

Subrecipient Monitoring Federal Funds An Audit Perspective

University Compliance Office

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Research Administrator Forum

Points to Consider

- More attention is being directed to subrecipient monitoring by the federal OIG audit offices (primarily HHS & NSF).....because

.....The OMB Circular A-133 audit (our annual external audit of federal programs conducted by a CPA firm)— had recent revisions to the compliance supplement for these audits which indicates and emphasizes that subrecipient monitoring activities should occur in both pre-award and post-award processes....so federal agencies have an increased interest in what we are doing as “prime recipient” to monitor the subs, (domestic & international)
- Be familiar with the “Subrecipient Monitoring Guidelines” on SPA website. (<http://spa.wustl.edu/>----click on “Policies”- August 2004) and ensure you understand and are following these guidelines.

The Recent Yale Federal Audit

The Subrecipient Monitoring Issues Were:

- The prime recipient of federal funds did not have adequate documentation to show they were monitoring the progress and expenses of the sub on a routine and ongoing basis.
- Most of the expenses were charged toward the end of the contract---auditors question---why were the expenses only charged at the end of the project?---Yale did not have a good answer.

Key Points - Monitoring

- Performance Reports
 - Are technical reports required by the contract?
 - Are any special deliverables or reports required by the contract?
 - Monitor and ensure that any reports required by the contract are submitted and reviewed on a timely basis.

Key Points – Monitoring (cont)

- Expenses & Budget Monitoring
 - Invoices should be submitted, reviewed & approved on a timely basis.
 - Are the expenses reasonable based upon the technical progress of the project and within budget parameters?
 - Are expenses placed in “other” or “miscellaneous” categories without adequate explanation?
 - Ensure the sub invoices have a “certification statement” on the invoice signed by an official from the sub.

Key Points – Monitoring (cont)

Example of a “certification statement” on a sub invoice:

I HEREBY CERTIFY THE FOLLOWING:

ALL EXPENDITURES REPORTED (OR PAYMENTS REQUESTED) ARE FOR APPROPRIATE PURPOSES AND IN ACCORDANCE WITH THE AGREEMENTS SET FORTH IN THE APPLICATION AND AWARD DOCUMENTS.

Certifying Official's Signature

Title: _____

Key Points – Monitoring (cont)

- Documentation of monitoring activities
 - Site visits (if any are performed).
 - Correspondence or meeting notes with the sub.
 - Ensure documentation is kept to show evidence of any monitoring that has occurred with the sub.

Key Points – Monitoring (cont)

- Ensure you have documentation to backup the answers to the questions in the subaward wizard.....
 - Is the collaborator satisfactorily performing the scope of work?
 - Has collaborator satisfactorily provided required report(s) or deliverables?
 - Does collaborator institution invoice in a timely manner?
 - Are the amounts invoiced reasonable based upon on the technical progress of the report?

Questions ??????

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