



# Departmental Administrative Policy and Procedure

**Subject:** Subrecipient Monitoring

**Number:** UW DAP 9-3.2

---

## I. PURPOSE

Consistent with federal regulations and principles, the University is responsible for monitoring the programmatic and financial activities of its Subrecipients to ensure proper stewardship of funds on Sponsored Projects. Responsibility for monitoring Subrecipients is a joint effort between the Principal Investigator, departments, colleges or centers, the Office of Pre-Award Services, and the Office of Sponsored Programs. Failure to adequately monitor the compliance of Subrecipients could result in audit findings and could jeopardize current and future funding. It is the responsibility of the University, as the Pass-Through Entity, to ensure the good stewardship of sponsored funding.

## II. DEFINITIONS

**Pass-Through Entity (PTE):** A recipient of funding that provides a Subaward to a Subrecipient, including lower tier Subrecipients, to carry out all or part of a Sponsored Project.

**Principal Investigator (PI):** The primary individual responsible for the overall conduct of the research or Sponsored Project, ensuring compliance with all sponsor terms and conditions, scopes of work, applicable laws, and University policies and procedures.

**Risk Assessment:** The process of evaluating a Subrecipient's risk of non-compliance with federal statutes, regulations, and terms and conditions of the Subaward based on a history of performance, financial stability, effective management practices, and audit findings to determine the appropriate level of Subrecipient monitoring.

**Sponsored Project:** An externally funded activity that obligates the University to carry out defined deliverables, complete activities, or meet performance and reporting requirements, regardless of the funding instrument used. Sponsored Projects include contracts, cooperative agreements, grants, consortium agreements, or other instruments.

**Subawards:** Enforceable agreements, issued under a Sponsored Project, between the University and a Subrecipient for the performance of a substantive portion of the Sponsored Project. This term does not apply to the procurement of goods or services from a Contractor.

**Subrecipient:** An entity that receives a Subaward from the University, as a PTE, to perform an intellectually or programmatically substantive portion of a Sponsored Project.

### III. POLICY

The University, including PIs and University administrators, must ensure that, in addition to achieving performance goals, Subrecipients comply with applicable federal and state laws and regulations, applicable University regulations, sponsor terms and conditions, and the provisions of each Subaward. All PIs and employees at the University who are involved with the administration and conduct of Sponsored Projects that issue and manage Subawards must comply with this Policy. To ensure consistent oversight of federally funded subawards, the University applies the federal standards set forth in 2 CFR 200 (“Uniform Guidance”) when assessing outgoing Subawards supported by federal funds.

### IV. MONITORING PRACTICES

The University will evaluate each Subrecipient's risk of noncompliance to determine the appropriate monitoring level needed under the Subaward. The designated level of risk will determine how activities of the Subrecipient organizations are monitored, to ensure that the Subaward is in compliance, and ensure Subrecipients are audited as required.

**A. Risk Evaluation.** To evaluate risk, prior to issuing the Subaward, the University’s Office of Pre-Award Services performs a Risk Assessment based on the information collected from the Subrecipient Information Form and designates a risk level of low, moderate, or high risk. Based on the assigned level of risk, suitable oversight requirements will be implemented by the University as follows:

#### 1. Low Risk:

- a. Annual reporting and review:** The PI will conduct a review of the Subrecipient’s financial reports and performance data required from the Subrecipient on at least an annual basis or as otherwise required by the terms of the Subaward.
- b. Regular communication:** The PI or PI’s designee will maintain regular, but not intensive, communication with the Subrecipient to provide updates and address any minor issues.
- c. Site visits:** The PI will conduct occasional site visits, if necessary, based on specific circumstances or Subaward requirements.

**2. Moderate Risk:**

- a. Reporting and review:** The PI will conduct more frequent and detailed reviews of financial and performance reports required from the Subrecipient, typically on a quarterly basis and including transactional level details.
- b. Increased communication:** The PI or PI's designee will engage in more frequent communication with Subrecipient to provide guidance and address emerging issues.
- c. Periodic site visits:** The PI will conduct periodic site visits to observe operations and verify compliance with Subaward requirements.
- d. Desk reviews:** The PI will perform more thorough desk reviews of the Subrecipient's documentation and financial statements.

**3. High Risk:**

- a. Monthly reporting and review:** The PI will closely monitor progress and compliance through mandated, detailed monthly financial and performance reports required of the Subrecipient.
- b. Frequent communication:** The PI or PI's designee will maintain ongoing, intensive communication with the Subrecipient to provide immediate support and address any issues promptly.
- c. Regular site visits:** The PI will conduct regular and comprehensive site visits to closely monitor the Subrecipient operations and provide on-site assistance.
- d. Detailed desk reviews:** The PI will perform in-depth desk reviews of all the Subrecipient's documentation and financial records to identify and mitigate risks.

**B.** Actual monitoring requirements will be tailored to the specific circumstances of each Subaward. Exceptions may apply if established relationships have demonstrated previous accountability and compliance. Specific roles and responsibilities for carrying out these activities are outlined in Section V below; however key elements of effective Subrecipient monitoring include the following core practices:

- 1.** Knowledge of the terms and conditions of the Subaward,

2. Regular communication between all University and Subrecipient stakeholders,
3. Initial Risk Assessment and continuing assessments as necessary,
4. Review of invoices and financial reports,
5. Review of any non-financial reports as required by Subaward terms and conditions, and
6. Maintaining documentation to support Subrecipient monitoring efforts.

## V. ROLES AND RESPONSIBILITIES

Subrecipient monitoring is a joint effort between the PI, departments, colleges or centers, the Office of Pre-Award Services, and the Office of Sponsored Programs. Each are tasked with mitigating risk and ensuring Subrecipient compliance. If a PI, department, college or center, the Office of Pre-Award Services, or the Office of Sponsored Programs believes that Subrecipients are not compliant with their Subawards, any federal or state law, or any University policies and procedures, then they shall work together with the Research and Economic Development Division and the Office of General Counsel to determine next steps, up to and including termination of the Subaward if necessary.

Other responsibilities of the parties include, but are not limited to, the following:

- A. **Department Chairs/Center Directors.** University unit leaders, such as department chairs, directors, and deans, are responsible for providing oversight to their PIs and administrators to ensure compliance with Subrecipient monitoring requirements.
- B. **Departmental/Center Administrators.** University unit administrators, such as project coordinators, business managers, and accountants, are responsible for the following:
  1. Creating WyoCloud Requisitions,
  2. Reviewing Subaward terms and conditions,
  3. Completing financial review of Subrecipient invoices for availability of funds, allowability, allocability, reasonableness and timeliness, and verifying that the invoice and any applicable supporting documentation align with all Subaward agreement terms and conditions,
  4. Completing receipt processing in WyoCloud after confirming compliance with financial and contractual requirements,

5. Assisting with communication and clarification of any charges which appear to be unallowable, unusual, or excessive,
6. Forwarding copies of property, invention, and cost-share reports to the Office of Sponsored Programs,
7. Completing change orders on purchase orders, as applicable, for amendments and closeout requirements, and
8. Confirming all invoices have been collected and paid, and all required deliverables and reports have been received.

C. **The Office of Pre-Award Services.** The Office of Pre-Award Services is responsible for the following:

1. Making the final determination if the relationship with an entity is that of a Subrecipient,
2. Conducting a review of each Subrecipient's proposal, including but not limited to the statement of work, budget, approvals, and indirect cost rates,
3. Conducting a Risk Assessment and determining the appropriate methods of monitoring in conjunction with the PI and the Office of Sponsored Programs,
4. Verifying the Subrecipient, Subrecipient's PI, or those performing services under Subawards are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded by any federal department or agency from participation and maintaining documentation regarding the verification,
5. Verifying and securing updated Subrecipient certifications and required compliance approvals, such as Institutional Review Board, Institutional Animal Care and Use Committee, Institutional Biosafety Committee, Radiation Safety Committee, and conflict of interest approval,
6. Preparing Subawards for Subrecipients, including appropriate terms and conditions of the prime award, data elements, and such other terms and conditions as applicable and necessary to address deficiencies identified in the Risk Assessment,
7. Reviewing Subrecipient audit reports as applicable and in coordination with the Office of Sponsored Programs,
8. Assuring that requirements for investigating and reporting on conflicts of interest are followed prior to executing awards or modifications and

forwarding potential conflict of interest cases to the Director of Research Security and Conflict of Interest,

9. Completing and submitting Federal Funding Accountability and Transparency Act (FFATA) reports, ensuring all data is precise, and meeting all established deadlines to maintain compliance with federal regulations, and
10. Ensuring Subrecipient documents and Risk Assessment materials are uploaded to the University's electronic research administration (eRA) system.

**D. Office of Sponsored Programs (OSP).** The Office of Sponsored Programs is responsible for the following:

1. Conducting and documenting the annual review of Subrecipient audit reports, as applicable,
2. Issuing a management decision for any Subrecipient audit findings,
3. Conducting desk audits of Subrecipients as necessary,
4. Overseeing Subrecipient invoice workflow, and
5. Ensuring Subrecipient invoices are paid within thirty (30) days.

**E. Principal Investigators.** PIs are responsible for the following:

1. Making an initial determination if the relationship with an entity is that of a Subrecipient,
2. Approving Subawards, including final budget, any deliverable requirements, and scope of work,
3. Reviewing Subrecipient technical performance reports required under the Subaward and emailing them to University of Wyoming Outgoing Subawards at [outgoingsubawards@uwyo.edu](mailto:outgoingsubawards@uwyo.edu) for record retention,
4. Ensuring the University department, college, or center administrators are aware of the Subaward and any requirements,
5. Confirming Subrecipient expenses are consistent with the work performed and approving invoices,
6. Contacting the Subrecipient to get additional support for any expenses that appear inappropriate in coordination with the unit administrator,

7. Documenting conversations, retaining communications, and following up with the Subrecipient,
8. Conducting on-site visits as necessary to verify compliance with scientific objectives,
9. Verifying that work performed by the Subrecipient is conducted in a timely manner and is acceptable, and
10. Promptly reporting issues regarding the Subrecipient to the Office of Sponsored Programs administrator.

**Responsible Division/Unit: Office of Budget and Finance and the Research and Economic Development Division**

**Source:** 2 CFR §200.305, 2 CFR §200.332, and 2 CFR §200.521.

**Links:** <http://www.uwyo.edu/regs-policies>

**Associated Regulations, Policies, and Forms:** None

**Approved:** 4/13/2026