

Policy Name: Subrecipient Monitoring

Policy Owner: Office of Sponsored Programs

Policy Contact: Cynthia Hope, Associate VP Research, Research Administration,
cindy.hope@osp.gatech.edu

Reviewed By: Office of Sponsored Programs, Executive Vice President Research Office,
and Grants and Contracts Accounting.

Policy Steering Committee Approval: February 2024

Policy Purpose: This policy outlines the Institute's responsibilities for ensuring compliance with federal and other sponsor requirements for monitoring its Subrecipients and achievement of performance expectations.

Summary of Substantive Policy Changes:

Throughout, removed procedures and language that was interpreted to require PI review of detailed Subrecipient expenditures information. This is not a federal or state requirement and actually conflicts with federal regulations related to monitoring of Subrecipients. Further, the policy stated that the Office of Sponsored Programs (OSP) is responsible for "oversight" of every aspect of subrecipient monitoring, which has been interpreted to mean that OSP must document its verification that every process is completed compliantly. The proposed policy clarifies that OSP is responsible for ensuring policies and procedures are in place to provide sufficient internal control to reasonably ensure compliance with federal regulations and that other individuals and offices share responsibility for ensuring compliance with those policies and procedures.



Georgia Institute of Technology

Subrecipient Monitoring

Policy No 5.3

Type of Policy: Administrative

Policy Owner: Office of Sponsored Programs

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1. Reason for Policy

The Institute is responsible for monitoring its federal and other Sponsored Award supported activities to ensure compliance with applicable sponsor requirements and achievement of performance expectations.

2. Policy Statement

The Institute will comply with federal and other sponsor requirements for monitoring its Subrecipients. The Institute's monitoring activities will be based on an evaluation of the Subrecipient's risk of noncompliance with applicable laws, regulations, and the terms and conditions of the Subaward. When monitoring identifies a Subrecipient's noncompliance, the Institute will take action to address the noncompliance, including considering enforcement action such as imposing additional conditions, disallowing the cost of the activity not in compliance, or suspending or terminating the Subaward.

This Policy delineates faculty and staff roles and responsibilities in monitoring Subrecipients to ensure Subrecipients use sponsored funds for authorized purposes, in compliance with applicable laws, regulations, and the terms and conditions of the Subawards and achieve performance goals.

3. Scope

This policy applies to all Georgia Tech faculty and staff members engaged in research or administration of research.

4. Definitions

See 5.1 Subawards and Subcontracts Under Sponsored Awards

5. Responsibilities

Principal Investigator (PI) / Project Director (PD)

PI/PDs have primary responsibility for monitoring Subrecipient technical and financial performance to ensure Subrecipients use sponsored funds for authorized purposes in compliance with applicable federal regulations and the terms and conditions of the Subaward and achieve performance goals. This includes:

- If required, performing a cost price analysis.
- Reviewing financial and performance reports required in the Subaward and maintaining contact and coordination with Subrecipient technical personnel.
- Verifying the Subrecipient's work is conducted in a timely manner and that the results delivered are in line with the proposed statement of work.
- Reviewing Subrecipient invoices and approving for payment only if charges are for authorized purposes. This consists of ensuring charges are reasonable in comparison to performance and performance is consistent with the proposed statement of work.
- Notifying the Office of Sponsored Program of any Subrecipient Risk factors, including any actual or potential conflict of interest, and ensuring the Subrecipient has complied with any additional conditions of the Subaward.
- Complying with the Institute's Project Close Out Policy.

Unit Financial Officers (Departmental Administrators)

- Assisting PI/PDs with their responsibilities listed above, including maintaining documentation of monitoring actions (evidence of technical, financial, and invoice review, copies of email, notes from phone conversations, etc.). Documentation of monitoring actions must be kept in accordance with the Institute's [document retention policy](#).
- Reviewing invoices from Subrecipients to ensure they are within the parameters of the Subaward budget and period of performance.
- If expenditure details are a requirement of the Subaward, reviewing for reasonableness and requesting and reviewing additional information if questionable expenditures are identified.
- Assisting PI/PDs in determining whether invoices should be approved.
- Ensuring invoices that are approved by the PI or his/her designee are submitted to Accounts Payable on a timely basis.
- Complying with the Institute's Project Close Out Policy.

Office of Sponsored Programs (OSP)

OSP is responsible for ensuring that the Institute's Subrecipient Monitoring and Management policies are sufficient for the Institute to fulfill its responsibilities for compliance with federal, state and other sponsor requirements. Related OSP responsibilities include:

- Identifying to the Subrecipient the Federal award information as required in section 2 CFR 200.332 (Federal Award Identification Number, etc.) and applicable compliance requirements, including any appropriate flow-down provisions from the prime agreement.
- Ensuring the selection of subrecipient is documented and, if required, that the PI/PD and Unit performed a cost price analysis.
- Determining, as applicable and in compliance with 2 CFR 200.206(d), whether or not the subrecipient or its PIs are debarred or suspended from receiving Federal funds.
- Evaluating each Subrecipient's risk of noncompliance with applicable Federal

- statutes, regulations, and the terms and conditions of their Subawards.
- Determining, based on the above evaluation, appropriate Institute Subrecipient Monitoring, including tools listed in 2 CFR 200.332(e), and whether to impose additional conditions, such as those listed in 2 CFR 200.208 (c), to mitigate risk.
- Verifying that every Subrecipient meeting the criteria in 2 CFR 200 Subpart F – Audit Requirements is audited as required.
- Assisting Grants and Contracts Accounting in considering whether the results of any Subrecipient's audits, on-site review, or other monitoring indicate the need for an adjustment to the Institute's records.
- For Federally funded Subawards, ensuring that the Subrecipient takes timely and appropriate action on any deficiencies pertaining to the Subaward detected through audits, on-site reviews, and/or written confirmation from the subrecipient, highlighting the status of actions planned or taken to address findings related to the particular Subaward.
- For Federally funded Subawards, issuing a management decision for applicable audit findings pertaining only to the particular Subaward, as required by 2 CFR 200.521.
- Coordinating compliance with the Institute's Project Close Out Policy.

The above list is not exhaustive of all compliance requirements. In addition to the general elements of compliance noted above, there may be additional sponsor- or program-specific requirements that mandate collecting and documenting other assurances (e.g. on lab animals, human subjects, biohazards, export controls, financial conflicts of interest, etc.) during the course of a project. PI/PDs and department administrators will have additional roles and responsibilities, as applicable, to ensure compliance with any additional requirements of a sponsor- or program-specific requirement.

6. Enforcement

Noncompliance may result in disallowed Subaward costs, suspension or termination of the Sponsored Award, withholding of other Sponsored Awards to the principal investigator or the Institute, and debarment of the PI or the Institute from receiving future Sponsored Awards.

7. Related Information

Resource	Link
Subaward Procedures	https://osp.gatech.edu/subawards
GT Allowable Expenses	https://policylibrary.gatech.edu/business-finance/allowable-expenses
Project Close Out Policy	https://policylibrary.gatech.edu/research/6.5-closeout

8. Policy History

Revision Date	Author	Description
TBD	Office of Sponsored Programs	Policy was updated to align with internal controls and comply with federal and state law.

DRAFT