

UMass Medical School Subrecipient Monitoring Guide

UMass Medical School is responsible for monitoring the programmatic and financial activities of its subrecipients in order to ensure proper stewardship of sponsor funds. Subawards are subject to federal and/or agency-specific regulations established by the prime sponsor.

The following collection of documents has been developed to assist administrators at the department and central level with subrecipient monitoring. The use of these tools and scope of monitoring procedures should be determined by the PI and administrators based on the nature of the grant and the perceived risk associated with the subrecipient. All of the following forms are *optional*; however, additional monitoring efforts should always be implemented if there is any question about the subrecipient's ability to ensure proper use and financial management of sponsor funds during any stage of the award.

The UMass Medical School Subrecipient Monitoring Guide includes the following documents:

Reference:

- Stages of Subrecipient Monitoring

Initial Award Stage Monitoring:

- Domestic Subrecipient Profile Questionnaire
- Foreign Subrecipient Profile Questionnaire
- Risk Assessment Matrix
- Subrecipient Audit Information

Ongoing Monitoring:

- Sample Invoice
- Invoice Monitoring Guide
- Subrecipient Monitoring Record
- Problematic Subrecipient Letter

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Stages of Subrecipient Monitoring Page 3

Provides an overview of the monitoring activities performed at each stage of a subaward.

Initial Award Stage Monitoring:

Domestic Subrecipient Profile Questionnaire Page 4

The Domestic Subrecipient Profile Questionnaire is used to help determine a subrecipient organization's financial and management strength, which helps assess risk and assist in developing the monitoring plan for domestic subrecipients that UMMS has not done business with before.

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The Foreign Subrecipient Profile Questionnaire is used to help determine a subrecipient organization's financial and management strength, which helps assess risk and assists in determining the monitoring plan for foreign subrecipients.

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The Risk Assessment Matrix is a tool that can be used to assess the level of risk posed by the subrecipient.

Ongoing Monitoring:

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The Sample Invoice shows subrecipients the elements required for a complete invoice when billing subaward expenses.

Invoice Monitoring Guide Page 9

The invoice monitoring guide is a list of 11 questions for departments to consider when monitoring invoices for completeness and compliance with UMMS's policies.

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The subrecipient monitoring record is an optional monitoring tool that can be used by departments to document monitoring efforts and to maintain an audit trail.

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The problematic subrecipient letter can be sent when a subrecipient is identified for late billing, communication difficulty, or any other factor related to noncompliance or potential noncompliance.

Initial Award Stage

The initial award stage includes proposal submission through award set-up. The goal of subrecipient monitoring efforts at this stage is to ensure that the subrecipient is capable of **compliantly spending the federal funds** and meeting the project goals.

Compliantly performing a risk assessment: A risk assessment should be performed to assess the potential risk level of a subrecipient. This step is especially helpful for subrecipients with whom UMMS has had no previous experience. A questionnaire relating to the organization's financial and management strength should be completed internally or by the subrecipient in these instances.

Developing a monitoring plan: The results of the risk assessment and a subrecipient's audit documentation should be used to determine the frequency and scope of any subrecipient monitoring. The monitoring plan should include strategies to mitigate potential risks of non-compliance.

Useful tools:

- Risk Assessment Matrix
- Domestic Subrecipient Profile Questionnaire / Foreign Subrecipient Profile Questionnaire
- Subrecipient Audit Documents

Ongoing Monitoring

Ongoing monitoring includes activities undertaken to monitor the subrecipient's administration, billing and scientific progress as well as on-going risk assessments (i.e. review of annual audit findings).

Communication with subrecipient: Frequent communication between the PI, departmental staff and research administrators at UMMS and the subrecipient institution is essential to ensure a compliant and successful collaboration.

Invoices: To ensure proper use of sponsor funds, invoices must be monitored for completeness.

Record of subrecipient monitoring efforts: Best practice dictates documenting all efforts related to subrecipient monitoring, especially if there are issues such as late billing or communication difficulty.

Useful tools:

- Sample Invoice
- Invoice Monitoring Guide
- Subrecipient Monitoring Record
- Problematic Subrecipient Letter

Award Closeout

Award closeout includes activities related to ensuring that the work was performed and properly billed. At the end of the award, the department is 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 verifying that the final invoice is marked "final" and reviewing all technical/financial reports to ensure that the subrecipient provided all project deliverables and met project obligations.



Domestic Subrecipient Profile Questionnaire

Subrecipient Name: Address: City: State: Zip:

Phone: Fax: Email: URL:

Congressional District: DUNS Number: Employer ID (EIN)#:

State of Incorporation: Incorporation Date: Number of Employees:

Are you registered in SAM? Date last updated: Organization Type:

Organization Classification (check all that apply to Subrecipient)

- | | |
|-----------------------------------------------------|-------------------------------------------------------|
| <input type="checkbox"/> Large Business | <input type="checkbox"/> Small Business |
| <input type="checkbox"/> HBCU | <input type="checkbox"/> Woman-Owned |
| <input type="checkbox"/> HUB Zone | <input type="checkbox"/> Individual |
| <input type="checkbox"/> Minority Institution/Owned | <input type="checkbox"/> Small Disadvantaged Business |
| <input type="checkbox"/> Tribal | <input type="checkbox"/> Volunteer Organization |
| <input type="checkbox"/> Veteran-Owned | <input type="checkbox"/> Other |

Does subrecipient have a federal cognizant agency?

If yes, please list agency:

Does subrecipient have a federally negotiated F&A rate?

If yes, please attach or provide URL below:

Audit Questions

Is subrecipient required to comply with Uniform Guidance Subpart F Audit Requirements? If yes, fill in audit information below.

Audit Contact Name: Title: Email:

Name Audit Filed Under: (Please enter exact legal name under which your audit report is filed in the online Federal Audit Clearinghouse at <http://harvester.census.gov/sac/>)

Employer ID (EIN)# Audit is filed under (if different from EIN listed above):

Audit Questions for Entities not required to comply with Uniform Guidance Subpart F Audit Requirements

Have annual financial statements been audited by an independent audit firm?

Does organization adhere to Cost Accounting Standards Board regulations under the proposed subcontract (FAR Part 30)
(Refer to <https://www.acquisition.gov/?q=/browse/far/30>)

Does organization have a financial management system that provides records that can identify the source and application of funds for award supported activities?

Does the financial system provide for the control and accountability of project funds, property and other assets?

Do policies exist that address:

- Pay rates and Benefits? Yes No Conflicts of Interest? Yes No Leave? Yes No Purchasing? Yes No
- Time and Attendance? Yes No Discrimination? Yes No Travel? Yes No

If yes to any of the above, please attach a copy of the relevant policy, or provide the URL.

Describe the method used to support labor and benefit charges:

Is Government property inventory maintained that identifies purchase date, cost, vendor, description, serial number, location and ultimate disposition data?

Signature _____

Reviewer _____



Foreign Subrecipient Profile Questionnaire

Subrecipient Name: Address: City: Country:

Phone: Fax: Email: URL:

Type of Organization Is organization incorporated or legally registered within the country of operations? If yes, please supply a copy of the registration certificate with this questionnaire. If no, please attach an explanation to this form.

Please provide copies of any materials that describe the organization, mission and history. If this information is available on a website, please provide the link:

Please list the names of the executive officers of your organization. This may include, but is not limited to the following positions:

President/Director: Other Officer (Name & Title):

Chief Financial Officer: Other Officer (Name & Title):

Number of Full-Time Employees: Number of Part-Time Employees:

Does your organization have other sources of U.S. Government funding - such as U.S. Agency for International Development (USAID) or the National Institutes of Health (NIH)? If yes, please attach a list of these awards that includes the name of the U.S. agency, the grant period and the amount of funds.

Internal Controls Questions Internal controls are procedures which ensure that: 1) financial transactions are approved by an authorized individual and adhere to laws, regulations and institutional policies, 2) assets are kept safely and 3) accounting records are complete, accurate, and maintained on a regular basis. Please complete the following questions concerning your organization's internal controls.

Are timesheets kept for each paid employee? Is each employee's salary stated in an employment letter or contract?

How often are equipment audits performed?

Accounting System Questions (Subrecipients who have current audit reports performed by an independent auditor do not have to complete this section and may instead enclose their last two years of audit reports).

The purpose of an accounting system is to: 1) accurately record all financial transactions, and 2) ensure that invoices, timesheets and other documentation support all financial transactions. The type of accounting system often depends on the size of the organization. Some organizations may have computerized accounting systems, while others use a manual system to record each transaction in a ledger. In either case, award funds must be properly authorized, used for the intended purpose and recorded in an organized and consistent manner, consistent with Cost Accounting Standards (CAS).

Does organization have written accounting policies and procedures? If yes, please provide a copy. If no, please explain in an attachment how transactions are recorded, cash disbursements are made and your account system is managed.

Are financial reports prepared on a cash basis or on an accrual basis?

Do accounting records separate the receipts and payments of an award from the receipts and payments of other activities?

Do accounting records record award expenditures according to budget categories such as salaries, supplies, travel and equipment? If no, please explain in an attachment to this questionnaire.

Are invoices, vouchers and timesheets for all payments made from award funds maintained? If there are circumstances where these documents cannot be, or will not be obtained, please explain in an attachment.

Will any cash from award funds be kept outside the bank account (e.g., in petty cash funds)? If yes, attach an explanation regarding the amount of funds to be kept and the name and position/title of the person responsible for safeguarding the cash.

FOREIGN SUBRECIPIENT'S BANKING INFORMATION	
Name of Bank:	<input type="text"/>
Account Number:	<input type="text"/>
Wire ABA Number:	<input type="text"/>
ACH ABA Number:	<input type="text"/>
Swift Code Number:	<input type="text"/>
Banking Contact:	<input type="text"/>
Contact Email:	<input type="text"/>

Audit Questions (Subrecipients who have current audit reports performed by an independent auditor do not have to answer this question and may instead enclose their last two years of audit reports).

If organization does not have audited financial statements, please submit a copy of your Balance Sheet and Revenue and Expense Statement for the current fiscal or calendar year. UMMS may require an audit of your accounting records. An audit is a review of accounting records by an independent accountant/firm to assess whether the financial information is correct and free of material misstatements.

Are there any reasons (local conditions, laws or institutional circumstances) that would prevent an independent accountant from performing an audit? If yes, please attach an explanation.

UMMS SUBRECIPIENT RISK ASSESSMENT MATRIX

	Category	Lower Risk	Medium Risk	Higher Risk
1.	Foreign vs. Domestic	Domestic (US only)	Canada, US territories	All other international locations
2.	Facilities and Infrastructure	Work occurs in adequate, established space at subrecipient's facility	Some work done at UMMS facilities	Subrecipient's lab resources are inadequate, requiring that work occur on UMMS campus
3.	Maturity of Organization	Mature (e.g. more than 10 years)	Mature, but not research oriented	Start-up, no fiscal controls in place yet
4.	Organization Type	University or Non-profit (Collegial Terms and Conditions (T&Cs))	University or Non-profit with more restrictive T&Cs (e.g. state regulations)	Industry organization
5.	Award Type	Grant from federal or non-commercial source	Coop agreement or grant with special conditions	Contracts and contracts with subcontracts
6.	Amount/ Percentage of Award Subcontracted	Lower funding levels or percentage of total funds allocated to subrecipient (e.g. <\$100k)	Funding is a large part of smaller award	Funding level >\$500K or >49% of award
7.	Accounting/ Procurement Systems	Systems have been approved (existing audit is an indicator)	Systems less qualified to handle large amounts of federal money (Financial audit conducted but not required by Uniform Guidance Audit Requirements)	No systems are in place, or systems are new
8.	Negotiated Indirect Cost Rate Agreement	Has detailed negotiated rate agreement	Has simple rate agreement	Does not have negotiated rate agreement
9.	Audit Report	Has annual audit as required by Uniform Guidance Subpart F	Has annual third-party financial audit	Has not had an annual financial audit
10.	Prior experience with UMass Medical School	Previous positive experience as UMMS subrecipient	Previous experience as UMMS subrecipient but may have some minor concerns	New subrecipient or previous negative experience with subrecipient.
11.	ITAR/EAR	No export controlled activity involved	Collaborative agreements with potential for ITAR control needed	Organization or project involves ITAR (e.g. satellites, biological warfare)
12.	Compliance (animal/human subjects, DNA, stem cells)	No compliance issues involved, or exempt per IRB	Animal Subjects or Human Subjects involved, but non-medical or non-invasive	Animal/human subject or other compliance issues involved, higher risk activities
13.	Scientific Relationship between UMMS PI and Subrecipient PI	Subrecipient PI is a familiar collaborator		No previous collaboration

UMMS SUBRECIPIENT RISK ASSESSMENT MATRIX

	Category	Lower Risk	Medium Risk	Higher Risk
14.	Difficulty of Scope of Work & Deliverables	Report only - easily met objectives	Possibility of change in scope or collaborative work scope	Tangible products, deliverables necessary in order to achieve project success
15.	Transparency / Frequency of Reporting	Frequent reporting or easily assessed progress based on milestones or observable outcomes		No reporting until the end of the project, no measurable or observable milestones or outcomes
16.	Audit restrictions	Auditors are able to perform testing on all awards	Auditors can perform testing only on part of portfolio, but other auditing or audit reports are provided	Subrecipient places restriction on auditors due to status as Federally Funded Research and Development Center
17.	Transparency Is Auditability restricted (e.g., FFRDC)? Is it a sub on an award with built in audit fees?	Work occurs in a geographic location with reliable power and communication capacity. The location is readily accessible and subcontract expenses include fees for independent audit		Work occurs in remote, inaccessible location that experiences extended or frequent unexpected power outages that impede communication in a non-English speaking environment
18.	Cost Sharing	Subrecipient has made no commitment to share costs		Subrecipient has committed to fund project costs not paid by the UMMS subaward
19.	Existing UMMS Monitoring	The subaward is made from an award operating within a UMMS department with an established research infrastructure		The subaward is made from an award operating within a UMMS department without an established research infrastructure
20.	Rate of Subrecipient Spending on Award	Pace of spending is consistent with budgeted amounts per year	Pace of spending slightly accelerated compared to budgeted amount per year	Spending far outpaces that which was contemplated in the submitted budget

Using the Risk Assessment Matrix

The Risk Assessment Matrix is used to assess the level of risk posed by a prospective subrecipient. If UMMS is issuing a subaward to an organization with whom it has no previous relationship, it is advised to perform a risk assessment at the award stage to determine if a monitoring plan is needed.

Sample Invoice

How to use: The sample invoice demonstrates the elements required for a complete invoice when billing UMass Medical School.

To: UNIVERSITY OF MASSACHUSETTS MEDICAL SCHOOL
 GRANT ACCOUNTING & COMPLIANCE, ATTN: AMY MIARECKI
 333 SOUTH STREET
 SHREWSBURY, MA 01545

SUBAWARD NUMBER:

INVOICE DATE:

GRANT NUMBER:

REIMBURSABLE COSTS FOR PERIOD:

TO:

CATEGORY	BUDGET	PREVIOUSLY BILLED	Current Period		BALANCE REMAINING
			to	BILLED TO DATE	
Personnel					
Name & Title	\$0.00	\$0.00		\$0.00	\$0.00
Fringe	\$0.00	\$0.00		\$0.00	\$0.00
Travel	\$0.00	\$0.00		\$0.00	\$0.00
Supplies/Printing	\$0.00	\$0.00		\$0.00	\$0.00
Honoraria *	\$0.00	\$0.00		\$0.00	\$0.00
Program Training Costs (Itemize)	\$0.00	\$0.00		\$0.00	\$0.00
Other Expenses (Itemize)	\$0.00	\$0.00		\$0.00	\$0.00
Subtotal Direct Costs	\$0.00	\$0.00		\$0.00	\$0.00
Indirect costs	\$0.00	\$0.00		\$0.00	\$0.00
TOTAL	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

* Must provide detail of name and amount

BY:

(Signature)

NAME:

TITLE:

DATE:

*****Invoice detail should be in accordance with the line items in your Subaward Agreement, Attachment # 5, Budget*****

UMMS SUBAWARD INVOICE MONITORING GUIDE

How to Use: The guide is a list of 11 questions for departments to consider when monitoring subaward invoices for completeness and compliance with UMMS's policies.

1. Are the expenses allowable per the subaward and the prime award? Remember the prime award requirements and budget restrictions flow down to the subrecipient.
2. Are the invoiced expenses included in the subaward budget? The subrecipient should only invoice for approved expenses per the subaward or ask for approval of budget changes when necessary to modify the original terms/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. Obtain Principal Investigator's (PI) approval and signature on the subrecipient invoice.
5. Were all the expenses incurred within the subaward start and end dates? Ensure that the dates on the invoice are within the subaward dates.
6. Are the cumulative expenses within the overall approved budget amount? Ensure that subrecipients are not invoicing for amounts over the approved budget.
7. Are the invoice expenses per budget category in agreement with the budgeted amount per line item category?
8. Do expenses appear to be based on actual expenses? Cost reimbursable subcontracts require invoicing **based on actual expenses only**.
9. Does the invoice total correctly?
10. 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 applies the appropriate base (e.g., Modified Total Direct Cost) for F&A recovery.
11. Does the invoice have an **institutional official signature** **and** contain the following statement: "I certify that all expenditures reported (or payment requested) are for appropriate purposes and in accordance with the provisions of the application and award documents."

REMEMBER: Most invoices do not include a large amount of detail. Ask the subrecipient for back-up documentation on specific budget line items if something does not appear correct.

IF THERE ARE ANY QUESTIONS ON THE INVOICES, DO NOT APPROVE UNTIL ALL ITEMS ARE APPROPRIATELY RESOLVED.

UMass Medical School Subrecipient Monitoring Record

How to use: The Subrecipient Monitoring Record is used by departments to document subrecipient monitoring efforts and maintain an audit trail. Use of the tracking record is encouraged at all risk levels but is strongly encouraged for medium and high risk subrecipients.

UMass Medical School

UMMS PI Name: _____
 UMMS PS Award#: _____
 UMMS Subaward#: _____

Subrecipient

Subrecipient Name: _____
 Subrecipient PI: _____
 Subrecipient Contact: _____

Subrecipient Period of Performance

Start Date: _____ End Date: _____

Project Invoicing Frequency

Monthly Quarterly

Individual Responsible for Maintaining this Monitoring Record

Name: _____ Title: _____ Phone#: _____

Scheduled Reporting Dates (based on the terms of the grant award)

DATE	COMMENTS	ACTUAL DATE*

*dates entered as each report is submitted

Informal Progress Reports Completed (these should generally take place at least quarterly)

DATE	METHOD	COMMENTS

Other Communications

DATE	METHOD	COMMENTS



University of Massachusetts Medical School
55 Lake Avenue North
Worcester, MA 01655-0002

Problematic Subrecipient Letter

How to use: The Problematic Subrecipient Letter is sent to subrecipients when a subrecipient is identified for late billing, communication difficulty, or any other factor related to noncompliance or potential noncompliance.

Ms. Jane Doe
Grants and Contracts Specialist
XXXX University
123 Main Street
Anywheresville, USA 12345

Re: Subaward No. xxxxx between UMMS and XXXX University under NIH Prime Award No. XXXXXX
UMMS PI: Dr. XXXXX

Dear XXXXX:

The UMass Medical School (UMMS) employs a risk-based approach to subrecipient monitoring to ensure that subawards are in compliance with UMMS policy and federal regulations.

Your institution has been identified as requiring further inquiry due to inconsistent invoicing. **Invoices are not being received in a timely fashion and do not reflect the degree of completeness that we require in order to submit our financial reports.** (specific wording inserted here depending on the problem identified)

Please note that your invoices should include a breakdown of expenses incurred by category for the period being invoiced and a total of the expenses incurred for the project period. Invoices must be submitted within **XX** days of the period covered by the invoice. The final invoice is due within **XX** days after the end date of the Period of Performance.

We value our collaboration with your organization; however, late and/or incomplete invoices can cause financial reports to be submitted late to sponsors, which is a high area of audit scrutiny. It is extremely important that we receive invoices from your institution/organization in a timely manner. UMMS also welcomes the opportunity to resolve any administrative problem or clarify any miscommunication.

Your attention and cooperation regarding this matter is greatly appreciated.

Sincerely,

XXXXX