

## COLLEGE AND ADMINISTRATIVE POLICY

<b>Policy Title:</b>	Siena College Subaward Policy and Procedures
<b>Type or category of Policy:</b>	College/Administrative/Departmental
<b>Approval Authority:</b>	Vice President for Finance and Administration; Vice President for Academic Affairs
<b>Responsible Executive:</b>	Vice President for Finance and Administration; Vice President for Academic Affairs
<b>Responsible Office:</b>	Finance; Grants and Sponsored Research
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<b>Reviewed By:</b>	Mary C. Strunk, VP for Finance and Administration; Margaret Madden, Provost and Senior Vice President
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<b>Last Revised and Effective Date of Revision:</b>	April 2023

### Brief Overview of the Policy

The policy explains what subawards from external grants are, in what circumstances the College will issue them, how grant subrecipient risk is assessed, how subrecipients are monitored, and how subawards are closed out.

### Reason for Policy

To comply with federal regulations and to provide a clear explanation of the approved issuance and monitoring of subawards from active external grants.

### Scope of the Policy: Entities or Individuals affected by this policy

- *All faculty, administration, and staff members*

## The Official Policy

### OVERVIEW & APPLICABILITY

Siena College is legally responsible for monitoring the programmatic and financial activities of its subrecipients to ensure the proper stewardship of sponsor funds and compliance with applicable regulations. The Office of Management and Budget's *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ([2 CFR 200](#)) ("*Uniform Guidance*"), specifically [§200.331](#), requires pass-through entities to evaluate each subrecipient's risk of noncompliance in order to determine the appropriate monitoring level, to monitor the activities of subrecipient organizations to ensure that the subaward is in compliance with applicable federal statutes, regulations, and terms of the subaward, and to verify that subrecipients are audited as required by Subpart F of the *Uniform Guidance*.

Because of the annual audit process, Siena is required to provide evidence of the same due diligence in reviewing the ability of a subrecipient to properly meet the objectives of the subaward for non-federal awards and to account for the sponsor's funds. Therefore, the following policy applies to all subawards issued under grants made to Siena College, regardless of the sponsor and primary source of funding. This policy does not apply to consultant agreements or to the procurement of goods or services.

### DEFINITIONS

**Pass-Through Entity:** A non-federal entity (e.g., a college) that provides a federal award to a subrecipient to carry out a portion of a federally funded project.

**Primary Institution:** A non-federal entity (e.g., a college) that receives federal funds from an agency to carry out a sponsored project.

**Principal Investigator (PI):** The individual judged by the applicant organization (i.e., Siena College) to have the appropriate level of authority and responsibility to direct the project or program supported by the grant.

**Subrecipient's Statement/Scope of Work:** A definition of the activities to be conducted and/or the outcomes to be achieved by the subrecipient.

**Subaward:** An award of financial assistance in the form of money made under an external award by a recipient to an eligible subrecipient or by a subrecipient to a lower-tier subrecipient.

**Subrecipient:** A non-federal entity that expends federal awards received from a Pass-Through Entity to carry out a federal program, but does not include an individual that is a beneficiary of such a program. A subrecipient may also be a recipient of other federal awards directly from a federal awarding agency.

### POLICY

Because of the legal responsibilities and administrative burden that issuing subawards and monitoring subrecipients entails, Siena College will only act as a pass-through entity on external awards in exceptional circumstances and then only to institutions of higher education with demonstrated experience managing external funds. Subawards are limited to no more than 25% of the total award to Siena from the sponsor and may not include cost sharing. Inclusion of a subaward in a grant proposal must be approved prior to submission of the application and must demonstrate a clear benefit to the College and its students. Proposed subrecipients must be well

established and document the accounting and other internal controls that they have in place. If a proposed subrecipient has no prior relationship with Siena, additional justification may be required at the time of the grant application. In no circumstances will Siena College act as a fiscal agent for another organization.

## **PROCEDURES**

### **Inclusion of a Subaward in a Grant Application**

If a grant application will include another institution as a subrecipient (subaward), The Office of Grants and Sponsored Research must be informed early in the proposal preparation process. Inclusion of subrecipients must be necessary to achieve the project's goals, and subawards must be allowed by the sponsoring agency/funder.

Applications require subaward arrangements to be formally stated in the proposal document. The following paperwork is therefore required from the collaborating institution's office of sponsored projects or equivalent institutional authority prior to proposal submission.

- Letter of Intent to Collaborate signed by the subrecipient institution's authorized official (typically the Director of Sponsored Programs/Research or equivalent).
- Statement of Work detailing the role the collaborator will play, with any specific responsibilities or deliverables.
- Detailed Budget and Budget Justification (narrative).

The potential subrecipient must also verify that it will comply with subaward pre-qualification requirements and all terms and conditions of the prime award, should Siena receive funding.

### **Pre-Qualification of Subrecipients**

Prior to issuance of a subaward from an active grant, Siena must assess 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 issuing a subaward. The Office of Grants and Sponsored Research will send the proposed subrecipient a "Subrecipient Information Form" at the time of a notice of award. This form requests a variety of organizational information, including information on the financial systems, debarment status, and recent audits of the proposed subrecipient entity.

Once the Subrecipient Information Form is returned, OGSR will conduct a risk assessment. If the risk analysis results in a high level of financial risk, OGSR will consult with the Assistant Comptroller, and other administrators as needed, to develop a proposed risk mitigation strategy that may include special terms and conditions in the subaward agreement or other forms of more robust monitoring procedures in accordance with OMB's *Uniform Guidance*. In rare instances, Siena may determine that the risk of entering into a subaward with the proposed entity is excessive and not move forward with executing the agreement.

### **Issuance of a Subaward**

A subaward will not be issued, nor payments to a subrecipient authorized, prior to Siena's receipt and acceptance of a funding commitment from the prime sponsor (i.e., a grant is awarded) nor prior to completion of a subrecipient risk assessment. A Siena PI or designee may not authorize a subrecipient to begin working until after a fully executed subaward agreement between Siena and the subrecipient is in place. Proposed subrecipients who commence work without a fully signed subaward agreement from the College do so at their own risk and have no assurance of payment from Siena. In the event that a subaward is subsequently issued to a subrecipient, a subrecipient may claim costs properly incurred under its own risk, provided that the costs are otherwise

allowable. In such cases, the Subrecipient must furnish evidence to Siena that all required compliance approvals were in place at the time the costs were incurred.

The Director of Grants and Sponsored Research will create an appropriate subaward document and coordinate its execution by both organizations. The following items must be on file before a subaward is issued or changed.

- Copies of the subrecipient's F&A and fringe benefit rate agreements
- Copies of the subrecipient's human subjects approval and approval to use animals, if applicable
- A copy of the subrecipient's most recent audit or link to its record on the Federal Audit Clearinghouse
- Any special requirements the PI wishes to impose (prior approval requirements, report formats or due dates, etc.)

OGSR will consult with the PI/PD as needed to clarify requirements or to obtain additional information.

### **Subaward Period of Performance and Duration**

The period of performance of a subaward (including any requested extensions) may not be outside of Siena's period of performance for the prime award or a competitive segment under the prime award. Subawards may, however, be issued for shorter periods of time than Siena's full period of performance. If applicable, a new subaward will be issued after Siena's sponsored project receives funding under a new competitive segment.

### **Subrecipient Monitoring**

As a pass-through entity, Siena must monitor the subrecipient to ensure that the subaward is used for authorized purposes, is in compliance with federal statutes and regulations, and achieves performance goals. Failure to adequately monitor the compliance of subrecipients could result in financial penalties, legal consequences, and reputational damage to the College and jeopardize current and future funding. It is the responsibility of Siena College, as the pass-through entity, to ensure the good stewardship of external funding. All funds assigned to subrecipient organizations should receive the same diligence as sponsored funds that remain at Siena.

Subrecipient monitoring responsibilities are shared and include the following.

#### *Principal Investigator (PI/PD):*

- Monitoring programmatic/technical progress and ability of the subrecipient to meet objectives of the subaward (which may include as appropriate: detailed review of programmatic/technical reports, providing subrecipients with training and technical assistance on program-related matters, performing on-site reviews of the subrecipient's program operations, etc.)
- Providing written confirmation of subrecipient compliance with programmatic/technical progress to the Finance Office via signature on subrecipient invoices and/or email confirmation **OR** notify the Finance Office of issues of non-compliance or performance deficiencies
- Performing site visits as necessary
- Following up to ensure that the subrecipient takes timely and appropriate action to correct programmatic/technical deficiencies

*The Assistant Comptroller and Director of Financial Compliance in collaboration with the Director of Grants and Sponsored Research:*

- Identifying to the subrecipient the federal award information (e.g., CFDA title and number, award name, name of federal agency) and applicable compliance requirements, including any appropriate flow-down provisions from the prime agreement
- Determining whether or not the subrecipient or its PIs are debarred or suspended from receiving federal funds, prior to issuing a subaward agreement and at least annually thereafter
- Reviewing invoices from subrecipients to ensure that invoices are within the parameters of the subaward budget and within the dates of the subaward agreement, and questioning expenditures if necessary
- Ensuring that invoices are approved by the PI or his/her designee and submitted to the Finance Office in a timely manner
- Requesting clarification and/or documentation from the subrecipient if there are any unusual or excessive charges invoiced by the subrecipient
- Maintaining copies of all invoices that provide evidence of the regular review of invoices by the PI. "Evidence" can be in the form of authorized signature by the PI or his/her designee, PI's initials, email communications, or notes of meeting between the PI with the OSP administrator
- Maintaining documentation of monitoring efforts (copies of email, phone log, etc.)
- Requesting single-audit compliance status and documentation at least annually from all subrecipients whose subawards are subject to mandatory monitoring. If the subrecipient has not yet completed its single audit for the fiscal year in question, the OSP will continue to follow up with the subrecipient until the audit has been performed and will impose appropriate sanctions, including but not limited to withholding payment and issuance of new or renewed subwards, until the subrecipient's audit requirements have been met.
- Reviewing the subrecipient's single-audit documentation and certification letters to verify that there were no audit findings related to federal funds provided by Siena College. Siena will inquire further into those that are deemed to require closer scrutiny and take appropriate action.

The above list is not exhaustive of all compliance requirements. In addition to the general elements of compliance noted above, there may be additional sponsor- or program-specific requirements that mandate collecting and documenting other assurances (e.g., lab animals, human subjects, biohazards, etc.) during the course of a project. OGSR and the Assistant Comptroller will work with PIs and sponsored research administrators at the subrecipient organization to establish channels of communication that facilitate compliance with subrecipient monitoring requirements. Additional monitoring may be required, depending upon factors such as the size of the subaward, award complexity, sensitivity of the work and/or extensiveness of the governing regulations, prior experience with the subrecipient, and the sophistication and experience of the subrecipient's systems, administrative operations, and staff.

#### **Federal Funding Accountability and Transparency Act of 2006 (FFATA – Public Law 109-282).**

This Act requires full disclosure of all entities and organizations receiving Federal funds including grants, contracts, loans and other assistance and payments through a single publicly accessible web site, [USASpending.gov](http://USASpending.gov).

When Siena receives a Federal award (as a contract and/or a grant) directly from a Federal sponsor and issues a sub-award, that sub-award may be subject to FFATA reporting.

The following Federal awards are excluded from FFATA reporting:

- Federal awards (contracts and/or grants) to entities that had a gross income, from all sources, of less than \$300,000 in the entities' previous tax year;

- Federal awards (contract and/or grants) to individuals who apply for or receive Federal awards as natural persons (i.e. unrelated to any business or non-profit organization that an individual may operate in his or her own name);
- Transfers of title between Federal agencies of Federally owned property;
- Federal awards (contracts and/or grants) in which the required reporting would disclose classified information.

#### Information to be Reported

As a Prime awardee, Siena is required to report selected information which may include the following:

The name of the entity receiving the award

The amount of the award

Information on the award including FAIN, transaction type, funding agency, etc.

The location of the entity receiving the award

A unique identifier of the entity receiving the award; and

Names and compensation of highly-compensated officers (as applicable)

#### Timeline for reporting

Siena must report by the end of the month following the month the sub- award was obligated.

#### Modification and Amendment to Existing Subaward Agreements

Any approved subaward that requires an amendment to the original proposal must be done in consultation with OGSR. An amendment is defined as a modification to the originally approved grant proposal. An example of an amendment includes but is not limited to: budget modification, revisions to original grant objectives, performance period extension, change in personnel status, and budget transfer. Only a PI/PD can initiate a modification to an originally approved subaward. Once an amendment request is submitted by the PI/PD to the OGSR Director in writing, the request is reviewed. If the amendment requires a material change to an existing subaward agreement, the OGSR Director will consult with appropriate personnel in the Office of Finance and Administration prior to agreeing to any modification. Modifications and amendments will be processed in the same manner as new subaward agreements.

#### Closeout of Subawards

A subaward is closed out when its period of performance comes to an end, regardless of whether Siena's research project is ending or continuing. When feasible, it is advisable for a subaward period of performance to be shorter than Siena's, to allow sufficient time for collection and review of the subrecipient's final reports, verification of subrecipient data, and incorporation of the subrecipient's research results into Siena's final technical report to the sponsor. The [Subaward Final Closeout Certification](#) form will need to be completed by the PI at the conclusion of a subaward. Some elements of the closeout process include the following.

##### (i) Final Technical Reports

PIs are responsible for obtaining final technical reports from their subrecipients and retaining a copy in their project file. PIs are encouraged to remind subrecipients of this need well in advance of the due date for such reports.

##### (ii) Other Closeout Reports and Documents

Other final reports, including property reports and patent reports (if applicable), may be required. PIs and departments may be asked to assist OGSR in obtaining the necessary closeout reports in a timely manner from the subrecipient.

(iii) Final Invoicing

In order for Siena College to comply with its financial report requirements, subrecipients are required to submit a final invoice, clearly marked FINAL to Siena no later than 60 days after the end of the subrecipient's period of performance, or such other date as may be specified in the subaward. In the event no invoice is received 60 days after the end of a subaward, Siena may treat the subrecipient's last invoice as the final invoice. Payment for subrecipient invoices submitted to Siena later than 60 days after the end of the subaward may not be paid. PIs and departments are responsible for assisting in obtaining final closeout information, including invoices, from their subrecipients.

This policy has been informed by similar policies at Agnes Scott College, Alfred University, Carleton College, and Cornell University.

**Resources**

- Office of Grants and Sponsored Research [website](#)
- [External Grants Handbook](#)
- [2 CFR 200.331](#) – Requirements for pass-through entities

**Adopted:** January 17, 2018

**Reviewed:** April 2023