

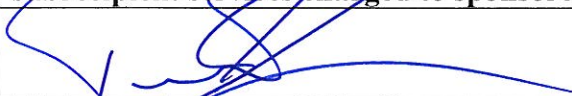


Florida Agricultural and Mechanical University
Division of Research

Office of Sponsored Programs

INTERNAL OPERATING MEMORANDUM

Memorandum No. 16A.018

Subject:	Subrecipient Procurement, Management and Monitoring	
Authority:	Sections 1001.74 and 1001.75, Florida Statutes, FAMU Policy entitled "Subrecipient Procurement, Management and Monitoring"	Date: 09/28/12 Revised: 01/07/16
Related References	2 CFR Part 200 Uniform Guidance (Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards), FAMU Office of Sponsored Programs Manuals (Pre and Post Award Units)	
Purpose	The purpose of this procedure is to provide guidance to University staff responsible for the procurement, management and payment of subrecipient services charged to sponsored projects.	
Signature of Approving Authority		

1.0 GENERAL INFORMATION

This procedure is for compliance with 2 C.F.R. §200, Uniform Guidance (UG), OMB Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards as it specifically applies to sections §200.330 and §200.331. Florida Agricultural and Mechanical University (FAMU) is responsible for oversight of the operations of the Federal award supported activities. FAMU must monitor its activities under Federal awards to assure compliance with applicable Federal requirements and ensure performance expectations are being achieved. Monitoring covers each program, function or activity. As the prime recipients of federal funds, FAMU is required to monitor subawards and to ensure subrecipients meet the audit requirements in Subpart F and use funds in accordance with applicable laws, regulations and terms of the award. This procedure applies to all subawards issued under sponsored programs. All non-profit recipients of federal funds that expend-\$750,000 or more per fiscal year, must ensure that its subrecipients comply with the UG administrative requirements, cost principles, and audit requirements.

- Awards issued to FAMU may provide and/or allow for the sub-contracting of research to other organizations, universities or designated entities. This category excludes vendors who supply goods and services for which a departmental requisition and/or purchase order is submitted. Sub-contracts are independent agreements for the acquisition of programmatic, technical or scientific services with a party external to the University.
- Specific prior approval from the sponsor is required before an activity on a sponsored project may be subcontracted to a third party. Subcontract arrangements are formalized in a written agreement between FAMU and the subrecipient. FAMU must determine if there is a need for a subrecipient

relationship to meet the requirements of the prime award. A subrecipient relationship exists when a third party:

- determines who is eligible to receive financial assistance under the award;
- has its performance measured against whether the objectives of the Federal sponsor program are met;
- has responsibility for programmatic decision making;
- is responsible for adherence to applicable Federal program compliance requirements; and
- is in accordance with its agreement, uses the Federal funds to carry out a program for a public purpose specified in authorizing statute, to carry out a program of the subrecipient as opposed to providing goods or services for a program of the University.

2.0 DEFINITIONS

- **Contractor** is an organization that provides goods and services within normal business operations. Contractors (vendors) provide similar goods and services to many different purchasers; operate in a competitive environment; and provide goods or services that are ancillary to the operation of the sponsored program. Vendors may not be subject to all compliance requirements.
- **Catalog of Federal Domestic Assistance (CFDA)** is the five-digit number assigned in the awarding document to most grants and cooperative agreements funded by the Federal government.
- **Federal Audit Clearinghouse** is a division of the Office of Management and Budget (OMB) that collects information on audit results.
- **Federal award** is federal financial assistance and federal cost-reimbursement contracts that non-federal entities receive directly from federal awarding agencies or indirectly from pass-through entities. It does not include procurement contracts under grants or contracts used to buy goods or services from vendors.
- **Federal Awarding Agency** is the federal agency that provides an award directly to the recipient.
- **Federal Demonstration Partnership (FDP)** is a cooperative initiative among 10 federal agencies and 155 institutional recipients of federal funds convened by the Government-University-Industry Research Roundtable of the National Academies. Its purpose is to reduce the administrative burdens associated with research grants and contracts.
- **Federal Funding Accountability and Transparency Act (FFATA)** created reporting with intentions to empower every American with the ability to hold the government accountable for each spending decision.
- **Management decision** is the evaluation by the federal awarding agency or pass-through entity of the audit findings and corrective action plan and the issuance of a written decision as to what corrective action is necessary.
- **Non-federal entity** is a state, local government or non-profit organization.
- **Non-profit organization** is:
 - (1) any corporation, trust, association, cooperative or other organization that:
 - (i) is operated primarily for scientific, educational, service, charitable or similar purposes in the public interest;
 - (ii) is not organized primarily for profit; and
 - (iii) uses its net proceeds to maintain, improve, or expand its operations.
 - (2) the term **non-profit organization** includes non-profit institutions of higher education and hospitals.
- **Pass-through** entity is a non-federal entity that provides a federal award to a subrecipient to carry out a federal program.

- **Prime recipient** is the direct recipient of funds to support a sponsored research project.
- **Sponsored project** is a funding arrangement in which the University 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.
- **Recipient** is a non-federal entity that expends federal awards received directly from a federal awarding agency to carry out a federal program.
- **Subaward** is an award by a pass-through entity to a subrecipient for the subrecipient to carry out part of a Federal award received by the pass-through entity. It does not include payments to a contractor or payments to an individual that is a beneficiary of a Federal program. A subaward may be provided through any form of legal agreement, including an agreement that the pass-through entity considers a contract. This is an enforceable agreement, made under a prime award, between a prime recipient and a subrecipient for the performance of a substantive portion of the program. This term does not apply to the procurement of goods or services from a vendor.
- **Subrecipient (subcontractor or subawardee)** is a non-Federal entity that receives a subaward from a pass-through entity to carry out part of a Federal sponsored program; but does not include an individual that is a beneficiary of such program. A subrecipient may also be a recipient of other Federal awards directly from a Federal awarding agency. This term does not apply to the procurement of goods or services from a vendor.
- **UG** is an OMB publication entitled “Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards.”

3.0 RESPONSIBILITIES

- 3.1 **Principal Investigator/Program Director (PI/PD)** is responsible for determining whether there is a need for a subrecipient on a sponsored project. The PI/PD has the primary responsibility of monitoring subrecipients’ progress, reviewing and approving invoices; and ensuring compliance with federal regulations and institutional policies and procedures in both prime and subrecipient award terms and conditions.
- 3.2 **Departments/Division/Colleges/Schools (DDCS)** administrator(s) are responsible for ensuring staff compliance with institutional, federal and state policies and procedures governing subrecipient procurement management and monitoring of the sponsored project agreements within the College/School.
- 3.3 **Office of Sponsored Programs (OSP)** is responsible for ensuring that the University’s subrecipient monitoring policies and procedures comply with federal and other applicable regulations and are applied consistently. OSP reviews, negotiate, and coordinate the execution of sponsored project agreements, and prepare applicable certifications, assurances, assessment and monitoring. OSP office reviews the award prior to approving expenditures to verify that all charges are allowable in according to the specified sponsored agreement. OSP is further responsible for performing desktop or site monitoring as warranted based on the risk assessment of the subrecipient and imposing contract consequences based on the performance of the subrecipient.
- 3.4 **Office of the General Counsel (OGC)** is responsible for the review and approval of subrecipient agreements/contracts to ensure compliance with University regulations, Florida statutes and any other applicable laws.
- 3.5 **Procurement Services (PS)** is responsible for assigning a control number to all subrecipient contracts. This enables the subcontract commitment to be encumbered in the University iRattler financial system. PS is responsible for ensuring proper management and retention of documents.

- 3.6 **Controller's Office (CO)** Accounts Payable (AP) section is responsible for processing all vendor payments. They are responsible for ensuring timely payment of all invoices, auditing payment for compliance regulations and mailing out warrants issued to vendor/provider.
- 3.7 **Audit and Compliance Office (ACO)** is responsible for reviewing subrecipient's audit findings to determine if the associated action and monitoring plan(s) adequately addresses the findings.
- 3.8 **Contracts and Grants (C&G)** is responsible for invoicing the sponsoring agency for expenditure costs, cost transfer, cost share, and preparing and submitting all fiscal reports to the funding agency.
- 3.9 **Organizational Development and Training (ODT)** is responsible for the development and coordination of training on regulatory requirements for all individuals with responsibilities for subrecipient procurement, management and monitoring on sponsored project, including but not limited to PIs, OSP and C&G staff and grants administrators.

4.0 PROCEDURES

4.1 Principal Investigator/Program Director (PI/PD)

The PI/PD determines during the proposal development stage when it is necessary to include a subrecipient subcontract with another non-Federal entity for the performance of a substantive portion of the proposed sponsored program. During the various stages the PI/PD's responsibilities consists of but are not limited to the following:

Pre-Award Stage

- Establish contact with subrecipient's PI to determine the Statement of Work (SoW) that clearly outlines the extent of involvement of the subrecipient that includes:
 - Technical or scientific work to be performed on proposed sponsored project;
 - Identification of individuals to perform said work;
 - Proposed location, start and end date of the work to be provided;
 - Detailed budget and budget narrative justification itemized for each year including multiyear budgets (including subrecipient's fringe benefit rates). If matching is required, the PI must ensure that the required matching information is included in the proposed budget;
 - Letter of Commitment on letterhead and signed by authorized official (statement of intent to establish consortium agreement);
 - Copy of subrecipient's negotiated Indirect Cost Rate Agreement;
 - Conflict of Interest Statement, as appropriate;
 - Subrecipient's pre-qualifying and/or certification forms; and
 - Other supporting documents (e.g. equipment quotes, biosketches, matching if applicable).
- Submits proposal application with all of the above items to the OSP for review and processing.
- Provide subrecipient contact information (Authorizing Official, PI/PD, Financial and Administrative personnel).
- Ensure contract summary and approval form is submitted to OSP for subrecipient.

Post-Award Stage

- The PI/PD is responsible and accountable for managing the budget on his or her sponsored award or contract. This includes managing subrecipient's expenditures and activity in accordance with the approved budget and sponsor identified regulations and policies related to budgetary and fiscal matters.
- Work with the OSP Coordinator in the preparation of the subcontract. The PI is not authorized to execute the contract on behalf of the University.
- Obtains necessary information from the subrecipient to be included in the subcontract document, reviews and approves the subrecipient's proposed budget and scope of work if changes are required as a result of budgetary reduction per funding agency. To include FDP Uniform Guidance Subaward Forms.
 - If matching is required, the PI must ensure that the required matching information is included in the proposed budget and provided.
- Initiates a requisition through the University iRattler Financial Management system to encumber funds after subcontract has been approved by all parties. Ensure the following information is included on the request.
 - Account code 93000000 should be used for the first \$25,000 and category code 713950;
 - Account code 93100000 should be used for the remaining contract amount and category code 713960; and
 - Approve requisition(s).
- Follow-up with Departmental Requester to ensure Purchase Order(s) has been issued.
- Reviews and approves invoices received from the subrecipient for reasonableness and compliance with subcontract budget and sign certification for routing to OSP.
- Monitors the subrecipient's performance to ensure proper and timely completion of activities, specified deliverables, including but not limited to the completion of technical and fiscal reports. If subrecipient has not performed as required by the subcontract, the PI should not approve the invoice for payment. In such cases, the PI should confer with OSP, GC and the subrecipient to develop a plan for compliance.
 - If matching is required, the PI must verify and certify that the subrecipient has provided the matching documentation to support the matching commitment and route to OSP and C&G.
 - Document the review of invoices and correspondence in the project file. Such documentation may include, for example: PI/PD authorizing signature on invoices, email communications, notes of meetings with the subrecipient PI/PD, department/college/school administrator, and/or OSP, etc.
 - Document any unforeseen issues, investigate and resolved as applicable.
 - Perform an expense to budget comparison for cost reimbursement subagreements. The subrecipient's invoices must show both current period and cumulative expenses-to budget.
- Ensure Departmental Requester receipt invoices timely in the University iRattler Financial Management system for prompt payment.
 - Review all expenses charged to project, especially subrecipient subcontract and follow-up accordingly.
- Contacts the OSP timely to initiate any subcontract modifications, including incremental funding prior to expiration of contract.
- Requests approval of the sponsoring agency when required to subcontract a portion of the sponsored project to another entity if not included in the initial proposal application.

- All requests for subrecipient should include the same information as indicated in the pre-award process.

4.2 Departments/Divisions/Colleges/Schools (DDCS)

DDCS administrator(s) are responsible for ensuring staff compliance with institutional, federal and state policies and procedures governing subrecipient procurement management and monitoring on sponsored project agreements within the College/School.

- Assists PI/PD with the review of technical performance reports or other specified deliverables on a timely basis.
- Assists PI/PD with performing an expense to budget comparison for cost reimbursement subagreements. The subrecipient's invoices must show both current period and cumulative expenses-to budget.
- Provides assistance with the review of invoices regularly and document their review in the grant project file. Such documentation may include, for example: review of invoices and correspondence in the project file. Such documentation may include, for example: PI/PD authorizing signature on invoices, email communications, notes of meetings with the subrecipient PI/PD and/or OSP.
- Assists PI/PDs with subrecipient's monitoring, review of invoices, identifying and following-up on questionable expenditures, if necessary, and maintaining documentation of monitoring efforts.
- Assists PI/PDs with requests to the subrecipient to provide clarification of invoiced charges that appear unusual, excessive, or otherwise questionable. If the subaward terms permit, local administrators may request detailed justification to verify the allowability of the cost. Examples of detailed justifications include: payroll records, copies of paid invoices showing item cost and vendor justification forms if required, descriptions of services rendered by consultants including hourly rates and time reports, details of incurred travel charges stating the purpose of the travel, and records identifying any unallowable costs.
- Subrecipients not subject to the UG Audit Requirements (Subpart F) may require additional monitoring by PI/PD, DDCS administrators and OSP to ensure compliance. For subrecipients deemed to require closer scrutiny, PI/PDs and DDCS administrators should work closely with OSP to establish additional channels of communication and monitoring methods. Subrecipient monitoring plans should be devised, as appropriate with the ACO.
- The PI/PD, DDCS administrator and/or OSP may at their discretion conduct on-site visits to evaluate compliance with the project's scientific objectives, and the appropriateness of the subrecipient's administrative systems, processes and charges.
- Audits of subrecipients may be performed on a discretionary basis in order to resolve questionable costs or other noncompliance issues. PI/PDs and DDCS administrator should contact OSP and ACO before initiating discretionary audits.

4.3 Office of Sponsored Programs (OSP)

OSP is responsible for ensuring that the University's subrecipient monitoring policies and procedures comply with federal and other applicable regulations and are applied consistently. OSP reviews proposal applications, submits documents to sponsoring agencies, negotiates awards, coordinates the execution of sponsored project agreements, and prepares applicable certifications, assurances, assessment and monitoring.

Pre-Award

- Work with the PI/PD to obtain all information required for subrecipient inclusion in proposal submission. This includes establishing contact with subrecipient's PI organization to obtain supporting documents that clearly outline the extent of involvement of the subrecipient that includes:
 - Technical or scientific work to be performed on proposed sponsored project;
 - Identification of individuals to perform said work;
 - Proposed location, start and end date of the work to be provided;
 - Detailed budget and narrative justification itemized for each year including multiyear budgets (including subrecipient's fringe benefit rates). If matching is required, ensure that the required matching information is included in the proposed budget;
 - Letter of Commitment on letterhead and signed by authorized official (statement of intent to establish consortium agreement);
 - Copy of subrecipient's negotiated Indirect Cost Rate Agreement;
 - Conflict of Interest Statement, as appropriate;
 - Subrecipient's pre-qualifying and/or certification forms; and
- Other supporting documents (e.g., equipment quotes, biosketches, matching if applicable).
- Review subrecipient commitment letters to confirm document is signed by an official who is authorized to commit the subrecipient's resources in the completion of the project.
- Review Statement of Work (SoW) that clearly outlines the extent of involvement of the subrecipient. The SOW should indicate work to be performed, who (personnel) will be assigned effort on the sponsored project, location of services, start and end date of proposed deliverables.
- Review of budget, itemized by major budget category, such as salaries and wages, employee benefits, supplies, equipment, travel, consultants, subcontracts, and other direct costs. Budget itemization should be provided in the format required by the sponsor. A budget must be provided for each year of the project. If a multi-year budget is required, a cumulative budget must also be provided.
- Review budget justification and narrative explanation of each budget item. If a multi-year budget is provided, a detailed explanation of costs must also be provided for each year's cost. If the subcontractor is a federal grantee, compliance with federal cost principles and audit requirements provide assurance of personnel rates, competitive pricing for materials, supplies, equipment and services. A review of reasonableness of budget in relation to proposed work is required.
- Obtain and review Facilities and Administrative (F&A) Costs (Indirect Costs) to ensure correct F&A calculations are used based on the subrecipient's current rate. If the proposed subrecipient does not have a negotiated federal indirect rate, 10% F&A will be used. Subrecipient may provide detailed documentation to substantiate the proposed overhead.
- Review subrecipient's proposed Fringe Benefits Rates. Obtain supporting documentation as required.
- Review completed Subrecipient Certification and Assessment forms.
- Reviews all documents from the subrecipient to be incorporated in the proposal and pre-award file.
- Submit proposal application to sponsoring agency and include all supporting documents in pre-award project file.

- Ensure the subrecipient contact information has been provided to include: Authorizing Official, PI/PD, Financial and Administrative personnel.

Post-Award

- Prepares and executes the subcontract between the University and the subrecipient which shall include University and state required terms and sponsor flow-down provisions, as well as applicable sponsor certifications and assurances of compliance required of subrecipients. OSP employees responsible for the execution of the subcontract are subject to the provisions in Section 112.313 Florida Statutes, Standards of conduct for public officers, employees of agencies and local government attorneys.
- Determines that the required flow-through clauses are included in the subrecipient's proposal to the University.
- Prepares, in consultation with the PI, and processes subcontract modifications including obtaining approvals and signatures from the General Counsel Office, Procurement and Vice President for Research and Subrecipient's Authorizing Official's.
- Monitors the subrecipient's compliance with audit requirements, previously A-133 Reports.
 - Monitors the receipt of the audit reports.
 - Forwards audit reports when the certification form indicates that there are findings.
- Reviews and approves revisions of budget and program plans of subrecipients to ensure compliance with university, state, and federal regulations governing subrecipient relationships.
- Reviews and approves the subcontractual obligation. The review includes determining that:
 - Agency approval has been obtained, if required;
 - Funds are available in the prime agreement to cover the total cost of the subcontract; and
 - Start dates of the subcontract are within the effective dates of the prime award.
- Approves subrecipient's invoices/financial reports to include the following:
 - invoice is proper and received in a timely manner;
 - if matching is required, verify that subrecipient has provided the matching documentation to support matching commitment;
 - costs invoiced/claimed are compliant with applicable agency, award specific, state and University requirements;
 - payment is made in a timely manner; and
 - final invoice/financial report are received prior to preparation of the University's final financial report on the prime award to the sponsor.

Subrecipient Assessment and Monitoring - Preparation and Execution of Subcontract

- Prior to issuing a subcontract, FAMU's risk assessment questionnaire form is routed to subrecipient for completion if not obtained during the pre-award process (FDP subcontracts and risk assessment are used as appropriate).
- Completed subrecipient's risk assessment form are reviewed and approved by Post- or Pre-Award Director, paying particular attention to those issues that are deemed to require closer scrutiny in light of considerations including, but not limited to, the following:
 - Completion and signed assessment by all subrecipients to attest to their financial, operational, and compliance capabilities. It serves as an initial step in risk assessment.
 - FAMU's current and prior experience with the subrecipient;
 - For-profit status of subrecipient;
 - Subrecipient's administrative team and financial systems;

- Size of the subrecipient award's annual budget and size relative to the subrecipient's total sponsored research portfolio;
- Reviews of subrecipient prior audit reports to verify that the subrecipient has completed the required audit and to assess the audit findings, if any. In the case of audit findings, the OSP routes to ACO for additional guidance and monitoring.
- Reviews subrecipient's corrective action and the University's management decision.
- For entities not subject to the UG Audit Requirements, the ACO may request audited financial statements and/or completion of a financial controls questionnaire from the subrecipient.
- Percentage of the program award passed through to the subrecipient;
- Complexity of the award, sensitivity of the work and/or scope of governing regulations; and
- International location of the subaward or subrecipient.
- For subrecipients deemed to require closer scrutiny, staff should work with the PIs and ACO to establish additional channels of communication.
- Provide feedback to the ACO regarding ongoing risk analysis of Subrecipients.
- Conduct the following subrecipient monitoring when appropriate:
 - Inform the subrecipient of all applicable federal laws and regulations and all appropriate flow-down provisions from the prime agreement.
 - Review the subrecipients' audit results provided and/or via the Federal Audit Clearinghouse (<https://harvester.census.gov/facweb/>).
 - Review for any corrective actions cited by subrecipients in response to their audit findings, where the audit findings are related to FAMU's awards to the subrecipients.
 - Obtain management decision on subrecipient's audit findings within six months after receipt of the audit results and ensuring the subrecipient takes appropriate and timely corrective action.
 - Prior to issuing a subcontract, review of subrecipient risk assessment to inform any measures e.g., additional monitoring procedures, special terms and conditions-necessary to appropriately monitor the subrecipient, subcontract.
- Obtain subrecipient's contact information which includes: legal entity name, mailing address, federal employer identification number (EIN); DUNS number; congressional district; contacts (PI/PD, administrative, financial, and authorized officials), name, mailing address, email address and telephone number; subcontract beginning and ending dates (cannot be greater than prime award dates and may need to be less in order for FAMU to meet agency reporting deadlines); scope of work and budget, if different from proposed; and description of deliverables.
- Verify total amount of subcontract and payment terms. Normally advance payments are fixed price agreements (unless applicable) are not made to subrecipients. This option should not be volunteered. If requested, need is valid and the sponsoring agency permits, it can be done but should be limited to FAMU's ability to obtain funds from sponsor. Advance funds should not exceed amount permitted by sponsoring agency.
- The subcontract agreement must include all provisions necessary to define a sound and complete agreement as well as the following provisions but are not exhaustive:
 - Administrative, contractual or legal remedies in instances of subcontractor's violation or breach of the contract terms and provide for remedial actions as may be appropriate
 - Access to the records and financial statements
 - Notification clause of developments that have a significant impact on the award-

supported activities, including delays or adverse conditions which materially impair the ability to meet the objectives of the award

- Byrd Anti-Lobbying Amendment, where appropriate
- Catalog of Federal Domestic Assistance (CFDA) number, title and award number, award name, name of federal agency and applicable compliance requirements
- Clean Air Act and the Federal Water Pollution Control Act, as amended, where appropriate
- Federal Award Identification Number (FAIN)
- Financial Conflicts of Interest
- Closeout
- Compliance with applicable federal, local and state regulations in compliance with UG.
- Contract Work Hours and Safety Standard Act, where applicable
- Copeland “Anti-Kickback” Act, where appropriate
- Copyrights
- Data Rights
- Davis-Bacon Act, as amended, where appropriate
- Debarment and Suspension
- Description of conditions under which the contract may be terminated for default as well as conditions where the contract may be terminated because of circumstances beyond the control of the contractor
- Equal Employment Opportunity
- Export Controls, where applicable
- Intellectual Property
- Invoicing, technical and financial reporting requirements (normally, at a minimum, same as requirements of FAMU)
- Required flow-down clauses
- Responsible conduct of research
- Rights to Inventions Made Under a Contract or Agreement
- Termination by the recipient, including the manner by which termination shall be effected and the basis for settlement
- Subcontract are prepared according to the type of subrecipient, type of payment, method of payment and other special considerations (i.e. FDP awards budgets are prepared in accordance with FDP contract terms and conditions).
- Determines the type of subcontract that will be issued—fixed price or cost reimbursable (generally research effort is procured on a cost reimbursement basis due to the inability to define the “product” and/or the cost thereof).
- Prepares subcontract agreement.
- Routes subcontract agreement to legal General Counsel Office for review and approval.
- Approved subcontract by OGC is returned to OSP and forwarded via email to subrecipient for signature and return to OSP.
- Upon receipt of subcontract agreement from subrecipient, obtain signature of FAMU Vice President for Research (VPR).
- After the VPR signature is obtained, the subcontract is routed to the Procurement Services for processing, review, signature and assignment of subcontract number.
- After OPS returns fully executed subcontract agreement to OSP a copy of the document is sent to subrecipient, PI/PD and OGC.

- Routing instructions are sent to the PI/PD and guidance is provided for initiating a requisition request through the University Financial Management system for the encumbrance of funds.
- If funding is for a multi-year award, OSP issues modification of existing subcontract upon notification from PI/PD.
- Reviews all active subrecipients, paying particular attention to those that are deemed to require closer scrutiny in light of considerations including, but not limited to, the following:

Invoices and Financial Reporting

- Once OSP receives an invoice from the subrecipient, the invoice is clocked by the Administrative Assistant and referred to the OSP Coordinator to:
 - Verify that invoice contains a certification which has been signed by subrecipient official.
 - Compare actual costs to subrecipient budget/if expenditures exceed line item budget amounts and prior approval is required, determines that approval has been given.
 - Verify completeness and mathematical accuracy of invoice.
 - Determines allowability of costs.
 - Determines that F&A and fringe benefit costs are in agreement with subcontractor's rates and that they have been properly calculated.
 - Determine that the sum of current invoice amount and amounts of previous invoices is within subcontract ceiling.
 - Determine that period covered by invoice is within subcontract effective dates.
 - Check System for Award Management (SAM) and Visual Compliance for debarment or suspension on all subrecipients.
- OSP logs invoice in Access database, sends invoice and the Subrecipient Invoice Review and Payment Authorization Form (SIRPA) to PI for review and approval/signature.
- PI certifies that the invoice is acceptable for payment by:
 - Reviewing progress reports and other communication means to ascertain that work is being conducted timely, as proposed.
 - Performing other reviews if necessary to provide reasonable assurance that subrecipient is administering funds in a manner consistent with laws and provisions of subcontract and those performance goals are being met.
 - Reviewing the costs to determine the appropriateness and reasonableness in relation to work performed.
 - If matching is required, reviewing that subrecipient has provided the matching documentation to support the matching commitment.
 - Signing invoice certifying the work being billed has been satisfactorily performed.
 - Returning the invoice to OSP for payment processing.
- PI returns the approved, signed invoice and the SIRPA to OSP.
- Coordinator submits all sub-recipient invoices to Accounts Payable for payment via the ImageNow System.
- AP only pays invoice if received from OSP through FAMU IMAGENOW system with an attached routing slip explaining how the invoices should be paid.
- Monthly, prepares and submits FFATA reports, if required.

Monitoring Compliance for Audit Requirements

- OSP will monitor the subrecipient's compliance with UG audit requirements formerly A-133 using the following means:

- Maintain established electronic database of all federally funded subcontracts and upload information into RevenueVision. Procurement Office enters the subrecipient's information into the database at the time the University enters into the subcontractual arrangement or at a reasonable time period.
- Reviews records in the database monthly to determine items that require actions and perform follow-up as necessary.
- If the subcontract is to a state government, local government or non-profit organization and the subrecipient expended \$750,000 or more in federal awards during the subrecipient's fiscal year, the subrecipient will be required to have an audit. Letters will also be forwarded to subrecipients upon execution of incremental funding.
- If the subrecipient's schedule of findings and questioned costs disclose audit findings relating to the federal award(s), the subrecipient shall send a copy of the audit "reporting package" to the University. In these cases, the report is forwarded to the ACO, who will review the reports to determine if the associated action plan(s) adequately addresses the audit finding(s).
- If the subrecipient's schedule of findings and questioned costs did not disclose audit findings relating to the federal award(s) that the University provided and the summary schedule of prior audit findings did not include the status of audit findings relating to the federal award(s) that the University provided, in lieu of the subrecipient sending a copy of the audit "reporting package" to the University the following steps should be followed:
 - Subrecipient may provide written notification to the pass-through entity that: an audit of the subrecipient was conducted in accordance with UG (including the period covered by the audit and the name, amount, and CFDA number of the federal award(s) provided by the University) and there were no schedule of findings and questioned costs disclosed relating to the federal awards and University; and
 - The summary schedule of prior audit findings did not report on the status of any audit findings relating to the federal award(s) that the University provided.
- If the subrecipient's expenditures for a fiscal year are less than \$750,000, the subrecipient shall provide a certified statement to the University to this effect.

Subrecipient Compliance Monitoring Plan

- OSP will monitor the performance of the subrecipient by taking the following actions:
 - Advise subrecipients of all applicable federal laws and regulations, appropriate flow-down provisions from the prime agreement.
 - Receive, approve and monitor subrecipient expenditures requests/invoices.
 - Obtain the annual subrecipient audit and verification letters, forms and reports.
 - Follow-up with subrecipients that do not respond to the audit requests.
 - Coordinate with the ACO to establish additional criteria when subrecipient audit findings are significant enough to warrant further review, on-site visits, and/or sanctions.
 - Identify subrecipient organizations that will receive on-site monitoring visits.
 - Conduct periodic on-site visits, or regular contact to review performance for those institutions that are at higher risk.
 - Review any corrective actions.
 - Enforce any sanctions as a result of continued non-compliance.
 - Regularly reviews subrecipient risk assessments for assistance-in developing and monitoring plans for subrecipient if applicable.
 - Identifying findings, corrective action plans, and other issues brought to OSP attention.

Closeout

- OSP will:
 - Confirm that subrecipient has submitted final fiscal report/invoice.
 - Confirm that subrecipient has submitted final technical report/invoice.
- Verify that required matching information has been provided by the subrecipient.
 - Complete disposition of any property purchased.
 - Obtain statement of inventions.
 - Obtain final technical or scientific work.

4.4 Office of the General Counsel (OGC)

- The OGC is responsible for the review and approval of sponsored project agreements to ensure their compliance with University regulations, Florida Statutes and any other applicable law.
- The OGC is responsible for the review and approval of subrecipient subcontract agreements to ensure compliance with University regulations, Florida Statutes and any other applicable laws.
- All sponsored project agreements must be reviewed by the OGC for evaluation unless they are modification of a previous contract with no changes. Such reviews and approvals shall be obtained before the contract is executed.
- OGC reviews the following forms, examines for structure and legality; reviews for sufficiency of disclosure statement; and completes a general review of the content and returns to OSP.
- OGC reviews Contract Approval and Summary, Subcontract Agreement, Monitoring Plan, and Risk Assessment forms.

4.5 Procurement Services (PS)

- PS is responsible for assigning a contract number to all subrecipient subcontracts. This enables the subcontract commitment to be encumbered in the University accounting system.
- When appropriate, prepare a solicitation, bid/solicitation exemption form or sole source justification, in consultation with the PI and OSP, if consulting agreement exceeds the University's bid threshold amount, in accordance with Florida Statutes and University Rules. The PS reviews for:
 - Determination if an individual contractor or subrecipient is a person or firm who provides a commodity or service to the University but does not have any employment or other relationship or connection with the University, except as provided in section 112.313, F.S;
 - Work with the PI and/or Departmental Administrator(s) in the OSP review and approval of Contract Approval and Summary, Subcontract Agreement, Monitoring Plan; and Risk Assessment forms;
 - Review and ensure that all forms are attached to the sponsored subcontract agreement and proper documentation(s) is/are attached and completed properly;
 - Upon complete review, PS assign subcontract number and return to OSP;
 - PS process e-requisition to procure sponsored project agreement;
 - E-requisition requires entry by a requester, and approval by PI, PS and OSP; and
 - Once all approvals are obtained, funds for sponsored subcontract agreement are encumbered.
- Ensure proper management and retention of documents.

4.6 Controller Office (CO)

- The CO's AP's section processes all vendor payments. They are responsible for ensuring timely payment of all invoices, auditing payment for compliance regulations and mailing out warrants issued to vendor/provider.
- AP section is responsible for processing the sponsored project subcontract agreement invoices.
- The AP reviews all invoices for payment by checking the following:
 - PI approval and signature on invoice for payment for subrecipient subcontract;
 - PI must ensure deliverables are met prior to the approval of the subrecipient invoice.
 - Invoice(s) are in accordance with the deliverables and due dates included in the agreement;
 - Invoice(s) have an invoice number, date, reference a FAMU contract number and contains sufficient detail and backup documentation for an audit. This includes receipts and/or travel vouchers if applicable;
 - All sponsored project subcontract agreement invoices must be sent to OSP for processing;
 - Upon review and compliance by OSP, invoices should be routed through ImageNow to FAMU CO's AP; and
 - PIs and departmental administrator(s) should ensure receipt of subrecipient' services within iRattler Financials.
- The CO must ensure proper management and retention of documents.

4.7 Audit and Compliance Office

- The AOC will review subrecipient's audit findings to determine if the associated action plan(s) adequately addresses the findings.
- Make recommendation or establish additional criteria when subrecipient's audit findings are significant enough to warrant further review, on-site visits, and/or sanctions.
- Make any other recommendations as needed based on information provided.
- Ensure proper management and retention of documents.

4.8 Office of Contracts and Grants (C&G)

- C&G is responsible for invoicing the sponsoring agency for expenditure costs and preparing and submitting all fiscal reports to the funding agency.
- Ensure proper management and retention of financial documents.

4.9 Organizational Development and Training (ODT)

The training team is responsible for the development and coordination of training on regulatory requirements for all individuals with responsibilities in the review, management and monitoring of sponsored projects, including but not limited to PIs, OSP staff, C&G staff and grants' administrators.

5.0 RECORD RETENTION

The appropriate record retention guidelines should be followed for the retention and disposition of documents. Generally, documentation should be maintained for three years following the submission of the final financial report unless sponsoring agency requires it to be maintained for a longer time period.