

SUBRECIPIENT MONITORING

The following guidelines have been updated to reflect to the new requirements imposed by the federal government's Uniform Guidance, which became effective December 26, 2014.

- A. Determine whether the entity in question is a subrecipient or a contractor (vendor). Use the [Subrecipient versus Contractor](#) page on the Grants and Contracts Accounting (GCA) website to assist.
- B. Prior to issuing a sub-contract, GCA will conduct a risk assessment of the potential subrecipient to determine if they are viable to receive a sub-contract. Some of the areas that are considered are:
 - Foreign or domestic
 - Maturity of organization
 - Amount of sub-contract
 - Subject to single audit
 - Prior single audit findings
 - Prior experience working with OUHSC

If a potential subrecipient is deemed more than a "low" risk, either additional requirements are imposed (such as backup with each invoice or additional reports required) or we do not contract to that entity.

- C. Unless restricted by the F&A rate of the prime award, OUHSC must use the subrecipient's federally negotiated rate for the sub-contract. If they do not have a negotiated rate, the sub-recipient can elect to use the 10% de minimis F&A rate per OMB 200.414.
- D. Payments to subrecipients must be made within 30 days of receipt of a proper invoice per OMB 200.305(b)(3). Subrecipients are instructed on their agreement to submit invoices directly to the GCA email inbox: gca-subinvoice@ouhsc.edu; if invoices are received by the department they should be forwarded immediately to the GCA inbox for processing. A proper invoice contains the following data points:
 - Sub-contract award number
 - Invoice period of performance
 - Invoice amount broken down by actual costs (unless it's a fixed price agreement)
 - Cumulative expenses
 - Backup documentation (if required)
 - A signed certification (2 CFR 200.415)
 - Signature of an authorized individual

The subrecipient must also be in good standing with the federal government; not debarred or suspended from receiving federal funding. This verification is made by the GCA Subrecipient

Analyst through the federal government's System for Award Management prior to invoice approval. The PI must review and sign off on the subrecipient invoice. A subrecipient invoice checklist is prepared by GCA, sent to the PI, and the PI must sign and date this document before payment is issued.

- E. As a pass-through entity, OUHSC must specify any required financial and programmatic reports in the sub-contract per OMB 200.331(d)(1). These reports must be reviewed by the PI to ensure that the subrecipient work is being completed as agreed upon. Final reports/documentation must be received and approved by the PI prior to the final payment being processed. The PI should notify GCA and the Office of Research Administration if he/she feels that the subrecipient is not completing the work as agreed upon.
- F. Fixed price sub-contracts are allowed up to simplified acquisition threshold with approval of the prime Federal agency. Invoices must accompany some type of report based upon a deliverable schedule and must be reviewed by the PI prior to issuing payment. These agreements also require a special certification at the conclusion of the award by the subrecipient that verifies the activity or level of effort was completed or else the cost must be adjusted. Fixed price subs may not be used if cost-sharing is involved.