



Category

10-05 Sponsored Projects Subawards Policy

Approval

LC Approved:
Effective Date/BOT Approved:
Revised:
Responsible Party: Vice President of Health Sciences, Nursing & Grants Management, and Vice President of Finance and Administration
POC: Director, Grants Management, and Director, Fiscal Grants Management & Foundation Accounting

Policy Statement

WSU Tech may issue a subaward to a subrecipient for the purpose of performing a portion of the scope of work under an externally funded sponsored project. In doing so, WSU Tech assumes responsibility for ensuring that subrecipients comply with applicable federal regulations, award terms and conditions, and institutional policies throughout the life of the subaward. This includes determining subrecipient eligibility, assessing risk, applying appropriate oversight measures, issuing compliant subaward agreements, and conducting ongoing and risk-based monitoring.

WSU Tech’s Office of Sponsored Projects is responsible for fiscal and compliance oversight, including providing technical assistance when appropriate and initiating corrective or enforcement actions if necessary. Principal Investigators (PIs) are responsible for ensuring subrecipients fulfill all programmatic expectations defined in the subaward. Monitoring practices and agreement terms are tailored based on the subrecipient’s risk level in alignment with 2 CFR 200.331-344.

Reason for Policy

This policy establishes a consistent framework for monitoring subrecipients of externally funded grants and sponsored programs at WSU Tech. It is intended to ensure compliance with applicable regulations—particularly 2 CFR 200.332—and to promote strong institutional accountability, effective use of funds, and successful program outcomes.

As a pass-through entity, WSU Tech is responsible for evaluating subrecipient risk, issuing appropriate subaward agreements, and monitoring subrecipient activities to ensure proper stewardship of sponsored funds.

Applicability of this Policy

This policy applies to all WSU Tech faculty, staff, administrators, and units involved in the development, administration, monitoring, and closeout of subawards issued under sponsored projects. It governs all subrecipient relationships regardless of funding source and is applicable to both federal and non-federal awards where WSU Tech serves as the pass-through entity. This includes competitive and non-competitive (e.g., formula, discretionary) grant programs.

Roles and Responsibilities

WSU Tech assigns responsibility for subrecipient engagement and oversight as follows:

- **Principal Investigator (PI):** Ensures subrecipients meet performance expectations and deliverables.
- **Office of Sponsored Projects (OSP):** Oversees pre-award risk assessment, subaward issuance, and post-award monitoring in compliance with federal and institutional policy.
- **Subrecipient:** Responsible for compliance with subaward terms, programmatic performance, and financial integrity.

Related Policies and Procedures

To ensure alignment with broader institutional governance, the following internal policies support and intersect with subrecipient monitoring and oversight responsibilities:

- **Grant Proposal Development and Approval (Policy 10-03):** Outlines the procedures for developing and approving grant proposals at WSU Tech.
- **Purchasing Policies and Procedures (Policy 4-01):** Details the procurement processes and requirements, ensuring compliance with applicable regulations.
- **Conflict of Interest (Policy 2-11):** Defines conflicts of interest and establishes procedures for disclosure and management to maintain institutional integrity.
- **Board Contract Approvals (Policy 4-23):** Specifies the approval process for contracts, delineating the authority and thresholds for board involvement.
- **Subawards Standard Operating Procedure (SOP):** Outlines the detailed procedures WSU Tech follows to assess risk, monitor subrecipients, and ensure compliance with federal regulations and subaward terms throughout the life of the award.

Authority

This policy is established under the authority of WSU Tech's executive leadership in accordance with federal regulations, including 2 CFR 200.332. The Office of Sponsored Projects (OSP) is designated as the responsible unit for developing, implementing, and maintaining procedures related to subrecipient engagement, risk assessment, agreement issuance, and ongoing monitoring.

This authority encompasses:

- Institutional responsibility to comply with federal pass-through entity requirements
- Delegated oversight for the development of internal controls and monitoring procedures
- Enforcement of subrecipient compliance with award terms, regulations, and performance expectations

Definitions (2 CFR 200.1)

To support consistent understanding and reduce ambiguity, the terms below provide foundational definitions for key concepts referenced throughout this policy:

- **Uniform Guidance (2 CFR Part 200):** A comprehensive set of federal regulations outlining administrative requirements, cost principles, and audit requirements for federal awards.
- **Non-Federal Entity (NFE):** A state, local government, Indian tribe, institution of higher education (IHE), or nonprofit organization that carries out a federal award as a recipient or subrecipient.
- **Recipient:** An entity, usually but not limited to a non-federal entity, that receives a federal award directly from a federal awarding agency. The term does not include subrecipients or individuals who are beneficiaries of the award.
- **Pass-Through Entity (PTE):** A non-federal entity that provides a subaward to a subrecipient to carry out part of a federal program. WSU Tech serves as the pass-through entity when issuing subawards.
- **Subrecipient:** A non-Federal entity that receives a subaward from a pass-through entity to carry out part of a Federal program. It does not include an individual who is a beneficiary of such award (e.g., a student receiving a scholarship or stipend). A subrecipient may also be a recipient of other federal awards directly from a federal awarding agency.
- **Vendor/Contractor:** An entity from which a recipient or subrecipient of federal funding purchases property or services needed to carry out the awarded project using a procurement relationship as defined by 2 CFR 200.331(b)(1-5)).
- **Subaward:** An award provided by a pass-through entity to a subrecipient for the subrecipient to carry out part of a federal award received by the pass-through entity. It does not include payments to a contractor or payments to an individual who is a beneficiary of a federal program. A subaward may be provided through any form of legal agreement, including an agreement that the pass-through entity considers a contract.
- **Flow-down Terms:** Requirements from the prime award that must be passed through to subrecipients under federal or institutional policy.
- **Risk Assessment:** An evaluation conducted to determine the level of risk associated with entering into a subaward agreement with a particular entity.
- **Monitoring:** The process used by the pass-through entity to ensure that subrecipients comply with the terms of the subaward and achieve performance expectations. Monitoring activities may include desk reviews, site visits, and financial or programmatic reviews. Subrecipients are also responsible for conducting their own internal monitoring to ensure compliance with applicable regulations, proper use of grant funds, and adherence to performance objectives.
- **Single Audit:** A comprehensive audit required for non-federal entities that expend federal funds above the threshold established in 2 CFR 200.501 in a fiscal year. It includes a financial audit, a review of internal controls, and an assessment of compliance with federal program requirement and ensures compliance with federal program requirements.

- **Corrective Action:** Action taken by the auditee that corrects identified deficiencies, produces recommended improvements, or demonstrates that audit findings are either invalid or do not warrant auditee action.
- **Corrective Action Plan (CAP):** A formal plan developed by a subrecipient in response to performance or compliance deficiencies identified through monitoring or audit. The CAP outlines specific actions and timelines for addressing the findings and must be approved by the pass-through entity. Progress is monitored to ensure timely resolution and restoration of compliance.

Subrecipient Determination

WSU Tech will assess whether a collaborating entity qualifies as a subrecipient or a contractor using the criteria outlined in 2 CFR 200.331. The Office of Sponsored Projects (OSP), in coordination with the Principal Investigator (PI), is responsible for ensuring this determination occurs early in the proposal or agreement development process.

Risk Assessment

WSU Tech will conduct a risk assessment for each subrecipient to determine its risk of noncompliance with Federal statutes, regulations, and the terms and conditions of the subaward prior to issuing a subaward agreement.

Subaward Agreement Requirements

All subawards must include required terms under 2 CFR 200.332

Subrecipient Audit and Compliance Review

WSU Tech will review subrecipient audit reports per 2CFR 200 Subpart F.

Training and Technical Assistance

WSU Tech provides technical assistance and training in accordance with subrecipient risk level and compliance needs.

Corrective Actions and Remedies

Subrecipients found to be noncompliant may be subject to corrective action planning and enforcement measures per 2 CFR 200.339.

Subaward Closeout

Subawards must be closed in accordance with 2 CFR 200.344.

Record Retention

Records related to subrecipient monitoring must be retained for a minimum of three years, or longer, from the date of submission of the final financial report, in accordance with 2 CFR 200.334 and institutional policy.

Policy Review and Updates

This policy will be reviewed by the Office of Sponsored Projects (OSP) every two years to ensure alignment with applicable regulations, awarding agency requirements, and WSU Tech operational practices.

Reviews may also be initiated outside of the regular cycle in response to regulatory changes (e.g., updates to 2 CFR Part 200), audit findings, internal assessments, or institutional process changes. OSP may revise internal procedures, templates, and training materials referenced in this policy without revising the policy text, so long as such updates remain consistent with current sponsor requirements and WSU Tech practices.

All revisions will follow WSU Tech's formal policy review and approval process.