

# UNIVERSITY OF ARIZONA SUBRECIPIENT MONITORING GUIDE

## Contents

- Introduction..... 2
- Roles and Responsibilities Chart ..... 3
- Subrecipient Monitoring at Proposal Stage ..... 4
- Subrecipient Monitoring at Subaward Issuance Stage..... 4
- Subrecipient Monitoring During the Life of a Subaward ..... 6
  - Subrecipient Monitoring Risk Assessment & Responsibilities Chart ..... 6
  - Subrecipient Monitoring Activities - Principal Investigator Responsibilities ..... 7
  - Subrecipient Monitoring Activities – Business/Finance Office Responsibilities..... 8
  - Subrecipient Monitoring Activities – SPS SubAwards Responsibilities..... 8
  - Review and Approve Invoices & Supporting Documentation ..... 8
  - Review Performance/Program and Financial Reports ..... 9
- Subrecipient Monitoring at Closeout ..... 10
- Audits ..... 10
- Appendix A: Specific Subrecipient Monitoring Plan – Low Risk Level ..... 13
- Appendix B: Specific Subrecipient Monitoring Plan – Medium Risk Level ..... 14
- Appendix C: Specific Subrecipient Monitoring Plan – High Risk Level..... 15

## *Introduction*

As the prime award recipient, the University of Arizona and the principal investigators have the responsibility to ensure the success of subawards. This means regular monitoring of subrecipient's programmatic and financial activities. The subrecipient monitoring starts at the prime award proposal stage and ends when a subaward is fully closed. The specific steps to issue and manage a subaward can be found on [Research Gateway \(RGW\) Subawards \(Outgoing\)](#). Required documents can be found on [RGW Forms & Templates](#).

**PLEASE NOTE THAT SOME OF THE SUBRECIPIENT FORMS ARE FOR UNIVERSITY OF ARIZONA INTERNAL USE AND ARE NOT TO BE FORWARDED TO THE SUBRECIPIENT.**

The following Roles and Responsibilities Chart serves as a reference for University of Arizona principal investigators, designated department personnel (business/finance office), Sponsored Projects Services (SPS), and Contract & Research Support Program (CRSP) on managing the life of a subaward. Some of the following roles/responsibilities may be completed by the principal investigator and/or the business/finance office, depending on individual departmental procedures.

## Roles and Responsibilities Chart

|   | Principal Investigator | Business/ Finance Office | SPS | CRSP |
|---|------------------------|--------------------------|-----|------|
| <b>Proposal Stage</b>   |                        |                          |     |      |
| Select a Subrecipient: Sole Source v. Competitive Bid Form  | X                      |                          |     |      |
| Obtain detailed scope of work, including deliverables, and a detailed budget with budget justification                | X                      |                          |     |      |
| Negotiate budget/complete Subaward Budget Negotiation Form  | X                      | X                        |     |      |
| NASA Assurance of Compliance – China Funding Restriction (only applicable if prime award is NASA)                     | X                      | X                        |     |      |
| Correctly budget subaward on prime award with accurate subrecipient F&A rate  | X                      | X                        |     |      |
| Subrecipient Commitment Form ( <b>To be completed by Subrecipient</b> )   | X                      | X                        |     |      |
| <b>Award Stage</b>  |                        |                          |     |      |
| Complete Subaward Initiation Form   |                        | X                        |     |      |
| Complete compliance requirements for Subrecipient (this procedure requires feedback from the PI and Dept)             |                        |                          | X   |      |
| Draft new subaward  |                        |                          | X   |      |
| Review and approval of draft subaward   | X                      | X                        |     |      |
| Forward subaward to subrecipient for review and signature   |                        |                          | X   |      |
| Negotiate subaward terms and conditions with subrecipient   |                        |                          | X   | X    |
| Obtain signature from subrecipient  |                        |                          | X   |      |
| Enter Requisition in UAccess Financials   |                        | X                        |     |      |
| Process fully-executed subaward   |                        |                          | X   | X    |
| <b>Managing Award</b>   |                        |                          |     |      |
| Fulfil responsibilities based on Subrecipient Monitoring Risk Form  | X                      | X                        |     |      |
| Complete Subaward Payment Authorization Form  | X                      | X                        |     |      |
| Approval of Payment Request in UAccess Financials   |                        | X                        | X   |      |
| Complete Subaward Modification Initiation Form  |                        | X                        |     |      |
| Process Subaward Modification: compliance check (require PI and Dept feedback), drafting, department approval, obtain |                        |                          | X   |      |

|   |  |   |   |   |
|---|--|---|---|---|
| subrecipient signature, etc. (Responsibilities same as noted for New Subaward)                                |  |   |   |   |
| Enter PO Amendment in UAccess Financials  |  | X |   |   |
| Process fully-executed modification   |  |   | X | X |
| <b>Closeout Stage</b>   |  |   |   |   |
| Provide Subaward Closeout Checklist to subrecipient   |  | X | X |   |
| Provide information to SPS SubAwards to closeout subaward   |  | X |   |   |
| Prepare closeout letter and forward to subrecipient, as well as notify PACS to close PO in UAccess Financials |  |   | X |   |

### ***Subrecipient Monitoring at Proposal Stage***

To ensure the successful performance by a potential subrecipient, the University of Arizona principal investigator and the department business/finance office should carefully select a subrecipient.

- Learn the potential subrecipient’s previous performance on similar projects and its financial situation and audit history.
- Document a detailed justification if the requisition is sole source based.
- Obtain detailed scope of work, to include deliverables, and a detailed budget with budget justification.
- Analyze the costs proposed to ensure the costs are reasonable, allowable, and consistent with the scope of work proposed.
- Obtain a signed Subrecipient Commitment Form from the subrecipient.
- If the prime award is NASA, obtain a signed acknowledgement of NASA Assurance of Compliance – China Funding Restriction.

### ***Subrecipient Monitoring at Subaward Issuance Stage***

To fulfill the subrecipient monitoring requirements set forth by Office of Manage and Budget (OMB) Uniform Guidance (2 CFR 200), [Section 200.331](#), the University of Arizona performs the following compliance checks when issuing a subaward or a modification of the subaward:

#### **SAM.gov**

For federally funded subawards, Sponsored Projects Services (SPS) SubAwards Team must ensure that a subrecipient is registered in SAM.gov. If the subrecipient is either not registered or their registration has expired, SPS SubAwards will ask the business/finance office to contact the subrecipient to update this information.

#### **Audit – This is a requirement for both Federal and Non-Federal funding sources**

For subrecipients that comply with OMB Uniform Guidance (2 CFR 200), [Part F](#), Audit Requirements, SPS SubAwards will review the subrecipient’s Single Audit report or audited financial statements. If audit findings are present, they will be brought to the attention of the business/finance office.

For subrecipients that are not required to comply with OMB Uniform Guidance Subpart F, an audit questionnaire must be completed. These forms are kept on record in SPS SubAwards.

SPS SubAwards must complete an audit review for each fiscal year over the life of the Subaward.

### **Subrecipient Monitoring Risk Level**

During the audit and compliance review process, SPS SubAwards will determine the subrecipient monitoring risk level. Criteria reviewed for determination of risk level assigned include:

- Is the subrecipient organization a [Federal Demonstrated Partnership](#) (FDP) member?
- Have subrecipient's previous subawards with the University of Arizona been in good standing?
- Dollar amount of subaward issued to subrecipient.
- Is subrecipient located outside of the United States?
- Is subrecipient non OMB Uniform Guidance compliant?
- University of Arizona principal investigator's and business/finance office's prior experience with the subrecipient
- University of Arizona department's compliance with the University's and procedures.

### **Change in Risk Level**

The assigned risk level can change during the life of a subaward due to:

- Changes in the terms and conditions of the award
- Increase in dollar amount of subaward
- Relevant subrecipient audit findings
- Issues with subrecipient compliance with the subaward terms and conditions

### **Debarment/Suspension**

SPS SubAwards is required to complete this compliance check for both the subrecipient organization AND subrecipient principal investigator(s).

### **Prime Sponsor Specific Requirements**

SPS SubAwards is required to flow down the prime award terms and conditions. These may include but are not limited to:

- **FFATA**: Federal Funding Accountability and Transparency Act
- **E-Verify**: Certification of Compliance with FAR 52.222-54 Employment Eligibility Verification
- **NASA China Funding Restriction (DEVIATION FEB 2012)**: For regulation see: Assurance of Compliance – China Funding Restriction (iv) An Assurance of Compliance with The Department of Defense and Full-Year Appropriation Act, Public Law 112-10 Section 1340(a); The Consolidated and Further Continuing Appropriation Act of 2012, Public Law 112-55, Section 539; and future-year appropriations herein after referred to as “the Acts”.
- **DBA**: U.S. Department of Labor Defense Base Act Certification
- **USDA Certs and Reqs, Form AD-1048**: For certification see: This certification is required by the regulations implementing Executive Order 12549, Debarment and Suspension, 7 CFR part 3017, Section 3017.510, Participants' responsibilities. The regulations were published as Part IV of the January 30, 1989, Federal Register (pages 4722-4733).
- **Conflict of Interest (COI)**:
  - **PHS**. Relevant PHS regulations: 42 CFR 50.605(a)(5)(i) and 45 CFR 94.5(a)(5)(i)

- NSF 14-1, Chapter II.C.1.e or CFR 200.112 or 42 CFR 50.604)  
For additional details, see the [University of Arizona COI policy](#)
- **Export Control**: For additional information see [University of Arizona export control policy](#).

### *Subrecipient Monitoring During the Life of a Subaward*

When the subaward agreement is issued, the University of Arizona principal investigator and the department business/finance office should start to fulfill the responsibilities detailed in the subrecipient monitoring plans. Please note that subrecipient monitoring activities will vary, based on the risk level assigned to a subrecipient. Risk levels are assessed and determined by SPS SubAwards and acknowledged by the responsible parties through the Subrecipient Monitoring Responsibilities Acknowledgement Form. These forms are signed by the University of Arizona principal investigator and business/finance office. Signatures indicate that departmental personnel are fully aware and will comply with responsibilities of the subrecipient monitoring plan assigned to each project.

The subrecipient monitoring plans are suggested examples for the principal investigator and business/finance office to implement based on the subrecipient’s perceived risk level. Note that the risk level can change during the life of a subaward.

The following Risk Assessment Chart highlights key activities for the principal investigator to perform at each risk level. For specific details regarding monitoring plans, see Appendices A-C.

#### Subrecipient Monitoring Risk Assessment & Responsibilities Chart

Depending on the risk level assigned to the subaward, the principal investigator and/or the business/finance office should engage in, at minimum, the following monitoring activities:

|   |  |
|---|--|
|  <p style="text-align: center;"><b>LOW<br/>RISK</b></p>    | <ul style="list-style-type: none"> <li>➤ Regular communication with subrecipient regarding progress of project, as well as maintaining records of performance/progress reports.</li> <li>➤ Review and approval of expenditures under the terms and conditions of the prime award and subaward.</li> <li>➤ Ensure deliverables are in accordance with the scope of work.</li> <li>➤ Periodic sampling of questioned costs during invoice review.</li> </ul>   |
|  <p style="text-align: center;"><b>MEDIUM<br/>RISK</b></p> | <ul style="list-style-type: none"> <li>➤ Communication with subrecipient on a <u>quarterly</u> basis regarding progress of project, as well as maintaining records of performance/progress reports.</li> <li>➤ Review and approval of expenditures under the terms and conditions of the prime award and subaward.</li> <li>➤ Ensure deliverables are in accordance with the scope of work.</li> <li>➤ Consider site visit to subrecipient’s physical location.</li> <li>➤ Periodic sampling of invoiced costs and desk audit of subawards.</li> </ul> |

|   |   |
|---|---|
|  | <ul style="list-style-type: none"> <li>➤ Communication with subrecipient on a <u>monthly</u> basis regarding progress of project, as well as maintaining records of performance/progress reports.</li> <li>➤ Review and approval of expenditures under the terms and conditions of the prime award and subaward.</li> <li>➤ Ensure deliverables are in accordance with the scope of work.</li> <li>➤ Consider regular site visits to subrecipient’s physical location.</li> <li>➤ Scrutinize invoiced costs on a regular basis and perform periodic desk audit of subawards.</li> </ul> |
|---|---|

### Subrecipient Monitoring Activities - Principal Investigator Responsibilities

The University of Arizona principal investigator should perform frequent and regular monitoring activities. For low risk, the activities should include:

- **Subrecipient Communication:** The University of Arizona principal investigator should set up and document a communication schedule with the subrecipient principal investigator in order to monitor the subrecipient’s progress on a regular basis. Communication can include the following:
  - conference calls
  - emails
  - in-person meetings

Communication should entail, but is not limited to, progress of the subaward and award expenditures. Communication with the subrecipient should be documented. For example, keeping records of meetings (formal or informal) with the subrecipient – when, where, who attended, etc. For phone conversations, notes recapping the conversation, to include the date and time, should be kept.
- **Expenditure Analysis:** Analyze expenditures to ensure costs fall within the scope of work and budget
- **Subrecipient Reports:** The principal investigator should ensure timely receipt and approval of technical reports, performance/progress reports, financial reports, and other deliverables to ensure that the subrecipient in on schedule.
  - Performance/progress reports include verification of the work being conducted and the results are in line with the approved scope of work.
  - If the subrecipient falls behind schedule and/or approved budget costs dramatically change, work with the subrecipient to rectify the issues.

For “medium” or “high” risk levels associated with the subrecipient, principal investigators should consider additional monitoring of the subrecipient as follows:

- Site visits to the subrecipient’s physical site location
- Increased communication to ensure the
  - More frequent communication to ensure the project is on track and on budget, and to address any issues related to the project.

## Subrecipient Monitoring Activities – Business/Finance Office Responsibilities

University of Arizona department business/finance office should work closely with the principal investigator, subrecipient, and SPS SubAwards to fulfill the subrecipient monitoring duties.

Responsibilities include, but are not limited to the following:

- Collect and/or submit required documents at the proposal and award stages.
- Maintain up-to-date and complete files of subaward monitoring activities. For example:
  - Supporting documentation for Subaward Budget Negotiation Documentation Form
  - Financial reports submitted by the subrecipients
- Ensure that an appropriate system generated financial report is included with invoice and review the transactions for allowability. **The financial report should include transactional and payroll records.**
- Review invoices and financial reports to ensure:
  - Payment is within the subaward terms and conditions AND period of performance
  - Invoice certification required by OMB Uniform Guidance (2 CFR 200), [Section 200.415](#) is included on all invoices, annual and the final financial reports.
- Periodically sample financial transactions and request supporting invoices and/or receipts from the subrecipients.
- Ensure the principal investigator has reviewed and approved expenditures of the invoice and has completed and signed\* the [Subaward Payment Authorization](#) form.
- Communicate with SPS SubAwards regarding the subrecipient non-compliance with the terms of the subaward, including invoicing and reporting.

## Subrecipient Monitoring Activities – SPS SubAwards Responsibilities

SPS SubAwards provides support to and collaboration with principal investigators and business/finance offices throughout the life of subawards. SPS SubAwards roles and responsibilities include the following:

- Perform compliance checks at subaward issuance and each modification.
- Review subrecipient audits and other factors to determine risk levels for each subaward.
- Maintain subaward files and enter subaward data in UAccess Research Subaward Module.
- Review payment requests to ensure:
  - Invoices are properly reviewed and approved by the business/finance office
  - Costs are within the subaward period of performance
  - Object codes are used properly
- Perform periodic desk audit of selected subawards/subrecipients for cost allowability and compliance with terms and conditions.
- Perform periodic internal review of selected departments for compliance with the University policies and procedures.

## Review and Approve Invoices & Supporting Documentation

This section provides detailed procedures for reviewing and approving invoices and supporting documentation. When reviewing invoices and supporting documentation, the principal investigator and/or business/finance office should do the following:

- Ensure financial reports required per terms and conditions of the subaward are received and complete.
- Review supporting financial reports to ensure expenditures are allowable according to the prime award requirement.

- Analyze the invoiced costs to ensure the costs are consistent with the technical progress and the scope of work proposed.
- Review to ensure required invoice certification is present. The invoice certification required per OMB Uniform Guidance (2 CFR 200), [Section 200.415](#), should be on all invoices, annual and final financial reports. SPS SubAwards incorporated the following required language into the terms and conditions of the new and existing subawards:
 

“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).”
- Ensure a detailed, system-generated, financial report that includes a list of transactions and payroll records accompany each invoice. In the event of questionable expenditures, within five (5) business days of receipt of the invoice, additional supporting documentation should be requested by the business/finance office. This may include supporting invoices and receipts for transactions that do not appear reasonable.
- Conduct a periodic sampling review of transactions and/or payroll records to ensure costs incurred by the subrecipient are reasonable and allowable.
- Complete the Subaward Payment Authorization form for submission to Accounts Payable (AP). Principal investigator and business/finance office are required to complete and sign the Subaward Payment Authorization form. Please note this form **MUST** accompany all invoices sent to AP for payment. If form is incomplete or not provided, approval of payment request could be delayed.
- Address payment request issues. The University of Arizona department business/finance office will be notified via email of any issues with payment requests. It is the business/finance office’s responsibility to notify SPS SubAwards when a corrective action has been completed and the payment request is ready for re-review and approval.
- **NO PAYMENT CAN BE MADE WITHOUT A FULLY-EXECUTED SUBAWARD IN PLACE, COVERING THE PERIOD OF PERFORMANCE EXPENSED IN THE INVOICE.**

### Review Performance/Program and Financial Reports

The section provides guidance for reviewing performance/program and financial reports. When reviewing performance/program and financial reports, the principal investigator and/or business/finance office should do the following:

- Ensure progress and financial reports are received based on the terms and conditions of the subaward.
- Verify that the work is being conducted and the results are in line with the proposed scope of work.
- Ensure that the expenditures are allowable and within the scope of work.
- Progress reports could include a detailed budget for the next budget period, updated key personnel, as well as Institutional Review Board (IRB) or Institutional Animal Care and Use Committee (IACUC) approvals, if applicable. Ensure changes or updates are addressed as required.

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

### *Subrecipient Monitoring at Closeout*

When a subaward is completed, it is important for the principal investigator and business/finance office to perform the following actions to ensure a successful closeout of the subaward and timely reimbursement from the prime award:

- Send a [Subaward Closeout Checklist](#) to the subrecipient for certification 30-60 days before the end date of the subaward.
- Follow up with the subrecipient immediately upon the end date of the subaward to collect the final invoice, financial report, and technical report. If invoices are not received by the final invoice due date per the terms of the subaward, payment to subrecipient may not be possible.
- Ensure all invoices have been paid (including the FINAL invoice), all deliverables have been received, and the subrecipient has submitted all relevant reports (technical, final financial, etc.) as per the terms and conditions of the subaward.
- Email SPS SubAwards a closeout notice no later than 14 days after the due date of the final invoice. SPS SubAwards will draft a closeout letter for subrecipient's signature to legally release the subaward from financial obligation.

### *Audits*

Every subaward issued by the University of Arizona is subject to audit. Subawards can be audited by any of the following entities:

- State of Arizona Annual Audit of Federal Awards (Single Audit)
- Office of Naval Research (ONR) audit
- Sponsor audit
- University of Arizona Internal Audit
- SPS SubAwards internal review

During the course of an audit, the auditors will request and review subaward documentation as proof of appropriate subrecipient monitoring as to comply with University of Arizona policy and procedure, State of Arizona and Federal oversight requirements, and prime sponsor requirements.

If a subaward is selected for audit, SPS SubAwards will notify the principal investigator and business/finance office via email, providing notification of who is performing the audit, when the audit will take place and what documentation is being requested for review. If an auditor contacts a department directly, the business/finance office must notify SPS SubAwards immediately.

Subawards that are selected for audit are required to provide documentation for review to evidence:

- Compliance with federal/state requirements with an emphasis on expenditures occurring for the given fiscal year audited. Example of documentation that can be requested can include, but is not limited to, the following:
  - Copies of invoices and appropriate system generated financial reports for each payment made.
  - Copies of Sole Source vs. Competitive Bid Request
  - Copies of Subaward Budget Negotiation Documentation Form and supporting analysis

- Payments made to subrecipients were made within prime award guidelines and within the terms and conditions of the subaward. Example of documentation that can be requested:
  - Subaward Payment Authorization form to verify if the appropriate reviews and signatures were provided for each payment made.
  - Proof of deliverables may be requested.
- Compliance with the terms and conditions of the subaward and those flow down from the prime award.
  - Review of subaward files to ensure that the appropriate federal/state compliance reviews were performed and documented accordingly.
- Compliance with the subrecipient monitoring requirement. Example of documentation that can be requested:
  - Email or any correspondence that verifies that the appropriate monitoring was performed.

### **State of Arizona Single Audit**

The State of Arizona Auditor General's office completes the OMB Uniform Guidance Single Audit, covering each institution under its jurisdiction. The University of Arizona is one of these institutions.

This audit is performed on an annual basis, in order to comply with the OMB Uniform Guidance Federal Single Audit requirement.

### **Office of Naval Research (ONR) Audit**

ONR is the University of Arizona's cognizant auditing authority, and reserves the right to audit at its discretion.

ONR is responsible for certifying the University of Arizona Purchasing System and results of their audit can affect the University's ability to receive federal funding.

This audit focuses on the subaward procurement process and is generally performed every three years.

### **Sponsor Audit**

Any prime sponsor, including federal agencies' Office of Inspector General, or any pass-through sponsor has the right to audit funds awarded to the University of Arizona.

Audit of these funds can be done at any time during the life of the project and for several years after the project has terminated.

### **University of Arizona Internal Audit**

The University of Arizona's Internal Audit Department has the right and responsibility to audit subawards to ensure that the University of Arizona complies with all federal/state regulations and requirements.

This audit can be performed at any time during the life of the subaward or for a reasonable period thereafter.

### **SPS SubAwards Team Desk Audit and Internal Review**

SPS SubAwards periodically selects subawards for the following types of reviews:

- Internal review of the responsible department to ensure the subrecipient monitoring procedures are followed and performed. This review is designed to help departments prepare for future external audits.
- External desk audit of the subrecipient for cost allowability and compliance with terms and conditions of the prime award and the subaward.

## *Appendix A: Specific Subrecipient Monitoring Plan – Low Risk Level*

- **Principal Investigator Responsibilities:**

- Regular communication with subrecipient regarding progress of project. Ensure that the deliverables are in accordance with the approved scope of work.
- Maintain records of progress monitoring, including review and approval of performance/progress reports.
- Review and approval of expenditures allowed under the terms and conditions of the prime award and subaward. Ensure proper documentation is included with the invoice.
- Communicate with SPS SubAwards regarding issues related to non-compliance with the terms of the subaward, including invoicing and reporting.

- **Business/Finance Office Responsibilities:**

- Ensure that an appropriate system generated financial report is included with each invoice. **The financial report should include transactional and payroll records.**
- Maintain up-to-date and complete file of subaward monitoring activities and any subaward documents that are not submitted to SPS SubAwards and/or UAccess Financial System.
- Review accuracy of invoice to ensure payment is within the subaward terms and conditions AND period of performance.
- Invoice certification **MUST** be included on all invoices, annual, and final financial reports. The certification must also be signed by an “authorized official who is authorized to legally bind the Subrecipient”.
- Review financial reports supporting invoices and request supporting receipts for questioned costs from the subrecipient.
- Ensure the principal investigator has reviewed and approved expenditures of the invoice and has completed and signed\* the Subaward Payment Authorization form.
- Review annual financial reports – this should be a summary, by cost categories, of expenses for the subaward during the prior year, as well as a cumulative total for the subaward.
- Review final financial report – this should include a final invoice and summary, by cost categories, of the total expenses for the ENTIRE Subaward, as well as a cumulative total.
- Maintain invoice supporting documentation, and any financial reports, including annual and final reports, for at least three (3) years after the final closeout of the prime award.
- Maintain documentation of subrecipient monitoring efforts for audit purposes. Ensure principal investigator and business/finance office are in compliance with University of Arizona subaward policies and responsibilities.
- Communicate with SPS SubAwards regarding issues related to non-compliance with the terms of the subaward, including invoicing and reporting.

## *Appendix B: Specific Subrecipient Monitoring Plan – Medium Risk Level*

- **Principal Investigator Responsibilities:**
  - Communication with subrecipient regarding progress of project on a quarterly basis. Ensure that the deliverables are in accordance with the approved scope of work.
  - Consider site visit to the subrecipient's physical location.
  - Maintain records of progress monitoring, including review and approval of performance/progress reports.
  - Review and approval of expenditures allowed under the terms and conditions of the prime award and subaward. Ensure proper documentation is included with the invoice.
  - Communicate with SPS SubAwards regarding issues related to non-compliance with the terms of the subaward, including invoicing and reporting.
  
- **Business/Finance Office Responsibilities:**
  - Ensure that an appropriate system generated financial report is included with each invoice. **The financial report should include transactional and payroll records.**
  - Maintain up-to-date and complete file of subaward monitoring activities and any subaward documents that are not submitted to SPS SubAwards and/or UAccess Financial System.
  - Review accuracy of invoice to ensure payment is within the subaward terms and conditions AND period of performance.
  - Invoice certification **MUST** be included on all invoices, annual, and the final financial reports. The certification must also be signed by an “authorized official who is authorized to legally bind the Subrecipient”.
  - Sample transactions and request supporting invoices/receipts from the subrecipient on a periodic basis.
  - Ensure the principal investigator has reviewed and approved expenditures of the invoice and has completed and signed\* the Subaward Payment Authorization form.
  - Review annual financial reports – this should be a summary, by cost categories, of expenses for the subaward during the prior year, as well as a cumulative total for the subaward.
  - Review final financial report – this should include a final invoice and summary, by cost categories, of the total expenses for the ENTIRE Subaward, as well as a cumulative total.
  - Maintain invoice supporting documentation, and any financial reports, including annual and final reports, for at least three (3) years after the final closeout of the prime award.
  - Maintain documentation of subrecipient monitoring efforts for audit purposes. Ensure principal investigator and business/finance office are in compliance with University of Arizona subaward policies and responsibilities.
  - Communicate with SPS SubAwards regarding issues related to non-compliance with the terms of the subaward, including invoicing and reporting.

## *Appendix C: Specific Subrecipient Monitoring Plan – High Risk Level*

SPS SubAwards will assign a HIGH risk level to a subrecipient that falls under any of the following criteria:

- Subrecipient is located outside of the United States
- Subrecipient is not subject to OMB Uniform Guidance audit requirements and/or does not have audited financial statements
- History of non-compliance from the subrecipient
- Subaward has budget over \$1,000,000
  
- **Principal Investigator Responsibilities:**
  - Communication with subrecipient regarding progress of project on a monthly basis regarding progress of project, as well as maintaining records of performance/progress reports.
  - Ensure deliverables are in accordance with the scope of work.
  - Schedule regular site visits to subrecipient’s physical location throughout the life of the subaward.
  - If the subrecipient falls behind schedule and/or approved budget costs dramatically change, work with the subrecipient to rectify the issues. Notify SPS SubAwards immediately regarding any of budget, expenditure, performance, or compliance issues.
  - Review and approval of expenditures allowed under the terms and conditions of the prime award and subaward. Ensure proper documentation is included with the invoice.
  - Communicate with SPS SubAwards regarding issues related to non-compliance with the terms of the subaward, including invoicing and reporting.
  
- **Business/Finance Office Responsibilities:**
  - Ensure that an appropriate system generated financial report is included with each invoice. **The financial report should include transactional and payroll records.**
  - Maintain up-to-date and complete file of subaward monitoring activities and any subaward documents that are not submitted to SPS SubAwards and/or UAccess Financial System.
  - Review accuracy of invoice to ensure payment is within the subaward terms and conditions AND period of performance.
  - Invoice certification **MUST** be included on all invoices, annual and the final financial reports. The certification must also be signed by an “authorized official who is authorized to legally bind the Subrecipient”.
  - Sample transactions and request supporting invoices/receipts from the subrecipient on a quarterly basis.
  - Ensure the principal investigator has reviewed and approved expenditures of the invoice and has completed and signed\* the Subaward Payment Authorization form.
  - Review annual financial reports – this should be a summary, by cost categories, of expenses for the Subaward during the prior year, as well as a cumulative total for the subaward.
  - Review final financial report – this should include a final invoice and summary, by cost categories, of the total expenses for the ENTIRE subaward, as well as a cumulative total.
  - Maintain invoice supporting documentation, and any financial reports, including annual and final reports, for at least three (3) years after the final closeout of the prime award.

- Maintain documentation of subrecipient monitoring efforts for audit purposes. Ensure principal investigator and business/finance office are in compliance with University of Arizona subaward policies and responsibilities.
- Communicate with SPS SubAwards regarding issues related to non-compliance with the terms of the subaward, including invoicing and reporting.