

## MCRI Subrecipient Monitoring Policy

### 1. SCOPE

- 1.1. System-wide
  - This policy is applicable to any sponsored proposal submitted and/or subsequent award funded through Marshfield Clinic Research Institute that includes subrecipients.
- 1.2. Facilities and departments included in the scope are further defined in the [Scope Definitions Resource Guide](#) if not specifically outlined above.

### 2. DEFINITIONS & EXPLANATIONS OF TERMS

- 2.1. Abbreviations:
  - CFR: Code of Federal Regulations
  - F&A: Facilities and Administrative
  - FAC: Federal Audit Clearinghouse
  - MCRI: Marshfield Clinic Research Institute
  - OMB: Office of Management and Budget
  - PD: Project Director
  - PI: Principal Investigator
  - PTE: Pass Through Entity
  - SMC: Subrecipient Monitoring Committee
  - SP: Sponsored Programs
- 2.2. Definitions:
  - Federal Audit Clearinghouse: A division of the Office of Management and Budget (OMB) that collects information on audit results.
  - Uniform Guidance: An OMB publication entitled "Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards." Code of Federal Regulations, Title 2 – Subtitle A – Chapter II – Part 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards.
  - Pass through entity: A non-federal entity that provides a federal award to a subrecipient to carry out a federal program. Also referred to as a PTE in federal documents.

- Prime recipient: The direct recipient of funds to support a sponsored research project.
- Subaward (subcontract or subgrant): An enforceable agreement, made under a prime award, between a prime recipient and a subrecipient for the performance of a substantive portion of the program. These terms do NOT apply to the procurement of goods or services from a vendor.
- Subpart F, Uniform Guidance: Subpart F sets standards for obtaining consistency and uniformity among Federal agencies for the audit of non-Federal entities expending Federal awards.
- Sponsored project: A funding arrangement in which MCRI is providing a return benefit to, or agrees to provide a defined deliverable or complete a set of activities for, the sponsor in exchange for the funds, regardless of whether the funding instrument is designated a contract, cooperative agreement, grant, consortium agreement, or otherwise.
- Subrecipient (subcontractor or subawardee): An organization eligible to receive a financial award. A subrecipient's performance is measured against whether the objectives of the sponsored program are met; subrecipients have responsibility for programmatic decision-making and for adherence to applicable program compliance responsibilities. Subrecipients are responsible for performing a substantive portion of the program, as opposed to providing goods and services.
- Contractor (Vendor): An organization that provides goods and services within normal business operations. Vendors provide similar goods and services to many different purchasers; operate in a competitive environment; and provide goods or services that are ancillary to the operation of the sponsored program. Vendors may not be subject to all compliance requirements.

### 3. POLICY BODY

Marshfield Clinic Research Institute (MCRI) is required to monitor the programmatic and financial activities of its subrecipients in order to ensure proper stewardship of sponsored funds. This policy addresses institutional responsibilities to ensure that, in addition to achieving performance goals, subrecipients comply with federal and state laws, regulations, MCRI policy and procedures, and the provisions of the agreement that governs the subaward.

OMB Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (2 CFR §200) ("Uniform Guidance"), specifically sections §200.330 and §200.331, require prime recipients of federal funds to monitor subawards and to ensure subrecipients meet the audit requirements in Subpart F and use funds in accordance with applicable laws, regulations, terms and conditions of the award.

This Subrecipient Monitoring Policy applies to all subawards and shared agreements issued under sponsored funding awarded to the Marshfield Clinic Research Institute, without regard to the primary source of funding.

- 3.1. As a recipient of federal funding that expends \$750,000 or more per fiscal year, MCRI must ensure that its subrecipients comply with the Uniform Guidance administrative requirements, cost principles and audit requirements. MCRI's responsibilities include:
  - a. Informing the subrecipient of all applicable federal and state laws, regulations and all appropriate flow-down provisions from the prime agreement
  - b. Reviewing the subrecipients' audit results via the Federal Audit Clearinghouse. <https://harvester.census.gov/facdissem/Main.aspx>
  - c. Reviewing any corrective actions cited by subrecipients in response to their audit findings, where the audit findings are related to MCRI's awards to the subrecipients
  - d. Issuing a management decision on subrecipient's audit findings within six months after acceptance of the audit report by the Federal Audit Clearinghouse (FAC) and ensuring the subrecipient takes appropriate and timely corrective action
- 3.2. Subrecipient monitoring responsibilities are shared among the following:
  - a. Principal Investigators (PIs)/Project Directors (PDs) have the primary responsibility of monitoring subrecipients' progress, and ensuring compliance with all applicable regulations of both the prime and subrecipient award terms and conditions.

- b. Department/Center/Research Administrators assist PIs/PDs in reviewing their monitoring responsibilities, reviewing subrecipient invoices, identifying and following up on questionable expenditures, if necessary, maintaining documentation of monitoring efforts and ensuring that PI/PD approvals are obtained and documented.
  - c. Sponsored Programs (SP) ensures that MCRI's subrecipient monitoring policies and procedures comply with federal and state laws, regulations, Health System policy and procedures and other applicable regulations and that these are applied consistently. SP may provide further training and guidance in interpreting regulations and subrecipient award terms and conditions.
  - d. MCRI Subrecipient Monitoring Committee regularly reviews subrecipient risk assessments, assists in developing monitoring plans, and reviews results of subrecipient findings, corrective action plans, and other related issues brought to its attention.
  - e. MCRI Executive Director reviews and approves certain high risk subrecipients at the proposal stage and as necessary during the life of an award.
- 3.3. Consequences to MCRI for findings of non-compliance, i.e. failing to have in place and enforcing subrecipient monitoring include:
- a. Temporarily withhold cash payments pending correction of the deficiency or more severe enforcement action by the Federal awarding agency.
  - b. Disallow (that is, deny both use of funds and any applicable matching credit for) all or part of the cost of the activity or action not in compliance.
  - c. Wholly or partly suspend or terminate the Federal award.
  - d. Initiate suspension or debarment proceedings as authorized under 2 CFR part 180 and Federal awarding agency regulations (or in the case of a pass-through entity, recommend such a proceeding be initiated by a Federal awarding agency).
  - e. Withhold further Federal awards for the project or program.
  - f. Take other remedies that may be legally available.

#### 4. ADDITIONAL RESOURCES

##### 4.1. References:

- [Uniform Guidance](#) §200.330 Subrecipient and contractor determinations, §200.331 Requirements for pass-through entities, and §200.501 Audit requirements.
- [MCRI Subrecipient Process](#)

##### 4.2. Supporting documents available:

- [MCRI Subrecipient](#) Process – 12 Steps
- Subaward Determinant Questionnaire
- Subrecipient Commitment Form
- Request to Establish Subaward

**5. DOCUMENT HISTORY**

Version No.	Revision Description
1.0	New Document
2.0	
3.0	

## 6. DOCUMENT PROPERTIES

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