RG:07
Subaward and Monitoring Policy

I. **PURPOSE**

Lincoln Memorial University is committed to maintaining high standards of ethical conduct in research and grants management Appropriate monitoring of subaward recipients ensures that the University responsibly manages research and finances to meet the expectations and requirements of sponsors.

II. **POLICY STATEMENT**

Lincoln Memorial University is accountable to its sponsors for managing money and achieving performance goals as a pass-through entity, even after a Subrecipient has some control over the execution of its funded project activity. The University appraises and tracks Subrecipients' programmatic and financial performance in addition to determining their ability to oversee a Subaward. The University's goal is to oversee the appropriate use of sponsor money, the achievement of performance targets, and the compliance of Subrecipients with all relevant laws, rules, and prime award terms and conditions, particularly OMB Uniform Guidance 2 CFR §200. Based on pertinent risk considerations, the University may, where necessary, implement certain restrictions for Subrecipients. This policy does not apply to consultant agreements or the procurement of goods or services from Contractors.

III. **DEFINITIONS**

Pass-through Entity: per§ 75.2, "a non-Federal entity that provides a subaward to a subrecipient to carry out part of a Federal program."

Performance Goal: Per § 75.2, "means a target level of performance expressed as a tangible, measurable objective, against which actual achievement can be compared, including a goal expressed as a quantitative standard, value, or rate. In some instances (e.g., discretionary research awards), this may be limited to the requirement to submit technical performance reports (to be evaluated in accordance with agency policy)."

Principal Investigator/Program Director (PI/PD): Per § 75.2, "the individual (s) designated by the recipient to direct the project or program being supported by the grant. The PI/PD is responsible and accountable to officials of the recipient organization for the proper conduct of the project, program, or activity."

Subaward: Per § 75.2, "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. It 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: Per § 75.2, "a non-Federal entity that receives a subaward from a pass-through entity to carry out part of a Federal program; but does not include an individual that is a beneficiary of such program. A subrecipient may also be a recipient of other Federal awards directly from a Federal awarding agency."

IV. **AUDIENCE**

Faculty and staff of Lincoln Memorial University who are the Principal Investigator and/or Program Director (PI/PD), Department Administrators, the ORGSP, and Subrecipients.

V. **COMPLIANCE**

Failure to follow this policy can result in loss of grant funding, the ability to apply for future grant opportunities through the University, and/or disciplinary action by the Exec. Vice President of Academic Affairs.

VI. **ROLES AND RESPONSIBILITIES**

PI/PD: Collects Subrecipient Commitment Form from potential Subaward Recipients for designation and risk assessment review during the Pre-Award period. In the Post-Award period, follows guidance on Subrecipient monitoring and reporting provided by the ORGSP, and at minimum submits yearly reports for the ORGSP review and filing. Notify the ORGSP immediately if Subrecipient diverts from sponsor requirements.

Dean/Chair: Ensures that PI/PD submits at minimum a yearly Subrecipient monitoring policy to the ORGSP. Provides PI/PD with the resources needed to collect this yearly information.

IACUC, IRB, IBCSC: Reviews subaward agreements that include IACUC, IRB, and IBCSC review. Institutes committee-specific monitoring if an Inter-Institutional Agreement is utilized.

Risk Assessment: With the ORGSP, reviews Subrecipient for risk.

Office of Research, Grants, and Sponsored Programs: Provides guidance on differentiating between a Subrecipient and a Contractor. With Risk Assessment and/or Legal Counsel, calculates risk of Subrecipient. Stores subrecipient assurances and monitoring reports from PI/PD. Authorizes reports that requirements found in 2 CFR §200 are met. Confirms that Subrecipients are audited as required by Subpart F of the Uniform Guidance.

VII. **APPLICABLE STATUTES, REGULATIONS, AND RELATED POLICIES**
OMB Uniform Guidance 2 CFR §200

- § 200.331 Subrecipient and contractor determinations
- § 200.332 Requirements for pass-through entities: Pass-through entities of Federal grants must evaluate each subrecipient's risk of noncompliance to determine the appropriate monitoring level, monitor subrecipient organizations' activities to ensure that the subaward is in compliance with applicable Federal statutes and regulations and the terms of the subaward, and confirm that subrecipients are audited as required by Subpart F of the Uniform Guidance.
Some non-federal sponsors may also require evidence of due diligence to demonstrate proper use of funds.

VIII. **PROCEDURE**
1.) Determine whether the recipient of sponsored funds is defined by the sponsor as a Subrecipient or a Contractor.
2.) Assess Subrecipient's risk.
3.) Specify monitoring actions that are in line with the amount of perceived risk as stated in the Subaward agreement.
4.) Advise Subrecipients of terms and conditions of the sponsored award.
5.) Monitor cost and activities of Subrecipients.
6.) Verify performance goals are met by Subrecipients.
7.) Provide any training or technical assistance on program-related matters.
8.) Store subrecipient reports.

IX. **CONTACT INFORMATION**
For more information regarding this policy, please contact the Office of Research, Grants, and Sponsored Programs.

X. **DOCUMENT HISTORY**
Effective: 04-24-2024

➢ Subrecipient Commitment Form