

TEXAS TECH UNIVERSITY HEALTH SCIENCES CENTER

Operating Policy and Procedure

HSC OP: 65.09, **Subrecipient Monitoring**

PURPOSE: The purpose of this Health Sciences Center Operating Policy and Procedure (HSC OP) is to satisfy the requirements of the Office of Management and Budget (OMB) 2 CFR Part 200. Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance), by establishing procedures for monitoring subrecipients and obtaining and acting on subrecipient audit reports and management letters.

REVIEW: This HSC OP will be reviewed on May 1 of each odd-numbered year (ONY) by the Directors of Accounting Services and Sponsored Programs, with recommendations for revisions forwarded to the Senior Vice President for Research and Innovation and the Executive Vice President of Finance and Operations by June 1.

POLICY/PROCEDURE:

As a prime recipient of external funds from federal sponsors, TTUHSC is required to monitor subrecipients in accordance

- B. A vendor/contractor is a distributor, merchant or other seller providing goods or services that are required in the execution of a sponsored project and can be identified with criteria including, but not limited to, the following:
- 1) The contractor provides goods or services as a normal part of their business operations.
 - 2) The contractor provides similar goods and services to many different purchasers.
 - 3) The contractor operates in a competitive environment.
 - 4) The contractor provides goods or services that are merely ancillary to the sponsored project.

2. Subrecipient Requirements.

- A. Subrecipients should be identified during the proposal stage of the sponsored project, prior to the proposal submission. However, a need may arise during the life of the project which requires a subaward which was not anticipated at the time of the proposal. These normally require approval from the sponsor prior to entering into the subaward agreement.
- 1) The Office of Sponsored Programs (OSP) should be contacted to determine if sponsor approval is required.
 - 2) After required information (i.e. subrecipient documentation, justification for the addition of a subrecipient, revised budget, revised budget justification, etc.) is obtained from the PI and proposed subrecipient, OSP will contact the sponsor, if required, to request permission to add the subrecipient to the funded project.
 - 3) Once the subaward is approved by the sponsor if applicable, OSP will issue the subaward agreement to the subrecipient. A copy of the fully executed subaward agreement will be provided to the PI(s) and Accounting Services.
 - 4) Additionally, once the subaward is executed, a new fund code should be established for the subaward, and when applicable, a budget revision should be submitted to reserve the dollar amount contracted out to the subrecipient by transferring the approved amount from the primary grant fund to the subaward fund.
- B. Agreements with subrecipients that meet the applicability test outlined in Section 1 above should include, but are not limited to, the following information related to the prime award:

- Assistance Listing Number and Title
- Federal Award Identification Number (FAIN)
- Federal Award Date
- Federal Awarding Agency
- Appropriate indirect cost rate if applicable

In addition, agreements with subrecipients that meet the applicability test outlined in Section 1 above must contain the following clauses, with paragraph 2) below applicable only to federally sponsored agreements:

- 1)

- 4) Comparison of subrecipient invoices to the established subrecipient budgets and assigned work for the project. Evidence of the regular review of invoices should be kept on file. Sufficient evidence

the department will be required to submit a budget revision through the Budget Revision System as appropriate and in compliance with [HSC OP 65.03](#).

If Accounting Services has not received notification of the existence of subrecipient awards, then it will be assumed that there are no subrecipients of the primary grant.

- 2) Contacting subrecipients annually utilizing the OMB Uniform Guidance Audit Certification Subrecipient Monitoring Requirements form included as Attachment A to