

## **KSU Sponsored Project Accounting Subrecipient Monitoring Policy**

### **Subrecipients subject to OMB Circular A-133:**

- Prime awards and their supplemental requirements are identified in Subaward Agreements. Access to records is required through the Subaward Agreement.
- Verification via the “Excluded Parties List System” is conducted to ensure the subrecipient is not disbarred prior to establishing the subaward agreement.
- At the beginning of a subaward, financial reporting requirements will be identified and sent to the subrecipient. The subrecipient will also be notified if there is any delinquent A-133 audit information from previous subawards which would suspend payments on the current subaward. Upon receipt of delinquent A-133/other audit information, payments will be released.
- During the subaward, each invoice will be reviewed for accuracy and allowability according to award requirements. SPA will request interim financial reports as necessary. A-133 audit information will be requested annually, 6-9 months following the end of the 06/xx fiscal year. Payments will be withheld from subrecipients who have not submitted the required audit information by 06/xx of the year following the fiscal year the report is due for. For example, payments will be withheld for subrecipients who have not submitted their audit for fiscal year ending 06/03 by 06/04. Audit due dates will be adjusted for those entities with other fiscal years.
- The KSU PI will confirm the subrecipient met performance goals at the end of a subaward agreement via a certification statement to be attached to the final subaward payment.
- If A-133/other audit findings affect funds or awards received by the subrecipient from KSU, SPA will utilize whatever means are available to verify corrective actions have been taken by the subrecipient. If corrective actions are not taken by the subrecipient, KSU will determine appropriate responses at that time, which could include request for detailed records, site visits and repayment of funds.

### **Subrecipients not subject to OMB Circular A-133:**

- Defined as for-profit and those non-profit organizations not meeting the federal expenditure threshold of \$500,000 per annum. When the award is signed, a questionnaire will be sent to the subawardee requesting audit and F&A rate information. If the subawardee indicates they do not have an A-133 or other similar audit conducted, supporting documentation (such as copies of receipts) will need to be included with all invoices.

6/26/2007

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