

Touro University California

Policy Statement

TUC shall on an annual basis ensure that all subrecipients who receive \$500,000 or more in Federal awards during a fiscal year meet the requirements of OMB Circular A-133.

TUC shall monitor subrecipients as necessary to ensure that Federal awards are used for authorized purposes in compliance with laws, regulations, and the provisions of contracts or grant agreements and that performance goals are achieved.

Background

Touro University California is responsible for the programmatic and financial monitoring of its sponsored research award subrecipients. These guidelines and procedures are provided to assist responsible faculty and staff in ensuring that subrecipients conduct their portions of research projects in compliance with laws, regulations and terms and conditions of awards and subawards and that project costs incurred by subrecipients are reasonable and allowable.

Federal Regulations

The federal regulations that describe subrecipient monitoring are general, but contain the following core elements of compliance:

1. Advising subrecipients of all applicable federal laws and regulations, and all appropriate flow-down provisions from the prime agreement;
2. The routine receipt and review of Technical Performance Reports;
3. The routine review of expenses relative to approved budget;
4. The periodic performance of on-site visits, or regular contact, if necessary;
5. The option to perform audits, if necessary;
6. Review of A-133 audit reports filed by subrecipients and any audit findings;
7. Review of corrective actions cited by subrecipients in response to their audit findings; and
8. Consideration of sanctions on subrecipients in cases of continued inability or unwillingness to have required audits or to correct non-compliant actions.

Responsibilities

Principal Investigator:

The PI, at the time of prime agreement proposal preparation should receive from the potential subawardee a Consortium Agreement signed by an authorizing official, a budget, supporting documentation for subawardee costs, and the agreed upon scope of work. Other information may be required by the sponsor, depending on the proposal preparation guidelines

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PI's along with OSP are responsible for ensuring that subaward costs are reasonable and allowable according to requirements of the prime award, federal and University regulations, OMB circulars and TUC policy, as applicable.

Once TUC has accepted an award from a sponsor which contains provision for a subrecipient, the PI will, as needed, assist the Office of Sponsored Programs with the development and negotiation of the subaward and any amendments thereto.

The PI is responsible for providing source selection documentation up front. This documentation may include but not be limited to: justification for sole source selection, evidence of competitive selection, etc.

The PI also determines when a subaward is to be amended and is responsible for conveying the needed changes to OSP for amendment preparation

The PI must review Technical Performance Reports on a timely basis. Any unusual or unforeseen items should be investigated and documentation thereof should be retained in the department's files for ready access by regulators. In some cases, subaward terms may require specified deliverables in addition to, or in lieu of, technical reports.

The PI must ensure that invoiced costs are reasonable, necessary, allowable and within the funding limits of the agreement with the subrecipient, prior to certification of the invoice authorizing payment by Accounting.

The PI is responsible for understanding the subrecipient monitoring plan contained herein and with assisting the Office of Sponsored Programs as needed in the monitoring activities.

Office of Sponsored Programs (OSP):

The determination of the potential need for a subaward to a business/organization is normally made at the prime proposal stage. This will also include the determination of the nature of the relationship between the parties i.e., vendor vs. subrecipient. The Principal Investigator must be prepared to justify the selection of the potential subawardee.

The Office of Sponsored Programs is responsible for developing, negotiating and signing the subaward document on behalf of TUC. Any changes to the subaward must be mutually agreed upon in writing by both parties. Under no circumstances should a subcontractor be authorized to start work without a fully executed subaward issued by the Office of Sponsored Programs.

The Office of Sponsored Programs is responsible for the inclusion in the subaward of all applicable OMB requirements and other applicable regulations, disclosures, and obtaining the proper signatures on the subaward. The subaward will specify the source of the funds (e.g., name of the sponsor, federal or state agency, CFDA title and number, and award name) and all audit requirements.

The budget for the subcontract could include both direct and facilities and administrative (F&A) costs. If F & A costs are included, a copy of the subawardee's current F & A rate Agreement (if applicable) should be provided. The scope of work must outline the work to be accomplished by the subawardee and identify deliverables, products or expected outcomes that support the overall project.

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OSP is responsible for all negotiation of the subaward and any changes to the subaward document requested by the subawardee must be approved by OSP with the involvement of the PI and legal counsel, if necessary.

Review subrecipient requests for payment along with the PI to ensure that the expenditures conform to the terms and conditions of the subcontract.

Notify prime agencies (for which TUC is the subrecipient) that an A-133 audit was conducted. The A-133 audit must have been completed within nine months of year end. The notification shall disclose whether there was any applicable findings related to the prime agency's award.

Prepare and execute the Subrecipient Monitoring Plan.

Subrecipient Monitoring Plan

This plan includes, but is not limited to:

1. Establishing an annual schedule as to when monitoring procedures will be performed during the year.
2. Identifying subrecipients receiving federal flow through funds and the amount of each subaward.
3. Sending out the annual subrecipient audit verification letters and forms (discussed below).
4. Following up on subrecipients that do not respond to the audit requests.
5. Establishing criteria to identify when subrecipient audit findings are significant enough to warrant further review, on site visits and/or sanctions (discussed below).
6. Identifying subrecipient organizations that will be visited or reviewed further (discussed below).
7. Preparing a final report of the results of the monitoring activities.

Annual Subrecipient Audit Verification

On an annual basis, TUC will verify that subrecipient organizations have completed their OMB Circular A-133 audit, as applicable. If necessary, OSP will send the following to TUC's federally funded subrecipients:

- OMB Circular A-133 Audit Request Letter (Attachment 1)
- OMB Circular A-133 Audit Notification Form for Subrecipients (Attachment 2)

Subrecipient Audit Findings Follow-up

OSP will obtain and review the responses from the subrecipients. In the event that OSP has concerns about the audit report or the corrective action plan(s), the sub-recipient will be contacted to resolve those issues. If the subrecipient does not respond to OSP's concerns in a timely manner, OSP will present the issues to the PI and Director of OSP.

When any of the following conditions are present in the subrecipient's A-133 audit report, OSP shall determine appropriate course of action:

Control weakness;

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Findings related to funds passed through by the University to the subrecipient;
Subrecipient refuses to provide requested audit confirmations and/or audit reports.

When such conditions are present, OSP will determine an appropriate course of action which may include one or more of the following:

- Determining the adequacy of the subrecipient's corrective action plan;
- Facilitating an audit of the subrecipient's project related records;
- Suspension of payments, requesting refunds, or revocation of the subcontract.

Subrecipient Site Visits/Further Review

On an annual basis, TUC may select subrecipients for which site visits and/or expenditure reviews may be performed. A risk based approach will be used to select the subrecipients that will be reviewed and/or visited. The following criteria will be used when making this determination:

- Dollar amount of the award.
- Award complexity, sensitivity of the work and/or extensiveness of the governing regulations.
- Inherent risk given the nature of the research.
- Sophistication of the subrecipient's systems and administrative operations.
- Prior experience with the subrecipient including the extent and severity of past audit findings.
- Location of the subrecipient.
- Degree of oversight by auditors and sponsor agencies.