PI Guidance for Subaward Monitoring

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SUBAWARD MONITORING OVERVIEW

PIs have the primary responsibility for monitoring subrecipients to ensure compliance with both federal regulations and UT policy. UTC PIs should monitor their subawards to ensure that the terms and conditions of both the prime award and their subaward are being met.

*Please note: If you are unable to check off any box on this list, please contact ORSP and/or Accounting Services and we will assist you.

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<u>PREPARATION</u>

Upon issuance of a grant award to UTC that includes a subaward, PIs should complete the following steps:

- ☐ Notify ORSP that a subaward is needed
- ☐ Review UTC budget and Subaward entity budget to ensure no changes are needed
- ☐ Upon creation of Subaward, read and understand the Subaward Agreement – make sure you understand what the subrecipient is required to do according to the terms and conditions of the agreement

<u>PROGRAMMATIC / TECHNICAL MONITORING</u>

The PI is responsible for monitoring the programmatic part of the award to be certain the work is performed on time and in accordance with the standards set forth in the contract and the monitoring plan defined in policy. Also, the PI, dept head or designee must review and sign any required programmatic reports.

In order to ensure project success, PIs should complete the following steps:

- ☐ Maintain regular contact with the subrecipient's PI; communicate any deficiencies to the subawardee in a timely manner.
- ☐ Monitor subrecipient's technical and programmatic activities
- ☐ Collect, review, and retain subrecipient's technical/performance reports and other deliverables as required by the terms of the subaward
- ☐ Verify the subrecipient's work is conducted in a timely manner and is acceptable; ensure the results delivered are in line with the proposed statement of work
- ☐ Ensure progress and financial reports are received based on the terms and conditions of the subaward. **Annual and Final financial reports MUST include the same signed certification from 2 CFR 200.415(a) that is required for invoices.**
- ☐ Verify that the work is being conducted and the results are in line with the proposed scope of work. Review periodic progress reports, comparing results delivered against the subrecipient's

statement of work. It is strongly encouraged that PIs do this at least once per quarter. Some questions that may help in this task are:

- Is the subawardee's work progressing according to schedule?
- Is the work reported as complete proportionate to the performance time remaining in the subaward?
- Are milestones being met?
- Are deliverables/reports being provided in a timely manner? If not, why not?
- Are compliance requirements (e.g. IRB approval, IACUC approval) up-to-date?
- Have there been project delays? If so, why?
- Has the subawardee responded to UTC requests in a timely manner?
- Are the subrecipient's results leading the program in an unexpected direction? If so, how do these results impact the originally proposed work? Does it change the scope of work? Should the prime sponsor be notified?
- Have UTC's results led to changes in the scope of work or has the prime sponsor changed the scope of work? If so, does the subrecipient's scope need to change?

☐ Progress reports include, as applicable, a detailed budget for the next period, updated key personnel, as well as Institutional Review Board (IRB) or Institutional Animal Care and Use Committee (IACUC) approvals. Ensure changes or updates are addressed as required.

☐ Communicate with the subrecipient if there are concerns or questions with regard to the reports provided

FINANCIAL MONITORING

The PI is responsible for monitoring the financial aspects of the subaward to be certain the work is invoiced in accordance with the standards set forth in the contract, UT Policy, and the funding agency's guidelines.

In order to ensure project success, PIs should complete the following steps:

☐ Promptly review subrecipient invoices and - *when they are acceptable* - approve them (by signing)

☐ Ensure *acceptable* subrecipient invoices are promptly submitted to Accounting Services for payment by entering them as a contract invoice in IRIS. (NOTE: The Federal Uniform Guidance requires subrecipient invoices be paid within 30 days if the invoice is accepted -- i.e. subrecipient must have adequately explained/justified any questioned costs in the invoice, corrected errors, removed unallowable costs, etc. **Please be mindful of the 30-day time limit and be sure to properly process invoices in a timely manner.** For additional guidance on what an acceptable invoice should include, see the Invoice Review Checklist below.

☐ Approve (sign) the Final Invoice, AFTER verifying that all required deliverables and technical reports have been received from the subrecipient (as part of the subaward closeout process)

☐ Maintain monitoring documentation

☐ Promptly contact Accounting Services or ORSP with concerns about subrecipient expenditures or with any indication that subrecipient is not fulfilling its obligations under the subaward.

Accounting Services can help with financial matters and ORSP can assist with any programmatic or contractual issues that may arise.

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Addendum - Invoice Review Checklist

INVOICE REQUIREMENTS

The PI is responsible for reviewing each invoice to ensure that it meets the following standards:

- ☐ Basic Subawardee Info:
    - o Name and address of subrecipient
    - o Subrecipient contact person with respect to the invoice
    - o Billing period/period of performance covered by invoice
    - o Date of invoice
- ☐ Current and cumulative costs (including cost sharing)
- ☐ Subaward number
- ☐ Certification as required in 2 CFR 200.415(a) & Signature:
    - o must be signed by an official who is authorized to legally bind the subrecipient
    - o must read as follows: "*By signing this report, I certify to the best of my knowledge and belief that the report is true, complete, and accurate, and the expenditures, disbursements and cash receipts are for the purposes and objectives set forth in the terms and conditions of the Federal award. I am aware that any false, fictitious, or fraudulent information, or the omission of any material fact, may subject me to criminal, civil, or administrative penalties for fraud, false statements, false claims or otherwise. (U.S. Code Title 18, Section 1001 and Title 31, Sections 3729-3730 and 3801-3812.)*"
- ☐ Back-up documentation (e.g. itemized payroll statements, signed timesheets, purchase requisitions, purchase order or quote from vendor, documentation of receipt of goods such as packing slips or receipts, invoice from vendor, etc.)

PERFORMANCE MONITORING

The PI is responsible for monitoring subawardee performance in relation to invoiced amounts. As part of your invoice review, compare the invoice with project activities/progress reports and the approved budget. As applicable for your project, take the following considerations into account:

- ☐ Expenditures should be made in accordance with the approved budget or permissible re-budgeting. (e.g., Do the costs included on the invoice differ materially from the subrecipient's approved budget and/or are not substantiated by a required prior approval? Does the invoice exceed the total amount of the subaward?)

- ☐ The billed items and amounts should be reasonable based on technical progress towards project goal. (e.g., Do billed items aligned in terms of cost and type of expense with the scientific progress reported to date?)
- ☐ Expenditures should exclude unallowed charges such as alcohol, meals, entertainment, postage, office supplies, etc. unless these costs are explicitly allowed in the subaward agreement.
- ☐ Adequate clarification should be provided for unusual, miscellaneous or other charges.
- ☐ If applicable, cost-sharing amounts should be included at a line-item detail.
- ☐ The spending rate should be reasonable compared to the amount of work completed? (e.g., a cause for concern could be if the subrecipient consistently invoices UTC for 1/12 of its budget each month, but progress reports do not support the level of expenses for which the subrecipient is invoicing.)
- ☐ Costs incurred should be within the contract and billing period start/end dates (e.g. if billing period is monthly, the costs were incurred during that month; if contract started April 1, costs were not incurred prior to that date.)
- ☐ Totals/calculations are correct (e.g. items add up properly; F&A amounts are calculated per the rate/percentage specified in the subaward agreement)
- ☐ If the review raises questions, contact sub and get additional/clarifying/corrected information BEFORE authorizing/signing the invoice and submitting it for payment.
- ☐ Keep documentation concerning questions, responses, and disallowed items. If disputes arise, please notify Accounting Services and ORSP so that we may help.

Please note: If you are unable to check off any box on this list, please contact ORSP and/or Accounting Services and we will assist you.