



SUBRECIPIENT MONITORING POLICY

Policy # RE.0010.1

Responsible Executive: Vice President for
Research and
Innovation

Responsible Office: Research and
Innovation

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I. Policy Statement

The University of Louisiana at Lafayette (“University”) is responsible for ensuring that Subrecipients receiving federal or Pass-Through Sponsored Program funds comply with applicable federal statutes, regulations, and award terms and conditions.

When the University issues a Subaward under a Sponsored Program, the University must ensure that Subrecipient activities are conducted in accordance with the Sponsor’s requirements and that funds are used for authorized purposes.

The University implements a risk-based Subrecipient monitoring program designed to:

- Ensure compliance with 2 CFR 200 (Uniform Guidance);
- Safeguard federal and other sponsored funds;
- Verify that Subrecipient performance meets project objectives; and
- Detect and address financial or compliance risks.

The University fulfills these responsibilities through documented procedures for Subrecipient determination, risk assessment, monitoring, and closeout.

II. Purpose of Policy

The purpose of this Policy is to establish institutional standards and responsibilities for the monitoring of Subrecipients under Sponsored Programs administered by the University.

Specifically, this Policy ensures that the University:

1. Complies with federal regulations governing Pass-Through Entities, including 2 CFR 200.332 (Requirements for Pass-Through Entities);
2. Applies a risk-based monitoring approach to Subrecipient oversight;
3. Ensures that Subrecipient costs are allowable, allocable, and reasonable;
4. Provides appropriate oversight of programmatic performance and financial reporting; and
5. Maintains documentation sufficient to withstand federal audit and Single Audit review.

This Policy promotes responsible stewardship of sponsored funds while supporting collaborative research partnerships with other institutions.

III. Applicability

This Policy applies to all University faculty, staff, and administrative units involved in the administration or oversight of Sponsored Programs that include subawards. Specifically, this Policy applies to:

- Principal Investigators (“PIs”);
- Department and College administrators;
- Institute and Center administrators;
- Office of Research and Sponsored Programs (“ORSP”);
- Office of Research Administration & Compliance (“ORAC”); and
- Any other unit responsible for administering sponsored funds.

This Policy governs all Sponsored Programs that includes Subawards, including:

- Federal awards;
- Federal flow-through awards; and
- State, local, or private awards where Sponsor requirements apply.

IV. Definitions

1. **Pass-Through Entity**: is an organization that provides a Subaward to another entity to carry out part of a federal program. The University acts as the pass-through entity when issuing Subawards.
2. **Principal Investigator (PI)**: is the individual responsible for the scientific or programmatic direction of a Sponsored Program.
3. **Risk Assessment**: is an evaluation performed prior to issuing a Subaward to determine the level of oversight necessary based on factors such as audit history, prior performance, and financial stability.

4. **Single Audit:** is an audit conducted in accordance with 2 CFR 200 Subpart F for entities expending \$750,000 or more in federal funds annually.
5. **Sponsor:** is the government agency, foundation, business, corporation, or private individual that takes on legal responsibility for the initiation, management, and/or financing of research pursuant to a Sponsored Program
6. **Sponsored Program:** is a contract, grant, cooperative agreement, or other external funding that comes from a government agency, foundation, business, corporation, or private individual that typically requires the following:
 - A statement of work and delivery of a product or service;
 - The delivery of a program report that includes, but is not limited to results, data, findings, surveys, and financial information, which often provides a tangible benefit to the funder;
 - Specific commitments regarding the levels of personnel Efforts or University assets;
 - Stipulations regarding data, publications or intellectual property such as inventions, patents, certain copyrights or licenses;
 - A defined period of performance with effective start and end dates;
 - F&A Costs or indirect cost funds; and
 - Routing and approval of a proposal through the Office of Research and Sponsored Programs.
7. **Subaward:** is an agreement issued by the University to a Subrecipient to perform a portion of a Sponsored Program.
8. **Subrecipient:** is a non-federal entity that receives a Subaward from the University to carry out part of a Sponsored Program. A Subrecipient has responsibility for programmatic decision-making and adherence to Sponsor requirements.
9. **Subrecipient Monitoring:** are oversight activities performed by the University to ensure that Subrecipients use funds appropriately and comply with award requirements.
10. **Uniform Guidance:** is the OMB publication entitled “Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards” (2 CFR §200) that supersedes and unifies the previous OMB Circulars. These requirements generally apply to federal grants and cooperative agreements and not to procurement contracts.

V. Policy Procedure

The University maintains a structured process for the classification, issuance, monitoring, and closeout of Subawards. The University also maintains documentation sufficient to demonstrate compliance with Subrecipient Monitoring requirements. Such documentation may include risk assessments, monitoring activities, invoice approvals, and audit verification records.

Detailed procedures are maintained by ORAC.

A. Subrecipient Determination

1. Required Determination. Prior to issuing a Subaward or entering into an agreement, the University shall make and document a determination as to whether the external entity is properly classified as a Subrecipient or contractor.
2. Governing Guidance. All determinations shall be made in accordance with applicable federal regulations, including 2 CFR 200.331, and University policy, using a substance-over-form analysis.
3. Evaluation Criteria. The determination shall include consideration of the totality of the relationship, including, but not limited to, whether the external entity:
 - a. Has responsibility for programmatic decision-making;
 - b. Participates in design, conduct, or reporting of the project, including scholarly activity;
 - c. Uses funds to carry out a portion of the programmatic effort, rather than providing goods or routine services;
 - d. Is responsible for adherence to applicable Sponsor requirements; and
 - e. Has performance measured against whether objectives of the federal program are met.
4. Final Authority. ORSP, in coordination with the ORAC, shall have final authority to review and approve all Subrecipient vs. Contractor determinations.
5. Documentation and Retention. The basis for each determination must be clearly documented, including the rationale and supporting analysis, and retained in the official proposal and/or award file with University record retention requirements.
6. Ongoing Review. The University reserves the right to reassess and reclassify the relationship if the scope of work or nature of the engagement materially changes.

B. Subrecipient Risk Assessment

1. Pre-Award Risk Assessment. Prior to issuing a Subaward, the University shall perform and document a risk assessment to evaluate the Subrecipient's likelihood of non-compliance with applicable laws, regulations, and award terms.
2. Risk Factors. The assessment shall consider, as applicable, the following factors:
 - a. Prior experience with the Subrecipient;
 - b. Results of prior audits or Single Audit reports and findings;
 - c. Financial stability and organizational capacity;
 - d. Prior performance under Sponsored Programs;
 - e. Status as a new, foreign, or otherwise untested organization;

f. The size, complexity, and scope of the proposed Subaward

3. Risk Classification and Mitigation. Based on the assessment, the University shall assign a risk level and may impose appropriate monitoring and compliance requirements proportionate to the identified risk.
4. Documentation. The risk assessment and resulting classification shall be documented and retained in the official award file.

C. Subaward Issuance

1. Centralized Issuance. All Subawards shall be issued by ORAC and must comply with all applicable federal regulations, including 2 CFR 200.332(a).
2. Required Elements. Each Subaward shall include, at a minimum:
 - a. Federal award identification information;
 - b. Applicable compliance and regulatory requirements;
 - c. Performance and reporting requirements;
 - d. Indirect cost rate and terms; and
 - e. Access to records and audit provisions.
3. Pre-Issuance Requirements. No Subaward shall be executed until all required compliance documentation has been received, reviewed, and approved.
4. Additional Conditions. The University may impose specific conditions or restrictions on Subawards, as appropriate, based on the risk assessment, including those permitted under 2 CFR 200.208.

D. Monitoring Activities

1. Ongoing Monitoring. The University shall conduct ongoing monitoring of Subrecipient activities throughout the period of performance to ensure compliance with award terms and achievement of project objectives.
2. Monitoring Activities. Monitoring may include, but is not limited to:
 - a. Review of financial invoices for allowability, allocability, and accuracy;
 - b. Verification of technical progress through reports, deliverables, or other documentation;
 - c. Confirmation of required cost share contributions, if applicable;
 - d. Verification of Subrecipient audit status and compliance; and
 - e. Review of corrective actions related to prior audit findings.
3. Risk-Based Approach. The level and frequency of monitoring shall be commensurate with the Subrecipient's assigned risk level.

4. Enhanced Monitoring. Higher-risk Subrecipients may be subject to additional oversight, including:
 - a. Increased frequency of financial and programmatic reporting;
 - b. Requirement for supporting documentation with invoices;
 - c. Site visits, desk reviews, or programmatic evaluations; and/or
 - d. Additional compliance or internal control reviews.
5. PI Responsibilities. PIs are responsible for reviewing Subrecipient technical progress and verifying that work performed is consistent with invoiced costs prior to approval.
6. Timeliness. Monitoring activities must be performed on a timely and consistent basis throughout the award period of performance.

E. Invoice Review and Payment

1. Invoice Requirements. All Subrecipient invoices must be reviewed and approved prior to payment and must include sufficient detail to support that costs are:
 - a. Allowable and consistent with the approved budget and applicable regulation;
 - b. Allocable to the project and reflective of work performed; and
 - c. Properly certified, if required.
2. Approval Process. Invoices must be reviewed and approved by both the PI and the designated financial office prior to payment.
3. Withholding Payment. The University reserves the right to withhold payment for invoices that are incomplete, unsupported, inconsistent with progress, or otherwise non-compliant.

F. Audit Verification

1. Audit Review. The University shall verify that Subrecipients subject to Single Audit requirements have completed required audits and shall review audit reports as appropriate.
2. Audit Findings. If audit findings related to federal awards are identified, the University shall:
 - a. Review and assess the findings;
 - b. Evaluate the potential impact on the Subaward; and
 - c. Require corrective actions or additional oversight, if necessary.
3. Subrecipients Without Single Audits. Subrecipients not subject to Single Audit requirements may be classified as higher risk and subject to enhanced monitoring.
4. Additional Oversight Measures. Enhanced monitoring may include:
 - a. Review of financial statements;
 - b. Evaluation of internal controls;

- c. Increased invoice scrutiny;
 - d. Additional reporting requirements; and/or
 - e. Other oversight measures deemed appropriate based on risk.
5. Special Conditions. The University may impose specific conditions on Subawards, including reimbursement-only payments, additional documentation requirements, or other restrictions permitted under applicable regulations.

G. Subaward Closeout

1. Closeout Requirements. At the conclusion of the Subaward, the University shall ensure that:
 - a. Final invoices are submitted, reviewed, and approved;
 - b. Final technical and programmatic reports are received; and
 - c. Any outstanding compliance, financial, and performance issues are resolved.
2. Timely Closeout. Subawards must be closed in accordance with Sponsor requirements and within applicable closeout timelines.
3. Internal Controls. The University shall maintain effective internal controls over Subrecipient monitoring and closeout processes, consistent with federal regulations and institutional risk management practices.

H. Training

The University requires mandatory Subrecipient monitoring training for all employees with Subaward coordination responsibilities as part of their onboarding process. Refresher training shall be provided as needed and may be required on an annual basis for existing employees. The University will maintain documentation of all such trainings in accordance with applicable recordkeeping requirements.

VI. Enforcement

The Vice President for Research and Innovation is responsible for enforcement of this Policy.

Failure to comply with this Policy may result in administrative actions including:

- Withholding of payments to Subrecipients;
- Additional monitoring requirements;
- Suspension or termination of Subawards;
- Transfer of unallowable costs to departmental funds; and/or
- Corrective or disciplinary actions in accordance with University policy.

Serious compliance violations may require reporting to the Sponsor. The University may also be required to return disallowed costs to the Sponsor.

VII. Policy Management

Upon adoption, the Vice President for Research and Innovation will be the Responsible Executive for this Policy. The Vice President for Research and Innovation will be the Responsible Officer for the Policy. The Office of Vice President for Research and Innovation is the Responsible Office for this Policy.

VIII. Exclusions

This Policy does not apply to:

- Vendor or contractor relationships that do not meet the definition of a Subrecipient;
- Participant support payments; or
- Individual stipends or scholarships.

IX. Effective Date

This Policy shall apply effective upon adoption.

X. Adoption

This Policy is hereby adopted on this 5/13/2026.

Signed by:

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Dr. Ramesh Kolluru
President

XI. Appendices, References, and Related Materials

- ✦ 2 CFR 200.331 – Subrecipient and Contractor Determinations
- ✦ 2 CFR 200.332 – Requirements for Pass-Through Entities
- ✦ 2 CFR 200.333 – Fixed Amount Subawards
- ✦ 2 CFR 200 Subpart F – Single Audit Requirements

XII. Revision History

- ✦ Adoption of Subrecipient Monitoring Policy: 5/13/2026 (RE.0010.1).