The University of Alabama
Office for Research
Office for Sponsored Programs
Policy on Subrecipient Monitoring

## Subrecipient Monitoring

The University of Alabama is responsible for ensuring that all subrecipients under its federally funded agreements are in compliance with applicable requirements.

## Roles and Responsibilities

**Principal Investigator (PI):** Before selecting a potential subrecipient, the Principal Investigator (PI) should be aware of the “Codes of Conduct” section Subpart C.42 of OMB Circular A-110, at the following link [http://www.whitehouse.gov/OMB/circulars/a110/a110.html#42](http://www.whitehouse.gov/OMB/circulars/a110/a110.html#42). It is the PI’s responsibility to ensure that there is no conflict of interest in the subaward to a subrecipient, as subawards should not be authorized to subrecipients where the PI has ownership, substantial equity, and where he/she will receive individual gain from such arrangement.

The Federal Government places *primary responsibility* for management of federally funded projects with the **PI**. This includes monitoring of subrecipients, particularly the subrecipient’s technical and programmatic activities. The PI is responsible for verifying the subrecipient work is conducted in a timely manner and that the results delivered are in line with the proposed statement of work. Other responsibilities include reviewing and approving subrecipient invoices (reviewing expenditures to ensure allowability, allocability and reasonableness of cost and ensuring charges are within the period of performance) and maintaining regular contact with the subrecipient.

**Departmental Administrators:** Departmental grant administrators should assist PIs in carrying out their subrecipient monitoring responsibilities. This includes comparing each subrecipient invoice to the approved sub-award budget to ensure invoices are within the parameters of the budget, evaluating whether charges are allowable, allocable and reasonable and ensuring that invoices are approved by the PI and submitted to OSP Financial Services on a timely basis. If there are any unusual or excessive charges invoiced by the subrecipient, the department should request clarification from the subrecipient. If the explanations are not sufficient to render an informed judgment on the allowability of the cost, either the departmental administrator or the OSP financial analyst may request additional detailed support (including documentation). Charges lacking sufficient support to verify their appropriateness will be rejected for payment.

**The Office for Sponsored Programs (OSP):** OSP is responsible for the oversight of subrecipient monitoring. These responsibilities include, reviewing whether a subrecipient or vendor relationship exists; determining whether or not the subrecipient or its PIs are debarred or suspended from receiving Federal funds; including identification of federal awards in subagreements; advising subrecipients of requirements imposed on them; requiring subrecipients to permit access, as necessary, to their records; monitoring activities of subrecipients, as necessary, to ensure compliance; ensuring that subrecipients subject to OMB Circular A-133 are in compliance with its requirements and reviewing and following up on the results of those A-133 reports; assessing the potential risk associated with subrecipients and taking necessary action if a subrecipient is determined to be a high risk (such as, pre-award
audits, monitoring during the contract, post-award audits or requiring documentation to support invoices).

For a detailed copy of OSP’s procedures on subrecipient monitoring, please contact the Office for Sponsored Programs at 205-348-5152 or chollyhand@fa.ua.edu.