

Dear <PI>, <Co-PI>, <Unit RAs>,

The Office of Sponsored Programs (OSP) and Sponsored Financial Services (SFS) assess the financial status and management controls of each subrecipient and/or requested subaward as part of the subrecipient monitoring process.

The purpose of this internal risk assessment is to identify when a subrecipient may lack controls to ensure that work is completed and expenses managed as required, and in those cases, to put in place additional monitoring to appropriately mitigate the risk of non-performance and disallowed costs. Some indicators of elevated risk may include: the subcontractor is a foreign entity or start-up; a significant portion of the total award is obligated to the subcontractor; the entity does not have audited financial statements; the entity has negative audit findings; or the subcontractor lacks key financial procedures or policies.

For new subawards and subaward modifications where SFS has provided specific areas of risk: After review of this subrecipient and subaward, we have determined that the following areas constitute increased risk:

For new subawards and subaward modifications where the risk category has not increased: The subrecipient and/or project has been categorized as elevated risk. Therefore, heightened monitoring by the PI(s) and administrative unit(s) is required.

For subaward modifications where the risk category has increased: Due to issues recently identified in their **xxxx** Financial Statements/Single Audit, this subrecipient's risk categorization has been increased to/remains elevated. Therefore, heightened monitoring by the PI(s) and administrative unit(s) is required.

Principal Investigator(s) are responsible for the monitoring requirements noted below. Unit research administrators and university central offices are also responsible for heightened monitoring as noted. Please note that the monitoring responsibilities for this subrecipient/subaward are in addition to those stated in section IV of the subrecipient monitoring procedures found at <https://researchservices.cornell.edu/resources/subawards-roles-and-responsibilities>.

Please note that this risk determination should not be communicated to our subrecipients. This is an internal determination to ensure compliance with our regulatory requirements and assist Cornell researchers and research administrators in our shared subrecipient monitoring responsibilities.

If you would like to know the specific risk factors for this subrecipient and/or project, or if you have additional questions, please contact the Office of Sponsored Programs (OSP) Subaward Team at [cu\\_subawards@cornell.edu](mailto:cu_subawards@cornell.edu).

Thank you,  
OSP Subaward Team

**Office of Sponsored Programs**

**Cornell University**

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CornellResearch

### **Principal Investigator**

Monitor technical progress and deliverables required by the subaward

- Do deliverables or reports meet subaward requirements?
- Have deadlines been missed?

Review invoice amounts and details for reasonableness in comparison to proportion of work completed

- Does the amount billed correspond with the subrecipient's work performed to date?
- Do expenses appear out of place (e.g., equipment on a travel award)?

Authorize, by signing, all acceptable invoices prior to submission for payment

- Your signature on the invoice or an email indicating that you reviewed and approved that specific invoice

Notify the OSP Subaward Team of any issues/concerns at [cu\\_subawards@cornell.edu](mailto:cu_subawards@cornell.edu)

- Deliverables are not being met
- Invoices or reports appear improper
- You are unable to contact your subrecipient and/or the subrecipient is non-responsive
- You have any other concern that may need to be discussed and addressed

### **Unit Research Administrator(s)**

Review invoices

- Are all costs allowable and allocable?
- Is the form content acceptable?
- Are the invoice dates and amount acceptable when compared to the signed subaward?

Consult with the PI(s), and request additional details/justification from the subrecipient if needed

- Is the expense permitted as a direct cost under the terms of the prime award, the subaward, the Uniform Guidance (2 CFR 200), and Subrecipient's policies?
- Is the expense allocable to the work of this project?

Obtain PI review and signed authorization before submitting invoice for payment

- Inquire if the PI needs additional information for the elevated risk review
- Note: PI approval can be via signature on the invoice or an email indicating that the PI has reviewed and approved the specific invoice
- Ensure all deliverables are met prior to submission of final payments

### **Office of Sponsored Programs (OSP) and Sponsored Financial Services (SFS)**

- Obtain and review annual audit reports OSP
- Conduct desk audits where necessary SFS