

SUBRECIPIENT MONITORING POLICY

Category: Sponsored Programs / Research Administration

Policy Number: [To be assigned]

Policy Manager: Office of Sponsored Research and Programs

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PURPOSE

The purpose of this policy is to promote compliance with federal regulations and institutional standards related to subrecipient monitoring. This policy outlines the responsibilities of various units at Virginia State University (VSU) for establishing, issuing, managing, and monitoring subawards under sponsored programs.

TARGET AUDIENCE

This policy applies to all individuals responsible for authorizing, processing, and monitoring subawards, including principal investigators (PIs), program and center directors, grants and contracts managers, deans, department chairs, and sponsored research staff.

AUTHORITY

2 CFR 200 – Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards

DEFINITIONS

- **Contractor (Vendor):** A third-party entity that provides goods or services through a contract or purchase order. VSU pays the contractor to support the objectives of a sponsored project.
- **Pass-Through Entity (PTE):** An entity that receives a prime award from a sponsor and provides a subaward to another entity (a subrecipient) to carry out part of the funded project.
- **Prime Award:** The original agreement between a sponsor and VSU that provides funding for a project or program.
- **Principal Investigator (PI):** The lead faculty or staff member with primary responsibility for executing the sponsored project, including the oversight of subrecipients.
- **Sponsor:** The external funding agency (federal, state, or private) that awards funds to VSU to conduct research, instruction, or public service activities.
- **Sponsored Programs:** Externally funded projects that are subject to specific terms and conditions and require separate budgeting and compliance monitoring.
- **Sponsor-Specific Requirements:** Any terms, conditions, or stipulations imposed by the sponsor through regulations, funding announcements, or award documentation.
- **Subaward:** A formal agreement issued by VSU (as the PTE) to another institution (the subrecipient) to carry out a substantive portion of the prime award.
- **Subrecipient:** A third-party entity that receives a subaward from VSU to perform a portion of the work under the prime award and is accountable to VSU for the proper use of funds and compliance with terms and conditions.

- **Subrecipient Monitoring:** The process by which VSU ensures that subrecipients use awarded funds appropriately, meet performance expectations, and comply with all relevant federal and sponsor regulations.

POLICY STATEMENT

Virginia State University administers subawards in accordance with the United States Office of Management and Budget (OMB) Uniform Guidance (2 CFR 200), institutional policies, and the terms of the prime award. Only OSRP officials with delegated signature authority may issue subawards on behalf of the University. Subawards may not be executed until the prime award is fully executed and processed by VSU. Under no circumstances may a subrecipient employ VSU employees to perform subaward work.

ROLES AND RESPONSIBILITIES

Principal Investigator (PI)

The PI is primarily responsible for overseeing the technical, programmatic, and financial performance of the subrecipient. Specific responsibilities include:

- Developing the subrecipient's scope of work
- Serving as the primary contact for subrecipient communications
- Monitoring subrecipient progress and confirming completion of deliverables
- Reviewing and approving subrecipient invoices
- Ensuring compliance with conflict of interest (COI) requirements
- Maintaining documentation of all communications and performance records

Office of Sponsored Research and Programs (OSRP)

OSRP is responsible for issuing and managing subawards, ensuring regulatory compliance, and maintaining institutional oversight. Responsibilities include:

- Reviewing subaward requests and subrecipient documentation
- Conducting risk assessments for subrecipients (if required by sponsor)
- Drafting, negotiating, and executing subaward agreements
- Requesting budget modifications and performance schedule changes
- Reviewing subrecipient expenditures and assisting with compliance checks
- Coordinating approval for any subrecipient not included in the original proposal

Office of Finance

The Finance Office oversees financial operations related to subawards and ensures that subrecipient costs are properly recorded. Responsibilities include:

- Creating internal financial accounts for subawards
- Integrating subaward expenses into overall financial reporting
- Preparing and submitting financial closeout documentation

Office of Budget

The Budget Office supports the internal financial structure for subawards. Responsibilities include:

- Loading subaward budgets into the university's financial system
- Ensuring alignment between award documents and internal account structure

RELATED PROCEDURES

To review procedures that correspond with this policy, please refer to:

RELATED MATERIALS/REFERENCES

- 2 CFR 200 Subpart D – Subrecipient Monitoring and Management
- FDP Subrecipient vs Contractor Checklist:
https://thefdp.org/default/assets/File/Documents/subrecipient_vs_contractor_checklist.pdf