

Office of Sponsored Programs

Subrecipient Oversight & Monitoring Policy

OSP Policy: 0014

Date: 08/18/2020

Status: Approved

Policy Type:

Public

Issuing Office:

Office of Sponsored Programs (OSP)

Responsible Executive:

Provost

Affected Parties:

Faculty and Staff conducting sponsored program activity

Reason for Policy:

To provide guidance to the University community in complying with the Office of Management and Budget (OMB) Uniform Guidance 2 CFR Part 200, subpart F, specifically with respect to its regulations regarding the oversight of subrecipients on federally sponsored programs.

Policy Statement:

Liberty University is responsible for financial and programmatic monitoring of sponsored project funds awarded to Liberty that are subcontracted to another institution or organization (subrecipient). To provide the monitoring required by federal regulations and to ensure good stewardship of sponsored projects, Liberty will use reporting, site visits, regular contact, or other means to provide reasonable assurance that the subrecipient administers awards in compliance with laws, regulations, and the provisions of contracts or grant agreements and that performance goals are achieved.

Procedures:

The University performs the following stewardship activities with regard to subrecipients:

- Advise subrecipients of requirements, including but not limited to financial and non-financial reporting, imposed on them by federal laws, regulations of the flow-down provisions of the prime award, and any supplemental requirements imposed by the University dependent on level of risk as determined by the University;
- Provide the best information available to describe a federal award to each subrecipient including the CFDA number, prime award number, award year, and the name of the sponsor as required by OMB Uniform Grant Guidance;
- Require each subrecipient to permit the sponsor and/or the University and its auditors to have access to the pertinent records and financial statements, as necessary;

- Monitor expenditures and activities of the subaward to confirm that funding provided to the subrecipient is used for purposes authorized in the agreement and that performance goals articulated in the statement of work are achieved. As part of this activity, PIs are required to sign invoices authorizing payments to subrecipients. This requirement cannot be delegated;
- Confirm subrecipients \$750,000 (on or after 12/26/2014) or more in federal awards during the subrecipient's fiscal year are compliant with Uniform Grant Guidance audit requirements by requesting audit confirmation from all subrecipients. The subrecipient is to certify whether findings were or were not reported as part of their audit;

Upon receipt of a subrecipient audit report that include findings, the University shall:

- Review and determine whether funds are required to be returned to Liberty or any financial adjustments necessary as a result of the audit's disclosed findings;
- Confirm that the subrecipient has taken appropriate and timely corrective action;
- Issue a management decision letter to the subrecipient as required by regulation.

If a material weakness or other reportable condition exists, management actions, including termination of the agreement, may be taken as appropriate.

Review Cycle:

Every two years or as needed. The Provost will approve all OSP policies.

Glossary of Terms:

OMB Uniform Grant Guidance ([2 CFR Part 200](#)—Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards): Specifies grant management and audit responsibilities. Single audit regulations also describe the prime recipient/awardee's responsibility for monitoring subrecipients.

Prime Agency/Sponsor: The agency providing funds directly to the University.

Prime Recipient/Awardee: The institution or non-Federal awardee that receives an award directly from the sponsor.

Subrecipient: The legal entity to which a subaward is made and is accountable to the prime recipient for the use of the funds provided. Subrecipients must adhere to the terms and conditions of the prime award passed down to the subrecipient organization in the subaward agreement (subrecipient may also be referred to as subawardee, subgrantee, or subcontractor).

Prime Award: Funds obligated by a Sponsor/funding agency to the University for a specific project.

Subaward: An agreement entered into by the University with another entity (i.e., the subrecipient). The University agrees provide funds to the entity to conduct a portion of the work specified in the statement of work (SOW) submitted as part of the proposal.

Principal Investigator (PI): Individual responsible for the development, writing, and conduct of a sponsored award, including primary responsibility for the technical and fiscal management of the award.