

University Policy 1000.07: Subrecipient Monitoring Responsibilities

Responsible Administrator: Associate Vice Provost of Sponsored Programs and Research

Responsible Office: Sponsored Programs and Research Office

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Authority: Office of the President

Policy Statement

Claflin University (CU) policy defines the responsibility of the University in monitoring subawards as a pass-through entity on federal awards.

Statement of Purpose

This policy establishes financial oversight and sub-recipient monitoring responsibilities for all sponsored research and externally funded projects at Claflin University.

This policy ensures:

- Fiscal accountability in managing grant and contract funds.
- Compliance with federal regulations, including OMB Uniform Guidance (2 CFR Part 200).
- Proper monitoring of subrecipients to mitigate financial and programmatic risks.

This policy applies to all federally, state, and privately funded projects administered through Claflin University's Sponsored Programs and Research Office.

Applicability

This policy applies to all federally, state, and privately funded projects administered through Claflin University's Sponsored Programs and Research Office. It is applicable to all externally funded grants, contracts, and cooperative agreements, especially those subject to 2 CFR 200.332 (Subrecipient Monitoring) and other federal financial requirements. This policy applies to:

- Principal Investigators (PIs) and Co-PIs managing sponsored projects.
- Department administrators and grant accountants involved in financial oversight.
- The Fiscal Affairs Office and Sponsored Programs and Research (SPAR) Office.
- Subrecipients and external collaborators receiving funds from Claflin University.

Financial Oversight Responsibilities

Claflin University is responsible for ensuring compliance with sponsor regulations, institutional policies, and OMB Uniform Guidance when managing sponsored program funds. The following financial oversight responsibilities apply:

Budget and Financial Management

- Pre-Award Budget Review – All budgets must be reviewed and approved by SPAR Office, and the Fiscal Affairs Office must approve all cost-share budgets to ensure compliance with allowable cost principles (2 CFR 200.403).
- Post-Award Budget Monitoring – PIs must ensure that expenses align with the approved project scope and are allocable, allowable, and reasonable.
- Grant Expenditure Tracking – The Fiscal Affairs Office maintains financial records and tracks grant expenditures to ensure compliance.
- Cost Transfers and Adjustments – Any cost transfer must be justified, documented, and processed within 90 days of the original transaction.

Allowable and Unallowable Costs

- Allowable Costs – Expenses must comply with sponsor rules and OMB Uniform Guidance (2 CFR 200.403-200.405).
- Unallowable Costs – Items such as alcohol, entertainment, lobbying, and personal expenses cannot be charged to grants.

Financial Reporting and Invoicing

- The Fiscal Affairs Office is responsible for submitting financial reports to sponsors in accordance with grant requirements.
- PIs must review and certify financial reports to confirm expenditures align with the approved budget.
- Claflin University ensures that invoices are accurate, timely, and compliant with sponsor terms.

Time and Effort Reporting

- All individuals paid from federal grants must certify their time and effort in accordance with 2 CFR 200.430. (see Time and Effort Policy)
- Effort reports must be reviewed and approved quarterly to ensure compliance.

Cost Sharing and Matching Funds

- Cost sharing must be appropriately documented and- recorded per sponsor terms.
Voluntary committed cost sharing is discouraged unless explicitly required by the sponsor.

Subrecipient Monitoring Responsibilities

Claflin University monitors subrecipients to ensure that grant funds are appropriately used and that the subrecipient complies with federal regulations and sponsor requirements.

Pre-Award Subrecipient Risk Assessment

Before issuing a subaward, Claflin University's Sponsored Programs and Research Office will conduct a risk assessment to evaluate the subrecipient's:

- Past performance on grants and compliance history.
- Financial stability and ability to manage funds.
- Internal controls and adherence to federal regulations.
- Audit history and compliance with the Single Audit Act (if applicable).

Subrecipients will be classified as low-risk, medium-risk, or high-risk, with monitoring procedures adjusted accordingly.

Subaward Agreements

Formal subaward agreements will be executed, including:

- Scope of work (SOW) and deliverables.
- Budget, payment terms, and reporting requirements.
- Audit and financial compliance provisions.
- Intellectual property and publication rights (if applicable).

Ongoing Subrecipient Monitoring

The level of monitoring will depend on the risk classification of the sub-recipient.

Monitoring Method	Description	Frequency
Progress Reports	Require periodic technical and financial reports from the subrecipient.	Quarterly
Desk Reviews	Review invoices, expenditure reports, and supporting documentation.	Biannually
Site Visits	Conduct on-site visits to verify project progress and financial compliance.	Annually (or more if high-risk)
Audit Review	Review Single Audit reports and require corrective actions if deficiencies are found.	Annually
Technical Assistance	Provide guidance and training to subrecipients on compliance requirements.	As Needed

High-risk subrecipients may be subject to increased monitoring, including additional reporting requirements, detailed expenditure reviews, and on-site audits.

Corrective Actions for Non-Compliance

If a subrecipient is non-compliant, Claflin University may take the following actions:

- Issue a Written Notice – Inform the subrecipient of non-compliance and required corrective actions.
- Develop a Corrective Action Plan (CAP) – Define steps and deadlines for compliance.
- Increase Monitoring – Require additional reporting, site visits, or detailed expenditure reviews.
- Withhold Payments – Suspend payments until compliance issues are resolved.
- Terminate the Subaward – In cases of serious or repeated non-compliance, the subaward may be terminated.

Compliance and Enforcement

Failure to comply with this policy may result in:

- Disallowed costs and repayment of grant funds.
- Suspension or termination of the award.
- Loss of eligibility for future funding.
- Institutional sanctions or disciplinary actions.

The Sponsored Programs and Research Office and Fiscal Affairs Office will conduct periodic internal audits to ensure compliance with financial and subrecipient monitoring policies.