



# NORTHERN NEW MEXICO COLLEGE

## Subrecipient Monitoring Policy 2430

**Administered by:**

NNMC Administration and Finance Office

*In coordination with*

the NNMC Grants Office

Drafted 9.27.18

Pending approval by the NNMC Board of Regents

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Approved

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## Reason for Policy

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Federal Uniform Guidance 2 CFR §200.331 requires pass-through entities to evaluate subrecipient's risk and determine appropriate monitoring levels prior to the subaward being executed. In addition, pass-through entities are required to monitor the activities of subrecipient organizations to ensure that the subrecipient complies with applicable Federal statutes and regulations and terms of the subaward, as well as verify that subrecipients are complying with the single audit rule as required by Subpart F of the Uniform Guidance.

## Policy Statement

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It is the responsibility of Northern New Mexico College (NNMC) to ensure financial and programmatic monitoring of sponsored project funds that are subcontracted to another institution, organization, or individual ("subrecipient"). Prior to awarding a subrecipient, NNMC will assess the subrecipient organization's financial and internal controls and via a risk assessment questionnaire.

NNMC subaward agreements will inform subrecipients of federal laws or regulations, terms and conditions of the prime award or agreement, and any additional NNMC requirements that may apply to the subrecipient relationship. The subrecipient agreement must include the information regarding the prime award, including the Catalog of Federal Domestic Assistance (CFDA) number (if applicable), Federal Award Identification Number (FAIN), title, award name and number, award dates, and sponsoring agency, and other information as required by 2 CFR §200.331. A signature from the subrecipient is acknowledgement of an intent to comply with all stated requirements.

## Scope

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This policy applies to all subawards issued by NNMC and addresses institutional responsibilities in ensuring that, in addition to achieving performance goals, subrecipients comply with applicable Federal laws and regulations and with the provisions of each subaward agreement. The objectives of this policy are to:

- a) Monitor subrecipient costs and activities to ensure that expenditures charged to NNMC are allowable, allocable, and reasonable, and reflected in the budget as well as in the scope of work.
- b) Ensure that the performance goals in the scope of work are being met in a timely manner.
- c) Ensure that cost-share commitments made by subrecipients are documented.
- d) Conduct a subrecipient risk assessment for each proposed subrecipient prior to initiating an agreement in order to determine the level of monitoring required.
- e) Ensure that subrecipients expending \$750,000 or more in Federal awards during the subrecipient's fiscal year have met the single audit requirements for that fiscal year.
- f) Issue management decisions on audit findings within six months after receipt of the subrecipient's single audit and ensure that the Subrecipient takes appropriate and timely corrective action.
- g) Consider whether subrecipient audits necessitate adjustment of NNMC's records, such as budget modifications, or re-allocation of cost-shared resources.

## Who Must Comply

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As a recipient of Federal sponsored projects, NNMCMust comply with the guidelines outlined in the Uniform Guidance 2 CFR §200.331. As such, all NNMCMust Principal Investigators (PIs), Program Directors (PDs), and administrators who are involved with the administration and conduct of sponsored awards that issue and manage subawards must comply with this policy.

## Roles and Responsibilities

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Subrecipient monitoring responsibilities are shared among the following:

- ❖ PIs/PDs are responsible for:
  - 1) ensuring that the risk assessment questionnaire has been submitted to the proposed subrecipient prior to issuing a subaward;
  - 2) issuing subaward agreements with all required information per the Uniform Guidance and monitoring requirements determined in the risk assessment;
  - 3) monitoring each subaward throughout the period of performance for both programmatic and fiscal compliance.
- ❖ The Vice President of Administration and Finance (CFO) is responsible for:
  - 1) issuing of the risk assessment questionnaire to assess internal controls, past grant performance, and review of most recent single audits;
  - 2) rating of risk assessments, and determining eligibility and required monitoring of the proposed subrecipient.
- ❖ The Provost is responsible for approving all high-risk subawards.
- ❖ The NNMCMust Grants Office is responsible for:
  - 1) educating PIs/PDs of their responsibilities regarding this policy;
  - 2) assisting PIs/PDs in drafting subawards documents prior to submission to the recipient;
  - 3) reviewing all subrecipient expenditures for allowability, allocability, reasonableness, and compliance with applicable terms and conditions;
  - 4) ensuring that cost-share commitments are met and documented correctly on invoices; and
  - 5) requesting and reviewing subrecipient single audits on an annual basis and report any concerns to the CFO and PI/PD.

## References & Links

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Federal Uniform Guidance: <https://www.gpo.gov/fdsys/pkg/CFR-2014-title2-vol1/pdf/CFR-2014-title2-vol1-sec200-331.pdf>