

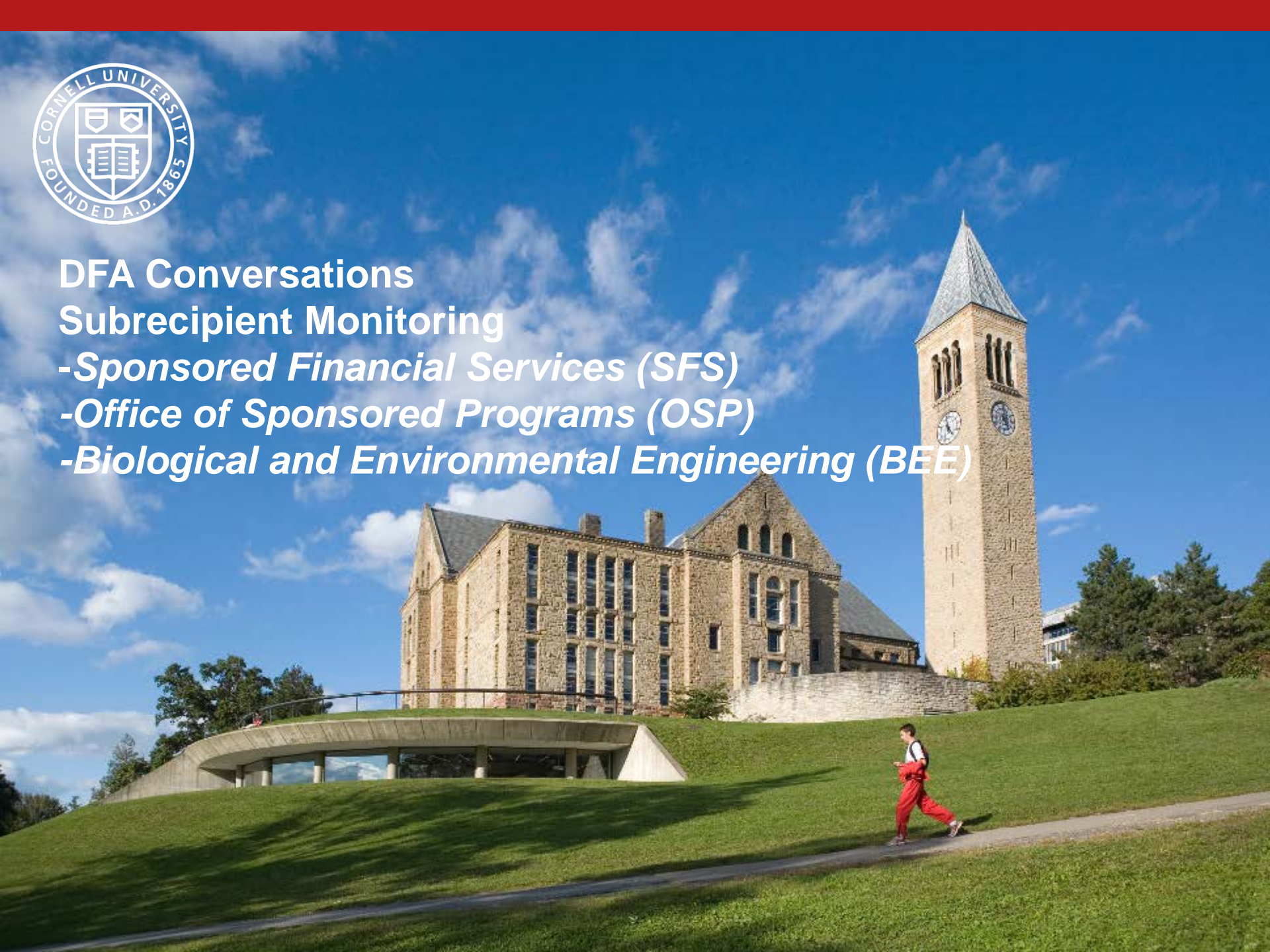
DFA Conversations

Subrecipient Monitoring

-Sponsored Financial Services (SFS)

-Office of Sponsored Programs (OSP)

-Biological and Environmental Engineering (BEE)





Got Subs?

- Now you have to monitor them
 - Why does it matter?
 - Requirement of Uniform Guidance
 - Subrecipient monitoring encompasses
 - Subrecipient Risk Assessment
 - Management decision on audit reports
 - Financial and programmatic review
 - Follow up on all deficiencies noted

Note: subaward = subrecipient = subcontract = subgrant



Subrecipient Monitoring

- Shared responsibilities
 - Principal Investigator (PI), Unit, OSP and SFS
- Central responsibilities
 - Risk assessment
 - Review audits
 - Compliance with financial terms
- Unit/PI responsibilities
 - Review technical and financial progress

<https://osp.cornell.edu/Policies/sub-proc.html>



Office of Sponsored Programs (OSP)

- Creation of subrecipient profile
 - Entity information (i.e. institutional profile)
 - Risk assessment
 - Evaluate risk of noncompliance
 - Subrecipient's prior experience
 - Result of previous audits
 - Change in management/organization
 - Extent of federal agency review



Risk Assessment Tool (Example)

Institution Questions (Scored)

- Is the subrecipient institution foreign or domestic
 - Foreign location with stable government and financial systems
- What is the subrecipient organization type?
 - Industry
- Does the subrecipient have a Negotiated IDC Rate Agreement
 - Yes
- Were the results of the most recent Single audit (or similar) satisfactory
 - No Single audit, but completed a mini-audit (or similar audit) with no problems(s)
- Is the subrecipient institution mature?
 - Subrecipient experience 1-4 years
- Does the subrecipient institution have experience with determining conflicts of interest (evidence of an acceptable COI Policy)?
 - No



Subrecipient Risk Assessment

- Initial risk assessment
 - Based on risk factors, consider:
 - Training or technical assistance
 - On-site reviews
 - Engagements (i.e. audits)
 - Additional terms regarding monitoring
- Continuing assessment
 - Annual profile review
 - Management decision on audit reports (OSP/SFS)



Risk Classifications

- Low risk (standard)
- Elevated risk - increased risk of disallowance
 - OSP notifies unit
 - Identified on Sponsored Project Portal
 - Requirements may include:
 - Heightened monitoring
 - Desk review



Executed Subaward Agreement

- Review subaward terms and conditions
 - Prime award terms generally flowed down
 - Including cost share requirements.
 - Be cautious of additional deliverables
- And then.....
- Monitor activity throughout the period of performance



Technical Monitoring – PI

- Responsible for timely completion of project
 - Progress reports
 - Review and discuss performance as needed
- Subrecipient not performing impacts the entire project



Financial Monitoring – PI/Unit

- Invoice is commensurate with progress
- Expected deliverables received
 - Performance as expected
- Unit approval indicates PI approval
 - High risk subawards
 - Requires documentation of PI approval



Managing Elevated Risk

- Challenges
 - Invoices not timely
 - Technical Reports
 - Questionable transactions



Receiving / Approving Invoices – PI/Unit

- Current and cumulative expenses noted
 - Including cost share, if applicable
 - Cumulative expenses recorded in general ledger
- Invoice certification (§200.415)
- Invoice payment, §200.305(b)(3), within 30 days
 - Unless the invoice is believed to be improper
 - Document delays in approval/payment



Accounting for Subawards

- KFS Sub-Account (or alternatively a related account) established for each subaward
- General ledger budget
 - Authorized amount plus indirect costs
 - Subsequent modifications budgeted



Accounting for Subawards

- Processing invoices
 - Disbursement Voucher (DV)
 - Payment Reason L-Payments for Contractual Agreements
 - Appropriate object codes regardless of indirect costs
 - 6660: Services, Spons Subs under \$25K
 - 6650: Services, Spons Subs over \$25K



Closing Out Subaward

- Final invoice – Marked as final
 - All deliverables met
 - Logged as received in the Sponsored Portal

Final Report Dates

Save changes to dates

To enter the date received for the fiscal deliverable, the dates received for the other required deliverables must be entered.

	<u>None</u>	<u>Due</u>	<u>Requested</u>	<u>Received</u>	<u>Comments on Reports</u>
Fiscal		2/28/2014		<input type="text"/>	
Technical		3/15/2014		<input type="text"/>	
Patent	(none)			<input type="text"/>	
Equipment	(none)			<input type="text"/>	
Small Business	(none)			<input type="text"/>	



Contacts

Sponsored Financial Services – sfs-help@cornell.edu

Office of Sponsored Programs – cu_subawards@cornell.edu

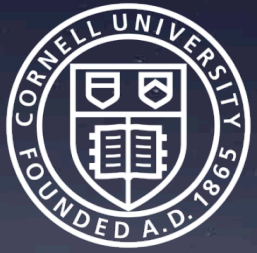
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Questions:

