

# Subcontract Monitoring

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**Policy Number:** 600-014  
**Effective Date:** July 1, 2023  
**Last Updated:** June 14, 2025  
**Issuing Authority:** Vice President for Research  
**Responsible Office:** Office of Sponsored Programs (SPO)

## **Purpose:**

This policy establishes Howard University's compliance requirements and procedures for monitoring outgoing subawards issued by Howard University as a prime recipient (Sub-Outs) under sponsored programs. It ensures compliance with Uniform Guidance ([2 CFR 200.331–.332](#)) and other sponsor requirements governing subrecipient oversight, including risk assessment, ongoing monitoring, and audit review.

This policy does not apply to subawards received by Howard University (Sub-Ins), where Howard is a subrecipient. For those cases, refer to Award Acceptance & Setup Policy (600-006).

## **Policy:**

Howard University, as a pass-through entity, must ensure that its subrecipients:

- Use subaward funds for authorized purposes in compliance with federal and sponsor regulations.
- Maintain adequate financial and performance controls over awarded funds.
- Undergo appropriate risk assessments before an award is issued.
- Receive ongoing monitoring to confirm compliance with sponsor terms.
- Address audit findings and financial irregularities appropriately.

## **Definitions:**

**Subrecipient** - An entity that receives a subaward from Howard University to conduct part of a federally sponsored project.

**Pass-Through Entity (PTE)** - Howard University, responsible for issuing and monitoring subawards.

**High-Risk Subrecipient** - A subrecipient identified through risk assessment as requiring enhanced monitoring.

## **Procedures:**

### **1. Pre-Award Risk Assessment**

- Conduct risk assessments of potential subrecipients based on:
  - Prior audit findings
  - Federal Audit Clearinghouse reports (if applicable)
  - Institutional capacity to manage federal funds
- Utilize the Subrecipient Monitoring Questionnaire as a required document to assess compliance

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readiness.

- Determine the level of monitoring required based on risk assessment.
- Ensure all required flow-down provisions (e.g., Uniform Guidance, sponsor terms) are included in the subaward agreement.

## 2. Ongoing Monitoring

- Regular PI-subrecipient communication and documented oversight.
- Review subrecipient invoices in accordance with the Subrecipient Invoice Review Policy (600-023).
- Conduct quarterly reviews for high-risk subrecipients.
- Implement additional financial reporting and oversight for high-risk subrecipients, including:
  - Monthly invoice reviews.
  - Pre-payment verification.
  - More frequent site visits or virtual compliance meetings.
- Implement corrective actions if deficiencies are identified.
- Automated compliance reminders for overdue financial reports.
- Develop Workday dashboards for real-time tracking of subrecipient expenditures and overdue invoices.
- Require automated alerts and tracking reports for compliance risks.
- Ensure training for all personnel involved in subrecipient monitoring and risk assessment.

## 3. Award Closeout

- Confirm final deliverables and financial reconciliation.
- Verify that the final invoice is marked as "final" before processing.
- Ensure subrecipient meets all reporting and compliance obligations.
- Require a final Subrecipient Monitoring Questionnaire for submission as part of the closeout process.

### Roles & Responsibilities:

- **Principal Investigator (PI):** Responsible for technical and programmatic oversight of the subrecipient.
- **Sponsored Programs Office (SPO):** Reviews subaward agreements, enforces compliance, and maintains documentation. Reviews financial transactions and ensures adherence to federal regulations.

### Compliance Considerations:

- Compliance with [2 CFR 200.331–.333](#) (Subrecipient Monitoring and Management).
- Immediate escalation of subrecipients with compliance issues to SPO leadership.
- Use of corrective action plans for high-risk subrecipients.

### Related Policies & References:

- Subrecipient Invoice Review Policy (600-023)
- Subcontract Execution & Approval Policy (600-013)
- Award Acceptance & Setup Policy (600-006)
- Award Close-out Policy (1000-100)
- [Office of Research Ticketing System \(OoR\)](#)