

# BOSTON COLLEGE - OSP EXCHANGE

## Subrecipient Monitoring and Management

April 26, 2022



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Office For Sponsored Programs

## Presented by:

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Subawards, Office for Sponsored Programs  
&

Michelle Blanchette, Senior Internal Auditor, Internal Audit



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## Admin Matters

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**We will address questions at the end of session. Please enter questions into the Chat.**

**Everyone should have the following three addendums to refer to:**

- 1) Risk Assessment Form**
- 2) Subrecipient Invoice Checklist**
- 3) Subrecipient Invoice Payment Process Flowchart**



## Special Welcome

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**Miranda Pantano,  
Associate Director for International Subawards**

***miranda.pantano@bc.edu***



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## Backstory

Internal audit of Subrecipient Monitoring identified process improvements that would strengthen operations. A 5-week collaboration resulted during which time the following new forms and procedures were created:

New Risk Assessment and documented SOPs

New Subrecipient Invoice process effective June 1 – mandatory checklist, invoice template, OSP PeopleSoft approval and documented SOPs

FFATA documented SOPs





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## **Why is this important?**

Uniform Guidance requires Boston College to conform with its subrecipient regulations (refer to 2 CFR 200.330).

Boston College could be subject to a federal audit and any non-compliance could result in substantial fines and penalties and expose the University to increased federal scrutiny.

Everyone is a part of the process and contributes to a system of internal control to achieve regulatory compliance.



# Redesigned Risk Assessment Form & SOPs

**Boston College Office for Sponsored Programs  
Subrecipient Risk Assessment Tool**

*Note to user: This form is based on the 2018-2019 OIG report. Boston College requires all subrecipients to complete this risk assessment tool. The BC Subrecipient Risk Assessment Tool is used to evaluate risk associated with a subrecipient's federal risk to provide the University with an overall assessment of the potential for non-compliance with federal regulations. Additional risk mitigation strategies may be included in the assessment. Examples of increasing monitoring which may be included in the overall risk assessment are: "High" risk subrecipients may be required to provide additional documentation with reporting documentation from the subrecipient's accounting system, if applicable, at certain budget categories. Reporting requirements may be required for certain subrecipients. If applicable, subrecipients may be required to provide additional documentation, if appropriate, to support work and reporting. If increased monitoring is needed, the reporting of the subrecipient, as supported by the Reporting and Monitoring Administration, to include documentation of increased monitoring to the extent of an internal or external audit.*

Subrecipient #: \_\_\_\_\_  
 Prime Sponsor: \_\_\_\_\_  
 Subaward #: \_\_\_\_\_  
 Sub obligation: \_\_\_\_\_

Reviewer Name: \_\_\_\_\_  
 Date Reviewed: \_\_\_\_\_  
 Audit Signature: \_\_\_\_\_

Criteria	Low Risk	High Risk	Weight	Maximum Low Score	Weighted Score	Notes
Foreign or Domestic	Domestic	Foreign	3	3	3	
History of Subrecipient	More than 10 years	Start-up, no fiscal records in place yet	3	3	3	
Subrecipient Organization Type	University	Industry	2	2	2	
Prime Award Type	Grant	Contract	2	2	2	
Prime Experience Working with Sub	Previous positive experience	New subrecipient or previous negative experience	2	2	2	
Amount/Percentage of Subgrant/Subaward	Funding level < \$100K or < 25% of total funds allocated to subrecipient	Funding level > \$100K or > 25% of total funds allocated to subrecipient	2	2	2	
Statement of Work/Performance	Report only, objectives easily met	Timely progress, deliverables necessary to achieve project success	2	2	2	
OMB Single Audit or Other Audit Report on File**	OMB single audit	No OMB single audit	2	2	2	
Significant Audit Findings***	No	Yes	2	2	2	
Compliance with OMB, DOD, or other applicable laws, regulations, or executive orders	Yes	No	2	2	2	
Subaward Prime Type	Fixed price	Cost reimbursable	1	1	1	
Required Federal Cost Rate	Yes	No rate agreement	1	1	1	
Cost Sharing	No	Yes	1	1	1	
Performance System	Approved	Other or lacking internal controls	1	1	1	
Location of Work	Work occurs in domestic, established space at subrecipient facility	Subrecipient resources are located at or work occurs at remote location	1	1	1	
Potential for Conflict of Interest	No existing personal relationship to PI	Personal or relative owned business	1	1	1	

**Total Risk**

**Supplemental Questions:**

**Initial Date of Review:** \_\_\_\_\_

**Reviewer Signature:** \_\_\_\_\_

**Comments/Recommendations:** \_\_\_\_\_

**Notes or Special Considerations\*\*\*\*:** \_\_\_\_\_

**Risk Level Assignment & Action**

**Low (0 - 21)** No further action is typically necessary.

**Medium (22 - 42)** Further action may be necessary. An appropriate work guidance from PI, Business Services, ORSP, Legal and/or Risk Management.

**High (≥ 43)** Further action is necessary. An appropriate work guidance from PI, Business Services, ORSP, Legal and/or Risk Management to discuss additional terms and conditions that should be incorporated in the award.

\*\*Note - If significant audit findings are discovered, consult with the Associate Director, Financial Administration & Compliance for next steps.

\*\*\*Note - Provide copies in full of documents returned from Federal Charitable and Federal Domestic Office Partnership audits including the most recent audit report, financial statements and notes as well as Data Collection Form to the Associate Director, Financial Administration & Compliance.

\*\*\*\*Note - Include here any other comments which affect the overall risk assessment. For example, indicate if the subrecipient is operating funds on an advance basis.





## Overview of Reengineered Subrecipient Invoice process

Effective June 1, 2022, OSP will approve subrecipient invoices prior to disbursement. This will be automatically routed in PeopleSoft.

A Subrecipient Invoice Checklist will need to be completed, signed and submitted with the subrecipient invoice and supporting documentation for approval.

Everything communicated today will be on the OSP website for future reference.



## Steps of Subrecipient Invoice process

DRA sets up the PO in PeopleSoft for the awarded amount for the budget period.

DRA uploads a copy of the signed subaward agreement with the PO Requisition Request in PeopleSoft.

DRA monitors for timely receipt of subrecipient invoices.

DRA reviews invoices against OSP Subrecipient Invoice Checklist.

DRA forwards subrecipient invoice, supporting documentation and completed OSP Subrecipient Invoice Checklist to PI.

PI approves invoices as evidenced by signature/email including certification statement.

DRA uploads the signed subrecipient invoice, subrecipient invoice checklist, supporting documentation into PeopleSoft for payment

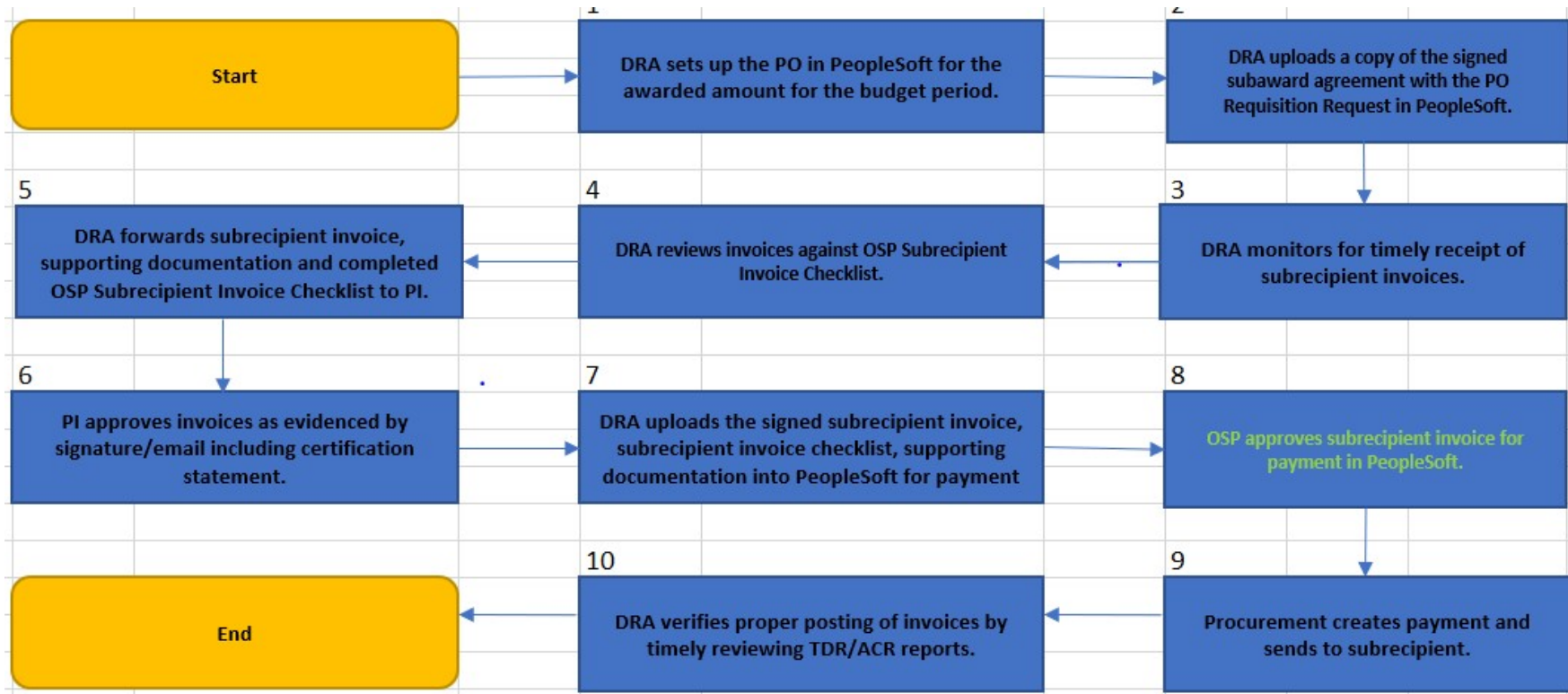
OSP approves subrecipient invoice for payment in PeopleSoft.

Procurement creates payment and sends to subrecipient

DRA verifies proper posting of invoices by timely reviewing TDR/ACR reports.



# Subrecipient Invoice Flowchart



# Templated Invoice to be included on Subrecipient Letterhead

## SAMPLE INVOICE

To be prepared on Subrecipient Letterhead

Subrecipient Phone #:	Invoice Date:
Subrecipient Email:	Invoice #:
Subrecipient EIN:	BC Project #:
	Date(s) of Service:
	Final Invoice: Yes or No (circle one)

SEND TO: Email or physical address contact(s)

REQUIRED		
EXPENDITURE CATEGORY	CURRENT PERIOD EXPENSES	YTD TOTAL EXPENSES
Salaries & Wages		
Fringe		
Materials & Supplies		
Domestic Travel		
Foreign Travel		
Capital Equipment		
Contractual		
Tuition Remission		
Other		
Total Direct Costs		
Indirect Costs		
<b>Total Costs</b>		

Please pay this amount

**REQUIRED**

By signing this report, I certify to the best of my knowledge and belief that the report is true, complete, and accurate, and the expenditures, disbursements and cash receipts are for the purposes and objectives set forth in the terms and conditions of the Federal award. I am aware that any false, fictitious, or fraudulent information, or the omission of any material fact, may subject me to criminal, civil or administrative penalties for fraud, false statements, false claims or otherwise. (US Code Title 18, Section 1001 and Title 31, Sections 3729-3730 and 3801-3812).

Signature \_\_\_\_\_

Name Title Date  
Make all checks payable to: (Subrecipient Name)



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# Completed & Signed Invoice Checklist required for OSP approval

- Ensure that the subrecipient award is fully executed prior to reviewing any subrecipient invoices.
- Subrecipient Invoice contains all of the following items per OSP Subrecipient Monitoring Policy:
  - Invoice is prepared on subrecipient letterhead.
  - Invoice includes:
    - BC Project Number
    - Invoice Number
    - Invoice Date
    - Date of Service
    - Total Period Cost
    - YTD Cost
    - If final invoice, mark 'FINAL' at the top of the invoice.
    - Approval signature of subrecipient financial representative.
  - Ensure that the subrecipient invoice number has not already been paid (prevent a duplicate).
  - Ensure that the subrecipient invoice is an original and not a photocopy (prevent a duplicate).
  - Check the subrecipient invoice against subrecipient budget to ensure:
    - Items included in the subrecipient invoice align with subrecipient budget categories. *For example, if equipment is not included in the subrecipient budget, it should not be on the subrecipient invoice.*
    - The invoiced amount, when added to YTD Cost will not cause a resulting actual total expense to exceed the subrecipient budget.
    - The date of service included on the subrecipient invoice is within the budget period.
  - Check the subrecipient invoice against the terms and conditions of the subaward which includes the prime terms and conditions to ensure there are no issues of non-compliance. *For example, the subaward terms and conditions may specify the frequency of invoicing.*
  - Review the expenses included in the invoice and supporting documentation for reasonableness, allowability and allocability to ensure in alignment with UG regulations.
  - Review the subaward to determine if the subrecipient was deemed 'High' risk. If so:
    - Determine if additional procedures/documentation is required to support invoices and ensure that information was received. For example, a High Risk subrecipient may be required to submit evidence from their accounting system to support the itemized expenses on the subrecipient invoice.
    - Ensure that the indirect cost (F&A) amount is calculated correctly in the invoice.
    - Ensure that the fringe benefits cost amount is calculated correctly in the invoice.
    - Once the DRA is satisfied with the subrecipient invoice, obtain documented PI approval to ensure the invoiced expenses are aligned with technical progress. The PI certification stamp stating '*I certify that the subrecipient has demonstrated satisfactory project performance and progress, and the charges represented on this invoice appear to be appropriate with that progress. As Principal Investigator, I approve this payment*' should be used. Alternatively, the PI may make the same statement in email format which can be attached to the subrecipient invoice.
  - Ensure that the subrecipient invoice and all supporting documentation is included in e-TRISYS records.

This checklist was completed by:

\_\_\_\_\_

Name

\_\_\_\_\_

Date



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## Subrecipient Invoice Mock Case Study – Break Out

Emily is the DRA for PI Murphy in the Chemistry Department. One of PI Murphy's prime awards from the NSF has a proposed subaward with the University of Phuket. The subaward has not been signed off on yet due to extended administrative delays and some unexpected turnover. It is also considered 'High' risk as BC has never worked with the University of Phuket before and it is an international agreement. Emily received a subrecipient invoice in Thai language with some English from the University of Phuket for 'Q1 expenses' totaling \$26,985. The subrecipient invoice has the invoice date and number along with the total amount. The total amount is within the overall budget for the subaward. PI Murphy is on a three-week vacation in France yet Emily knows that progress has been made on the subaward because she chats with PI Murphy frequently and believes it is reasonable. Emily texts PI Murphy seeking approval and receives a 'Yes, certainly' text from PI Murphy who was visiting the café at the Louvre museum at the time. Emily attaches a printout of the approval text to the invoice and submits it for payment same day to keep up with the workload on her desk.

*What steps did Emily overlook as a part of the process?*



## **FFATA**

FFATA = Federal Funding Accountability & Transparency Act (2006)

Requires institutions to report on the spending of federal funds with a \$25,000 threshold.

This was performed by the Senior Assistant Director, Preaward Administration and will be handled by the Associate Director for International Subawards moving forward.

Collaboration resulted in documented Standard Operating Procedures (SOPs) in this area.



# Key Takeaways

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- **Effective June 1, 2022, OSP will approve subrecipient invoices before they are paid.**
- **DRAs need to complete Subrecipient Invoice Checklist and attach to the subrecipient invoice.**
- **All supporting documentation for invoices must be uploaded to e-Trieve for record retention. This is proof of compliance.**





# Wrap Up

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