



**THE GEORGE  
WASHINGTON  
UNIVERSITY**  
WASHINGTON, DC

**Responsible University Official:**  
Director, Grants and Contracts Accounting  
Services  
**Responsible Office:** Grants and  
Contracts Accounting Services  
**Last Revised Date:** December 19, 2014

## **SUBRECIPIENT MONITORING**

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### **Policy Statement**

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The George Washington University (“university”) evaluates and monitors the financial and programmatic performance of Subrecipients, and assesses their capacity to properly manage a Subaward. The university’s objective is to monitor that sponsor funds are properly spent, that performance goals are met, and that Subrecipients comply with all applicable law, regulations, and prime award terms. The university may impose specific controls, as needed, for certain Subrecipients based on relevant risk factors.

The terms of the Subrecipient’s relationship with the university are documented in a written Subaward agreement between the university and the Subrecipient organization.

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### **Reason for Policy**

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By virtue of accepting a sponsored project, the university becomes responsible for the financial and programmatic monitoring of the sponsor’s funds. Accordingly, when the university enters into a Subaward and assigns responsibility for conducting a portion of its sponsored project work to a Subrecipient, the university remains responsible to the sponsor for management of funds and for meeting performance goals. Consistent with federal, state, and local regulations, and to ensure proper stewardship of sponsored projects, the university undertakes certain activities to monitor Subrecipients, including but not limited to Subrecipient pre-qualification, reporting, site visits, regular contact, and other means to provide reasonable assurance that Subrecipients administer and perform Subawards in compliance with applicable law, regulations, and the provisions of the university’s sponsored projects.

This policy applies to all Subawards issued under all sponsored projects awarded to the university regardless of the primary source of funding. This policy does not apply to consultant agreements or the procurement of goods or services from Contractors.

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## Who is Governed by this Policy

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Faculty and staff

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## Policy

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This policy includes the following elements:

### **1. Determination Subrecipient versus Contractor**

The university must make a case-by-case determination whether each agreement it makes for the disbursement of federal or non-federal program funds casts the party receiving the funds in the role of a Subrecipient or a Contractor. Subrecipients follow different rules and regulations than Contractors. This policy only applies to Subrecipients.

### **2. Pre-Qualification of Subrecipients**

The university assesses, among other factors, the Subrecipient organization's financial status and internal controls based on documentation from the Subrecipient and other independent sources, in order to determine whether to

proceed with the Subrecipient. Based on that assessment, terms and conditions should be established in the Subaward agreement to be consistent with the level of perceived risk and then the university will identify specific monitoring activities.

### **3. Subrecipient Monitoring**

During the period of the Subaward, the university performs the following activities with regard to Subrecipients:

- a. Advises Subrecipients of federal, state or local requirements, terms and conditions of the prime award, and university requirements that apply to the Subaward.
- b. If the prime award is federally funded or if the funding award to the university is a federal flow-through award, provides Subrecipients with the information available to identify the federal prime award, including but not limited to the Catalog of Federal Domestic Assistance number (CFDA), title, award name and number, award dates, DUNS number, indirect cost rate, and funding agency, as required by the Office of Management and Budget's (OMB) Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (2 CFR §200) or – for funding effective before December 26, 2014 - OMB Circular A-21, Cost Principles for Educational Institutions (2 CFR §220) and/or OMB Circular A-110 (2 CFR § 215), collectively referred to as Federal Guidance. Monitors costs and activities of Subrecipients to confirm that expenditures charged to Subaward agreements are consistent with the budget and scope of work of the Subawards.
- c. Verifies that the performance goals set forth in the Subaward scope of work are being met in a timely manner.
- d. Verifies that Subrecipients are audited as required by Federal Guidance.

Considers whether the results of the Subrecipient's audits, on-site reviews, or other monitoring activities necessitate adjustment of the university's records, such as budget modifications or reallocation of resources, repayment from the Subrecipient, or other measures. Considers taking enforcement action against noncompliant subrecipients.

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## **Definitions**

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### **Subaward**

A Subaward (also referred to as a subgrant if the prime award is a grant or subcontract if the prime award is a contract) is an instrument through which financial or other support is awarded to an eligible

and qualified organization for the performance of a substantive portion of the program or project funded under the prime award. The term also includes awards made by a Subrecipient to a lower-tier Subrecipient. The term does not include procurement of goods and services (i.e., a Contractor agreement is not a Subaward).

### **Subrecipient**

A Subrecipient (also referred to as a Subawardee, or subgrantee if the prime award is a grant, or a subcontractor if the prime award is a contract, fixed amount awards or cooperative agreements) is the legal entity that receives a Subaward and that is accountable to the university for the use of sponsor funds provided to the entity to carry out a portion of the university's programmatic activity under the prime award. The term may include but is not limited to institutions of higher education, for-profit corporations, not-for-profit organizations, and foreign or international organizations at the discretion of the funding sponsor.

### **Contractor**

A Contractor is an entity from whom the university purchases property or services needed to carry out the project or program. An entity could be both a Contractor and Subrecipient (if it meets the definition of a Subrecipient). In such cases, the entity is subject to Subrecipient monitoring with respect to its Subrecipient activity.

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## **Related Information**

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[OMB Uniform Guidance \(2 CFR §200\)](#)

[2 CFR, Part 220](#) (Formerly OMB Circular A-21)

[System for Award Management](#) (SAM)

[Federal Audit Clearinghouse](#) (FAC)

[Sponsored Projects Handbook](#)

[Procurement Policy](#)

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## Contacts

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## Document History

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- **Last Reviewed Date:** April 14, 2017
- **Last Revised Date:** December 19, 2014
- **Policy Origination Date:** January 1, 2004

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## Who Approved This Policy

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Leo M. Chalupa, Vice President for Research  
Louis H. Katz, Executive Vice President and Treasurer  
Steven Lerman, Provost and Executive Vice President for Academic Affairs  
Beth Nolan, Senior Vice President and General Counsel

*This policy, as well as all [university policies](#), are located on the [Office of Compliance and Privacy's](#) home page.*