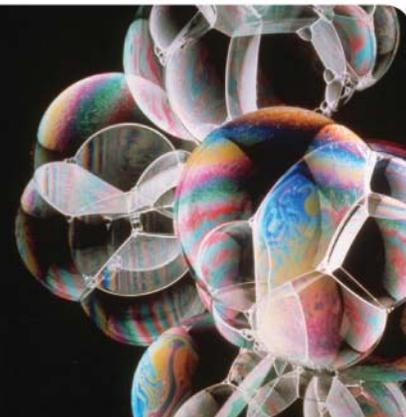




National Science Foundation  
WHERE DISCOVERIES BEGIN



## Cost Analysis and Audit Resolution Branch (CAAR)

### Subawards and Subrecipient Monitoring

The objectives of many NSF-funded awards are achieved, in part, through subawards issued to other organizations. However, subaward relationships require the prime awardee to complete additional monitoring activities of subrecipients to ensure effective stewardship of Federal funds. A subrecipient has programmatic decision-making responsibilities for performance in carrying out a portion of the research or project (e.g., conducting testing and evaluation of chemical compounds or materials). The specific steps taken to monitor subawards depend on the type of subaward, the subawardee institution, the dollar value or complexity of the subaward, and other factors.

#### Prime Awardee Responsibilities:

- **Pre-award** – complete some type of documented form of cost or price analysis to ensure that the amount to be paid to the subawardee organization is reasonable for the work to be performed.
- **Pre-award** – verify that the subawardee:
  - Is able to perform technical and administrative tasks satisfactorily
  - Has an adequate accounting system (a project cost accounting system)
  - Has the financial capability to implement and administer the subaward
  - Has budgeted appropriate indirect costs (rates and application base)
  - Has not been debarred or suspended from receiving Federal grants or contracts.
- **Award** – include applicable Federal and NSF regulations as flow-through provisions in subaward agreements. Provisions that should be included in subaward agreements beyond statement of work, payment, and deliverables are:
  - Prime awardee's right to audit the subrecipient and access the subrecipient's financial records
  - Prime awardee's right to perform technical and administrative site visits
  - Cost principles (2 CFR 220, 2 CFR 225, 2 CFR 230, or FAR Part 31) and administrative requirements (2 CFR 215 or 45 CFR 602)
  - Non-performance and termination or other legal remedies
  - Statutory or regulatory requirements—such as conflict of interest, non-discrimination, drug-free workplace, animal rights, human subjects, and a number of grant terms and conditions. (See [GC-1](#), [CA-FATC](#) Article 8—Significant Project Changes, or [CA-FATC-NSF](#) Article 49—Subaward Requirements for a list of GC-1, CA-FATC, or CA-FATC-NSF articles that must be included in subaward instruments).
- **Post-award** – monitor subrecipients to ensure program performance and financial and administrative regulatory compliance (e.g., review Office of Management and Budget Circular A-133 audit reports, conduct site visits); review and approve invoices and supporting documentation.

#### IMPORTANT LINKS:

National Science Foundation  
[www.nsf.gov](http://www.nsf.gov)

Division of Institution and  
Award Support  
[www.nsf.gov/bfa/dias](http://www.nsf.gov/bfa/dias)

Cost Analysis and Audit  
Resolution Branch Website  
[www.nsf.gov/bfa/dias/caar/index.jsp](http://www.nsf.gov/bfa/dias/caar/index.jsp)

NSF Proposal & Award  
Policies and Procedures  
Guide  
[http://www.nsf.gov/publications/pubsumm.jsp?ods\\_key=pa](http://www.nsf.gov/publications/pubsumm.jsp?ods_key=pa)

Prospective New Awardee  
Guide  
[http://www.nsf.gov/publications/pubsumm.jsp?ods\\_key=pn](http://www.nsf.gov/publications/pubsumm.jsp?ods_key=pn)

General Federal  
Requirements  
<http://www.nsf.gov/bfa/dias/caar/fed.jsp>

Questions may be directed  
to CAAR  
Phone: (703) 292-8244



For more information about CAAR and/or subawards, visit: <http://www.nsf.gov/bfa/dias/caar/index.jsp>.