SUBRECIPIENT MONITORING GUIDANCE FOR PRINCIPAL INVESTIGATORS

Sponsored research often involves collaborations with subrecipients - external entities who are asked to perform a portion of the project in line with the overall goals of the project and terms of the award. Federal regulations (specifically 2 CFR 200.331) require pass-through entities to monitor the activities of subrecipient organizations to ensure that the subrecipient is in compliance with applicable federal regulations and the terms of the subaward. Lehigh University (Lehigh) is responsible for monitoring the programmatic, technical and financial activities of its subrecipients to ensure proper stewardship of sponsored funds. Failure to adequately monitor the compliance of subrecipients could result in reputational damage to Lehigh and jeopardize current and future funding. Subrecipient monitoring responsibilities are shared by the Principal Investigator (PI), department/center/institute (department) administrators, and the Office of Research and Sponsored Programs (ORSP).

PIs responsible for the oversight and management of the sponsored project have the primary responsibility for subrecipient monitoring. Responsibilities include:

- Maintaining regular contact with the subrecipient PI
- Monitoring subrecipient technical and programmatic activities
- Collecting, reviewing and retaining subrecipient technical/performance reports as required by the terms of the subaward
- Verifying the subrecipient work is conducted in a timely manner and ensuring the results delivered are in line with the proposed statement of work
- Reviewing and approving subrecipient invoices
- When required, ensuring cost share commitments are being met
- Promptly contacting ORSP with concerns about subrecipient expenditures or with any indication the subrecipient is not fulfilling its obligations under the subaward

PI Subrecipient Invoice Review and Approval

Subrecipient invoice review and approval is one of the most important monitoring procedures. When reviewing subrecipient invoices, the PI should consider the following:

- Are the expenses reasonable and allowable per the prime award?
- Are the expenses included in the subaward budget?
- Are the expenses consistent with the programmatic plan or work completed to date?
- Were the expenses incurred within the subaward period of performance?
- Are the cumulative expenses within the overall approved budget amount?
- If applicable, are cost share requirements being met?
- When reviewing the final invoice, have all subrecipient deliverables been met and all required reports been obtained?
The PI must sign the invoice to indicate that review has been completed and that the invoice has been approved for payment. This task may not be delegated. If the PI or department administrator identifies any unusual, apparently excessive, or potentially unallowable charges invoiced by the subrecipient, the PI will request clarification from the subrecipient PI. If the explanations from the subrecipient are insufficient, the PI or department administrator should refer the matter to ORSP for resolution with the subrecipient’s institutional authorities.