

Subcontracting Guide and Resources

Policy Statement

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Sponsored research often involves collaborations with external entities who are asked to perform a substantive portion of the project in concert with the overarching aims of the award. Dartmouth College is responsible for monitoring the programmatic and financial activities of its subrecipients in order to ensure proper stewardship of sponsor funds.

Reason for Policy

OMB Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (2 CFR §200) ("Uniform Guidance"), specifically sections §200.330 and §200.331, requires prime recipients of federal funds to monitor subawards, to ensure subrecipients meet the audit requirements in Subpart F and use funds in accordance with applicable laws, regulations and terms of the award.

Who Must Comply

All Principal Investigators and administrators at Dartmouth College must comply with this policy.

Roles and Responsibilities

As a non-profit recipient of federal funds that expends \$750,000 or more per fiscal year, Dartmouth must ensure that its subrecipients comply with the Uniform Guidance administrative requirements, cost principles and audit requirements. Subrecipient monitoring responsibilities are shared among the Principal Investigator (PI), the Department Grant Manager (DGM)/Department Research Administrator (DRA) and the Office of Sponsored Projects (OSP). *Reference the Roles and Responsibilities during the life of a Subaward matrix.*

Subrecipient Monitoring (2 CFR §200.330-332 and 2 CRF 200 Appendix II)

The goal of subrecipient monitoring is to ensure that the subrecipient is capable of compliantly spending the federal funds, meeting all compliance requirements and meeting the project goals. The process begins at proposal development and continues through closeout.

Determining the role of the Collaborator: Subrecipient vs. Contractor

In accordance with §200.330 the Dartmouth PI in collaboration with OSP determines whether the role of the collaborator is a Contractor or Subrecipient. Characteristics indicative of a contract relationship can be: provider of goods and services within normal business operations; provides similar services to many different purchasers; normally operates in a competitive environment; provides goods and services ancillary to the Federal program and not subject to compliance requirements of the Federal program as a result of the agreement, though similar requirements may apply for other reasons. A Subrecipient is a non-Federal entity that receives a subaward from a pass-through entity to carry out part of a Federal (or sponsored) program; a subrecipient may also be a recipient of other Federal awards directly from a Federal awarding agency. Subaward agreements assign a portion of the programmatic effort to another

organization for which they are responsible for managing the technical and administrative aspects relating to their scope of work.

The relationship determination may involve use of judgement, all characteristics listed may not be present in all cases and judgement is used to classify what relationship is most appropriate. Subrecipient Monitoring procedures and guidelines do not apply to contractor relationships. *Reference the Subrecipient vs. Contractor Guidance.*

Risk Assessment & Ongoing Monitoring

Under §200.331, all pass-through entities (PTEs) are required to evaluate each subrecipient's risk of noncompliance with Federal statutes, regulations and associated award terms and conditions.

Dartmouth employs a risk-based approach to subrecipient monitoring, focusing more robust monitoring efforts on subrecipients deemed to pose an elevated risk for potential non-compliance.

Prior to proposal submission, the Pre-Award team verifies compliance of financial conflict of interest following institutional policy and applicable regulations. Once awarded, the Pre-Award team reviews the Notice of Award. If applicable, the IRB and IACUC protocols are verified. The Sponsored Research Manager (SRM) of the prime award reviews the notice of award to confirm issuance of a subaward agreement. SRM sets up a subaward agreement for each subrecipient referenced in the proposal/notice of award. A risk assessment is performed by the SRM for each new subaward agreement. The risk assessment verifies the subrecipient is not or has not been suspended or debarred, by searching [System of Award Management](#) and Visual Compliance, and includes review of internal controls the subrecipient has in place. A form evaluating risk is saved to the subaward record in the grants management system, RAPPORT.

If additional monitoring is necessary specific conditions under §200.208 can be utilized. **Examples of additional monitoring conditions that can be incorporated into subaward**

- Require that costs are supported by adequate documentation such as detailed transaction reports, vendor invoices, canceled checks, time and attendance records, approved purchase orders, receiving documents
- Issue fixed price agreements (§200.332) based on milestone/deliverable completion of certain tasks
- Schedule site visits to review records and observe operations
- Arrange for limited-scope audits of certain activities
- Require third-party evaluations
- Require a technical report to accompany invoices
- Establishing additional prior approvals
- Provide technical assistance and training
- Add more stringent termination or stop-work language for failure to comply with requirements

Ongoing monitoring includes invoicing and scientific progress as well as annual reassessment of risk resulting from annual single audits.

Invoices from the subrecipients are submitted to OSP via email or electronic system (OnBase) for initial review of financial aspects on the invoices.

When OSP receives a subaward invoice, the following items are verified:

- Executed Agreement
- Logistical Information
- Invoices are within budget period
- Expenses on invoices are within awarded budget
- Certification Statement is included and accurate

If any of the above criteria is not met, correspondence is sent to the subrecipient requesting a revised invoice or additional documentation via email.

After the review is complete OSP inputs data from invoice into OnBase and routes to the DGM and PI for review and approval. When all approvals are met the invoice is automatically routed to the appropriate Finance Center. The DGM and PI review invoices to ensure that expenses are accurate, appropriate and in compliance with sponsor guidelines. They review the following:

- Appropriateness of costs
- Progress of Work being Completed
- Invoices are within budget period
- Expenses on invoices are within awarded budget
- Current and cumulative expenses invoiced to date are correct, including indirect cost rate
- If applicable, cost sharing requirements are met and accurate.

If there are issues with costs or work progress, the DGM or PI will not approve the invoice and will notify OSP. A revised invoice will be requested from the subrecipient or the original invoice is put on hold until issues are resolved.

If the invoice is compliant (by meeting the above requirements) and all approvals are met, payment is made in accordance with §200.305(a)(3).

Invoice desk reviews are utilized for ongoing monitoring. OSP may periodically select subrecipient invoices for desk audit. Invoice supporting documentation is requested from selected subrecipients and reviewed to determine invoice accuracy and accountability. When supporting documentation is received OSP (DGM and PI as necessary) verify expenditures are supported and in alignment with subrecipient agreement or amendment.

Annually OSP collects and reviews subrecipient single audits in accordance with §200.501.

OSP tracks collection of Single Audit reports using an excel spreadsheet. The spreadsheet is an output of a systematic internal report identifying subrecipient expenditures and includes subrecipient name, if single audit has been received, findings, follow-up if applicable, contact information, etc.

OSP collects the subrecipient's Single Audit from the [Federal Audit Clearinghouse](#) (FAC) database or [The Federal Demonstration Partnership Expanded Profile](#). These web sites provide evidence verifying that the subrecipient has completed a Single Audit, indicates the presence of audit findings, and to determine that audits were performed within the Federal deadlines. OSP also searches the separate institutional websites for the subrecipient Single Audit and more comprehensive information as needed.

Each report is reviewed for findings related specifically to funds issued by Dartmouth. If there are findings relating to funds from Dartmouth; OSP will request more information, investigate the findings, follow up with the subrecipient to rectify the problem, and maintain information on spreadsheet. If there are no findings, notation is made on the spreadsheet.

Per Uniform Guidance §200.331(d)(3), OSP will issue a management decision letter to subrecipient(s) with audit findings pertaining to funds from the subaward issued by Dartmouth within six months of acceptance of the subrecipient audit report by the FAC. OSP will request additional information regarding corrective action specific to the finding(s). Corrective actions cited by the subrecipient are reviewed to ensure the subrecipient is compliant and determine if additional monitoring will be required.

When subrecipients are not subject to Single Audit (including foreign and for-profit entities), the College establishes its own requirements, as necessary, to ensure compliance. OSP requests a certification statement to confirm there were no findings with funds passed through to the entity from Dartmouth.

At award closeout activities related to ensuring that the work was performed and properly billed are finalized. At the end of the award, the DGM and PI are responsible for ensuring that all documentation related to project performance and financial obligations are received. Subrecipient monitoring activities that should be performed at award closeout include:

- Verify that the final invoice is received and marked “final”.
- Review all technical/financial reports to ensure that the subrecipient provided all project deliverables and met project obligations.

References & Matrix Resources

The next few pages of this document are various resources that were listed throughout the policy and can be used to help understand roles, responsibilities and steps needed to be taken to ensure that the Subrecipient policy is consistently being followed. **Always** consult with OSP on any matters that need further clarification and items of non-compliance.

Subrecipient vs. Contractor Guidance

Under the OMB Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards, which went into effect on 12/16/2014, the term “vendor” was replaced with “contractor.” The terms vendor and contractor substantially have the same meaning and may be used interchangeably in other guidance. For consistency purposes, when Dartmouth provides funds from a federal award to a non-federal entity, the non-federal entity receiving these funds is classified as a subrecipient or a contractor based on the nature of the agreement and the criteria in 2 CFR §200.330; 2 CFR 200.92 Contractor and 200.92 Subaward.

Reason for this Guidance

Before entering into a relationship with another entity under a sponsored award in which the other entity will provide goods or services or substantive, programmatic work to Dartmouth as the prime recipient of funding, a determination must be made as to the nature of the legal relationship of Dartmouth and other entity, which in turn will determine the type of legal agreement required to document the relationship. This is a significant decision determines the allocation of responsibilities and influences the appropriate application of indirect cost rates. In the case of a subaward, it is incumbent upon the prime recipient (Dartmouth) to ensure that subrecipients conduct their portions of research projects in compliance with all applicable terms and conditions and that project costs incurred by subrecipients are reasonable and allowable. Agreements with contractors for the purchase of services, however, typically do not bind vendors to the full set of sponsor terms and conditions, and are subject to competitive bidding procurement practices, to assure that funds paid to vendors do not exceed fair market value.

Context for this Guidance

Most of the work on sponsored awards at Dartmouth is conducted by faculty and staff on the premises of the College. However, it is sometimes determined that a portion of the research or project must be completed by an individual consultant or outside entity. In these cases, a legal agreement outlining the relationship between the parties and the College is required and may take the form of either a subaward or an agreement with a contractor for purchase of services. In addition, if specified in the award terms and conditions, sponsor approval may be required prior to executing a subaward; sponsor pre-approval is rarely, if ever, required for Dartmouth to enter into a contractor agreement for purchase of services. Both forms of agreement should have a clear purpose and cost. In either case, the agreed-upon cost is not relevant in determining whether the relationship is that of subrecipient or vendor.

CHARACTERISTICS

Not all characteristics listed will be present in every case. According to the Uniform Guidance, judgment should be used in each individual case in determining whether an entity is a subrecipient or a vendor. At Dartmouth, these same definitions are also applicable to non-Federal awards.

Subrecipient Agreement

Subawards should have a detailed scope of work and a budget that specifies salary, fringe, supplies, and other direct costs, as well as appropriate F&A costs consistent with the subrecipient's indirect cost rate. Terms and conditions from a prime award are typically imposed on the subrecipient to the same degree that they are imposed on Dartmouth as the prime recipient.

- Substantive, programmatic work or an important or significant portion of the research program or project is being undertaken by the other entity.
- The research program or project is within the research objectives of the entity.
- The entity participates in a creative way in designing and/or conducting the research.
- The entity retains some element of programmatic control and discretion over how the work is carried out.
- The entity commits to a good faith effort to complete the design or conduct of the research.
- The entity makes independent decisions regarding how to implement the requested activities.
- A principal investigator has been identified at the entity and functions as a "Co-Investigator".
- There is the expectation that the entity will retain ownership rights in potentially patentable or copyrightable technology or products that it produces in the course of fulfilling its scope of work.
- Publications may be created or co-authored at the entity.
- The entity provides cost sharing or matching funds for which it is not reimbursed by Dartmouth.
- The entity regards itself, and/or is regarded by Dartmouth, as "engaged in research" involving human subjects under the [Common Rule](#) and therefore requires approval for its interactions with human subjects.

Subrecipient Approval and Negotiation

Dartmouth grant proposals that include subrecipients should be approved and submitted to Dartmouth by the appropriate institutional official at the subrecipient institution. Subawards must be reviewed and negotiated by the Office for Sponsored Projects.

Contractor Agreement

A **contractor** relationship (including that of an individual acting as a contractor of consulting services) is appropriate when:

- The entity is providing specified services in support of the research program.
- The entity has not significantly participated in the design of the research itself but is implementing the research plan of the Dartmouth investigator.
- The entity is not directly responsible to the sponsor for the research or for determining research results.
- The entity markets its services to a range of customers, including those in non-academic fields.
- Little or no independent decision-making is involved in the design and conduct of the research work being completed.
- The agreement only specifies the type of goods/services provided and the associated costs.
- The entity commits to deliverable goods or services, which if not satisfactorily completed will result in nonpayment or requirement to redo deliverables.
- The entity does not expect to have its employees or executives credited as co-authors on papers that emerge from the research.
- The expectation is that the work will not result in patentable or copyrightable technology or products that would be owned by the entity.

- In the case of an individual vendor of consulting services, the person has no employment relationship with Dartmouth, either academic or administrative in nature.

Contractor Agreement Approval

Once it is determined that the nature of the relationship between Dartmouth, as the prime award recipient, and the entity involved in providing goods or services should be treated as that of purchaser and vendor, the PI and his/her department will be responsible following the institutional Procurement Services Policies.

Checklist to Determine Subrecipient or Contractor Classification

OBJECTIVE: Generally, the determination of the relationship with an entity is verified through the institutional review of the proposal narrative, budget justification, and other related proposal documents, as well as through discussions with key personnel prior to proposal submission. When the relationship remains unclear, this form may help in making an accurate determination.

DEFINITIONS FROM UNIFORM GUIDANCE (2 CFR, PART 200):

Subrecipient:

§200.93 Subrecipient means a non-Federal entity that receives a subaward from a pass-through entity to carry out part of a Federal program; but does not include an individual that is a beneficiary of such program. A subrecipient may also be a recipient of other Federal awards directly from a Federal awarding

Contractor:

§200.23 Contractor means an entity that receives a contract as defined in §200.22 Contract.

§200.22 Contract means a legal instrument by which a non-Federal entity purchases property or services needed to carry out the project or program under a Federal award.

INSTRUCTIONS: Complete sections one and two of the checklist by marking all characteristics that apply to the outside entity. The section with the greatest number of marked characteristics indicates the likely type of relationship the entity will have with the University. On occasion there may be exceptions to the type of relationship indicated by the completed checklist. In these situations, the substance of the relationship should be given greater consideration than the form of agreement between the University and the outside entity. Section 3 should be used to provide documentation on the use of judgment in determining the proper relationship classification.

NAME OF OUTSIDE ENTITY: _____

SECTION 1 - SUBRECIPIENT

Description: A subaward is for the purpose of carrying out a portion of a Federal award and creates a Federal assistance relationship with the subrecipient. Characteristics which support the classification of the non-Federal entity as a subrecipient include when the contractor:

- ☐ 1. Determines who is eligible to receive what Federal assistance.
- ☐ 2. Has its performance measured in relation to whether objectives of a Federal program were met?
- ☐ 3. Has responsibility for programmatic decision making.
- ☐ 4. In accordance with its agreement, uses the Federal funds to carry out a program for a public purpose specified in authorizing statute, as opposed to providing goods or services for the benefit of the pass-through entity.

Entities that include these characteristics are responsible for adherence to applicable Federal program requirements specified in the Federal award.

SECTION 2 - CONTRACTOR

Description: A contract is for the purpose of obtaining goods and services for the non-Federal entity's own use and creates a procurement relationship with the contractor. Characteristics indicative of a procurement relationship between the non-Federal entity and a contractor are when the non-Federal entity receiving the Federal funds:

- ☐ 1. Provides the goods and services within normal business operations.
- ☐ 2. Provides similar goods or services to many different purchasers.
- ☐ 3. Normally operates in a competitive environment.
- ☐ 4. Provides goods or services that are ancillary to the operation of the Federal program.

Entities that include these characteristics are not subject to compliance requirements of the Federal program as a result of the agreement, though similar requirements may apply for other reasons

FINAL DETERMINATION:

☐

SUBRECIPIENT

☐

CONTRACTOR

OPTIONAL - SECTION 3 - USE OF JUDGMENT (use only when the determination cannot clearly be made using the above criteria)

Description: In determining whether an agreement between a pass-through entity and another non-Federal entity casts the latter as a subrecipient or a contractor, the substance of the relationship is more important than the form of the agreement. All the characteristics listed above may not be present in all cases, and the pass-through entity must use judgment in classifying each agreement as a subaward or a procurement contract.

Explanation of Use of Judgment Determination:

Prepared By: _____

Date: _____

Roles and Responsibilities during the life of the Subaward

How to use: The Roles and Responsibilities Chart provides an overview of the general subrecipient monitoring, invoice review and life cycle. Due to the varying nature of subagreements, responsibilities for specific subrecipient monitoring tasks may differ.

| PROPOSAL STAGE | PI | Dept. GM | OSP |
|--|-----|-------------|-----|
| Provides guidance and establishes procedures for proposing subawards. | ✓ P | ✓ | ✓ |
| Provides assistance and guidance on determinations of a subrecipient versus a contractor. | ✓ S | | ✓ P |
| Collects & reviews the sub info (Budget, Justification, Statement of Work, Letter of Commitment) (See suggested Subrecipient Commitment form to be sent to Subrecipient Institution) | ✓ P | ✓ P | ✓ S |
| Just in Time (JIT) – provide other support info, Animal/IRB approvals, budget revisions (if necessary) | ✓ P | ✓ P | ✓ S |
| AWARD STAGE | PI | Dept. GM | OSP |
| Provides guidance and establishes procedures for negotiating subawards. | | | ✓ P |
| Reviews proposal budgetary and other administrative documentation related to subawards. | | ✓ S | ✓ P |
| Coordinates assessment of subrecipient risk, reviews compliance documentation, via SAM, Federal Clearinghouse, if available. | | | ✓ |
| Check RAPPORT documentation of proposed versus awarded dates and budgeted dollars for the subrecipient. | | ✓ S | ✓ P |
| Collaborates on risk assessment process by identifying issues related to subrecipient compliance infrastructure, policies and procedures or programmatic performance. | | ✓ S | ✓ P |
| Collaborates on developing individual subrecipient monitoring plans based upon risk. | ✓ S | ✓ S | ✓ P |
| Alerts OSP when subawards will have non-standard terms and conditions (not cost reimbursable agreement terms) | ✓ P | ✓ P | |
| Assists OSP in drafting subawards by confirming budgetary, scope of work and other input that is in RAPPORT; or providing if not in RAPPORT. | | ✓ P | |
| Drafts and executes subaward agreements and amendments with applicable institutional and sponsor terms, with input from PI and Department on budget and scope of work. | ✓ S | ✓ S | ✓ P |
| Complete and maintain FFATA reporting. | | | ✓ |
| MANAGING STAGE | PI | Dept. GM | OSP |
| Provides guidance and establishes procedures for managing subawards. | | | ✓ |
| Manage a subrecipient monitoring plan based on their assigned level of risk. <i>See the Best Practices Sample for Subrecipient Monitoring Record to support documentation needed.</i> | ✓ P | ✓ P | ✓ P |

| | | | |
|--|-----|-------------|-----|
| <ul style="list-style-type: none"> • Level of communication with subrecipient • Analysis of funds spent versus programmatic work completed to date • Technical reports, progress reports and other deliverables | | | |
| Alert PI and OSP to issues related to subrecipient expenses, timing of invoices and works in collaboration with OSP to develop additional monitoring procedures such as backup documentation, hourly rates and dates of performance, prompt payment. | | ✓ P | |
| Assists in routing and providing a preliminary review of subrecipient invoices. | | | ✓ P |
| Monitoring subrecipient's technical progress. Alert OSP to any questions concerning non-compliance and non-performance. | ✓ P | ✓ S | |
| Coordinates all external audit inquiries related to subawards. | | | ✓ P |
| Collects and reviews annual subrecipient audit reports, via SAM and Federal Clearinghouse annually for updated information, when available. | | | ✓ |
| Communicates with sponsors (as appropriate) when a subrecipient is added after the Notice of Award is received. | ✓ | ✓ | ✓ P |
| Reviews subrecipient invoices and approves payment based upon an assessment of appropriate costs and performance to date. | | ✓ P | |
| Review invoices for: Allowability and applicability, appropriateness and accuracy. <i>See Invoice Monitoring Guide for a comprehensive list of items.</i> | ✓ P | ✓ P | |
| AWARD CLOSEOUT | PI | Dept. GM | OSP |
| Provides guidance and establishes procedures for closing out subawards. | | | ✓ |
| Collaborates with subrecipient institution to be sure <u>final</u> invoice is received in a timely manner in coordination with our deadline for any final invoice and/or financial report due to the sponsor. | | ✓ P | ✓ S |

P = PRIMARY S = SECONDARY

Invoice Monitoring Guide

How to use: This guide is a list of 10 questions for department grant managers to consider when monitoring invoices for completeness and compliance with Dartmouth's policies.

1. Are the expenses allowable per the subagreement and the prime award?

Remember the prime award requirements and budget restrictions flow down to the sub-recipient.

2. The subrecipient should only invoice for approved expenses per the subagreement or ask for approval of budget changes when necessary to modify the original terms/budget.

If applicable to the agreement, are the invoice expenses per budget category in agreement with the budgeted amount per line item category? If applicable to the agreement Are the invoiced expenses included in the subagreement budget?

3. Are the expenses in the agreement consistent with the programmatic plan or work completed to date?

The expenses invoiced should agree with the work incurred.

4. Were all the expenses incurred within the subagreement start and end dates?

Ensure that the dates on the invoice are within the subagreement dates.

5. Ensure that subrecipients are not invoicing for amounts over the approved budget.

Are the cumulative expenses within the overall approved budget amount?

6. Cost reimbursable subcontracts require invoicing 'based on actual expenses only'.

Do expenses appear to be based on actual expenses? Do expenses appear to be **based on a schedule or fixed price**? Scheduled or fixed priced contracts need to be agreed upon and stated clearly in the execute subaward agreement.

7. Are the Facilities & Administration (F&A) costs calculated correctly with the correct and agreed upon rate for the subrecipient?

Ensure the calculated F&A agrees with the methodology in the budget and only includes Modified Total Direct Cost (MTDC) base expenses that can accrue F&A.

8. Does the invoice have an institutional official signature and contain a certification statement:

Example: 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).

9. Payment Terms

Standard payment will be issued by check according to the controller's office schedule. If payment is to be made by a wire, write PAY BY WIRE and provide the wire information on the invoice (Bank Name; Wire ABA #; ACH ABA # and Swift Code #)

10. If there are any questions on the invoice, the work performed, or any issue of non-compliance do not sign the invoice. Once an appropriate invoice is submitted and all items have been resolved:

Obtain Principal Investigator's (PI) signature on the sub recipient invoice.
Submit approved invoice to the appropriate finance center for payment.

Subrecipient Monitoring Risk Assessment Matrix based on the Subrecipient Organization

| Category | Standard Monitoring | Additional Monitoring | Elevated Risk, Additional Monitoring |
|---|--|---|---|
| 1. Foreign vs. Domestic | U.S. based | Foreign location with stable government and financial systems | Foreign location with unstable government or financial systems or restricted location |
| 2. Subrecipient Organization Type | University or non-profit subject to federal audit requirements | Non-profit not subject to federal audit requirements | Industry or other for-profit organization not subject to federal or other audit regulations |
| 3. Maturity of Organization | Mature (more than 10 years) | Mature, but not research oriented | Start-up, no fiscal controls in place yet |
| 4. Subrecipient's prior experience with similar subawards or awarding agency | Subrecipient has prior experience with the same/similar subawards Subrecipient also receives awards directly from the awarding agency | Subrecipient does not have prior experience with type of award, or Subrecipient does not receive Federal awards or is unfamiliar with awarding agency's requirements | Subrecipient does not have prior experience with the type of research or programmatic deliverables required by subaward |
| 5. Dartmouth's prior experience with Subrecipient | Previous positive experience as Dartmouth subrecipient | Previous experience as Dartmouth subrecipient but may have some minor concerns | New subrecipient or previous negative experience |
| 6. Adequacy of Facilities | Work occurs in adequate, established space | | Subrecipient's resources are inadequate |
| 7. Audit Results & Accounting/Procurement Systems | Has annual audit with unqualified opinion | Has annual third-party financial audit Subrecipient has a new or substantially changed systems or personnel for project administration | Has not had a financial audit by a 3rd party or current audit has material weaknesses, reportable conditions or findings Responses to the Financial Status Questionnaire are questionable or indicate a lack of policies, separation of duties, or system controls |
| 8. Audit restrictions/Transparency | Auditors can perform testing on all awards | Auditors can perform testing only on part of portfolio (e.g. Subrecipient places restriction on auditors due to Federally Funded Research and Development Center) | Auditors not able to perform testing and cannot provide audit reports |

Subrecipient Monitoring Risk Assessment Matrix based on the Subrecipient Organization (continued)

| Category | Standard Monitoring | Additional Monitoring | Elevated Risk, Additional Monitoring |
|--|---|---|--|
| 9. Amount/Percentage Passed-through | Lower funding levels or percentage of total funds allocated to subrecipient (e.g. <\$100k) | Funding allocated to subrecipient is a large part of the total award | Funding level>\$500K or >49% of award |
| 10. Scope of Work & Project Deliverables | Easily met objectives (e.g. reports) Progress based on milestones or observable outcomes | Subrecipient not meeting deliverables, resulting in a change in project scope | Deliverables necessary in order to achieve project success No reporting until end of the project, no measurable or observable milestones or outcomes |
| 11. Additional Approvals | No compliance issues involved (e.g. IRB or export-controlled activity) | Subrecipient has protocols in place to meet compliance requirements | Compliance requirements are in place but subrecipient does not have protocols approve/monitor the requirements Project involves export-controlled material, data, or technical reports. |
| 12. Relationship Between Dartmouth PI and Subrecipient PI | Subrecipient PI is a familiar collaborator | Subrecipient PI is an established researcher, but has no prior direct relationship | No previous collaboration or relationship |
| 13. Dartmouth Department's Familiarity with Award Mechanism | Department is familiar with award mechanism (e.g. contract, grant) and prime sponsor | Department is unfamiliar with award mechanism (e.g. contract, grant) or with prime sponsor | Department is unfamiliar with award mechanism (e.g. contract, grant) and prime sponsor |
| 14. Cost Sharing | Subrecipient has not made commitment to share costs | Subrecipient has committed to fund project costs not paid by the award or subaward | Subrecipient has committed to fund substantial project costs not paid by the award or subaward |
| 15. Rate of Subrecipient Spending on Award | Pace of spending is consistent with budgeted amounts per year | Pace of spending slightly greater or less than budgeted amount per year | Spending far outpaces or is severely below that which was in the submitted budget |

SubAward Terms & Definitions

Contractor (also known as vendor) – An organization eligible to receive a financial award. A subrecipient's performance is measured against whether the objectives of the sponsored program are met; subrecipients have responsibility for programmatic decision-making and for adherence to applicable program compliance responsibilities. Subrecipients are responsible for performing a substantive portion of the program, as opposed to providing goods and services.

Standard Subaward Agreement - Cost reimbursable is based on actual expenditures with monthly or quarterly invoices.

Non-Standard Subaward Agreement – Fixed price is either based on deliverables or payment schedule. Not based on actual costs. Only subawards \$150,000 or less with prior written approval are eligible.

Department Grant Manager (DGM) – Assist PIs in reviewing their monitoring responsibilities, reviewing subrecipient invoices, identifying and following up on questionable expenditures, if necessary, and maintaining documentation of monitoring efforts.

De minimis Indirect Costs Rate - Office of Management and Budget (OMB) specified that non-federal entities that have never received a negotiated indirect cost rate may elect to charge 10% of modified total direct costs (MTDC). If the award recipient chooses to utilize the de minimis rate, it must do so consistently for all federal awards until such time they choose to negotiate a rate.

Federal Audit Clearinghouse – A division of the Office of Management and Budget (OMB) that collects information on audit results.

Office of Sponsored Projects (OSP) – Ensure that the College's subrecipient monitoring policies and procedures comply with Federal and other applicable regulations and are applied consistently. OSP may provide further training and guidance in interpreting regulations and subrecipient award terms and conditions. OSP regularly reviews subrecipient risk assessments, assists in developing monitoring plans, and reviews results of subrecipient findings, corrective action plans, and other issues brought to its attention. OSP reviews and approves certain high risk subrecipients at the proposal stage and as necessary during the life of the award based on review criteria.

Pass-through Entity – *Uniform Guidance 200.74* – A Non-Federal entity that provides a subaward to a subrecipient to carry out part of a Federal program.

Prime Recipient - The direct recipient of funds to support a sponsored research project.

Principal Investigator (PI) – Have the primary responsibility monitoring subrecipients' progress and ensuring compliance with Federal regulations and both prime and subrecipient award terms and conditions.

Sponsored Project – A funding arrangement in which the University is providing a return benefit to, or agrees to provide a defined deliverable or complete a set of activities for, the sponsor in exchange for the funds, regardless of whether the funding instrument is designated a contract, cooperative agreement, grant, consortium agreement, or otherwise.

Subrecipient (also known as Subcontractor or subawardee) - *Uniform Guidance 200.93* - Subrecipient means a non-Federal entity that receives a subaward from a pass-through entity to carry out part of a Federal program; budget does not include an individual that is a beneficiary of such program. A subrecipient may also be of other Federal awards directly from a Federal awarding agency.

Subaward Identifying # - A RAPPORT generated number attached to each subaward. Formerly known as the COEUS sub number. (example: R123)

Subaward (also known as Subcontract or Subgrant) – *Uniform Guidance 200.92* – Subaward means an award provided by a pass-through entity to a subrecipient for the subrecipient to carry out part of a Federal award received by the pass-through entity. It does not include payment to a contractor or payments to an individual that is a beneficiary of a Federal program. A subaward may be provided through any form of legal agreement, including an agreement that the pass-through entity considers a contract.

Uniform Guidance – An Office of Management and Budget (OMB) publication entitled "Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards".

Financial Questionnaire

General Financial, Audit and Internal Controls Information

1. Does your organization have its financial statements reviewed by an independent auditor/accounting firm (third party, external, public)? Select Yes or No.

☐ If Yes - Please provide a copy of or link to the most recent audited financials including auditors' letter:

☐ If No - Please provide a copy of or link to the most recent un-audited financials (for example: ledger, tax statements, etc.)

2. Are duties separated so that no one individual has complete authority over an entire financial transaction? Select Yes or No.

No

3. Does your organization have and periodically evaluate its internal controls to assure U.S. federal and non-federal awards are managed in compliance with applicable laws, federal regulations, and terms of the award? Select Yes or No.

☐ If Yes - Please provide a copy of or link to your organization's internal controls policies or procedures:

☐ If No - Please provide a brief description of your organization's internal controls:

Accounting System/Funds Management

1. Please provide a brief description of your accounting system in the space provided (if your system is a commercially available system such as QuickBooks or similar, please note and describe any associated internal controls):

2. Has your organization received any U.S. government funding (either directly from a U.S. government agency or through another organization) during your past three fiscal years? Select Yes or No.

No

3. Does your organization have a process or system in place to create accounts and record and identify the source and application of funds for awarded activities? Select Yes or No.

No

4. Does your organization have policies or procedures in place to document review of allocability and allowability of costs to a project prior to expending funds? Select Yes or No.

No

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5. Briefly describe your organization's process(es) to ensure costs are reasonable and necessary per a given project's scope of work and budget. Provide links to policies and procedures your organization might have:

6. Does your organization have the capacity to track and document cost share/match commitments that may be part of an award? Select Yes, No, or Not Applicable.

Not Applicable

7. Are all bank accounts reconciled monthly? Select Yes or No.

No

8. Are all costs properly documented with evidence of receipt of goods or performance of services? Select Yes or No.

No

Facilities & Administrative Costs (F&A)/Indirect Costs (IDC)

1. Does your organization have an indirect cost (IDC) allocation plan or other approved overhead rate*, such as a negotiated Facilities & Administration (F&A) rate with a U.S. Federal government agency? (*This does not supersede sponsor-restricted rates.) Select Yes or No.

☐ If Yes - Please provide a link to latest negotiated rate or approval letter with your agency contact:

☐ If No - Does, your organization (select A or B):

☐ A Elect a 10% de minimis (NIH 8% cap of 8% for foreign entities) rate to be applied to all Federal awards?

☐ B Reserve the right to negotiate such a rate on a case-by-case basis?

Documentation of Personnel Costs

1. Does your organization have written policies and/or procedures for documenting and charging/assigning personnel costs to awards and invoicing sponsors? Select Yes or No.

☐ If Yes - Please provide a copy of or link to your organization's policies and/or procedures:

☐ If No - Please provide a description/explanation of your organization's process(es) for documenting and charging personnel costs and include what internal controls, you must ensure employee time is appropriately charged:

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Procurement/Purchasing

1. Does your organization have a written procurement policy and/or procedure? Select Yes or No.

☐ If Yes - Please describe or include a copy or link:

☐ If No - Please describe your organization's process for purchasing goods, services, equipment, and travel in a competitive environment to ensure costs are fair and reasonable:

Property Management/Equipment

1. Does your organization have a formal or written policy or procedure for identifying and managing equipment purchased on a sponsored project? Select Yes or No.

☐ If Yes - Please provide a copy of or link to your organization's policy or procedure:

☐ If No - Briefly describe how your organization will account for property purchased on a sponsored project:

2. How does your organization account for and manage capital equipment? Provide a link to your policy or provide description in the comments section.

Cost Transfers

1. Does your organization have a policy or procedure for transfer of costs/expenses between accounts or projects? Select Yes or No.

☐ If Yes - Please provide a copy of or link to your organization's policy or procedure:

☐ If No - Please provide a description/explanation of how your organization monitors, reviews and documents cost transfers:

General Information

Legal Entity Name _____

Common Name _____

Entity EIN _____

Entity Fiscal Year _____

Address _____

Entity DUNS _____

I certify that the information provided herein is true and correct to the best of my knowledge:

Individual Name _____ Individual Signature _____

Individual Title _____ Date Certified _____

Subrecipient Risk Assessment Information



Dartmouth College

Office of Sponsored Projects
11 Rope Ferry Road, HB 6210
Hanover, NH 03755-1404

TELEPHONE (603) 646 - 3007

FAX (603) 646 - 3670

EMAIL: sponsored.projects@dartmouth.edu

Subrecipient Legal Name

City, State

EIN Number

DUNS Number

Type of Organization

Does your Institution Have:

- ☐ Educational
- ☐ Non-Profit
- ☐ Corporation
- ☐ Foreign Entity
- ☐ Small Business
- ☐ Other

- ☐ Federally Negotiated Cost Rate
- ☐ Conflict of Interest Policy
- ☐ Accounting system allowing source funding identification
- ☐ Inventory System (able to identify and maintain purchase date, cost, description, serial number, location) Annual
- ☐ Single Audit under Uniform Guidance
- ☐ Annual Single Audit (if Uniform Guidance isn't applicable)
- ☐ Procurement System
- ☐ Travel Policy
- ☐ Pay Rate & Benefit policy
- ☐ Time & Attendance policy
- ☐ Leave policy
- ☐ Discrimination policy

Is the Institution an FDP member?

- ☐ Yes
- ☐ No

Were there any findings on the most recent annual/single audit?

- ☐ Yes
- ☐ No

Is the project PI presently suspended or debarred?

☐ Yes

☐ No

Are there any potential conflict of interests?

☐ Yes

☐ No

Does the project include:

☐ Human Subjects

☐ Animal Subjects

☐ Embryonic Stem Cells

Is the Institution registered in SAM (System of Award Management)?

☐ Yes

☐ No

Subrecipient Risk Assessment



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FAX (603) 646 - 3670

EMAIL: sponsored.projects@dartmouth.edu

Subrecipient Legal Name

City, State

EIN Number

DUNS Number

Who is the Prime Sponsor?

What is the Prime Award Type?

Has there been any PTE-issued management decisions on audit findings that may affect this award?

☐ Yes

☐ No

Is the project PI presently suspended or debarred?

Amount of Outgoing Funds:

☐ Yes

☐ No

Does the project include:

What is the % of the prime award being subcontracted?

☐ Human Subjects

☐ Animal Subjects

☐ Embryonic Stem Cells

Risk Assessment for Subrecipient Institution

Bring to Committee

☐ Yes

☐ No

Reviewed By:

Date:

Management Decision Letter

Sample letter to be issued when a subrecipient has an audit finding (or findings) related to the College and when their corrective action plan is acceptable. When applicable, the letter should further address situations where costs are disallowed and require repayment, financial adjustments are necessary, or other action is needed. In those cases, the management decision should describe any appeal process available to the auditee.

Those corrective action plans that may not be acceptable to the College should be handled on a case-by-case basis.

Name of Subrecipient

Date

Address of Subrecipient

Re: *Subaward Number*

We have completed our review of the reporting package for *name of organization* for the period ending *fiscal year end*. Based on our review of your corrective action plan for the finding number(s) [*list reference number(s) per report*] related to the subaward, it appears your plan will reasonably address the related finding(s). If, however, you do not implement your plan as intended or your plan does not adequately address the finding(s) noted, you are required to notify us of the further corrective action plans.

If you have any questions, please contact our office at *phone number*.

Sincerely,

Applicable Personnel