at the discretion of the Federal awarding agency.
5. *Subrecipient Audits*: An audit of the entity to which a subaward is made.

D. POLICY STATEMENT

Adherence to federal requirements and private sponsor requirements for monitoring

subrecipients is critical to the successful management of CU Anschutz sponsored projects requiring contracted assistance from entities or individuals outside CU Anschutz. The basic requirements of subrecipient monitoring follow.

Pass-Through Entity (CU Anschutz):

1. Award-Identification – At the time of the award, identify to the subrecipient the Federal award information and applicable compliance requirements (e.g. CFDA title and number, award name and number, award year, if the award is R&D and name of the federal agency).
2. Advise subrecipients of requirements imposed by federal laws, regulations and the provisions of contracts or grant agreements as well as any supplemental requirements imposed by the pass-through entity.
3. Monitor the activities of subrecipients as necessary to ensure that awards are used for authorized purposes in compliance with laws, regulations, and the provisions of contracts or grant agreements and those performance goals are achieved.
4. Ensure that subrecipients expending \$500,000 or more in federal awards during the subrecipient's fiscal year have met the audit requirements for that fiscal year.
5. Issue a management decision on audit findings within six months after receipt of the subrecipient's audit report and ensure that the subrecipient takes appropriate and timely corrective action.
6. Consider whether audits of subrecipients necessitate adjustment of CU Anschutz's records and/or continued contractual activities.
7. Require each subrecipient to permit CU Anschutz to have access to the records and financial statements as necessary for CU Anschutz compliance.

Award Monitoring

1. During the award, CU Anschutz PIs are to monitor the subrecipient's use of awards to provide reasonable assurance that the subrecipient administers awards in compliance with laws, regulations, and the provisions of contracts or grant agreements and performance goals. Monitoring can be conducted through the use of:
 - a. Reporting – review of financial and performance reports submitted to the PI by the subrecipient. For Cost-reimbursable subcontracts, accounting transactions records produced by the accounting system of record must be attached to all invoices before such invoices can be paid.
 - b. Contact – regular contacts with subrecipients and inquiries concerning award activities.

- c. Site Visits – if necessary, visiting subrecipient to review financial and program records along with observing operations.
- d. Procedures Engagements Subrecipient Audits
Ensure required audits are completed within nine months of the end of the Subrecipient’s audit period, issuing a management decision on audit findings within six months after receipt of the subrecipient’s audit report, and ensuring that the subrecipient takes timely and appropriate corrective action on all audit findings. In cases of continued inability or unwillingness of a subrecipient to have the required audits, the pass-through entity shall take appropriate action using sanctions.

Impact Evaluation by Principal Investigator

The CU Anschutz PI is responsible for evaluating the impact of subrecipient activities, including financial, on CU Anschutz’s ability to comply with applicable regulations.

E. PROCEDURES FOR PROJECT AND FISCAL MONITORING

Principal Investigator

1. Reviews subrecipient invoices including supporting transaction reports if a cost reimbursable contract, approves and forwards for payment following relevant University fiscal policies and State fiscal rules.
2. Ensures that subrecipient invoiced goods and services fall within the subcontract period and within the total authorized amount of the subcontract and for only those items that are allowable charges to the project based on State, University and sponsor requirements.
3. The Principal Investigator is responsible for reviewing and approving financial and performance reports.
4. If necessary, the Principal Investigator performs site visits to review financial and programmatic records and to observe operations.
5. The Principal Investigator is responsible for regular contacts with subrecipients and appropriate inquiries regarding program responsibilities.

Office of Grants and Contracts – Subcontracts

At the time of the award, identify to the subrecipient the Federal award information and applicable compliance requirements (e.g. CFDA title and number, award name and number, award year, if the award is R&D and name of the federal agency and invoice requirements).

Office of Grants and Contracts – Accounting

1. Ensure required subrecipient audits are completed and archive documentation of the audit and any audit findings. If the subrecipient reports “no audit findings,” OGC Accounting will verify the subrecipient’s audit findings through the Federal Audit Clearinghouse database and that the required audit had been performed.
2. Issue a documented decision on audit findings within 6 months of the subrecipient’s audit report.
3. Ensure that subrecipients took appropriate and timely corrective action on all audit findings.
4. In cases of continued inability or unwillingness of a subrecipient to have the required audits, OGC Accounting will take appropriate action using sanctions and document in subrecipient project file.

Office of Grants and Contracts – PostAward Accounting

1. Complete Final Billing review where PostAward Administrator works with Departmental Personnel to obtain Departmental Certification that:
 - a. All sub-contract charges are allowable per State, University and Sponsor requirements.
 - b. All sub-contract charges apply to activities within the sub-contract period.
 - c. All sub-contract charges have been invoiced by Sub-contractor.
 - d. Appropriate sub-contract invoices (i.e., cost-reimbursable contracts) are properly support by sub-contractor supplied accounting records and do not exceed the total authorized amount.
 - e. All sub-contract charges have been invoiced by Sub-contractor.
 - f. Appropriate sub-contract invoices (i.e., cost-reimbursable contracts) are properly supported by sub-contractor supplied accounting records and that F&A calculation and benefits rate have been verified and are consistent with that terms of the subcontract.
 - g. All outstanding questions related to charges invoiced amounts received have been properly resolved by the Subrecipient.
 - h. The value of any cost sharing by the sub-recipient has been properly documented and reviewed by CU Anschutz personnel that is knowledgeable about the project and is in a position to verify financial information from the subrecipient.

NOTES

1. Dates of official enactment and amendments:
February 1, 2006: Adopted by the Vice Chancellor for Research
April 2, 2019: Formatting Updated
2. History:

April 2, 2019: Modified to reflect a 2018 Campus-wide effort to recast and revitalize Campus policy sites into a standardized and more coherent set of chaptered policy statement organized around the several operational divisions of the university. Article links, University branding, and formatting updated by the Provost's office.

3. Initial Policy Effective Date: February 1, 2006

4. Cross References/Appendix:

- 31 USC 7502(f) (2) (B) (Single Audit Act Amendments of 1996 (Pub.L.No.104-156)) 2. OMB Circular A-133 ('__.255 and '__.400 (d))
- A-102 Common Rule ('__.37 and '__. 40(a))
- OMB Circular A-110 ('__.51 (a))
- CU Anschutz Office of Grants and Contracts Policies and Procedures
- National Association of College and University Business Officers, A Guide to Managing Federal Grants for Colleges and Universities, May, 2004.