



Subrecipient Monitoring Policy

Policy 7730

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1.0 Purpose

It is the purpose and responsibility of Northern New Mexico College (College) to ensure financial and programmatic monitoring of sponsored project funds that are subcontracted to another institution, organization, or individual ("subrecipient"). Prior to awarding a subrecipient, the College will assess the subrecipient organization's financial and internal controls via a risk assessment questionnaire.

The College subaward agreements will inform subrecipients of federal laws or regulations, terms and conditions of the prime award or agreement, and any additional College requirements that may apply to the subrecipient relationship. The subrecipient agreement must include the information regarding the prime award, including the Assistance Listing Number (ALN) (if applicable), Federal Award Identification Number (FAIN), title, award name and number, award dates, and sponsoring agency, and other information as required by 2 CFR §200.331. A signature from the subrecipient is acknowledgement of an intent to comply with all stated requirements.

2.0 Authority for Policy

Federal Uniform Guidance 2 CFR §200.331 requires pass-through entities to evaluate subrecipients risk and determine appropriate monitoring levels prior to the subaward being executed. In addition, pass-through entities are required to monitor the activities of subrecipient organizations to ensure that the subrecipient complies with applicable Federal statutes and regulations and terms of the subaward, as well as verify that subrecipients are complying with the single audit rule as required by Subpart F of the Uniform Guidance.

3.0 Scope

This policy applies to all subawards issued by the College and addresses institutional responsibilities in ensuring that, in addition to achieving performance goals, subrecipients comply with applicable Federal laws and regulations and with the provisions of each subaward agreement.

The objectives of this policy are to:

- a) Monitor subrecipient costs and activities to ensure that expenditures charged to the College are allowable, allocable, and reasonable, and reflected in the budget as well as in the scope of work.
- b) Ensure that the performance goals in the scope of work are being met in a timely manner.
- c) Ensure that cost-share commitments made by subrecipients are documented.
- d) Conduct a subrecipient risk assessment for each proposed subrecipient prior to initiating an agreement in order to determine the level of monitoring required.

- e) Ensure that subrecipients expending the most current established minimum limit or more in Federal awards during the subrecipients fiscal year have met the single audit requirements for that fiscal year.
- f) Issue management decisions on audit findings within six months after receipt of the subrecipients single audit and ensure that the entity takes appropriate and timely corrective action.
- g) Consider whether subrecipient audits necessitate adjustment of the College's records, such as budget modifications, or re-allocation of cost-shared resources.

4.0 Internal Compliance Requirements

As a recipient of Federal sponsored projects, the College must comply with the guidelines outlined in the Uniform Guidance 2 CFR §200.331. As such, all College Principal Investigators (PIs), Program Directors (PDs), and administrators who are involved with the administration and conduct of sponsored awards that issue and manage subawards must comply with this policy.

5.0 Roles and Responsibilities

Subrecipient monitoring responsibilities are shared among the following positions within the College:

PIs/PDs are responsible for:

- 1) ensuring that the risk assessment questionnaire has been submitted to the proposed subrecipient prior to issuing a subaward;
- 2) issuing subaward agreements with all required information per the Uniform Guidance and monitoring requirements determined in the risk assessment;
- 3) monitoring each subaward throughout the period of performance for both programmatic and fiscal compliance.

The Chief Financial Officer (CFO) is responsible for:

- 1) issuing of the risk assessment questionnaire to assess internal controls, past grant performance, and review of most recent single audits;
- 2) rating of risk assessments, and determining eligibility and required monitoring of the proposed subrecipient.

The Provost is responsible for:

- 1) approving all high-risk subawards.

The Business Office/Grants Manager is responsible for:

- 1) educating PIs/PDs of their responsibilities regarding this policy;
- 2) assisting PIs/PDs in drafting subawards documents prior to submission to the recipient;

- 3) reviewing all subrecipient expenditures for allowability, allocability, reasonableness, and compliance with applicable terms and conditions;
- 4) ensuring that cost-share commitments are met and documented correctly on invoices; and
- 5) requesting and reviewing subrecipient single audits on an annual basis and report any concerns to the CFO and PI/PD.

References & Links

Federal Uniform Guidance: <https://www.ecfr.gov/current/title-2/subtitle-A/chapter-II>