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# W302: From Basics to Best Practices: Subrecipient Monitoring Essentials and Updates

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# Topics

- Introduction
- What is a subaward?
- Pre-award considerations
- Assessing subrecipient risk
- Subaward Monitoring Activities
- FFATA Reporting
- Recent subaward changes

# Introduction



- **Purdue University 8 years**
  - Post-Award Manager/Business Manager
- **Parkview Health 5 years**
  - Director, Sponsored Projects
- **Geisinger Health 2.5 years (current)**
  - Director, Sponsored Projects

# What is a Subaward?

# What is a Subaward?

## 2 CFR § 200.1 Definitions

Subaward: “An award provided by a pass-through entity to a subrecipient for the subrecipient to contribute to the goals and objectives of the project by carrying out part of a Federal award received by the pass-through entity. It does not include payments to a contractor, beneficiary, or participant. A subaward may be provided through any form of legal agreement consistent with criteria in with § 200.331, including an agreement the pass-through entity considers a contract.”

# Subrecipient or Contractor?

## **2 CFR § 200.331 Subrecipient and contractor determinations**

### A Subrecipient:

- Determines who is eligible to receive what Federal assistance;
- Has its performance measured in relation to whether the objectives of a Federal program were met;
- Has responsibility for programmatic decision-making;
- Is responsible for adherence to applicable Federal program requirements specified in the Federal award; and
- Implements a program for a public purpose specified in authorizing statute, as opposed to providing goods or services for the benefit of the pass-through entity.

# Subrecipient or Contractor Cont.

## **2 CFR § 200.331 Subrecipient and contractor determinations**

### A Contractor:

- Provides the goods and services within normal business operations;
- Provides similar goods or services to many different purchasers;
- Normally operates in a competitive environment;
- Provides goods or services that are ancillary to the implementation of a Federal program; and
- Is not subject to compliance requirements of a Federal program as a result of the agreement.

However, similar requirements may apply for other reasons.

# Why are these Determinations Important?

- Determines schedule of expenditures of federal awards (SEFA) reporting
- Affects indirect cost calculations
- Changes what terms flow down to sub organization
- FFATA portal reporting

# What if the Relationship is Unclear?

- Nature of the relationship is more important than agreement language
- Escalate to an expert at your organization
- Ask the PTE if you are receiving a subaward (though you can disagree)
- Ask your auditors for an interpretation
- Seek help outside your organization
- Develop a checklist and a determination form to document rationale

# Pre-Award Considerations

# Pre-Award Considerations



Indirect Costs  
and the MTDC  
method



Subrecipient  
prepared for  
compliance?



Statement of  
work clearly  
defined?



Need to assess  
risk before  
proceeding?

# Assessing Subrecipient Risk

# Assessing Subrecipient Risk—Requirement

## **2 CFR § 200.332 (c) Requirements for pass-through entities:**

Evaluate each subrecipient's fraud risk and risk of noncompliance with a subaward to determine the appropriate subrecipient monitoring described in paragraph (f) of this section. When evaluating a subrecipient's risk, a pass-through entity should consider the following:

- (1) The subrecipient's prior experience with the same or similar subawards;
- (2) The results of previous audits. This includes considering whether or not the subrecipient receives a Single Audit in accordance with subpart F and the extent to which the same or similar subawards have been audited as a major program;
- (3) Whether the subrecipient has new personnel or new or substantially changed systems; and
- (4) The extent and results of any Federal agency monitoring (for example, if the subrecipient also receives Federal awards directly from the Federal agency).

# Assessing Risk—Other Factors

## Organization Specific Factors

- What type of organization?
- Foreign or domestic?
- Subject to single audit? Findings?
- Accounting system that separately identifies federal awards?
- Compliant conflict of interest policy?

## Project Specific Factors

- Sponsoring agency
- Award type
- Expense types (e.g. cost share, program income, participant support)
- Percentage subcontracted
- Human subjects, animal subjects, embryonic stem cells

Resource: FDP Risk Assessment Tool

# Subaward Monitoring

# Why is Subrecipient Monitoring Important?



Responsible for  
subrecipient  
performance



Are there risks  
in partnering  
with an org?



Fulfilling  
federal  
requirements



Information  
collecting and  
structure

# Determining Subrecipient Monitoring Activities

- Risk assessment risk level should inform activity selection
- Firm activity selection vs. flexible and factor specific
- Medium risk monitoring activity examples:
  - Restricting carryforward
  - Invoicing frequency
  - Additional details required with invoices
- High risk monitoring activity examples:
  - Site visits (may require for lower risk)
  - Requiring backup for expenses, or specific types (e.g. non-salary, excess of \$10k)
  - More frequent progress reporting
  - Requests for specific policy documents

# Debarment and Suspension

- 2 CFR § 180.300 lists verification methods:
  - Check sam.gov exclusions
  - Personal certification
  - Clause or condition
- Continuous vendor exclusion checks
- Checks for key staff individuals

# Subaward Agreements

## **2 CFR § 200.332 (b) Requirements for pass-through entities**

- Elements that are required to be included
- Assistance Listing Number (ALN) is needed for SEFA reporting
- Citing this regulation is a good way to get what you need (helping them be compliant)
- Subrecipient monitoring actions should be included as terms

# PTE Responsibilities and Management Decisions

## **2 CFR § 200.332 Requirements for pass-through entities (e)(2)**

- PTE must ensure corrective actions are taken
  - Audit findings
  - Site visit findings
  - Adverse conditions or other negative impacts

# PTE Responsibilities and Management Decisions Cont.

## **2 CFR § 200.521 Management decisions**

- PTE can request additional information prior
- What action? Disallowed costs?
- Include rationale
- What is the appeal process?

# Federal Demonstration Partnership Resources

## FDP Subaward Templates and Tools

- Subaward agreements templates: Cost reimbursable, fixed amount, amendments, sub to a federal contract, optional attachments
- Subrecipient commitment form
- FDP Risk Assessment Questionnaire
  - Benefits of using a widely accepted tool (internally and externally)
- Financial questionnaire (not subject to single audit)
- Subrecipient vs. contractor checklist
- Sample invoice template

# FFATA Reporting

# What is FFATA Reporting?

- Required by the Federal Funding Accountability Transparency Act (2006)
- Applies to subawards  $\geq$  \$30k
  - Included even if reached in subsequent years
- Migrated to SAM.gov in March of 2025
  - Requires data entry role
  - SAM.gov resources: [Subaward Reporting in SAM | SAM.gov](#)
- [NOT-OD-25-104 \(May 2025\)](#)
  - Mentions inaccurate FFATA reporting causing concerns with foreign subawards
- [NOT-OD-26-066 \(April 2026\)](#)
  - Reminder of FFATA reporting requirements

# Single Submission or Bulk Submission?

Single Submission	Bulk Submission
One subaward reported at a time	Multiple subawards in one file
More control and detail	Efficient for high volume
Ideal for small orgs or few subawards	Requires confidence in data accuracy

# Recent Subaward Changes

# NIH Subaward Changes

- [NIH Policy Change Notices](#)
  - List of all notices
- [NOT-OD-25-098](#): Reminder: Application Requirements for Projects Involving Activities Outside of the United States or Partnerships with International Collaborators
  - Must indicate foreign activities and/or partnerships and include foreign justification attachment
- [NOT-OD-25-104](#): Updated NIH Policy on Foreign Subawards
  - Now applies to active awards
  - Foreign subrecipients and type 3 awards

# NIH Subaward Changes Cont.

- [NOT-OD-25-130](#): Updated Implementation Guidance of NIH Policy on Foreign Subawards for Active Projects
  - SNAP approval will be removed from prime award and foreign subaward
- [NOT-OD-25-155](#) : New Application Structure for NIH-Funded International Collaborations
- [NOT-OD-25-154](#) : Implementation of NIH Research Security Policies
  - [NSF Condensed Research Security Training Modules](#)
  - Malign Foreign Talent Recruitment Program (MFTRP) Certification (Application and RPPR)
- [NOT-OD-26-062](#): Prior Approval Requirement for Changes to Domestic Subawards

# Questions?

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