



Title: Subrecipient Monitoring Policy for Grants
Effective Date: May 20, 2021
Issuing Authority: Provost
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Purpose

Mercer University, the prime sponsored award recipient (pass-through entity), is responsible for monitoring the performance and financial activities of the subrecipients to ensure proper stewardship of sponsored funds to satisfy federal laws, regulation, and institutional review.

The purpose of this policy statement is to set forth the University's policy about subrecipient monitoring to ensure subrecipients meet the audit requirements and use funds in accordance with applicable laws, regulations, and terms of the award.

Scope

This policy applies to sponsored projects at Mercer University.

Exclusions

Sponsored projects at Mercer Engineering Research Center (MERC)

Definitions

As used in this policy, the following term(s) have the meaning specified below:

Contractor: an entity that receives a contract, which is defined as a program.

Pass-through entity: a non-federal entity that provides a subaward to a subrecipient to carry out part of a federal program.

Subaward: an award provided by a pass-through entity to a subrecipient for the subrecipient to carry out part of a federal award received by the pass-through entity. A subaward does not include payments to a contractor or payments to an individual that is a beneficiary of a federal program. A subaward may be provided through any form of legal agreement, including an agreement that the pass-through entity considers a contract.

Subrecipient: a non-federal entity that receives a subaward from a pass-through entity

to carry out part of a federal program. A subrecipient may also be a recipient of other federal awards directly from a federal awarding agency.

Subrecipient Monitoring: activities undertaken to review the financial status and management controls of a subrecipient to mitigate the risk of entering into an agreement with a subrecipient.

Policy Statement

The University obtains and reviews the Single Audit (formerly A-133) report from the subrecipients who receive in excess of \$750,000 of federal funds during the fiscal year to ensure there are no findings which may affect the University and the federal funding. If the report identifies any findings, the findings are reviewed to determine if the findings affect Mercer's grant. If necessary, a follow-up on any corrective action plan is made with the subrecipient.

The Grants and Contracts Office (GCO) requires subrecipients to submit performance and financial status reports upon request as a means for the University to monitor the work of the subrecipient and the allowability of costs incurred by the subrecipient.

If the prospective subrecipient does not have a Single Audit to provide assurance the entity has an adequate control environment, the University may perform site visits on potential major subrecipients. These visits will be used to determine if adequate systems are in place to handle and properly record the grant transactions and administer the award.

The principal investigator (PI) is in contact with the respective subrecipient on a regular basis to ensure there have been no significant changes in the subrecipient's organization or structure that would impair their ability to perform the assigned tasks. Additionally, the PI holds teleconferences and performs site visits as needed to ensure the subrecipient is performing as expected based upon project milestones and other requirements.

The University signs an agreement with each subrecipient detailing the CFDA number, award name and number, the granting federal agency, the award amount and the period of performance. The agreement states the assigned tasks for the subrecipients to perform (scope of work) and the means to receive reimbursement for the expenditures incurred. The agreement also states the subrecipient's requirements of complying with OMB 2 CFR 200 Uniform Guidance requirements and the University's policies and procedures.

The Grants and Contracts Office sends a written inquiry to each subrecipient to determine if the subrecipient is required to have a single audit performed. If an audit is required and findings noted, the audit report is requested and reviewed and followed up on as determined to be necessary. A copy of the For Profit organization's internal controls report from an external auditor will be requested for review. If significant deficiencies are noted, the Grants and

Contracts office will initiate a conference call to determine if it will impact or has impacted Mercer's award.