UAA and UAS Subaward Processing

University of Alaska
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Objectives

To be aware of and prepared for the implementation of the new subaward procedures effective November 14, 2019.
Change is coming...

1. New Responsibilities
2. New Forms
3. New SW Procurement Office
4. New Routing
5. New Attachments
6. New Faces
7. New Policies
8. New Procedures
Life Cycle of a Research Grant

- Grant Closure
- Grant Set-Up
- Grant Reporting
- Spending Grant Dollars
The Subaward Life Cycle

- Subaward Set up
- Closeout
- Spending
- Reporting
- Monitoring
UA P&CS Subaward Team

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Subawards

A binding legal agreement between two non-federal entities where:

- An intellectually significant, defined portion of the prime recipient's work which is assigned to another entity ("the subrecipient").

- The Prime award terms and conditions are “flowed down” to the subrecipient, who must comply with them.

Examples include:

1. audit requirements
2. restrictions on rebudgeting
3. human and animal subjects approvals
4. conflict of interest
5. clean air and water
Incoming vs. Outgoing

• Incoming:
  • UA has submitted a proposal to another entity to collaborate with them on a larger Federally funded project.
  • UA receives a Subaward from a Prime Recipient.
  • UA Grant and Fund is established for spending.

• PROCESSED BY G&C

• Outgoing:
  • UA has received a proposal from another entity to collaborate on our Federally funded project.
  • MAU Grants Office (G&C) received a grant from the Federal Agency.
  • UA P&CS issues a Subaward to allow the entity to spend and bill UA.

• PROCESSED BY P&CS
2 CFR § Part 200 – Uniform Guidance

- 2 CFR § 200 replaced 8 circulars and applies to all recipients of Federal Grants and Cooperative Agreements

- OMB’s consolidation of circulars to create administration, cost, and audit requirements applicable to all Federal awards and recipients.

- Effective December 26, 2014
Highlights of Impact to Subawards

• More prescriptive requirements we must comply with:
  • UA must perform a risk assessment of Subrecipient
  • Subaward vs. Contractor determination
  • Establishment of a Subrecipient Monitoring Plan to include:
    • 1. Financial Review
    • 2. Programmatic Review

• Allows for a 10% MTDC “de minimis” rate if the Subrecipient does not have a federally negotiated F&A rate
Applicability

- New awards issued after December 26, 2014
- Existing awards with funding modifications issued after December 26, 2014
- When in doubt, call your MAU G&C Office and ask.
Compliance with 2 CFR Part 200

UA utilizes the FDP Subaward Templates

- FDP UG compliant Subaward templates for all new subawards
- FDP Amendments for all modifications that impose UG on all existing subawards as they and their primes become subject to UG
- Existing Subawards whose prime is not yet subject to UG continue to use existing FDP subaward templates
Lets Be Clear on Terminology

**Subaward**

Entity is:
- Subrecipient

Legal Document is:
- Subaward

Subject to
- Subaward & Grant Terms
- 2 CFR Part 200, OMB Guidance for Grants & Agreements (UG)

OR

**Procurement**

- Vendor / Contractor
- Purchase Order / Contract
- Procurement Rules & Regs
- CFR Title 48, Federal Acquisition Regulations System
Subaward vs. Procurement

§200.93 Subrecipient means a non-Federal entity that receives a subaward from a pass-through entity to carry out part of a Federal program; but does not include an individual that is a beneficiary of such program. A subrecipient may also be a recipient of other Federal awards directly from a Federal awarding agency.

§200.23 Contractor means an entity that receives a contract as defined in §200.22 Contract.

§200.22 Contract means a legal instrument by which a non-Federal entity purchases property or services needed to carry out the project or program under a Federal award.
What is a Subrecipient?

Characteristics of a Subrecipient include when the non-federal entity:

1. Determines **who is eligible** to receive what federal assistance
2. Has its performance measured in relation to whether **objectives of a Federal Program** were met
3. Has responsibility for **programmatic decision making**; and
4. Has **responsibility** for adherence to applicable program **compliance** requirements
What is a Contractor?

Characteristics of a Procurement (contractor) relationship include:
1. Contractor provides goods and services within normal business operations
2. Contractor provides similar goods and services to many different purchasers
3. Contractor operates in a competitive environment; and
4. Contractor provides goods and services that are ancillary to the operation of the program
Tools to Assist you

| FDP Determination Form | Subaward vs. Procurement Cheat Sheet |

**Checklist to Determine Subrecipient or Contractor Classification**

**SECTION 1: SUBRECIPIENT**
- Description: A subrecipient is any non-Federal entity that carries out a recipient’s activity on its own behalf.
- Criteria:
  1. The subrecipient is eligible for award from a Federal program.
  2. The Federal program requires the use of subrecipients.
  3. Performance of the subrecipient is required to be monitored by the Federal program.

**SECTION 2: CONTRACTOR**
- Description: A contractor is any non-Federal entity that is engaged to provide goods or services to the Federal government.
- Criteria:
  1. The contractor is eligible for award from a Federal program.
  2. The Federal program requires the use of contractors.
  3. Performance of the contractor is required to be monitored by the Federal program.

**FINAL DETERMINATION**
- Subrecipient or Contractor?
- Use of Judgment:
  - Criteria: The determination of whether a subrecipient or contractor is needed is based on a review of the following factors:
    - Nature of the subrecipient’s activities.
    - Type of goods or services to be provided.
    - Relationship between the recipient and the subrecipient.

**SUBAWARD: Basic Characteristics**
- Subject to A-133 Audit Monitoring
- Prime funding received from Grant mechanism
- Requires a Statement of Work
- Details of the budget are specified
- F&A recovery is allowed only on first $25K (for federal awards)

**SUBAWARD: Distinctive Characteristics**
- Intellectual Property ownership is shared when jointly created
- Publication is encouraged
- Subrecipient bears responsibility for programmatic decision making and measurable performance requirements
- Flowdown of terms and conditions from prime award
- Subrecipient has responsibility for adherence to applicable program compliance requirements (e.g., IACUC, IRB and COI)
- Services are not commercially available on the open market
- Funds originate from a single prime award

**PROCUREMENT: Basic Characteristics**
- Not subject to A-133 Audit Monitoring
- May or may not be identified on the proposal
- Issued to individual or organization
- Requires a Statement of Work
- Payment to vendor includes only fee and reimbursable costs
- No indirect costs are reimbursed
- Fee contractually obligated
- F&A recovery allowed on full amount of agreement

**PROCUREMENT: Distinctive Characteristics**
- University of Alaska Fairbanks owns intellectual property
- Vendor provides the goods and services to different purchasers as part of its normal business operations
- Vendor operates in a competitive environment
- No oversight or management over activities performed by University of Alaska Fairbanks
- No flow down of terms and conditions from prime award
- Vendor is not subject to compliance requirements of the program (IACUC, IRB, COI)
- Services are commercially available on the open market
- Funds originate from various sources

*Use of judgment in making determination whether subaward or procurement. There may be unusual circumstances or exceptions to the listed characteristics. It is expected that all of the characteristics will be present and judgment should be used in determining whether entity is a Subrecipient or Vendor/Contractor.
Subaward Process

End User Dept
- PI requests Subaward
- Dept Admin submits

UA P&CS
- Subaward Template reviewed to ensure complete

Campus Grants Office
- Compliance Review

UA P&CS
- Subaward finalized & Sent to Subrecipient

Subrecipient
- Subrecipient Reviews/Signs/ Returns to P&CS

UA P&CS
- Performs Risk Assessment
- Develop Subrecipient Monitoring Plan
- Fully Execute Subaward & Purchase Order
New Data Elements Required:
FAIN, Federal Award Date, Total amount of the Federal Award, Federal Award Project Description, R&D identification, & Indirect Cost rate for Federal Award if the de minimus rate used.

- Data Sharing & Access
- Work Involving Human or Vertebrate Animals – 2 sections
- Human Subject Data
- NIH – Multiple PI Plan
- Technical Reporting options
Addtl Terms?

- Project Specific Terms
- Additional restrictions for High Risk Subawards
- Export Controls or Restrictions
Submission - Required Documents

1. Correct Completed Subaward Template in the editable form ONLY
2. Scope of Work
3. Budget
4. Budget Justification
5. Data Management Plan for UA’s Prime Award
6. Justification for delay if start date is >3 months from the submission date to P&CS
7. Subaward Commitment Form
8. Department requisition form and any relevant emails
9. PI Confirmation on IACUC and IRB if no commitment form is included
10. Subrecipient Cost Share Commitment Letters
11. Multiple PI Plan- NIH
Submission - Process

Dept prepare template and all required documents must be emailed to P&CS @:
  • ua-pcs@alaska.edu

The Req must be issued at the same time and is approved via Banner workflow. Req and Subaward compliance occur simultaneously and approved documents are forwarded electronically to P&CS for negotiation and execution.
1. P&CS will ensure all documents needed are submitted and route to G&C for a compliance review.

2. G&C will return the subaward template, attachment, & prime award copies to P&CS.

3. P&CS reviews and completes the Subaward and sends to Subrecipient for review. The Subrecipient returns the signed agreement, completed Subaward Questionnaire, CA & 3B Contact information.

4. P&CS performs the Risk Assessment, fully executes the Subaward and issues a PO to fund it. A copy is sent to the Subrecipient and the dept.
The Subaward Processing Checklist identifies the responsibilities of:

- **PI**
- **Department Business Office**
- **G&C**
- **P&CS**
- **ORI**

### SUBAWARD PROCESSING CHECKLIST – DEPARTMENTS/PIs

#### PROPOSAL PROCESSING
- PI/OSP requests proposal package from proposed subrecipient, to include:
  - Statement of Work (PI)
  - Budget and Justification (PI)
  - Any other documents required by UAF or Sponsor (PI or OSP)
  - Signed Subrecipient Commitment Form, OSP-307 (PI or OSP)

#### PI evaluates subrecipient
- Assess technical expertise and financial viability of subrecipient organization and key personnel
- Complete Sole Source Justification
- Complete costshare analysis

#### PI prepares proposal
- Integrate the subrecipient’s statement of work and budget into UAF’s proposal
- Include other forms (budget, biosketches, other support) as required by sponsor
- Forward completed UAF proposal to OSP for review, including subrecipient proposal package

#### SUBAWARD ISSUANCE
- PI/Dept. provide information requested by G&CA & P&CS for subaward issuance
  - Collaborator and contact information (PI or Dept)
  - Statement of Work (PI)
  - Budget, including cost share if applicable (PI)
  - Technical (PI) and financial (only if required by Dept)
  - Subaward performance period (PI)
  - Ensure subaward is in compliance with award (G&CA)
  - Verification that subrecipient is compliant with Biosafety, IACUC & IRB approval, if applicable (P&CS)
  - Audit justification (P&CS)
  - FFATA data, if applicable (P&CS)
  - Risk Assessment (P&CS)
  - Other information as needed
  - Negotiate & Execute subaward (P&CS)

#### SUBAWARD MONITORING
- PI monitors subrecipient technical progress
  - Communicate regularly with subrecipient PI to monitor progress on the project
  - Monitor receipt of technical reports for timeliness and content
  - Communicate with P&CS if changes need to be made to statement of work, reporting requirements, budgeting

- PI/Dept. monitor subrecipient’s adherence to terms and reports any deficiencies to P&CS

- PI/Dept. review, monitor receipt of invoices
  - Are they arriving on schedule?
  - Do they contain the right level of detail to allow adequate review?

#### SUBAWARD MODIFICATION ISSUANCE
- PI assesses need to modify statement of work, budget, period of performance
  - Notify P&CS in a timely manner to request Modification
  - Provide information to P&CS (budgets, dates, reporting requirements, etc)

- P&CS Negotiates & executes Modifications

#### SUBAWARD CLOSE-OUT
- PI/Dept. plan for timely closeout
  - Check status with subrecipient 90 days before and date
  - Follows up on late or missing reports or deliverables
  - Obtain final invoice (marked FINAL) from subrecipient
  - Send final invoice to A/P

- P&CS
  - Confirm w/PI & Dept that work is complete and all deliverables have been received
  - Issue Release of Claims (ROCs) for financial, patents, & government equipment
  - Close-out subaward and deobligate any unused funds from PO
Subrecipient Monitoring

Some of UA’s Subrecipient Monitoring Responsibilities include:

1) COI identification/elimination/and management through ORI
2) Advise Subs on award requirements (federal law, flowdowns, and any supplemental terms imposed by UA)
3) Provide Required Data Elements to the Subrecipient (CFDA title & number, award name and number, sponsor…)
4) Monitor costs and activities of Subrecipient, as applicable
5) If unfavorable audit report is received, UA confirms appropriate action taken
6) Consider if unfavorable report necessitates adjustment of UA’s financial records
7) Require access to records by sponsor and/or UA auditors
8) Confirm required audits are performed as Subrecipient meets spending thresholds
9) FFATA Reporting
10) Perform Risk Assessment and Risk Management Plan for High Risk Subrecipients
Subrecipient Risk Assessment

P&CS performs a Risk Assessment for each new Subaward. The weighted assessment is used to identify low, medium, and high risk subawards.

A Subrecipient classified as high-risk receives quarterly follow-ups are performed to confirm with the UA PI that:

1. Deliverables and milestones from the scope of work are progressing in accordance with the subaward;
2. Invoices are being submitted in a timely manner; and
3. All other concerns with the Subrecipient have been resolved.
Requesting a Subaward Modification

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**PI**
- Advises their Dept Admin a Mod is needed

**Dept Admin**
- Completes a Request for Modification Form
- Submits Request for Mod to P&CS (per form)

**P&CS**
- Review the subaward file to ensure no additional info is needed
- Draft and email the mod to the subrecipient

**Subrecipient**
- Review, sign & return mod to P&CS

**P&CS**
- Fully execute mod, issue change order to PO
- Email copy of mod & change order to: PI, admin, Grants Office, Subrecipient
Closeout Process

Subaward Closeout Process

PI confirms:
- Deliverables received
- Final invoice received
- No additional funds to be added
- No additional time to be added

Admin
- Complete and submit Request for Closeout form

P&CS
- Release of Claims sent to Sub
- AP authorized to issue final payment
- PO Closed
- File marked for retention
Questions?

Contact Info
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THANK YOU