

This is a simplified guide for quick reference. More detailed information is available in ORPA's "Policies and Procedures for the Administration of Subagreements Issued to a Third Party" at http://www.rochester.edu/orpa/assets/pdf/train_submanual.pdf or by contacting your ORPA research administrator. 12/17/2018

ORPA QUICK GUIDE **SUBAWARD MANAGEMENT** **FOR DEPARTMENT ADMINISTRATORS**

A. Preaward

1. Subrecipient or Vendor? Which is it?

Subrecipient:

- a. has performance measured against the objectives of the Prime Award
- b. has responsibility for programmatic decision-making
- c. may freely publish results or protect resulting technology
- d. has responsibility for adherence to federal compliance responsibilities specified in the Prime Award
- e. uses federal funds to carry out a program for a public purpose
- f. receives subaward through ORPA

Vendor:

- a. provides goods and services within normal business operations
 - b. provides similar goods and services to many different purchasers
 - c. normally operates in a competitive environment
 - d. provides goods and services that are ancillary to the operation of the Prime Award
 - e. is not subject to compliance requirements of the Prime Award as a result of an agreement
 - f. receives contract or purchase order from Corporate Purchasing
2. Subrecipient documents required by ORPA at time of proposal submission.
 - a. Statement of Work
 - b. Project Budget
 - c. Budget Justification
 - d. Consortium Letter of Intent – signed by an authorized official or a Signed Proposal Face Page
 - e. Third party cost sharing form if cost sharing is proposed by Subrecipient, available at http://www.rochester.edu/orpa/assets/pdf/form_preawardThirdPartycs.pdf

Things to keep in mind at the pre-award stage: Is this a new subawardee? Check with ORPA RA – has UR ever worked with this subawardee before? A risk assessment may be required at the time of award, especially if this is a foreign subawardee. Use of human subjects and use of human subject data may cause additional delays at the time of award.

B. Postaward

1. Once the prime award has been received, you must read carefully and complete a Request to Issue a Subaward form, available at

http://www.rochester.edu/orpa/assets/pdf/form_ReqSub.pdf. PI's signature is required. Return the form to your ORPA RA (only required at the first year of the subaward; subsequent years require a simple emailed request to issue and a budget), along with the following essential documents for any subagreement:

- a. Final statement of work
 - b. Final detailed budget
 - c. Final budget justification
 - d. Contact information pages (for both parties, forms 3a and 3b) available at <http://thefdp.org/default/subaward-forms/>
 - e. Subrecipient's current F&A rate agreement (if applicable)
2. If we have worked with the subrecipient before and there are no known issues, ORPA will create the subaward as outlined below:
- a. Subaward face page (signature page), start and end dates
 - b. General terms and conditions
 - c. Flow-down terms and conditions of the Prime Award
 - d. Detailed statement of work
 - e. Detailed budget and justification – cost reimbursable or fixed price – advanced payment?
 - o Cost reimbursable is payment after the costs have been incurred
 - o Fixed price is an amount agreed upon by both the payer and the payee – the amount that will be paid no matter what the actual cost may be – will require from subrecipient a signed certification that all work has been completed
 - o Advanced payments are made before the cost is incurred and must be followed by invoices showing the actual cost up to the advanced amount
 - f. Make sure the timing for invoicing is clear
 - g. Clear reporting responsibilities for the subrecipient
 - h. Copy of the Prime Award
 - i. Copy of subrecipient's Federal indirect cost rate agreement
 - j. Copy of latest independent audit
 - k. Third party cost sharing form if cost sharing is planned by Subrecipient, available at http://www.rochester.edu/orpa/assets/pdf/form_postawardThirdPartycs.pdf
3. If this is the first time the University has worked with a subrecipient, or if this is a foreign subrecipient, or a past, problematic subrecipient, a Subrecipient Pre-Qualifying Questionnaire will be sent to the subrecipient. The questionnaire collects important information to help the University decide if the subrecipient is an acceptable risk.
4. If any concerns are raised as a result of the completed questionnaire, a risk assessment will be done and depending upon the amount of risk, the ORPA RA, the Assistant Controller (ORACS), the Compliance Officer (ORPA), and the department will need to make the judgement call in deciding whether or not to sign the subaward or perhaps impose specific subagreement conditions to help mitigate the risk. In some cases where a policy or practice is lacking, for instance, conflict of interest, the department may have to take responsibility for monitoring the

subrecipient. In addition, examples of specific terms and conditions that could be included in the subaward are:

- a. Require subrecipient to take training on program-related matters,
- b. Require on-site reviews of subrecipient's program operations,
- c. Withhold authority to proceed to the next phase of the research until subrecipient produces evidence of acceptable performance,
- d. Require more detailed financial reports,
- e. Require additional project monitoring,
- f. Require subrecipient to obtain technical or management assistance, and
- g. Require additional prior approvals.

C. Managing the Subaward – Keeping the Lines of Communication Open

From the original contact at the time of proposal to the issuance of the subaward to close-out of the project, the administrator and the Prime PI should be in regular contact with the subrecipient PI and administrator. Establishing a working relationship will help resolve issues before they turn into problems and problems before it's too late.

1. Progress reports – it should be clear in the subaward agreement what the reporting requirements are and when they are due – monthly, quarterly, annually
 - a. Progress reports are a sure way to monitor the progress of the work being done at the subrecipient institution
 - b. Your PI should be in regular contact with the subrecipient PI and aware of what is being done
 - c. The end of the project is not the time to find out the subrecipient did not do the expected work
2. Invoicing – regular invoicing is another monitoring tool for the prime awardee administrator and the prime PI
 - a. Infrequent or total lack of invoicing is a red flag
 - b. Invoicing with no reporting of progress is another one
3. Payments – check the invoice – make sure it adds up and that the supporting information is reasonable, allocable and allowable – are the payments cost reimbursable or fixed price – have advanced payments been agreed to – has the PI reviewed and approved the invoice?
4. Closeout – if everything has gone smoothly during the life of the subaward, closeout will be easy – the Subaward Closeout Checklist is available at <http://www.rochester.edu/orpa/forms/>. Also at this site is a Subaward Invoice Checklist to help the PI to review, approve and sign the final invoice. Send the Closeout Checklist and the Final Invoice to ORACS.
5. Communicate with subrecipient contacts and AVOID CLOSEOUT PROBLEMS like:
 - a. Infrequent, late invoicing with requests for carry forward every year
 - b. A nightmare to reconcile at closeout
 - c. No final invoice
 - d. Reporting has been irregular – has the work been done?
 - e. What can be included in Prime's Final Report to the sponsor?
 - f. Do we withhold final payment?
 - g. Worse yet, do we have to contest prior payment?