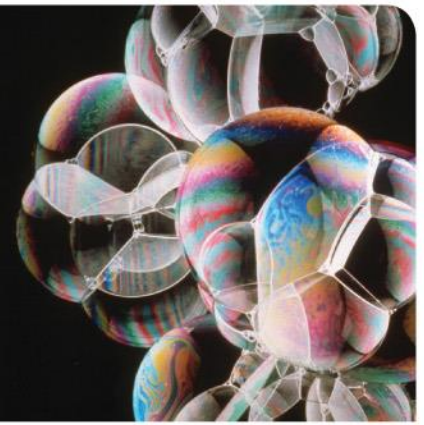




National Science Foundation
WHERE DISCOVERIES BEGIN



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. 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 depends on the type of subaward and subrecipient, the amount or complexity of the subaward, and other factors.

Prime Awardee Responsibilities:

- **Pre-award** – verify that the subrecipient: 1) is able to perform subaward-related technical and administrative tasks satisfactorily, 2) has an adequate accounting system with a project cost accounting system, 3) has the financial capability to implement and administer the subaward, 4) has budgeted appropriate indirect costs using the correct rates and application base, and 5) has not been debarred or suspended from receiving Federal grants or contracts. Evaluate each subrecipients' risk of non-compliance with the terms of the subaward.
- **Award** – include in the agreement those federal and NSF regulations applicable to federal awards which also apply to subrecipients. Necessary provisions include: the key subaward data as delineated by [2 CFR §200.331\(a\)](#); the statement of work, payment, and deliverables; and the prime award terms and conditions, either by reference or physical attachment to the agreement. Consider whether the pre-award risk assessment identified issues that warrant the inclusion of special terms and conditions.
- **Post-award** – monitor subrecipients to ensure program performance and financial and administrative regulatory compliance. Monitoring activities may include: reviewing financial statements and Single Audit Reports, reviewing and approving invoices and supporting documentation, conducting site visits, or providing training and technical assistance. Verify that subrecipients are audited in conformance with [2 CFR 200 Subpart F – Audit Requirements](#). Prime awardees should consider enforcement actions in cases of non-compliance.

More specific guidance on subaward monitoring and management is described in [2 CFR §200.330 - 332](#). For more information about CAAR and/or subawards, visit: <http://www.nsf.gov/bfa/dias/caar/index.jsp>

IMPORTANT LINKS:

National Science Foundation
www.nsf.gov

Division of Institution and
Award Support
www.nsf.gov/bfa/dias

Cost Analysis and Audit
Resolution Branch Website
www.nsf.gov/bfa/dias/caar/index.jsp

NSF Proposal & Award
Policies and Procedures
Guide
www.nsf.gov/publications/pubsumm.jsp?ods_key=papp

Prospective New Awardee
Guide
www.nsf.gov/publications/pubsumm.jsp?ods_key=pnag

General Federal
Requirements
www.nsf.gov/bfa/dias/caar/fed.jsp

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

