

Subaward Review and Monitoring

Updated July 2018

Policy updated in response to restructuring of Business Service, new guidance from funders, and full implementation of Universal Guidance. This document is designed to be in line with the Rutgers Policy 10.1.9 Research Grant and Contract Administration, Support and Management and 10.1.8 Research Policy and Regulations; as well as the ORED Subaward Issuance and Modification Policy (April 2016) and Subaward Monitoring Policy (April 2016).

The policy is designed to implement best practices programmatic, administrative and financial for review and monitoring of subawards issues under federal funding programs whether direct or pass-through. This policy is based on Uniform Guidance and University Policy, and should not supersede any direct requirements of funders, federal regulations, or specific funder dictates.

Definitions:

Contractor Or Vendor – Organization providing good and services that are ancillary to the operation of a sponsored program. Contractors provide the same or similar goods and services to many different purchasers, and operate in a competitive environment.

Designee – Individual who by role or delegation by Principal Investigator has (a) invoice approval authority, (b) first-hand knowledge of the primary award, (c) programmatic progress of subrecipient; and can act in place of Principal Investigator, in such circumstances and parameters as allowed by University policy, funder guidelines and Universal Guidance.

Pass-through entity – A non-federal entity that provides subaward to a separate organization to carry out part of a Federal Program. The pass through entity may provide additional regulations and requirements to the subawardee, but both remain subject to Uniform Guidance and its strictures.

Sponsored program (or award) – Funding arrangement under which SSW agrees to provide deliverables, a set of activities, or other outcome under a defined timeline, on a specified topic or topic area, in exchange for funds regardless of the type of funding instrument (contract, cooperative agreement, grant, consortium agreement, etc).

Subaward – A formal, enforceable agreement executed by an authorized University Official on behalf of SSW and its PI between the University (acting as a Pass-through entity) and another entity (acting as subrecipient) to perform a portion of the statement of work under a sponsored program, not issued to a contractor (or vendor) for procurement of goods and services.

Subrecipient (subcontractor or subawardee) – Organization or entity that receives a financial award from the University and expends pass-through funds. The subrecipient must be eligible under Uniform Guidance, the funder’s requirements and university policy. Subrecipients have responsibility for programmatic decision making and for adherence to issued compliance documents. Subrecipients do not provide goods or services. A subrecipient may be domestic or foreign educational institution, a for-profit company, or a non-profit organization. A subrecipient may not be an individual.

Roles:

The Principal Investigator of a sponsored program is responsible for monitoring the progress of all subrecipients, their ability to meet the objectives of the award, and to escalate concerns as they occur. The Principal Investigator should ensure that reports and invoices are submitted in a timely manner, and that all compliance requirements are met. The Principal Investigator may use designees to provide this monitoring.

The designee (or designees) of the Principal Investigator may be responsible for reviewing reports, invoices or timelines for compliance, for providing front-line communications, and for ensuring compliance requirements are met.

Grant and Contract Accounting conducts annual audit reviews to identify potential risk associated with subawards. The annual subaward risk classification is available for review prior to issuance of any subaward. Grant and Contract Accounting will confirm the existence of a fully executed agreement and have established the funding in the University’s General Ledger. Expert advice and feedback can be provided to Principal Investigators and their Designees upon request from Grant and Contract Accounting.

Office of Sponsored Programs or Office of Corporate Contracts prepares, issues and administers subawards. It is the responsibility of this office to ensure that the subawards comply with all relevant regulations, sponsored guidelines and University policies. The designated contract specialist will act as a resource for advice and guidance for the Principal Investigator and their designees.

Recording Keeping:

A complete file of all documents relating to the issuance, administration and close out of subawards should be maintained and monitored by the appropriate administrative and / or financial personnel. At a minimum this should include all award documents, purchase orders, approvals, invoices, communications, and reports.

Business Services will keep an electronic record of contract documents, invoices, invoice approvals and communications relating thereunto.

Monitoring at SSW:

The Principal Investigator or designee should review invoices to ensure that the subaward/subcontract requirements are met; costs incurred are aligned with reporting progress to date, and in line with the budget as approved; are in an appropriate format; and are submitted in a timely manner. There should be a flow of communication from the Principal Investigator to the subawardee to ensure that milestones are met, that efficient completion of the project is possible, and that there are no gaps in reporting.

Business Services shall act as a designee for the Principal Investigator only so far as it applies to financial reporting. The appropriate Business Manager or Grants Specialist shall review and approve invoices, request additional information or confirmation of invoiced costs that are unclear, verify indirect costs, and to ensure accurate and timely payment of invoices. Business Services will also coordinate communication with University Purchasing regarding invoice tracking and payment. Where questions exist around the payment of invoices, it is the Principal Investigator who makes the final determination.