



## KENTUCKY STATE UNIVERSITY

### Policies and Regulations

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#### REGULATION TITLE:

**Subaward Management on Sponsored Projects**

#### APPLIES TO:

**All principal investigators, departmental staff, and administrative units involved in proposing or managing sponsored projects that include subawards**

#### ADMINISTRATIVE AUTHORITY:

**Office of Research & Innovation**

**Sponsored Programs**

**Office of the Provost and Vice President of Academic & Student Affairs**

**Division of Finance & Administration**

#### APPROVED BY:

#### EFFECTIVE DATE:

#### NEXT REVIEW DATE:

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#### REGULATION STATEMENT:

When Kentucky State University (KSU) issues a subaward to a collaborating entity, it retains ultimate responsibility to the prime sponsor for the management of funds and the achievement of project goals. This regulation establishes the required procedures for issuing, managing, and monitoring subawards to ensure compliance with federal regulations (2 CFR § 200), sponsor requirements, and sound administrative and financial practices.

#### DEFINITIONS:

##### **Contractor (or Vendor)**

An entity that provides goods or services to KSU as part of its normal business operations. A contractor is not responsible for programmatic outcomes of the sponsored project.

### **Subaward**

A formal, legally binding agreement between KSU (as the pass-through entity) and another organization (the subrecipient) to perform a substantive portion of the programmatic work under a KSU-administered sponsored project.

### **Subrecipient**

An organization that receives a subaward from KSU to perform a portion of the sponsored project's scope of work. A subrecipient is responsible for programmatic decision-making and is subject to the compliance requirements of the prime award.

### **Subrecipient Monitoring**

The ongoing process of reviewing a subrecipient's programmatic progress and financial management to ensure compliance with the terms of the subaward agreement and the prime award.

## **PROCESS:**

### **A. Subrecipient vs. Contractor Determination**

At the proposal stage, the Office of Research & Innovation (ORI) will work with the principal investigator (PI) to formally determine whether a collaborating entity should be classified as a subrecipient or a contractor, based on the criteria outlined in 2 CFR § 200.331. This determination dictates the type of agreement that will be issued.

### **B. Proposal Stage Requirements**

When a subrecipient is included in a proposal, the PI must provide the following documentation to ORI from the collaborating institution:

- A detailed Statement of Work.
- A detailed budget and budget justification.
- A formal Letter of Commitment signed by the subrecipient's Authorized Organizational Representative (AOR).
- A copy of the subrecipient's federally negotiated Facilities & Administrative (F&A) rate agreement, if applicable.

### **C. Award Stage: Risk Assessment and Agreement Issuance**

Upon receipt of the prime award, ORI will:

- **Conduct a Risk Assessment:** Perform and document a formal risk assessment of the subrecipient to determine their ability to manage the award, as required by 2 CFR § 200.332. This includes reviewing their financial stability, administrative systems, and prior audit history.
- **Issue the Subaward Agreement:** Draft and negotiate a formal subaward agreement that includes all required federal and sponsor flow-down terms and conditions, including project scope, budget, reporting requirements, and compliance obligations (e.g., FCOI, IRB, IACUC). The agreement must be signed by the AORs of both institutions before the subrecipient may begin work or incur costs.

## **D. Subrecipient Monitoring**

Monitoring is a shared responsibility:

- **Programmatic Monitoring (PI Responsibility):** The PI is responsible for monitoring the subrecipient's technical progress, reviewing all technical reports, and maintaining regular contact to ensure the work is proceeding as planned and meeting project objectives.
- **Financial and Administrative Monitoring (ORI & Finance Responsibility):** ORI and the Division of Finance & Administration are responsible for reviewing and processing all subrecipient invoices, ensuring costs are allowable and consistent with the approved budget, and monitoring the subrecipient for compliance with financial and administrative award terms. Additional monitoring may be imposed on entities deemed to be high-risk.

## **E. Subaward Closeout**

At the end of the project, the PI must ensure all final technical reports and deliverables have been received from the subrecipient. ORI and the Division of Finance & Administration will ensure all final invoices have been received, paid, and that the subaward is formally closed.

## **Responsibilities**

- **Principal Investigator (PI):** Responsible for identifying the need for a subrecipient, providing the technical scope of work, monitoring the subrecipient's programmatic progress, and approving their invoices for payment based on satisfactory progress.
- **Office of Research & Innovation (ORI):** Responsible for making the final subrecipient vs. contractor determination, conducting the risk assessment, issuing and negotiating the subaward agreement, and providing ongoing administrative oversight.
- **Division of Finance & Administration:** Responsible for financial monitoring, processing invoice payments, and managing financial reporting and closeout related to the subaward.

## **REFERENCES AND RELATED MATERIALS:**

- Uniform Guidance, 2 CFR § 200.331–333, “Subrecipient Monitoring and Management”
- KSU Financial Conflict of Interest in Research Policy

## **CONTACTS:**

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## **HISTORY:**

Revision Type	Date of Issuance/Revision	Drafter(s)/Editor(s)
Issued (New Regulation)	June 2025	Dorothy Daley and Zach Atwell