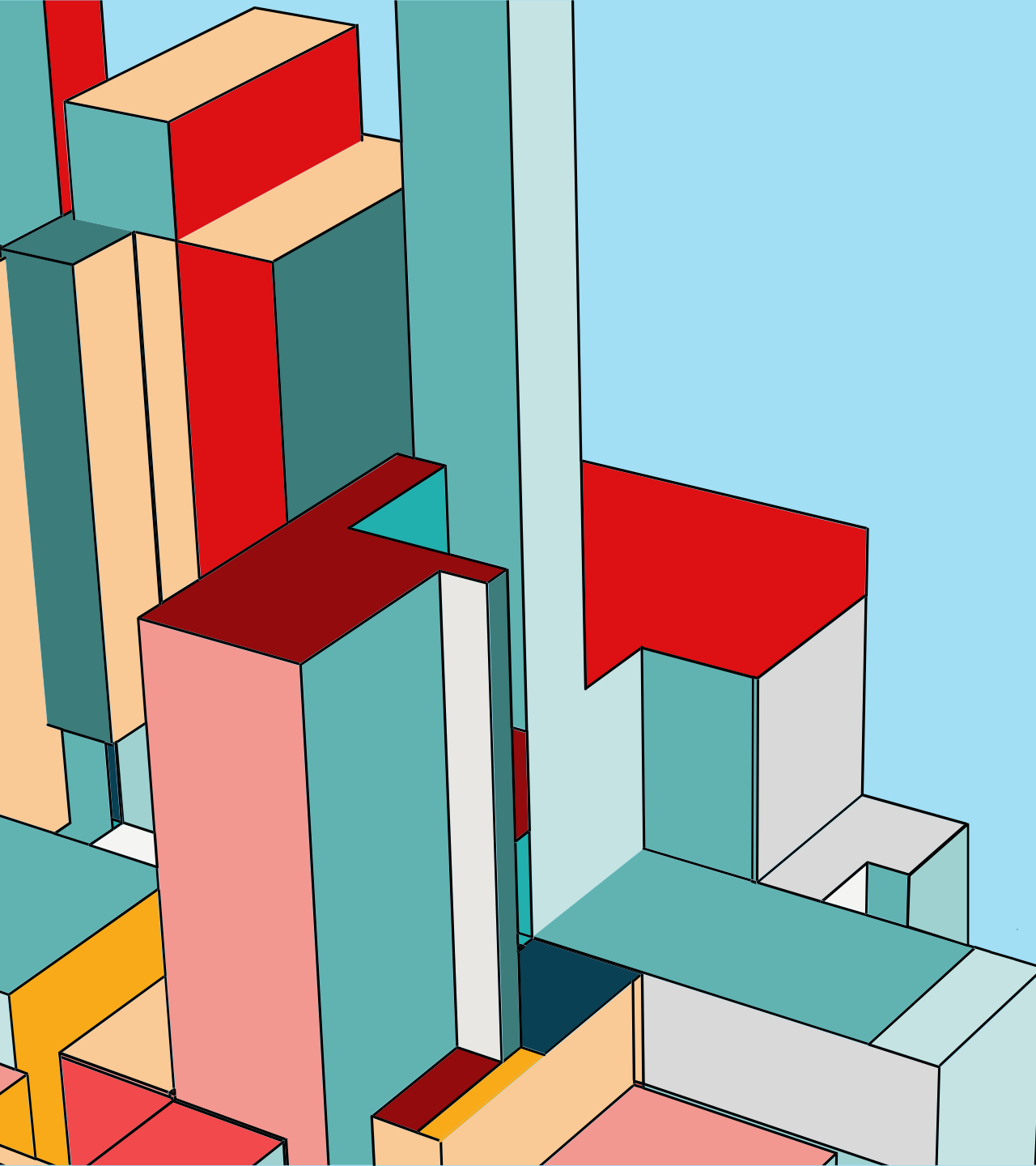


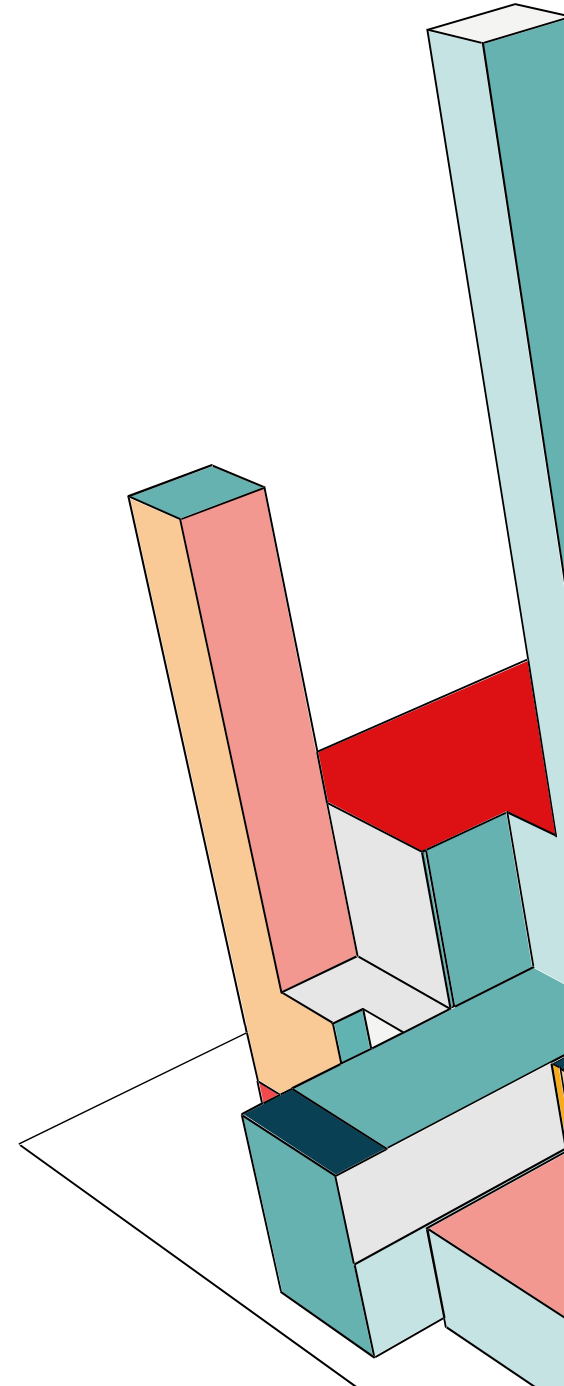


THE BASICS OF SUBRECIPIENT MONITORING

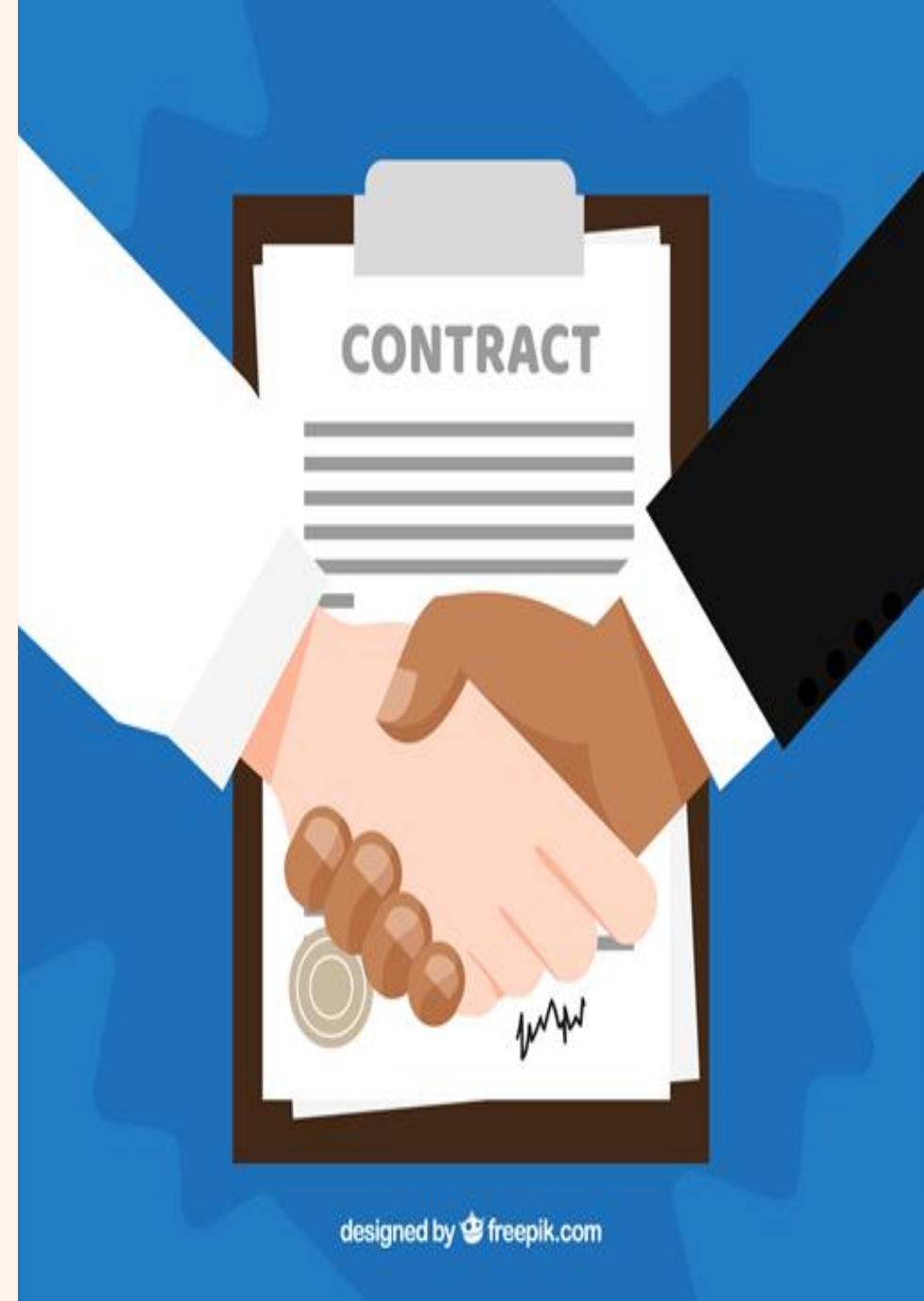
Carly Pigg, CRA, CPRA, CFRA
November 13, 2025

AGENDA

- Introduction to Subrecipients
- Pre-Award Tasks
- Post-Award Tasks
- Requirements for Monitoring Subrecipients under Uniform Guidance
- Closeouts
- Final Tips & Takeaways

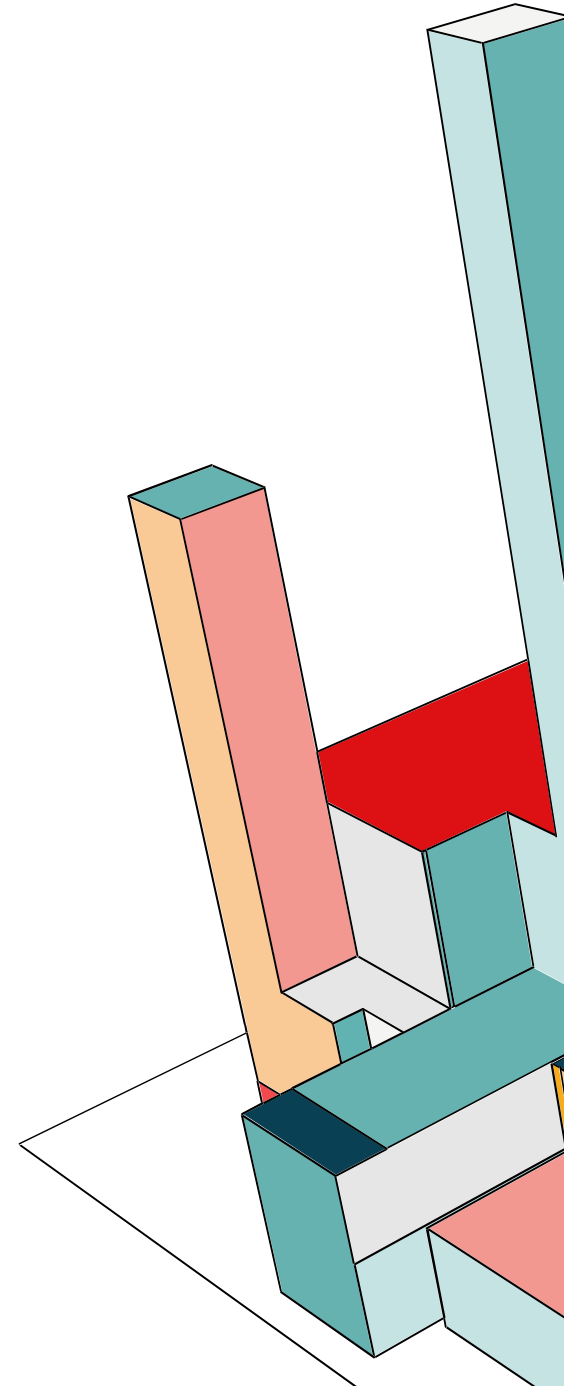


WHAT IS A SUBRECIPIENT?



designed by  freepik.com

A subrecipient is a legal entity that receives a subaward in which your organization serves as the prime recipient (pass through entity) of a grant. The subrecipient is responsible for carrying out a portion of the programmatic effort of the proposed project.



DIFFERENCES BETWEEN SUBRECIPIENTS AND CONTRACTORS

Subrecipient

Determines who is eligible to receive federal assistance

Has its performance measured in relation to whether objectives of a federal program have been met

Responsibility for programmatic decision making

Responsible for adherence to applicable federal program requirements specified in the federal award

In accordance with its agreement, uses the federal funds to carry out a program for a public purpose specified in authorizing statute

Contractor

Provides goods and services within normal business operations

Provides similar goods or services to many different purchasers

Normally operates in a competitive environment

Provides goods or services that are ancillary to the operation of the Federal program

Is not subject to compliance requirements of the Federal program because of the agreement, though similar requirements may apply for other reasons

2 CFR 200.331-Subrecipient and contractor determinations

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 provide assistance 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

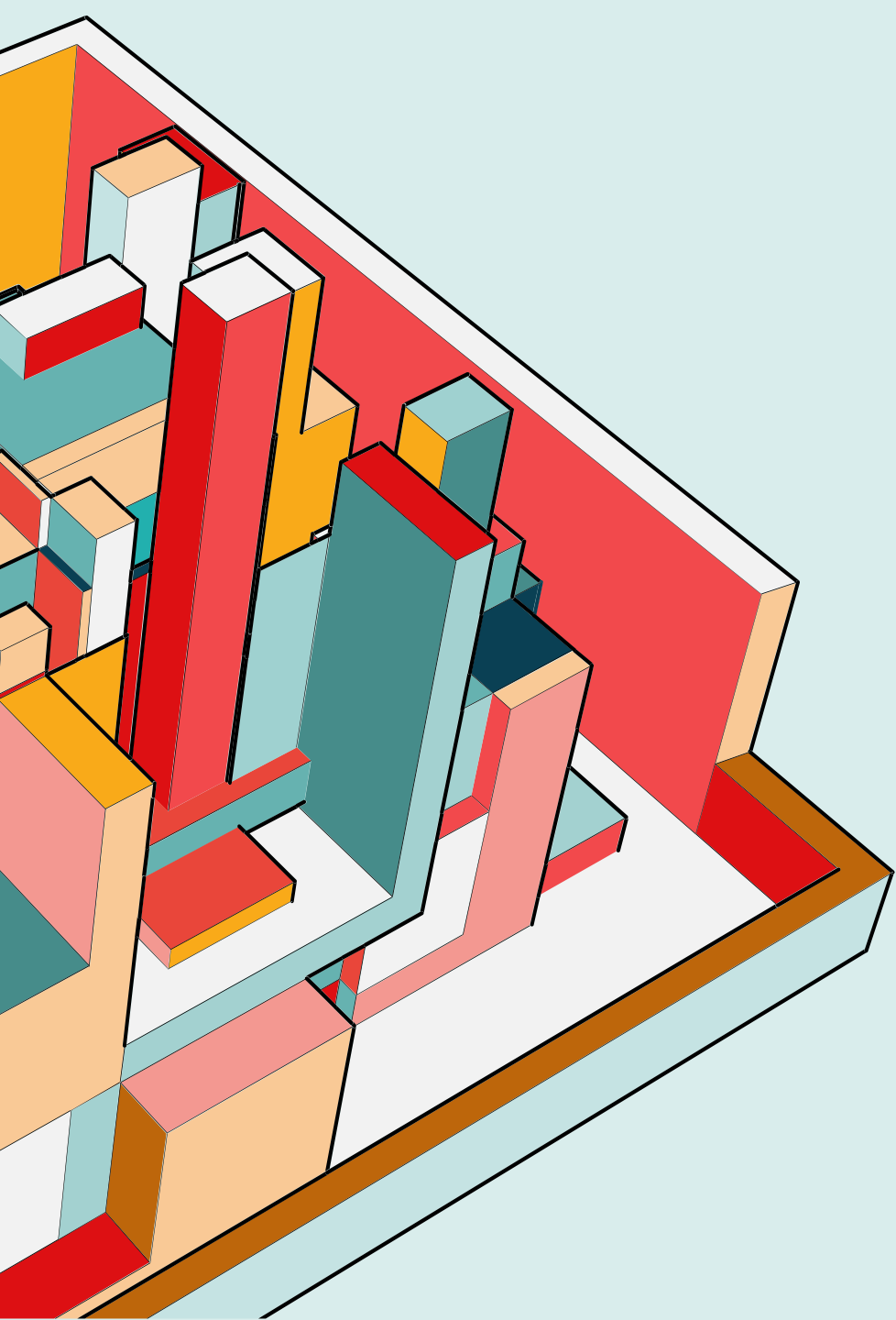
OPTIONAL - SECTION 3 - USE OF JUDGMENT (use only when the determination cannot clearly be made using the above criteria)

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 of 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: _____

CHECKLIST TO DETERMINE SUBRECIPIENT OR CONTRACTOR CLASSIFICATION



PRE-AWARD



"Is it just me or are these review panels getting a lot tougher?"

WHAT TO DO: PRE-AWARD

Your PI comes to you and says I am ready to submit a grant with a subaward. What do we do now?

- Contact the other institution as soon as possible even if there is nothing for you to pass on yet. This will help you to build a relationship with them.
- Work with your PI to determine how much we can provide to the subaward institution.
- Provide the other institution with a list of required documents. Keep in mind their internal deadlines and give them as much time as necessary to complete them.

CONSORTIUM AGREEMENT

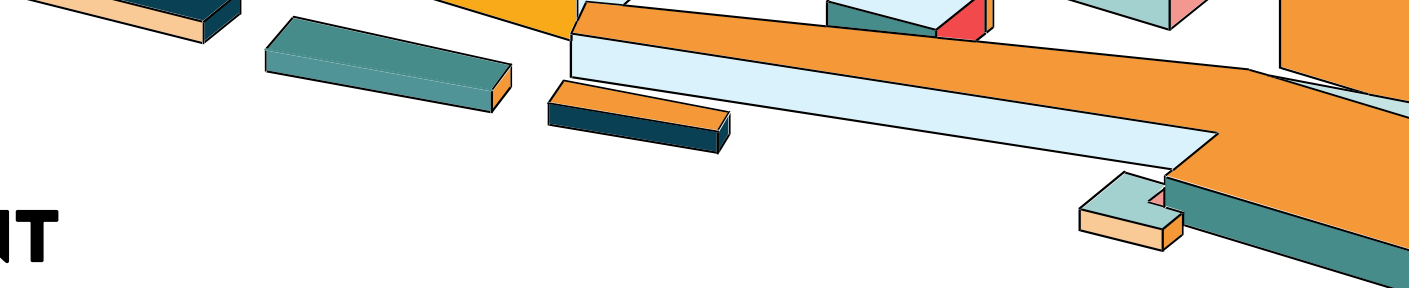
At LSUHSC, at the time of application, we require a signed "Letter to Establish a Consortium Agreement."

On behalf of Louisiana State University Health Sciences Center - New Orleans (LSUHSC-NO) and the University of New Orleans (UNO), the undersigned are pleased to endorse the above referenced proposal.

This letter certifies that neither LSUHSC-NO nor UNO is delinquent on any federal debt, nor is either institution presently debarred, proposed for debarment, declared ineligible or voluntarily excluded from covered transactions by a Federal department or agency.

This letter further certifies that both LSUHSC-NO and UNO have valid Unique Entity Identifier (UEI) and Dun & Bradstreet (D&B) Universal Numbering System (DUNS) numbers.

Both LSUHSC-NO and UNO certify that they are in compliance with 42 CFR Part 50.604 and currently maintain up to date, written, enforced policies on financial conflicts of interest (FCOIs). Each agrees to follow said policies throughout the life of any award. It is further certified that all study personnel have completed or will complete prior to the expenditure of Public Health Service (PHS) funds (if applicable) the appropriate disclosures in accordance with their respective FCOI policies. Identified FCOIs will be made available to the grantee institution upon request.



PROPOSAL DEVELOPMENT

Require the subrecipient institution to provide their scope of work so that your PI can confirm that they will meet the goals and objectives of the overall project.

Budget

Unless there is a cap from the sponsor, the subrecipient institution should use their federally negotiated rate or the de minimus rate (15%) if they do not have a negotiated rate.

Their allowable expenses fall in line with any other federal project: Personnel, Supplies, Travel, Other Expenses, etc.

SUMMARY PRE-AWARD

Source: Saira Valley,
Valley Consulting Group

SUBCONTRACT DOCS

THINGS TO REQUEST FROM YOUR SUBCONTRACTOR DURING APPLICATION PHASE!!

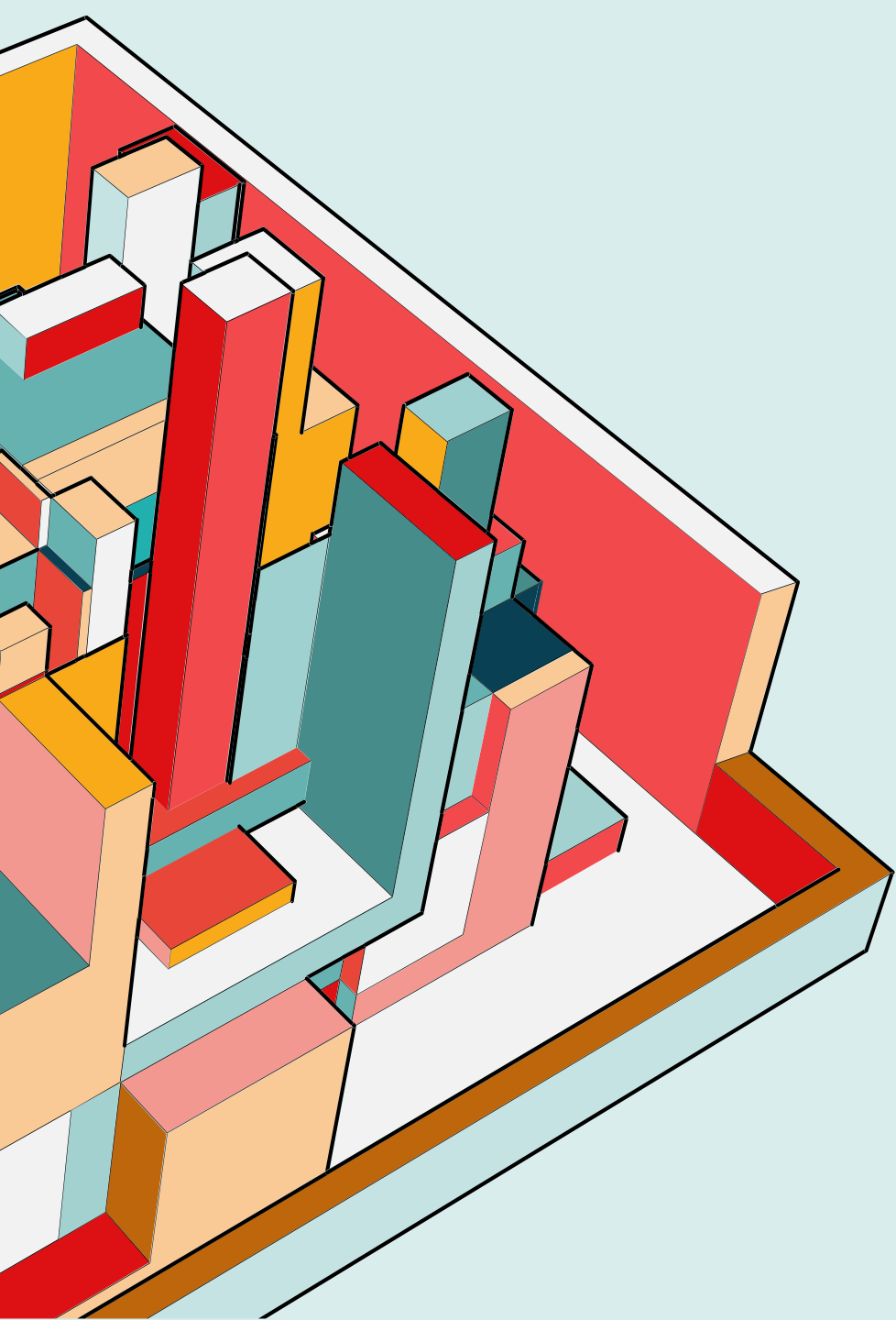
- ✓ Detailed Budget on appropriate sponsor forms
- ✓ Budget Justification
- ✓ Statement of Work (SOW)
- ✓ Biosketch for everyone who will be listed as Key
- ✓ Demographic information like name, email, ERA commons username, phone etc.
- ✓ Facilities & Resources
- ✓ Equipment
- ✓ Signed letter of intent
- ✓ Performance site info

SUBCONTRACT DOCS

THINGS TO SEND YOUR SUBCONTRACTOR DURING APPLICATION PHASE!!

- ✓ Provide them their max budget per year
- ✓ Let them know what role their PI will have
- ✓ Tell them what salary cap you are using
- ✓ Give them the grant title
- ✓ Budget and project period dates
- ✓ Program announcement link
- ✓ IF required, a copy of the Prime DMSP
- ✓ A DEADLINE!!





POST-AWARD

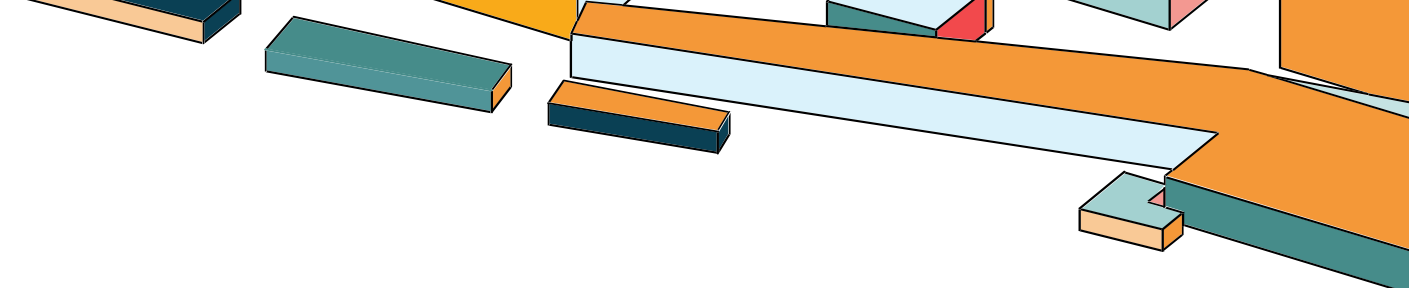


Source:
<https://www.facebook.com/ResearchAdministrationMem es/>

WHAT TO DO: POST-AWARD

Your proposal is awarded, and it is time to execute an agreement with the subrecipient.

- Touch base with your counterpart at the cooperating institution again for updated contact information.
- Review awarded budget with your PI- have cuts been made to the overall budget? Do you need to request an updated budget from the subrecipient?
- Ensure with your PI that the scope of work remains the same (especially if the budget has been cut)-substantial changes to the aims will require sponsor approval



RISK ASSESSMENTS

At LSUHSC, our sponsored programs office requires a completed Subrecipient Questionnaire to be on file to move forward with the initial subaward agreement. The questionnaire should be updated annually.

<https://www.lsuhs.edu/administration/accounting/questionnaire.aspx>

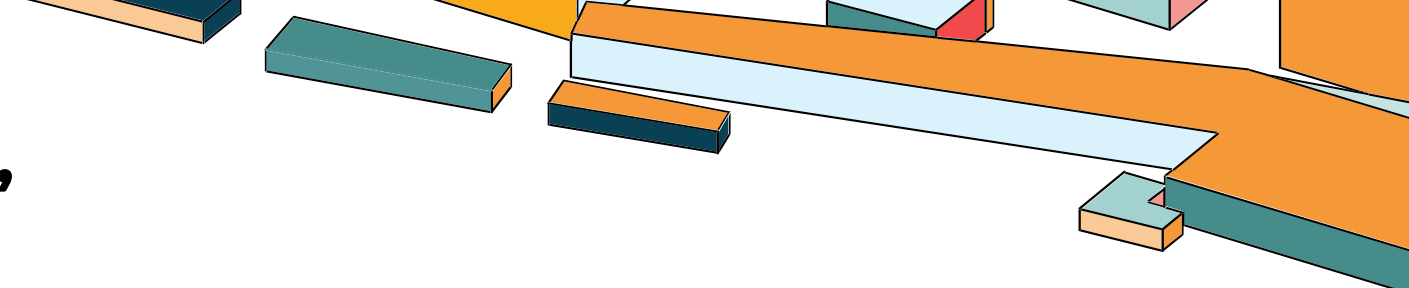
A copy of their most recent single audit is also required. You can obtain that from the subrecipient or use the FDP Clearinghouse: <https://fdpclearinghouse.org/>

Prior to the creation of the subaward agreement, there should be a risk assessment completed annually for the subrecipient. (2 CFR 200.332)

RISK ASSESSMENTS

LSUHC-NO Subrecipient Risk Evaluation Required by UG 200.33(b)					
Date					
LSUHC-NO Principal Investigator:		Foreign Entity: Yes _____ No _____			
LSUHC-NO Principal Investigator signature		Subrecipient's Name:			
		UEI Number/DUNS Number			
PeopleSoft Project Number:		Subaward Funding Amount Issued			
Federal Awarding Agency:		Is this an increase of over 25% in current year funding:		Yes _____ No _____	
Federal Award Number		Is this an increase due to Carry Over:		Yes _____ No _____	
Funding Budget Period:		Subrecipient Cost Sharing (if applicable):		Yes _____ No _____	
		If Cost Sharing, please provide amount:			
Please put an "X" next to your selection. Department/PI has to complete the following rows: 1 to 7					
Responsibility	Criteria	Lower Risk	Medium Risk	Higher Risk	Reference
1 PI	LSU's PI's prior experience with the subrecipient	Previous experience with no concerns	Previous experience with minor concerns or new collaborating organization	Previous negative experience, such as failure to meet performance goals, etc.	
2 PI	SOW and Deliverables	Sub SOW is easy to perform and progress is easy to assess through periodic reports and	Sub's failure to meet its deliverables would necessitate a change in project scope	Project success relies on Sub performance; no reporting until end of the project or no measurable	
3 PI	Relationship Between LSU PI and Subrecipient PI	LSU PI has prior collaborations with the Sub PI	Sub PI is an established researcher but has no prior collaboration with LSU PI	No prior collaboration between LSU PI and Sub PI or not an established researcher	
4 Department	Organization Type	University or Non-profit subject to federal audit requirements	University or Non-profit not subject to federal audit requirements	Industry or other for-profit organization not subject to federal or other audit regulations	Q1, Q6, Q15
5 Department	Maturity of Organization	Mature (more than 10 years)	Mature, but not research oriented; or established (5-10 years) with sufficient fiscal controls	1-3 years of operation with limited fiscal controls, or start-up with no fiscal controls in place yet	A, Q5, Q11-Q12, Q16-Q18
6 Department	Cost Sharing	No committed cost sharing	Subrecipient has committed moderate cost sharing	Subrecipient has committed substantial amount of cost sharing	
7 Department	Compliance (e.g. IACUC/IRB/IEC)	No compliance issues	Sub has mechanism in place to ensure compliance, but there are some concerns	Sub has no mechanism to ensure compliance; project involves export control	Q9, Q10
8 SP	LSU's prior experience with the subrecipient (Fiscal)	Previous positive experience	Previous experience with minor concerns or new subrecipient	Previous negative experience, such as failure to comply with Federal award/federal subaward T&E's, etc.	
9 SP	Subrecipient's audit results	Has annual single audit with unqualified opinion (i.e. no audit findings)	Has annual third-party financial audit with unqualified opinion (i.e. no audit findings)	Has had no audit performed or has identified audit findings and/or material weaknesses in either of the two preceding fiscal years	Q6, Q7, Q15
10 SP	Extent and results of Federal awarding agency monitoring or PTE monitoring	Has ongoing direct Federal awards, including direct awards from the same Federal awarding Agency	Has ongoing direct Federal awards but no direct awards from the awarding Federal Agency OR has no direct federal awards but has other indirect federal awards	Currently has no Federal direct or indirect awards	Q8
11 SP	Subrecipient's Prior Experience with Managing	Subrecipient has adequate prior experience with managing direct federal awards	Subrecipient has limited prior experience with managing direct federal awards	Subrecipient has no prior experience with managing direct federal awards	Q6, Q14
12 SP	Subrecipient's New or Substantially Changed	Existing system	Change system but not substantial	New or substantially changed system	Q13
Notes					
SP Risk Determination: _____ Lower _____ Medium _____ Higher Approved By: _____ Lynne J Tardiff, Assistant Director of SPA					

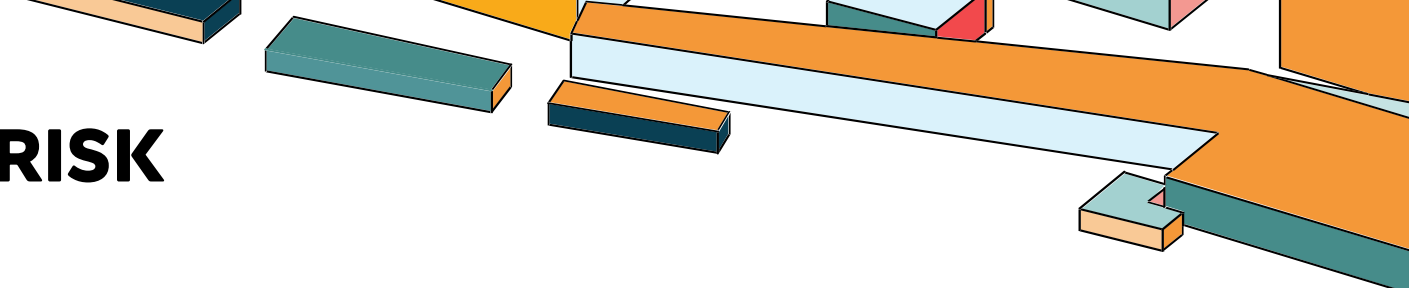
Revised 11/21/18



RISK ASSESSMENTS-LOW, MEDIUM, OR HIGH RISK

When we complete the risk assessment, we need to determine the level of risk we would be entering into if we move forward with the agreement. Here are some things to consider:

1. Have we done business with this institution before? If so, has the PI specifically collaborated with the institution before?
2. Is the institution domestic or foreign?
3. What type of entity is the institution?
4. Is there any documentation of suspension, debarment, and/or excluded parties?
5. Do they have policies in place or ways to maintain compliance throughout the project-financial and non-financial?



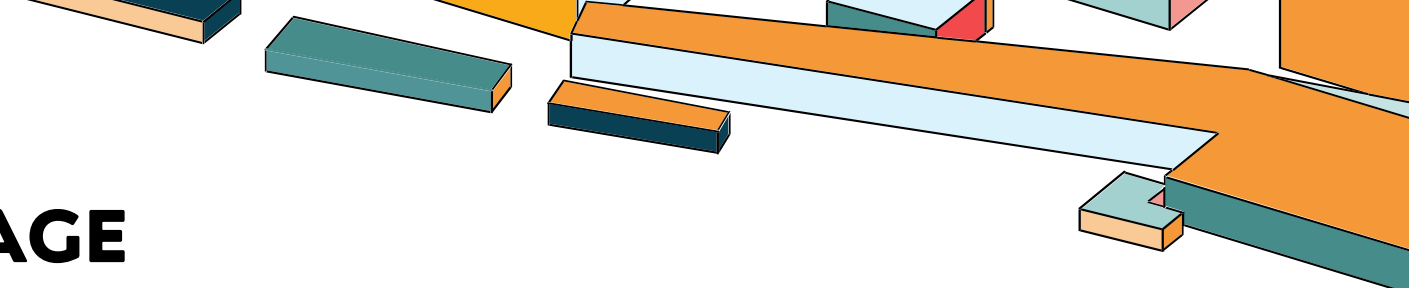
LOW, MEDIUM, OR HIGH-RISK LANGUAGE

For Low risk and Medium Risk:

As part of PTE's Subrecipient monitoring process required under 2 CFR 200.332, PTE reserves the right to request a desk audit on any invoice during the Subaward invoicing period (PER budget year). A desk audit may include, but is not limited to, request for full expense documentation such as general ledger(s), receipts, vendor invoices, prior approval documentation, time & effort reporting certifications, time sheets, travel documentation, equipment bids, etc.

For High risk:

As part of PTE's Subrecipient monitoring process required under 2 CFR 200.332, PTE requires full documentation with each invoice submitted. Full expense documentation includes, but is not limited to, general ledger(s), receipts, vendor invoices, prior approval documentation, time & effort reporting certifications, time sheets, travel documentation, equipment bids, etc.



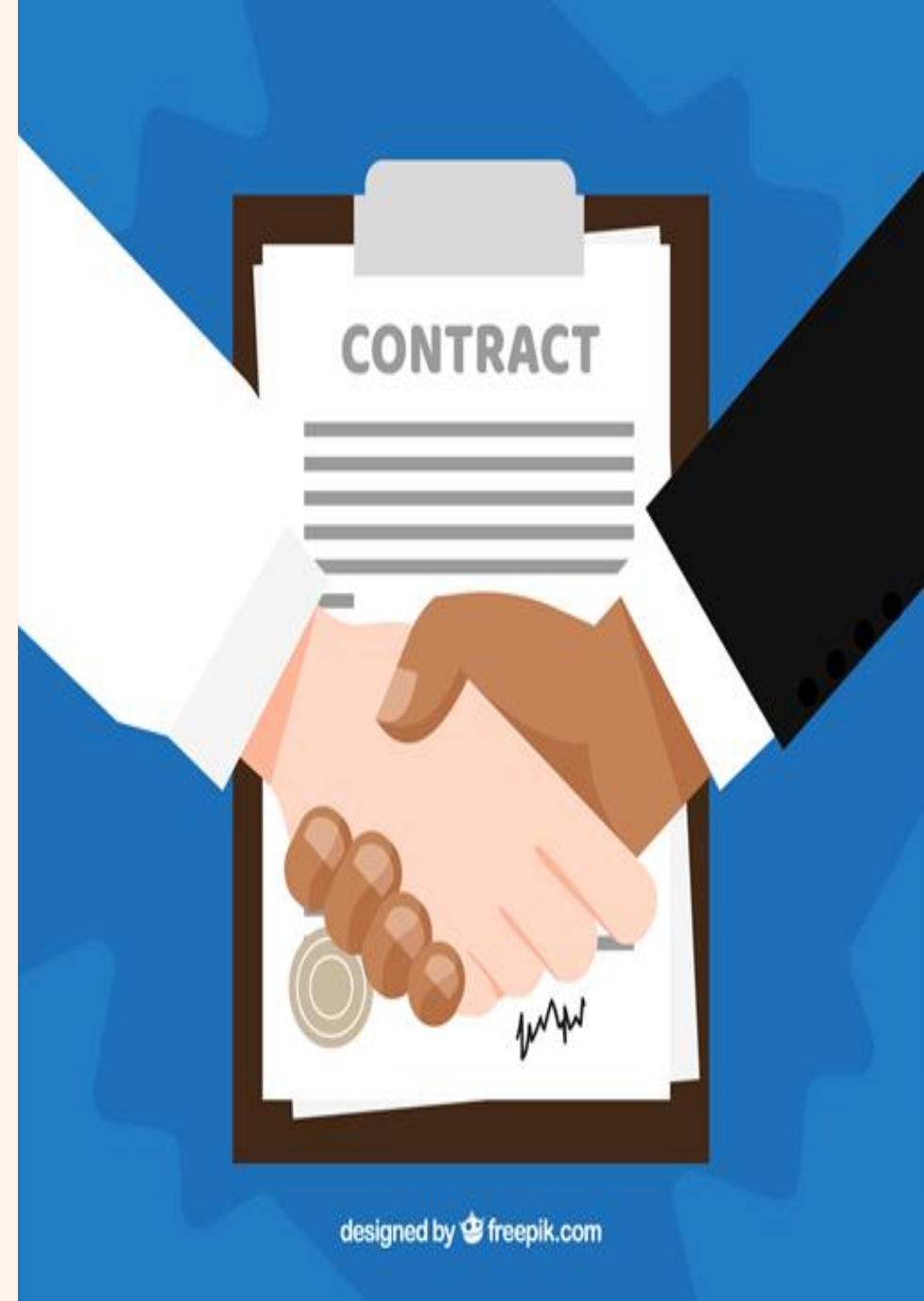
FOREIGN ENTITY LANGUAGE

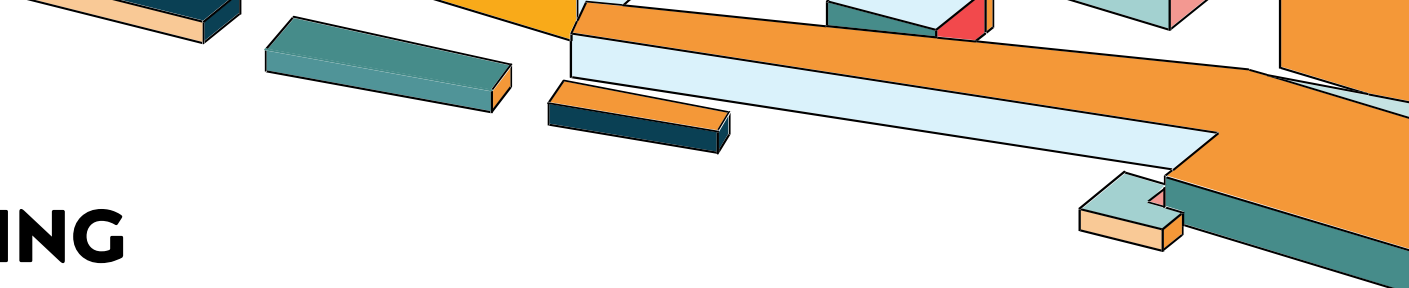
Foreign Entities (language to the effect):

Subrecipient is accountable to the PTE for the use of the federal funds provided pursuant to this Subaward. In order to comply with OMB Uniform Guidance to ensure accountability for the use of federal funds, PTE reserves the right to request full documentation for all invoices. Full expense documentation includes, but is not limited to, general ledger(s), receipts, vendor invoices, prior approval documentation, time & effort reporting certifications, time sheets, travel documentation, equipment bids, etc.

Note: Recent changes have occurred with the issuance of federal funded subawards to Foreign Entities. Be sure to review all relevant federal guidance, terms, and conditions.

REQUIREMENTS FOR MONITORING SUBRECIPIENTS UNDER UNIFORM GUIDANCE



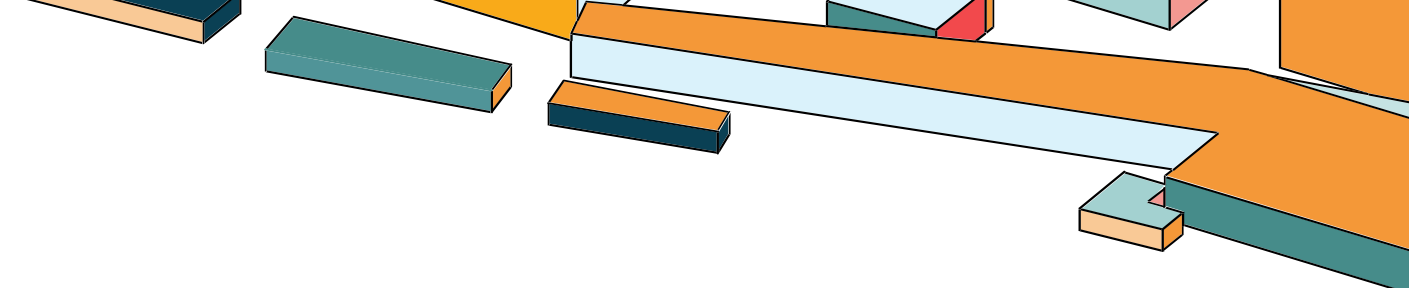


SUBRECIPIENT MONITORING

The PTE is responsible for monitoring the programmatic and financial activities of its subrecipients to ensure proper stewardship of sponsor funds.

The purpose of subrecipient monitoring is to confirm that your subrecipient is complying with all laws, regulations, and provisions of grant agreements, and that performance goals are obtained.

2 CFR 200.332- Requirements for pass-through entities



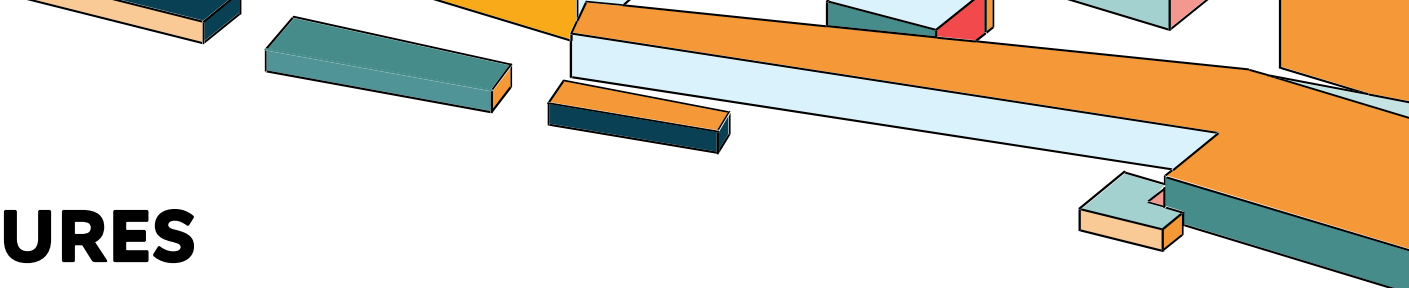
WHO IS RESPONSIBLE?

The department/PI is usually responsible for the following:

- Obtaining prior approvals for any re-budgeting required
- Confirming subrecipient is submitting invoices on time
- Collecting technical progress reports
- Maintaining regular contact with the subrecipient and checking in regularly with the PI that this is being done.

The central office is usually responsible for the following:

- Account setup
- Federal Funding Accountability & Transparency Act (FFATA) Reporting: How the government reviews for waste, fraud, and abuse <https://sam.gov/fsrs>



SUBRECIPIENT EXPENDITURES

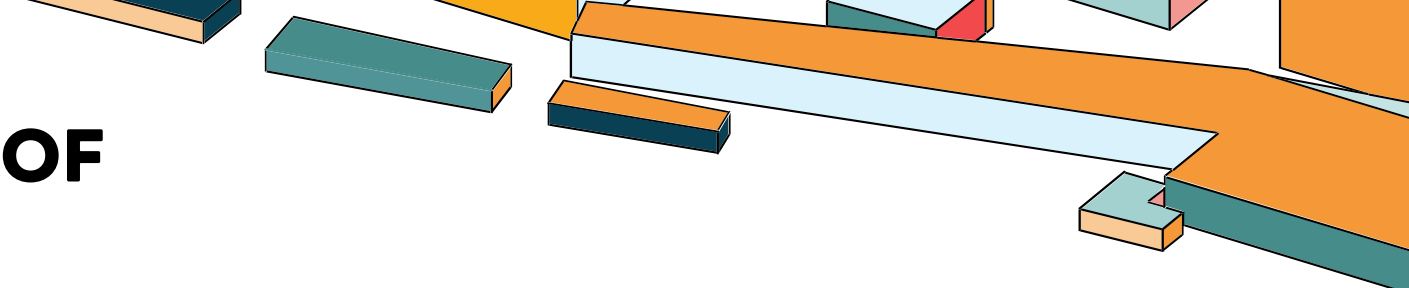
Ensure invoices are submitted in accordance with subaward requirements.

Ensure that duplicate costs or invoices have not been submitted. Revised invoices can be submitted if any of these have been found.

Ensure invoices only contain expenses that are allowable, allocable, and reasonable.

Verify that costs are incurred within the period of performance.

If applicable, verify cost sharing is appropriately reflected and documented.



REVIEW AND APPROVAL OF INVOICES

The department (PI, Grants Manager, Business Manager) should review and approve invoices and then will forward to the Sponsored Projects Office for final approval. The Sponsored Projects office usually forwards to Accounting to be paid.

At LSUHSC, the grant manager forwards the invoice to the PI for review, approval, and signature prior to moving for payment.

All invoices at minimum should contain the following information:

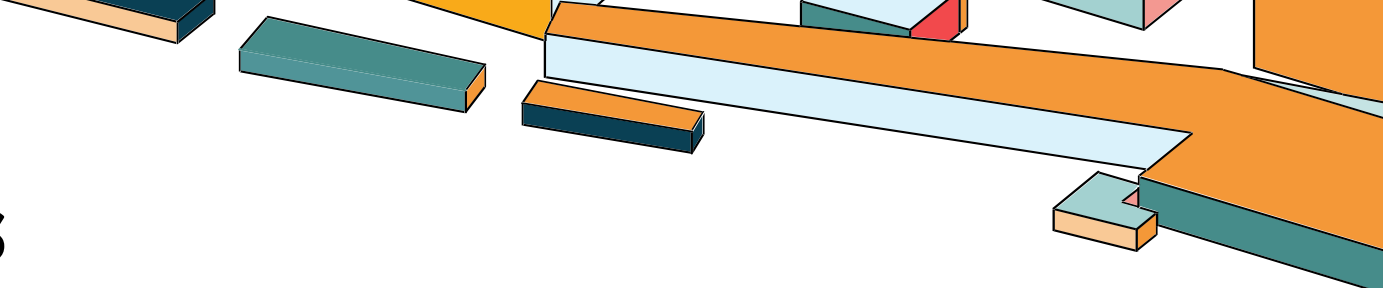
- Internal Project Number

- Internal Purchase Order Number

- Departmental and PI Approval

- Sponsored Projects approval

- Marked FINAL, if the invoice is the final invoice for the budget and/or project period



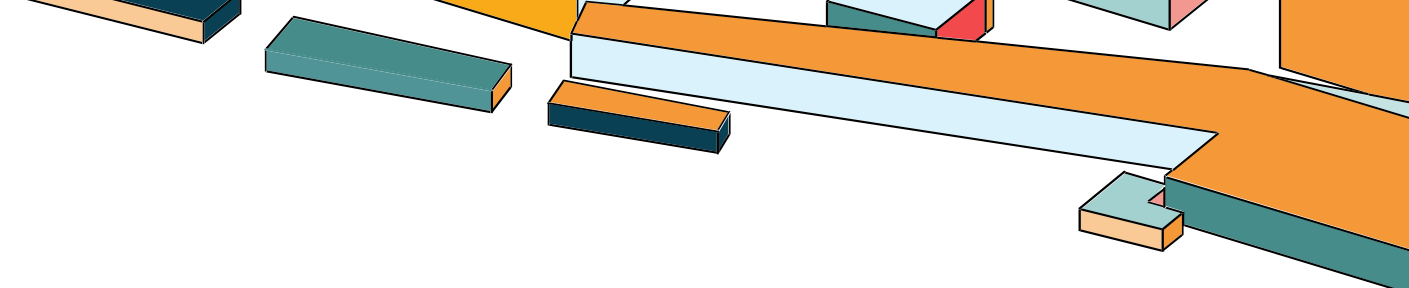
DESK AUDITS/ SITE VISITS

Desk audits should be completed based on the risk level of the subrecipient: Low/Medium-a desk audit may be requested, and High Risk-full documentation is required with every invoice submitted

If a desk audit is requested, you will select transactions for review and request full documentation for those expenses. Full documentation can include time and effort, proof of payment for supplies/equipment, and other payment documentation.

https://www.lsuhsu.edu/administration/accounting/sp_subrecipient_monitoring.aspx

Evaluate documentation provided and provide feedback to the subrecipient as necessary.

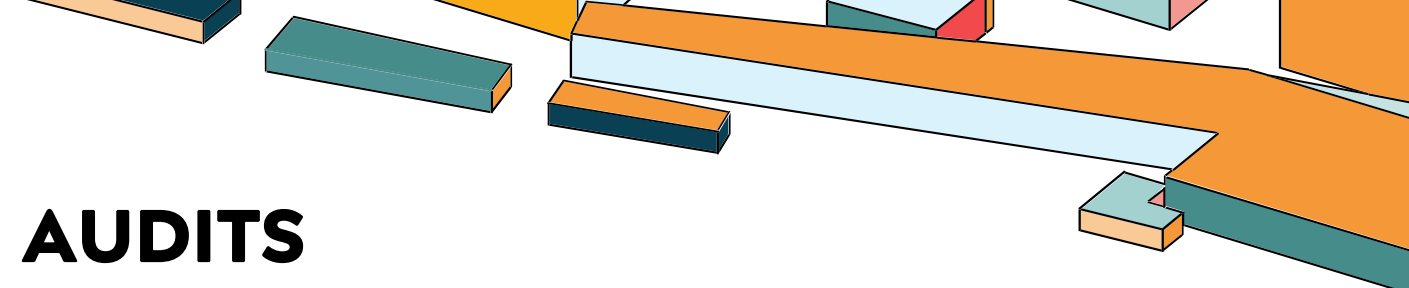


POTENTIAL ISSUES

If there will be a change in PI at the subaward institution, it must be provided in writing to the institution and an amendment to the subaward will need to be made. This also usually requires a Prior Approval from the Sponsor as the PI at the subaward institution is usually Senior/Key Personnel.

As typically stated in the agreement, either party has the right to terminate, in whole or in part. The institution agrees to compensate the subrecipient for any work completed prior to the termination.

For-Profit/ Foreign Entities: Are accountable to the PTE for use of the Federal funds. These entities are not required to submit audits under Uniform Guidance, but the institution requires the right to request backup documentation for any invoice (Subpart F-Audit Requirements)



SUBRECIPIENT INTERNAL AUDITS

Per the agreement, the institutional auditors or those designated by the institution shall have the option of auditing all accounts pertaining to the agreement. If this occurs, the subrecipient must make these records available for audit during normal business hours.

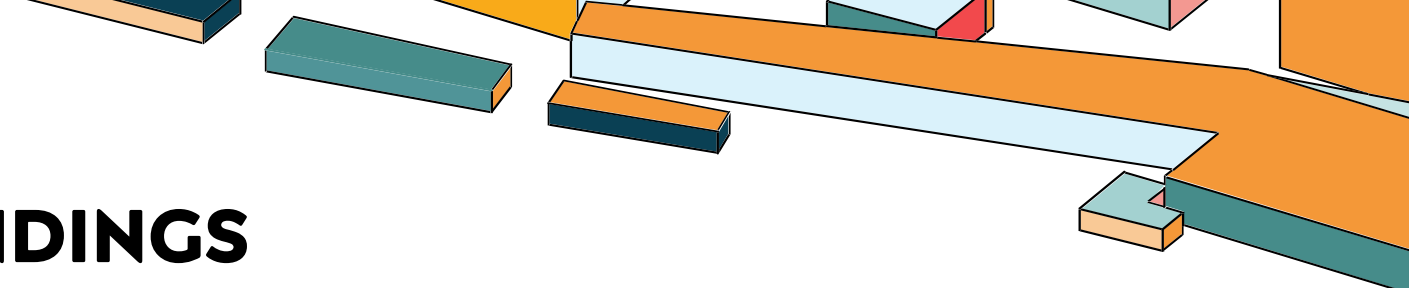
These items will be included:

Ensure that subrecipients expending \$1,000,000 or more in Federal awards during the subrecipient's fiscal year have met the audit requirements.

Issue a management decision on audit findings within six months after the receipt of the subrecipient's audit report.

Ensure that the subrecipients take timely and appropriate corrective action on all audit findings.

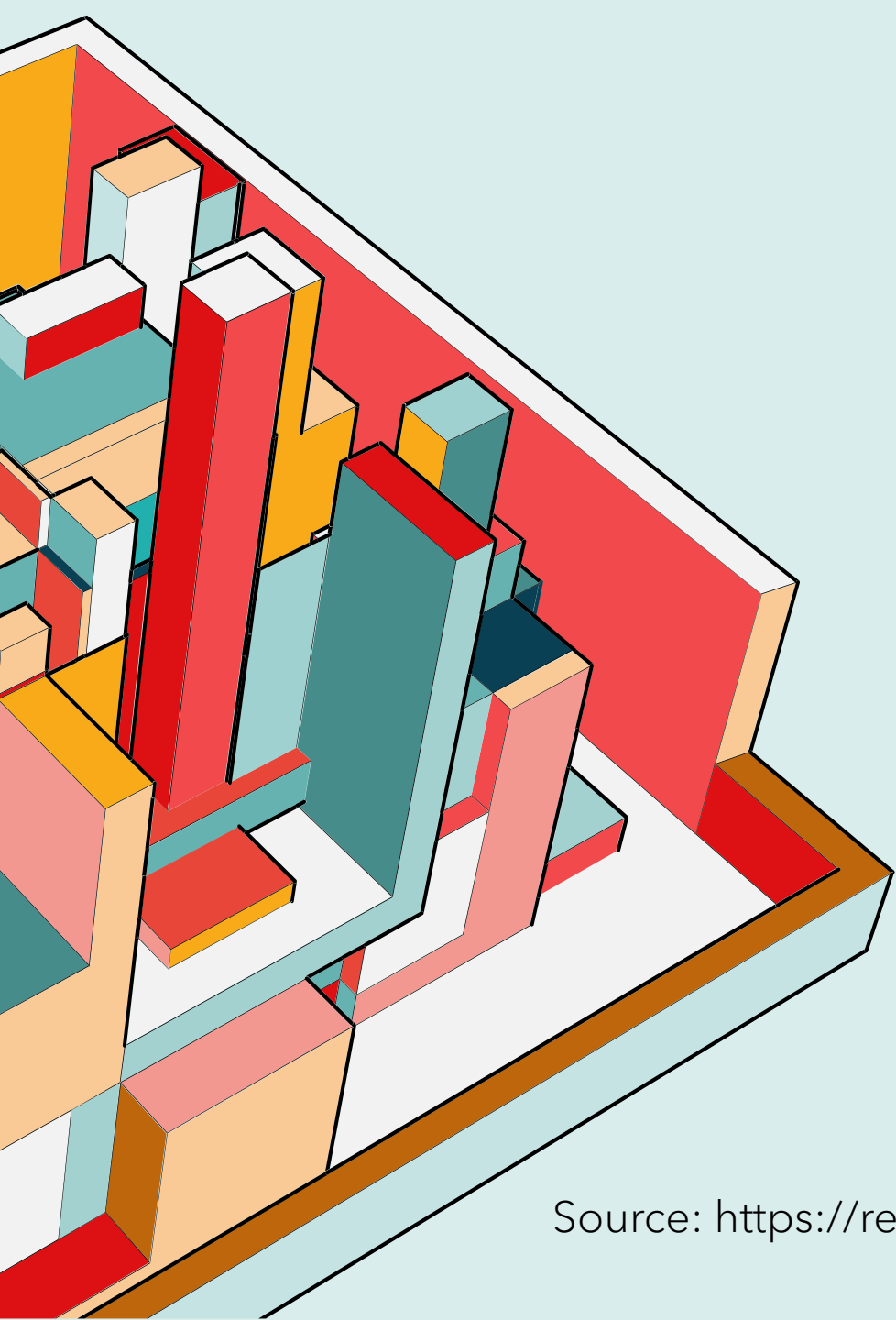
If a subrecipient is not willing or is unable to have the required audits, then the institution will take appropriate actions using sanctions.



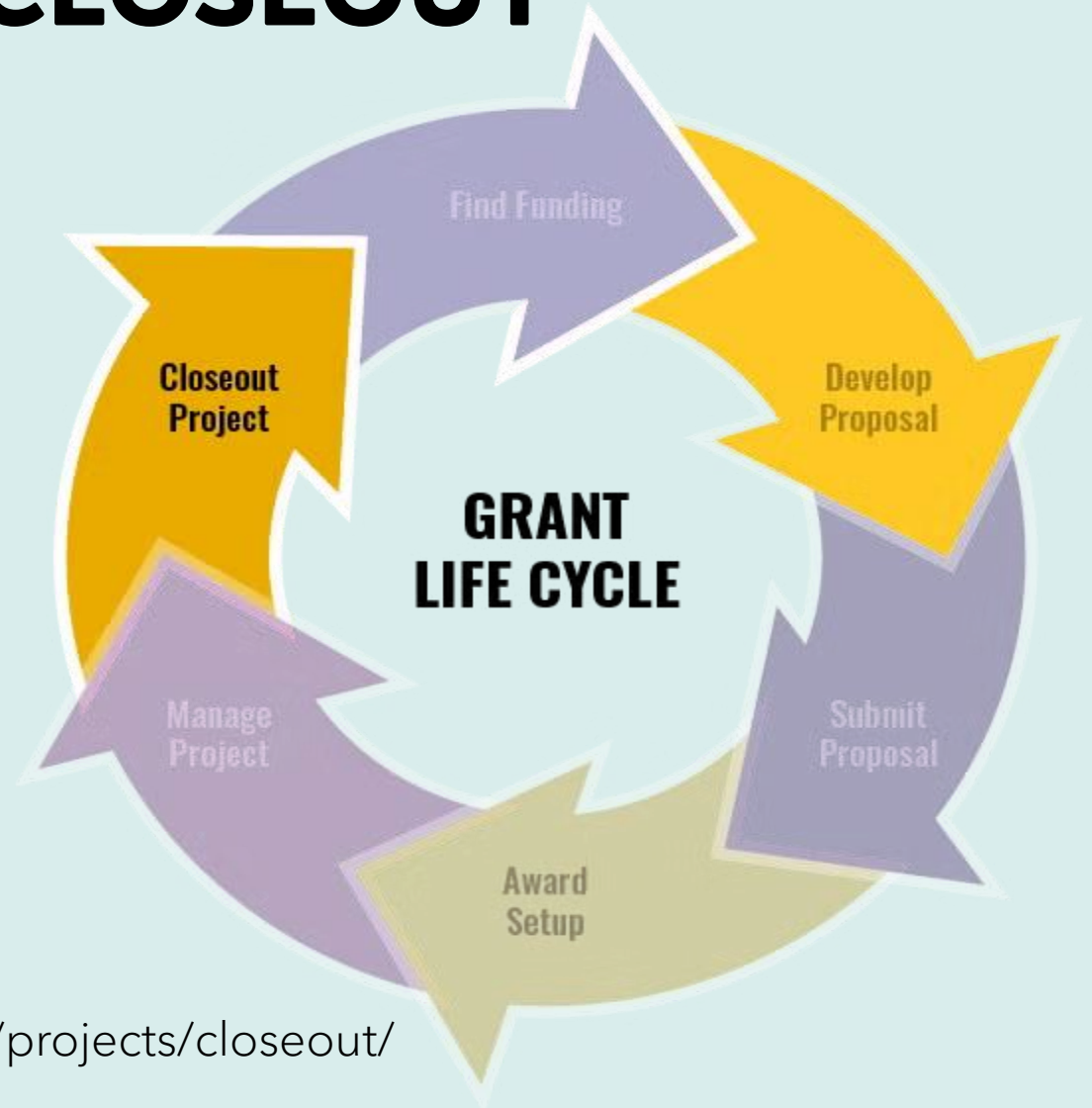
SUBRECIPIENT AUDIT FINDINGS

The Sponsored Projects Office is responsible for following up on audit findings. This could include requiring the subrecipient to provide responses to the audit findings and a timely corrective action plan.

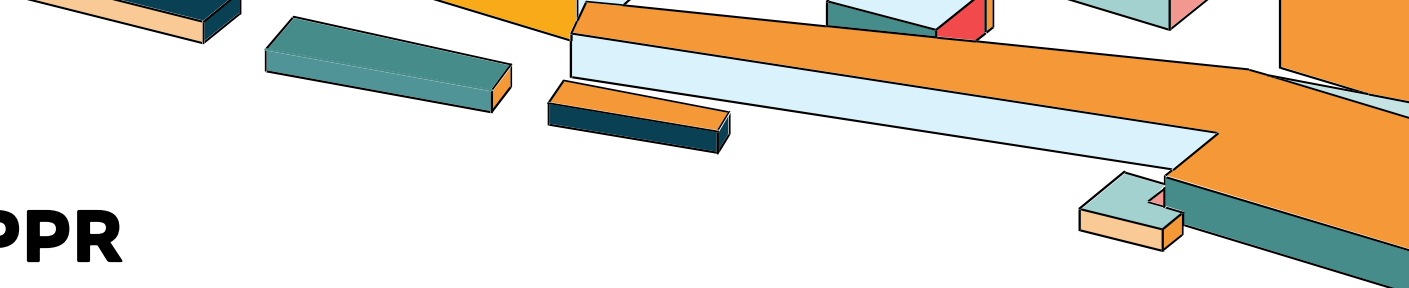
When an invoice has questionable expenses, Sponsored Projects may request the ledger of the subrecipient and other supporting documents before applying the invoice.



CLOSEOUT



Source: <https://rede.ecu.edu/ora/projects/closeout/>



CLOSEOUT AND FINAL RPPR

The PI and Grants Manager/Business Manager will review and answer these questions together:

Has the final invoice been received and paid?

Have all project deliverables been received?

Has the subrecipient sent their final RPPR materials?

- a. Final Invention Statement
- b. Publications
- c. All-Personnel Report
- d. Technical Final Progress Report

FINAL TIPS & TAKEAWAYS

- LSUHSC Important Links for Subrecipient Monitoring
 - Subrecipient Monitoring:
https://www.lsuhs.edu/administration/accounting/sp_subrecipient_monitoring.aspx
 - OMB Guidance for Federal Financial Assistance (Uniform Guidance):
https://www.lsuhs.edu/administration/accounting/omb_guidance_for_federal_financial_assistance.aspx
 - Subrecipient Questionnaire and Risk Assessment:
<https://www.lsuhs.edu/administration/accounting/questionnaire.aspx>



THANK YOU

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