

Keys to Subaward Management

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Today's Topics

- What a subaward is, and is not
- Roles in the administration of Subawards
- Best Practices for Subaward Management
- Your role in Subaward Monitoring

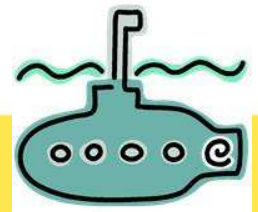
What is a Subaward?

Subcontract

Subaward

Subrecipient Agreement

Consortium Agreement



What is a Subaward?

§200.92 Subaward Definition

Subaward means an award provided by a pass-through entity to a subrecipient for the subrecipient to carry out part of a Federal award received by the pass-through entity...A subaward may be provided through any form of legal agreement, including an agreement that the pass-through entity considers a contract.

What is a Subaward?

Sets forth:

- the work to be performed and deliverables expected
- agreed compensation for the work
- time period of performance
- flows-down the terms and conditions of the Prime Award

§ 200.330 Subrecipient and Contractor Determinations

- A pass-thru entity must make case-by-case determinations whether the party receiving the funds is cast in the role of a subrecipient or a contractor.
- A subaward is for the purpose of carrying-out a portion of a Federal award and creates a Federal assistance relationship with the subrecipient.
- PTE must use Judgment in making the determination
- ***Substance of the Relationship*** is more important than the Form of Agreement

Sub



Design and
Develop

Contractor



Configure
as directed

Subrecipient	Contractor
Designs & Develops	Configures as directed
Services are uniquely designed for each project; responsible for programmatic decision making	Provides the goods or services within the scope of its normal business; provides similar work to many purchasers on routine basis
Services not provided commercially	Operates in a competitive environment
Contributes to the intellectually significant activity of the project to fulfill objectives of the Prime Award	Provides goods and services that are ancillary to the project
Results are likely to be published	No publication rights
Retains rights to intellectual property resulting from the project	No rights to the intellectual property resulting from the project
Responsible for adherence to applicable compliance requirements and terms and conditions of the project Sponsor	Terms and conditions of the project Sponsor do not flow-through to contractor

Provider Category Determination Worksheet**Principal Investigator:** _____**Prime Sponsor:** _____**Prime Award Number (if any):** _____**Proposal Number:** _____**Proposed Subcontractor or Vendor:** _____

1. Why was this entity selected to perform the work?
2. Will this entity perform *substantive programmatic work* under the grant or contract?

If yes, describe the programmatic work.

Provider Category Determination Worksheet continued

3. Will this entity bear *responsibility for programmatic decision making* and measurable performance requirements?

If yes, in what ways will the entity bear responsibility?

4. Does the entity expect to *retain intellectual property rights* in the proposed work?

5. Will the entity provide *goods or services* to the University of Delaware that it *also provides to other customers as part of its normal business operations*?

If no, explain how their services/goods are unique to this project

6. Is this entity owned or controlled by an employee, an affiliate of an employee or a close relation to an employee of the University of Delaware?

**Provider Category Determination Worksheet
continued**

7. Does this entity possess a proven professional or technical competence that will be provided to the University of Delaware?

If yes, provide examples.

8. Is this entity *considered an independent work for hire* without any rights to the end product?

9. Were competitive bids, quotes or proposals solicited by the University of Delaware Procurement Service department?

If no, why not?

10. Please attach itemized budget justification or copies of bids, quotes or proposals solicited by the University of Delaware Procurement Services department to reflect rationale for the price to be paid under this proposal.

Proposal Preparation

Subrecipient documentation for Proposals:

- Budget
- Budget Justification
- Statement of Work (SOW)
- Provider Category Determination Worksheet
- Subrecipient Commitment Form



SUBRECIPIENT COMMITMENT FORM

All subrecipients should submit this form when submitting a proposal to the University of Delaware (UD). It provides a checklist of documents and certifications required by sponsors, as well as an area for the authorized official to sign.

SUBRECIPIENT'S LEGAL NAME:	<input type="text"/>	SUBRECIPIENT'S FE:	<input type="text"/>
UNIV. OF DELAWARE'S FE:	<input type="text"/>	PRIME SPONSOR:	<input type="text"/>
SUBMITTED PROPOSAL TITLE:	<input type="text"/>		
PERIOD OF PERFORMANCE DATES:	<input type="text"/>	YEAR FOUNDED:	<input type="text"/>

SECTION A - Proposal Documents

The following documents are included in our subaward proposal submission and covered by the certifications below (check as applicable):

- STATEMENT OF WORK (required)
- BUDGET AND BUDGET JUSTIFICATION (required) Total Amount Requested:
- SUBRECIPIENT COMMITMENT FORM, completed and signed by subrecipient's authorized official (required)
- Sketches and Other Support of all Key Personnel, in agency-required format

- Other:
- Other:

SECTION B - Special Review and Certifications

1. Facilities and Administrative Rates included in this proposal have been calculated based on:

- Our federally negotiated F&A rates for this type of work, or a reduced F&A rate that we hereby agree to accept.
(If this box is checked, a copy of your F&A rate agreement or a URL link to the agreement must be furnished to University of Delaware before a subaward will be issued.)
- Other rates (Please specify the basis on which the rate has been calculated in Section D Comments below.)
- Not applicable (no indirect cost request for subrecipient)

2. Fringe-Benefit Rates included in this proposal have been calculated based on the following:

- Rates consistent with or lower than our federally negotiated rates
(If this box is checked, a copy of your FB rate agreement or a URL link to the agreement must be furnished to University of Delaware before a subaward will be issued.)
- Based on actual rates
- Other rates (Please specify the basis on which the rate has been calculated in Section D Comments below.)

Proposal Preparation: Best Practices

- Establish contact with your peer at sub *early*
- Give the subs as much time as possible
 - ***They need time to obtain signatures***
- Provide clear, complete instructions to sub:
 - RFP #, \$ details, statement of work, **deadline**
 - send templates when needed
- Prepare checklist of items to obtain from subs
- Communicate changes to subs as soon as possible

Issuing the Subaward: Roles

PI / Department

Provide to Central Office:

Statement of Work

Period of Performance

Amount funded

Budget or Payment Schedule

Technical Reporting and/or
deliverables

PI approval

Obtain Purchase Order

Central Research Office

Subrecipient Risk Assessment

Export controls/ COI review

Write sub agreement including
appropriate flow-down T&Cs

Negotiate sub agreement
terms with subrecipient

Sign sub agreement for
Institution



Issuing the Subaward: Best Practices

PREPARE

- Start early – during Just-in-Time stage
- Does the sub's budget and/or SOW need to be revised?
- Clear & complete Statement of Work
- Advise Central Office of special requirements
 - Reports using specific format
 - Deliverables required and timing (milestones)
 - Data sharing, materials transfer, etc

Best Practices: SOW

Characteristics of a well-prepared subrecipient Statement of Work

Is Not:

- a general description of the entire project
- the role description from budget justification

It is:

- Describes work the sub investigators will perform
- Specific enough to distinguish the subrecipient's responsibilities from UD's (and others) within the overall project scope
- Includes deliverables expected (if applicable)

Issuing the Subaward: Department Administrator Role

Submit PO Requisition

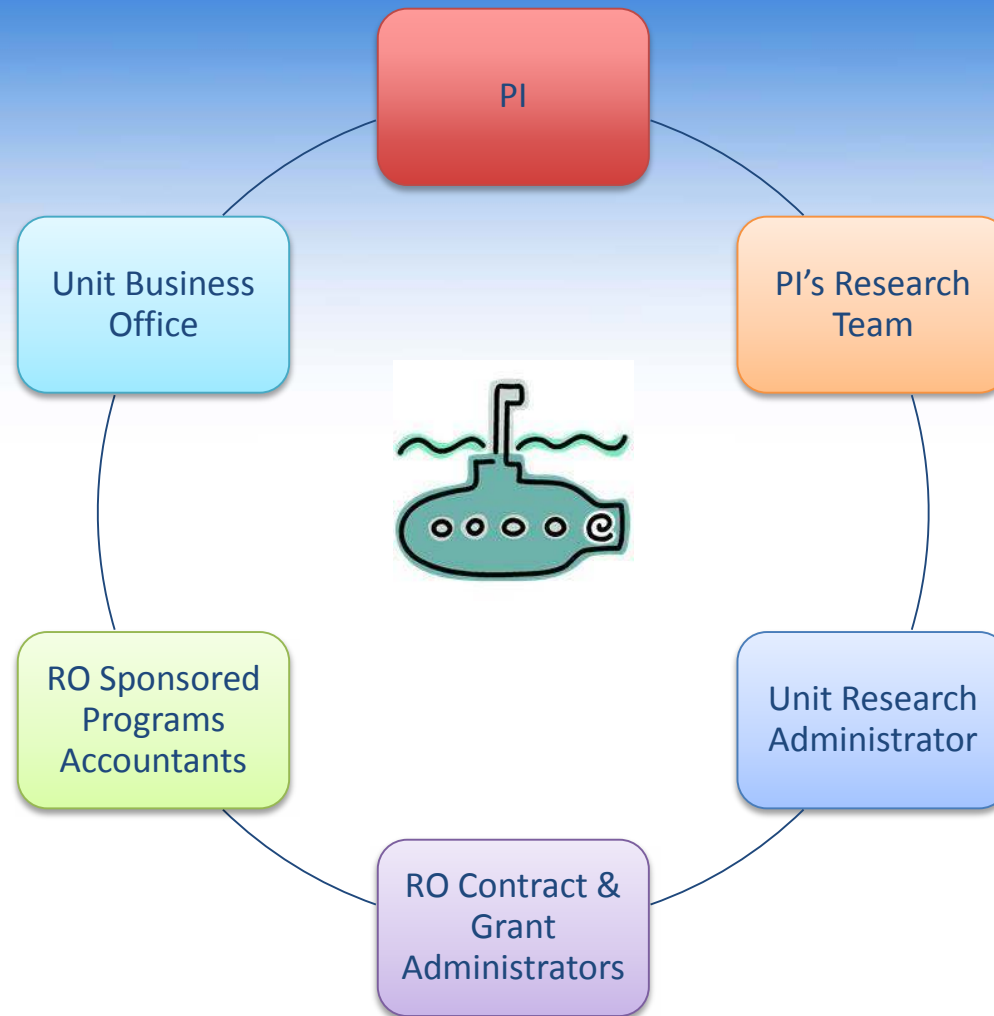
- Amount = sub's funding for the first budget period
- Comments re: New Subaward, start & end dates

Attach to PO Requisition:

- Budget – revised if necessary due to award
- Statement of Work
- Subrecipient Commitment Form (from proposal)
- Provider Category Determination Worksheet (from proposal)

Issuing the Subaward: Research Office Role

- Assess the Risk to UD and the Award Sponsor
 - Ability to comply with financial and other compliance regulations
 - Experience with federal or other Sponsored funding and project execution & past record
 - Magnitude of the sub's work in the overall project
- Write the contract with appropriate flow-down T&C
- Negotiate the terms with the subrecipient
- Sign the agreement on behalf of UD



The PI, Department and Central administrators must act as partners to successfully manage a subaward

Partners

PI / Department

- Front-line Management
- Monitoring technical performance
- Review and approval of sub's invoices
- Arrange for sub agreement modifications
- Ensure sub's IRB/IACUC approvals are kept up-to-date
- Notify central if contractual or performance problems arise

Research Office

- Liason with subrecipient's contracting office
- Prepare, negotiate and sign subaward & mods
- Advise PI/Department concerning Sponsor terms & conditions
- Obtain prior approvals
- Handle contractual dispute resolution

Managing the Subaward: Best Practices

- Establish relationship with your peer at sub institution
- Create a Management Checklist (due dates)
- Request invoice &/or deliverables if not received on schedule
- Plan ahead for next budget period
- Discuss Sub with PI regularly
- Know what actions require subaward modification
- Notify Research Office if problems occur

Project changes that require contractual modifications

- Change in SOW for subrecipient
- Supplemental funding for additional project work
- Continuation for another budget period
- Carry-forward of funds between budget periods
- Change of PI for UD or Subrecipient
- Sub PI moves to a new institution
- Decrease in funding
- No-cost extension of sub' s period of performance
- Early termination

Subaward Modification Process

- Next budget period funding:
 - Obtain revised budget from subrecipient, if necessary
 - Notify Research Office if sub's SOW changes
- Other types of changes:
 - Discuss with Research Office C&G
 - C&G will determine if Sponsor's prior approval is required
- Submit Requisition to increase PO, or obtain New PO, as needed
- Research Office will write and send the subaward modification to the subrecipient
- Process is complete when the Subaward Modification is fully executed

Subrecipient Monitoring: What is it?

2 CFR 200.331 (d)

Pass-through Entity Responsibilities:

- Ensure that federal funds are used for authorized purposes in compliance with Federal statutes, regulations and terms of award
- Ensure that subrecipient's performance goals are achieved
- Conduct on-going review and oversight of subrecipient progress and compliance

Subrecipient Monitoring: Roles & Responsibilities

PI has the primary responsibility carried out with the assistance of **Departmental administrators**



Central administrators have responsibility for establishing policies and procedures that ensure compliance and minimize risk

Characteristics of Successful Sub Monitoring

- Frequent contact between PI and Sub investigators
- Technical Progress on target
- Invoicing timely; expenditures appropriate
- Required prior approvals are obtained
- Sub agreement modified as needed
- Conflicts resolved amiably
- Administrators at both institutions maintain open and cooperative communications

Subrecipient Monitoring: PI

Monitoring subrecipient's technical progress:

- Informal: emails, calls, meetings
- Formal technical reports or other deliverables are received on schedule and reflect appropriate progress
- Site visits, for “high risk” projects or subrecipient institutions
- Review invoices to confirm spending is in-line with technical progress and appropriate for work being performed

Subrecipient Monitoring: Department Admin

- Monitor the spending rate and timeliness of invoices
- Confirm IRB/IACUC approvals are current
- Review Invoices
 - Are costs consistent with budget and payment terms?
 - Question costs that are unclear or appear unallowable
 - Verify required cost-sharing is being provided
 - Confirm that performance goals have been achieved before payment is made: Obtain PI's approval to pay

Subrecipient Monitoring: Department Admin

- Notify PI of problems with invoicing or timeliness
- Notify Research Office:
 - issues that could prevent payment
 - changes in status of the subaward
 - performance problems that may require institutional intervention
- Create departmental processes that enable efficient, effective oversight

Subaward Close-out: Best Practices

Plan Ahead

- Ask PI if no-cost extension of sub is required
- Notify subrecipient in advance of approaching end date
- Advise Subrecipient to submit their final invoice and signed, Subrecipient Close-out Form on time
- Subs close-out when their work is complete, may be before the entire award ends

Subaward Close-out: Best Practices

- Assist Research Office with obtaining sub's final invoice and signed, Subrecipient Close-out Form
- Ensure sub's cost-share requirements are fulfilled
- Confirm with PI that sub's final technical reports & deliverables are received
- If sub's work is ending earlier than planned, contact Research Office to modify the end date of the subaward

Partnership & Communication

between investigators

between you and your PI

between you and your counterpart at the sub

between you and the Research Office

are the

Keys to Successful Subaward Management



Substance of the Relationship *is what counts*



"So, as you can see, customer satisfaction is up considerably since phasing out the complaint forms."



? QUESTIONS ?