**UW-Madison’s subaward monitoring policies and procedures.**

Subaward monitoring is a shared responsibility at UW-Madison, with the Office of Research and Sponsored Programs (RSP) having primary responsibility for developing and administering subaward agreements. In addition, RSP relies on PIs, as well as departmental and Dean’s office staff, to assist in subaward monitoring and management.

After UW-Madison has received an award, RSP staff conducts a subrecipient vs. contractor analysis to ensure the organization has been appropriately classified as a subrecipient. If the classification is appropriate, RSP confirms information regarding the subaward with the principal investigator and department, including obtaining an updated scope of work and budget. RSP requests information from the subawardee related to audit, fringe benefit and F&A rates, and FFATA requirements. This information, along with results from the System for Award Management, is considered in the performance of a risk assessment of each subawardee. Additional compliance checks are performed to verify that the subawardee has not been otherwise restricted prior to issuance of the subaward. The results of the risk assessment are taken into account when preparing the subaward agreement and determining the appropriate subrecipient monitoring. RSP uses standardized templates for preparation of subaward agreements, employing the FDP subaward template whenever possible. Terms and conditions are negotiated as necessary, and each party signs to affirm their concurrence. For each subaward agreement, a unique purchase requisition is created.

UW-Madison’s guidance on outgoing subagreements is available at this site: <https://www.rsp.wisc.edu/awardmgt/subagmts.html>

Subaward monitoring is part of the overall award monitoring and management, to ensure that the funds are being used for authorized purposes and in compliance with regulations, terms, and conditions.  Monitoring of grants and contracts is a shared responsibility. Certain aspects of subaward oversight are the responsibility of the principal investigator.  RSP receives subaward invoices and performs an initial review of expenditures to ensure that they conform to the terms and conditions of the award. RSP staff then communicates with the PIs and their departments to verify that expenditures are appropriate and that progress is being made.

PIs are responsible for assuring the appropriateness, reasonableness, and allowability of expenditures.  They also have the technical expertise to determine if the expenditures are in keeping with the goals and objectives of the project.  They certify their satisfaction with these requirements to RSP by approving payments of subaward invoices. In the event that an invoice review raises any issues, those are addressed on a case-by-case basis, depending on the circumstances of the situation. PIs also monitor project progress through review of subrecipient technical reporting.

To assist faculty and staff in ensuring that costs are reasonable, allocable, and allowable, RSP provides the following information: <https://www.rsp.wisc.edu/awardmgt/explanation_costs.html>   General information about award management, including the PI’s responsibilities, is available here: <https://www.rsp.wisc.edu/awardmgt/oversight.html>

Subawardee audit reports are reviewed prior to initial subaward issuance and on an annual basis.  Audit reports are monitored to determine if there are any audit findings related to the subawards that UW-Madison has issued.  If any such audit findings exist, RSP issues a management letter in accordance with 2 CFR §§ 200.331(d) and 200.521 and follows up as needed.

Subawards are issued in one year increments. When the time arrives to issue a subaward modification, RSP ensures that a subawardee’s most recent audit report has been reviewed and, if necessary, that any issues have been resolved. Another compliance check is performed to verify that the subawardee has not been debarred, suspended, or otherwise restricted since the original subaward agreement was issued. This review prior to modification is also an opportunity to verify that the scope of work and budget are current and remain consistent with the regulations, terms, and conditions of the award.

RSP also maintains a subaward tracking database that is available to RSP staff, principal investigators, and departmental and divisional staff. The tracking database contains demographic data about subaward agreements, requisitions, and modifications. The database ensures that the information is available to all those responsible for oversight. In addition, an electronic subaward invoice tracking system internal to RSP is maintained. This enables RSP to closely monitor payments, obligations, and balances on subaward requisitions.

Finally, subaward closeout allows RSP, the PI, and the department a final opportunity to review expenditures and make any appropriate adjustments. All financial, performance, and other reports are gathered and submitted as required.