Subrecipient Monitoring

Objectives & Key Roles

- **Objectives**
  - Responsibilities related to subrecipient monitoring
  - Requirements of the institution
  - Best practices related to subrecipient monitoring

- **Key Roles**
  - Division of Sponsored Projects (DSP)
  - Grant Accounting Office (GAO)
  - Principal Investigator (PI)
  - Department Administrator

Why It Matters?

- Subrecipient monitoring is a required part of managing federal awards and helps ensure funds are used for authorized purposes.
- At UI, monitoring protects compliance, program integrity, and sponsor confidence by linking financial oversight to project performance.
- Strong monitoring also helps identify problems early so corrective action can be taken before they become audit findings.
- The University of Iowa treats this as a shared responsibility among the PI, department, DSP, and GAO.

What Is a Subaward?

- A **subaward** is a formal agreement where the primary recipient (UI) of a grant or sponsored project passes a portion of the funding and research responsibilities to a collaborating organization (the subrecipient).
- UI distinguishes outgoing subawards from consulting/professional services agreements and contractor purchases.
- Correct classification is essential because monitoring requirements apply to subrecipients, not contractors.

Core Federal Requirements

- Terms and conditions of the federal award flow down to subawards unless the award says otherwise.
- Pass-through entities must comply with 2 CFR 200.331 through 200.333, including subaward requirements and monitoring.
- Monitoring must ensure the subaward is used for authorized purposes, in compliance with federal statutes, regulations, and the subaward's terms and conditions.

Risk Assessment

- Federal guidance requires a risk-based approach to determine the appropriate level of monitoring for each subrecipient.
- Factors can include prior experience, audit results, new personnel or systems, and prior federal monitoring results.
- Higher-risk subrecipients may require additional conditions, more frequent review, technical assistance, or on-site monitoring.

UI Process

- DSP establishes the subaward and handles setup and amendments; GAO supports invoice processing and payment review.
- Invoices cannot be paid until the fully executed subaward agreement is received and the PO process is complete.
- GAO performs the initial review of the subaward invoice.
- Departmental staff and PI review invoices for allowability, consistency with the budget, and alignment with work performed.

PI and Department Roles

- The PI has primary responsibility for technical oversight and stewardship of the subaward.
- PI responsibilities include reviewing invoices, monitoring progress, reviewing technical and financial reports, and escalating issues when needed.
- Departmental staff often support documentation, invoice review, and tracking of deadlines and deliverables.

PI and Department Roles - continued

- UI expects invoice review to confirm costs are allowable, reasonable, and consistent with the subaward terms.
- PIs should also watch for missing reports, unspent advances, and costs that do not match the approved budget or period of performance.
- If costs are unallowable or unsupported, the department and PI are responsible for follow-up and collection documentation when needed.

Roles and Responsibilities

- The PI is typically responsible for technical oversight and reviewing whether the work aligns with project goals.
- Department or unit staff often review invoices, track supporting documentation, and document monitoring efforts.
- Central offices usually manage policy compliance, subaward setup, risk assessment, and institutional oversight.

What Good Monitoring Looks Like

- Clear subaward terms and flow-down requirements.
- Documented risk assessment before issuance and periodic reassessment during performance.
- Consistent review of invoices, deliverables, and performance reports.
- Timely escalation to DSP and GAO when billing, performance, or compliance problems appear.

Takeaways

- Subrecipient monitoring at UI is a shared process that depends on communication among the PI, department, DSP, and GAO.
- Good documentation, timely invoice review, and follow-up on technical and financial reports are the best defenses against compliance problems.
- A consistent UI workflow helps support compliance, payment accuracy, and strong stewardship of federal research funds.

References and additional information

- **DSP website**
  - Subawards and Subcontracts
- **GAO website**
  - For subawardees
  - For departments

- **Contact us**
  - gao.fo.uiowa.edu/contact-us

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