

ELIZABETH CITY STATE UNIVERSITY
Sub-recipient Monitoring

Preamble

Elizabeth City State University partners with other entities to conduct scholarly, professional and creative activities with support from external sources such as grants, contracts and cooperative agreements. This policy is established to ensure that Federal award information and compliance requirements are provided to sub recipients. A sub recipient is the legal entity to which a sub-award (an award of financial assistance, excluding procurement for goods or services) is made and which is accountable to the prime recipient for the use of the funds provided. The sub recipient's performance is measured by meeting federal program objectives. The University shall perform procedures to provide reasonable assurance that the sub recipient activities are monitored, audit findings are resolved, and the impact of any sub-recipient noncompliance issues are evaluated for appropriate corrective action on audit findings. ECSU adheres to Uniform Guidance 2 CFR 200.330 for the administration of sub recipient monitoring and management.

1. Sub-agreements

A sub agreement may be either a subcontract or a sub grant, each of which is an agreement between ECSU and a third party to transfer a portion of ECSU's obligation on a sponsored project to that third party also known as the sub recipient. Sponsor approval normally constitutes approval of the sub agreements. If a proposal includes the use of sub agreements, the university shall monitor for compliance throughout the life of the sub agreement. The sub agreement request shall include the scope of work to be performed, the budget, budget justification, and any flow through terms and conditions identified by the sponsoring agency. See ECSU's Office of Sponsored Programs Procedure Manual.

2. Applicability

Elizabeth City State University (ECSU) is responsible for the programmatic and financial monitoring of its federally sponsored award sub recipients. Federal awards expended as a recipient or a sub recipient would be subject to these requirements. The payments received for goods or services provided as a vendor would not be considered a sub award. The terms of the relationship between ECSU and each sub recipient are documented in a sub award or consortium agreement.

3. Definitions

- A. Prime Recipient – recipient of an award directly from a federal awarding agency.
- B. Sub-award – financial assistance, or procurement, or contract made by a recipient to an eligible sub-recipient.

- C. Sub-recipient – the legal entity to which a sub award (an award of financial assistance, excluding procurement for goods or services) is made and which is accountable to the prime recipient for the use of the funds provided. The sub-recipient’s performance is measured by meeting federal program objectives.

- D. Sub-recipient monitoring – activities that occur throughout the award performance period by the prime recipient to determine the status of programmatic and financial progress of award objectives that were assigned to a third party. These activities can include the following:
 - i. Reporting – Reviewing financial and performance reports submitted by the sub recipient;

 - ii. Site visits – Performing site visits at the sub-recipient’s location to review financial and programmatic records and observe operations;

 - iii. Regular Contact – Regular contacts with sub recipients and appropriate inquiries concerning program activities. Contacts can be via email, phone or face to face.

- E. Vendor – provides goods and services within normal business operations, to many different purchasers. Vendors normally operate in a competitive environment and have no programmatic decision-making authority.

4. Responsibilities

- A. Principal Investigators (PI) have primary responsibility for selecting qualified sub-recipients, performing sub recipient monitoring activities, reviewing invoices from sub-recipients and validating questionable expenditures to ensure that Federal awards are being used for their authorized purpose and that performance goals are achieved. PIs must maintain documentation of any monitoring efforts and notify the Office of Sponsored Programs with any deviations from the agency-approved purpose. A *Sub-recipient Questionnaire* must be completed during every yearly cycle of the sub- award. All sub awards will be developed for no more than a one-year performance period.

- B. The Office of Sponsored Programs (OSP) is responsible for assisting the PI with developing and executing the sub award, assisting with sub recipient monitoring and maintaining any additional programmatic documentation necessary. OSP is responsible for oversight of the University’s sub recipient monitoring program and obtaining and reviewing certifications, reports and assisting with submission of annual and final reports to the funding agency. OSP also assists PIs in advising sub recipients (through the sub-award agreement) of requirements imposed on them by federal laws, regulations, and the provisions of contracts or grant agreements as well as any supplemental requirements imposed by ECSU. OSP is responsible for preparing the initial subcontract and ensuring that a sub recipient’s *Sub-recipient Commitment Form* is complete. Multiyear

subcontract awards will be generated annually.

- C. Contracts and Grants (C&G) staff, a unit of the Office of Business and Finance, are responsible for reviewing invoices from sub recipients, validating questionable expenditures and maintaining any additional financial documentation. C&G must communicate any deficiencies and instances of noncompliance to the PI and OSP. C&G is also responsible for obtaining and documenting the sub recipient's audit requirements.