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POLICY: SUBRECIPIENT POLICY

POLICY No. 450

SECTION: SPONSORED PROGRAMS

EFFECTIVE: 06/01/2023

HISTORY:

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## **Policy**

As the primary recipient of federal, state, private, and local funds, California State University, Los Angeles (Cal State LA University Auxiliary Services, Inc. as the University Sponsored Programs Administrator) may provide financial support to another institution. The institution receiving this pass-through funding from the University is called the “subrecipient.” This arrangement also may be referred to as a subcontract, consortium, or flow-down agreement.

A “subrecipient” is defined by Uniform Guidance 2 CFR 200.330 as the legal entity to which a subaward is made and which is accountable to the recipient for the use of funds provided. The term may include foreign or international organizations (such as agencies of the United Nations) at the discretion of the Federal awarding agency. Subrecipient performance is measured against meeting the objective of the program. The subrecipient is responsible for programmatic decision making and adhering to applicable Federal program compliance requirements. The primary recipient shall monitor subawards to ensure subrecipients have met the audit requirements.

Cal State LA University Auxiliary Services, Inc. (UAS) will ensure that a standard contract agreement is executed by all subrecipient entities. The standard agreement summarizes the University’s contractual terms and conditions. Supplemental provisions imposed by the primary awarding agency are passed through to the subrecipients, and they are obligated to comply with both the University’s and prime funding agency’s terms and conditions. The executed contract must be signed by the subrecipient entity’s authorized official representatives and include a budget and a scope of work statement approved by the principal investigator (PI) and the collaborating investigator at the subrecipient entity.

## **Procedures**

- At the pre-award stage, UAS Grants & Contracts, working with the PI and the collaborating investigator, if necessary, receives the subrecipient commitment form (Appendix A) and complete the risk assessment matrix (Appendix B), approved budget and scope of work statement from the subrecipient entity. The subaward budget is incorporated into the overall project budget of the proposal.
- As the primary recipient of a grant or contract, UAS Grants & Contracts notifies all subrecipients when an award has been received, notifying them of the corresponding award data and subrecipient requirements and responsibilities, and monitoring subrecipient activities to ensure compliance with all laws, regulations and provisions of the award.

- When an award notice is received, UAS Grants & Contracts contacts each subrecipient's corresponding contracts and grants office and provides them with the following information (included in the body of the executed subcontract): Catalog of Federal Domestic Assistance (CFDA) title and number, award name and number, award year, name of funding agency and classification of the award. When some of this information is not available, the University UAS Grants & Contracts shall provide the most complete information available to describe the award.
- UAS Grants & Contracts also advises the subrecipient of any subrecipient requirements imposed by Federal or State laws, regulations, and the provisions of contracts or grant agreements as well as any supplemental requirements imposed by the funding agency and/or the University. Included in this is the permission to allow the University (UAS Grants & Contracts) and appropriate auditor(s) to access the subrecipient's records and financial statements as necessary.
- UAS Grants & Contracts maintains records on the financial activities of subrecipients to ensure cost allowability, funding availability, and invoicing requirements. Certification of the validity of expenses is required from the subrecipient.
- UAS Grants & Contracts monitors subrecipient activities, as necessary, to ensure that awards are used for authorized purposes in compliance with laws, regulations, and provisions of the contracts or grants agreements. UAS Grants & Contracts only processes payment to subrecipients upon receipt of certified invoices by the subrecipient and upon completed review and approval by Cal State LA's PI. Performance goals are monitored by the principal investigator and UAS Grants & Contracts via performance and technical reports required from the subrecipient. Copies of the performance and technical reports are maintained by UAS Grants & Contracts for their records. Final payment to a subrecipient is not released until all required reports are properly submitted.
- To comply with the auditing provision in OMB Uniform Guidance, UAS Grants & Contracts requests that the subrecipient entity provide its Single Audit annually at the end of the entity's fiscal year. If the subrecipient entity is known at the time of proposal, UAS Grants & Contracts requests a copy of its most current Single Audit prior to submitting the proposal.
- As part of its internal auditing process for a primary grant or contract, UAS Grants & Contracts performs the following functions:

Ensures that a subrecipient expending \$750,000 on Federal awards during the subrecipient's fiscal year has met the audit requirements for the part of the fiscal year that overlaps with the project funding period.

Issues a management decision, in consultation with UAS Grants & Contracts, external auditors, and University internal auditors, if applicable, on audit findings within six (6) months after receipt of the subrecipient's audit finding report, if any, and ensures that the subrecipient takes appropriate action and timely corrective action.

Considers whether the subrecipient's audit necessitates adjustment of Cal State LA's records with respect to the primary grant or contract.

- UAS Grants & Contracts shall maintain the subrecipient monitoring requirement documents on a secured campus server.
- The UAS Grants & Contracts works with each subrecipient to ensure timely submission of progress, technical, and final reports.
- UAS Grants & Contracts is responsible for the subrecipient award closeout. Subrecipient award closeout requirements include receipt of final invoice, verify receipt of release/patent/invention documentation, equipment, etc., if necessary, final verification that contracted goals have met; all required deliverables have been submitted (e.g., technical/progress and final reports), completion of any necessary final review of costs charged by the subrecipient and final closeout of all commitments, accrued costs or payables.

The requirements of the prime award will be considered during the closeout process. In general, a Subaward is closed when it has expired and/or when the final technical deliverables are received and financial matter are concluded.