

Subaward Risk Assessment & Monitoring Directives & Procedures

Responsible Office: Division of Sponsored Programs (DSP)

Effective Date: August 1, 2019

Last Revision: March 11, 2024

Proper Classification and Prior Approval

Prior to issuance of a subaward, the Division of Sponsored Programs (DSP) confirms the work meets the criteria of a subaward (2 CFR 200.331) and there is authority to issue the subaward. Each award will be reviewed to determine what level of Sponsor approval is required, including if the Sponsor must approve the actual terms of the subaward before execution. The Division of Sponsored Programs reserves the right to assess any entity with whom it has a subaward relationship at any time.

Entity Risk Assessment

During the Entity Risk Assessment phase, DSP evaluates the subrecipient's risk of noncompliance with statutes, regulations, and the terms and conditions of the award. Evaluation of the subrecipient's status as an eligible recipient under state and federal statutes, regulations and policies is performed during the Project Risk Assessment phase.

The following are exempt from DSP Entity Risk Assessment procedures:

1. US federal government and Florida state government entities;
2. Subawards issued under non-federally funded NIH-defined clinical trials or prospective observational research to enrolling-only sites; and
3. Entities for whom a risk assessment was performed in the last 365 days.

DSP evaluates subrecipient risk by reviewing information available in such resources including but not limited to:

1. Federal Demonstration Partnership Expanded Clearinghouse
2. Federal Audit Clearinghouse
3. SAM.GOV Responsibility/Qualification (formerly FAPIIS)
4. Descartes Visual Compliance
5. Contracts & Grants Subaward Database; and
6. Documents provided by Subrecipient (i.e. policies, rate agreements, questionnaires, references).

DSP identifies whether the proposed subrecipient's internal controls over sponsored funds pose a (a) less than minimal risk or (b) greater than minimal risk. Risk mitigation strategies are determined during the Project Risk Assessment Phase.

Project Risk Assessment

A project risk assessment is performed by DSP each time a subaward is issued or modified. There are three elements of the Project Risk Assessment: (1) entity eligibility; (2) if the Entity Risk Assessment has determined the entity poses a greater than minimal risk, the nature of the risk relative to the project specific circumstances; and (3) the risk of subaward activities on overall project compliance and success.

The entity eligibility review includes:

1. Review of SAM.GOV Responsibility/Qualification (formerly FAPIIS) to confirm the entity is not debarred, suspended, had termination for cause or otherwise sanctioned; and
2. If the subrecipient is foreign, leveraging dynamic screening through Descartes Visual Compliance.

The evaluation of the greater than minimal risk nexus with the project specific circumstances requires analysis of the nature of the risk determination, the scope of work and the requirements of the project. For example, if an entity had audit findings relative to inventory management but the subaward is limited to salary recovery only, no mitigation may be required.

The evaluation of the risk of subaward activities on overall project compliance and success includes:

1. Significant portion of the overall project budget allocated to a single subrecipient
2. Significant cost sharing
3. Overall size of the subaward
4. Dependency of UF overall SOW on subrecipient deliverables or activities
5. Evidence of financial conflict of interest
6. Sharing of sensitive or restricted data
7. Work occurring or executed by parties subject to laws outside the United States
8. Work subject to export controls

Establishing Agreement

When drafting a Subaward Agreement, the DSP Subaward Team is responsible for including mitigation language that properly addresses the entity and/or project risks identified. DSP is also responsible for reviewing for appropriate flow down clauses to include from the prime award. While these are not generally specific risk mitigation measures, the proper drafting of a Subaward Agreement provides clarity to expectations and can reduce institutional risk.

Subrecipient Monitoring

The UF Research Office of Contracts and Grants Accounting (C&G) executes the following tasks as part of its Subrecipient Monitoring procedures:

- Monitor costs and activities of subawards to ensure adherence to the terms and conditions of the award and the scope of work.
- Verify that Subrecipients expending \$750,000 or more in federal awards during the Subrecipient's fiscal year have met the OMB Uniform Guidance audit requirements for that fiscal year.
- Issue management decisions on audit findings pertaining to any UF subawards and ensures that the Subrecipient takes appropriate and timely corrective action.
- Consider whether Subrecipient audit findings or monitoring activities necessitate repayment.