

SUB-RECIPIENT MONITORING PROCEDURES AND MONITORING PLAN

JUNE 1, 2014
(Effective Date)
NOVEMBER 24, 2015
(Revised Date)

POLICY /PURPOSE:

OMB Circular A-110 (sections C26 & C51) requires recipients of federal funds to monitor sub-awards and to ensure sub-recipients meet the audit requirements in OMB Circular A-133 and use funds in accordance with applicable laws, regulations and terms of the award.

PERSONS AFFECTED:

This Sub-Recipient Monitoring Policy applies to all sub-awards issued under sponsored projects awarded to NCAC, without regard to the primary source of funding.

This **policy** does not apply to consultant agreements or procurement of services from vendors.

I. GENERAL

A sub-recipient is a non-federal; third-party organization that expends federal funding received from National Children's Advocacy Center (NCAC) to collaborate in carrying out a federally funded program, but does not include an individual that is a beneficiary of such program.

NCAC is responsible for monitoring the programmatic, financial, and conflict of interest (COI) status of its sub-recipients. Sub-recipient monitoring responsibilities are shared among the applicable grant holding departments and the Finance Department.

The following guidelines and procedures are provided to address agency responsibilities and to assist responsible staff in ensuring that sub-recipient project implementation and execution are in compliance with regulations and that expenses are reasonable and allowable.

II. AWARDS OF FEDERAL FUNDS TO SUBRECIPIENTS

OMB Circular A-133 "Audits of Institutions of Higher Education and Other Non-profit Institutions" requires that institutions receiving federal awards:

- have internal controls which provide reasonable assurance that the use of resources is consistent with laws, regulations, and award terms
- safeguard resources against waste, loss, and misuse
- obtain, maintain, and fairly disclose reliable data in reports

Any recipient of federal awards providing federal funds to a sub-recipient must determine: (1) whether the sub-recipient meets the audit requirements of the circular; and (2) whether the sub-recipient has spent the federal funds in accordance with applicable laws and regulations.

When NCAC sub-awards a portion of a Federal award, the sub-award agreement language will include:

- notation that the agreement is a sub-award of federal funds
- sub-recipient's registered name under the Data Universal Numbering System (DUNS)
- sub-recipient's DUNS number
- federal award identification number
- federal award date
- sub-award period of performance start and end date
- amount of federal funds obligated by this action
- total amount of federal funds obligated to the sub-recipient
- total amount of the federal award
- federal award project description, as required to be responsive to the Federal Funding Accountability and Transparency Act (FFATA)
- name of federal awarding agency, pass-through entity (NCAC), and contact information for awarding official
- Catalog of Federal Domestic Assistance (CFDA) number and name (and if more than one CFDA number, NCAC needs to clearly identify how much money is being sub-granted from each grant)
- identification of whether the award is for Research and Development
- indirect cost rate for the federal award
- terms and conditions concerning closeout of the award
- other terms NCAC requires to ensure that the federal award is used in accordance with federal laws
- other terms NCAC requires so that NCAC can meet its own responsibility to the federal awarding agency including required financial and performance reports
- permission for NCAC and auditors to have access to the sup-recipient's records and financial statements
- other terms and conditions regarding closeout of the award.

III. MONITORING NON-PROFIT SUBRECIPIENTS RECEIVING FEDERAL FUNDS OF \$500,000 OR GREATER PER YEAR

If a non-profit sub-recipient receives \$500,000 or more per fiscal year in federal funds, the NCAC must ensure they are in compliance with OMB Circular A-133. Each sub-recipient must provide the NCAC with an audit report in compliance with A-133. If the audit report is not received in a timely manner, the grant holding department will inform the sub-recipient of its noncompliance and the proper course of action will be determined.

All audit documentation received will be reviewed by the Finance Department and maintained by the applicable grant holding department. Audit reports received from sub-recipients will be kept on file for a minimum of three years after the official close of the grant.

If the documentation indicates instances of non-compliance with federal laws and regulations affecting the sub-award issued by the NCAC, the Finance Department will contact the sub-recipient and inform them that they need to provide evidence of corrective action. The Finance Department will maintain a current listing of all sub-recipients from which corrective action is expected and ensure that follow-up occurs on a timely basis. If the sub-recipient fails to establish that corrective action has been taken, the Finance Department will inform the appropriate grant holding department and the proper course of action will be determined. In noted instances of non-compliance, the grant holding department will maintain documentation of action taken and the results of such action.

IV. INITIAL ASSESSMENT AND ONGOING MONITORING - NCAC GUIDELINES

The frequency and scope of departmental monitoring procedures should be determined jointly by the Finance Department and the grant holding department. A "risk-based" approach to sub-recipient monitoring is recommended with the frequency and intensity of monitoring driven by the considerations stated below. Taking this approach thereby focuses monitoring on the sub-recipients who are at greatest potential risk for non-compliance. The following factors may be considered by NCAC in assessing level of risk:

- sub-recipient's previous audit results including whether or not the sub-recipient receives a single audit
- size of the sub-recipient award
- sub-recipient's prior experience with the same or similar awards
- whether the sub-recipient has new personnel or new or substantially changed systems
- the extent and results of federal awarding agency monitoring

V. ROLES AND RESPONSIBILITIES

Grant Holding Department

- review sub-recipient proposals and certifications at time of proposal
- establish channels of communication with sub-recipient
- ensure performance goals are achieved
- review invoices from sub-recipients for compliance with regulations and award terms and conditions
- approve final invoices in a timely manner for closeout
- maintain documentation of monitoring efforts, including any desk and/or in-person reviews
- assess the level of risk associated with a proposed sub-recipient at time of award

- determine the appropriate type of sub-award agreement to be issued and ensuring agreement provides a framework for compliance, and
- determine the type and frequency of post-award monitoring by NCAC.

Finance Department

- review the A-133 audit reports of proposed sub-recipients
- review annual audit reports during the life of the award
- review invoices for unallowable costs
- request additional documentation in the form of original receipts, copies of payroll records and audits if needed, and

VI. MONITORING FOR SUB-RECIPIENT CONFLICT OF INTEREST (COI)

NCAC employees must disclose any conflict of interest with a sub-recipient. Employees are required to comply with the NCAC's [Conflict of Interest Policy](#) and must read and sign a Certificate of Compliance to abide by the NCAC's [Code of Ethics](#).

NCAC seeks to identify and eliminate (or, at the very least, mitigate) potential personal or financial conflicts of interest on the part of our staff, consultants, and/or sub-recipients for research. To that end, all personnel named on a research project are required to review the definitions of "significant financial interest" and "conflict of interest" and are asked to complete a "[Conflict of Interest Disclosure Form for Research](#)" to certify in writing that they do not have any conflict of interest with respect to their duties on the project. This includes specifying that no immediate family members of project staff have any conflict of interests or any financial interests in the outcomes of the study.