

Cornell University



Cornell University

OSP Roundtable
May 17, 2018

SUBAWARDS

OSP SUBAWARDS TEAM

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SPONSORED FINANCIAL SERVICES

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Overview of Session

- Key Definitions
- Subaward vs. Procurement
- Subrecipient Monitoring
- Life of a Subaward
 - Proposals
 - Awards
 - Modifications
 - Close out
- Incoming subawards



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Outgoing subaward activity

472 active awards totaling \$182M





Definitions

- **Prime Sponsor**

- The original funding mechanism is known as the Prime Sponsor (funding source). The prime sponsor is the organization from where the research funds originate (federal, state, foundations, universities).
- Examples include: Federal agencies, state, foundations, industry and universities.
- Each come with their own set of terms and conditions that need to be “flowed down”.

- **Pass Thru Entity (PTE)**

- A non-Federal entity that provides a subaward to a subrecipient to carry out part of a Federal program.



What is a subaward?

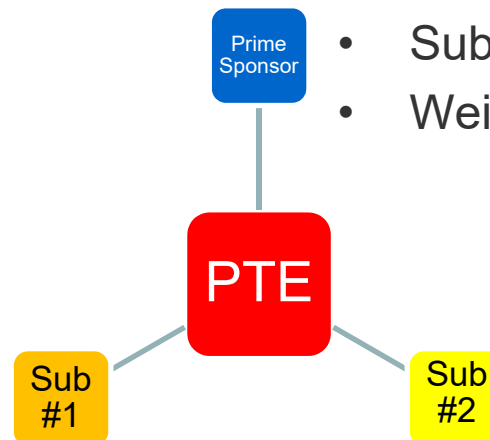
A subaward is a formal written contractual agreement made between Cornell University and a “subrecipient” to perform a set of tasks as outlined in a Statement of Work (SOW) and adhere to a budget under a Cornell sponsored project.

INCOMING

- Sponsored funds coming to Cornell from another entity
- Processed by GCO

OUTGOING

- Sponsored funds going from Cornell to another entity
- Processed by Subawards team
- Subrecipient monitoring
- Weill Medical College



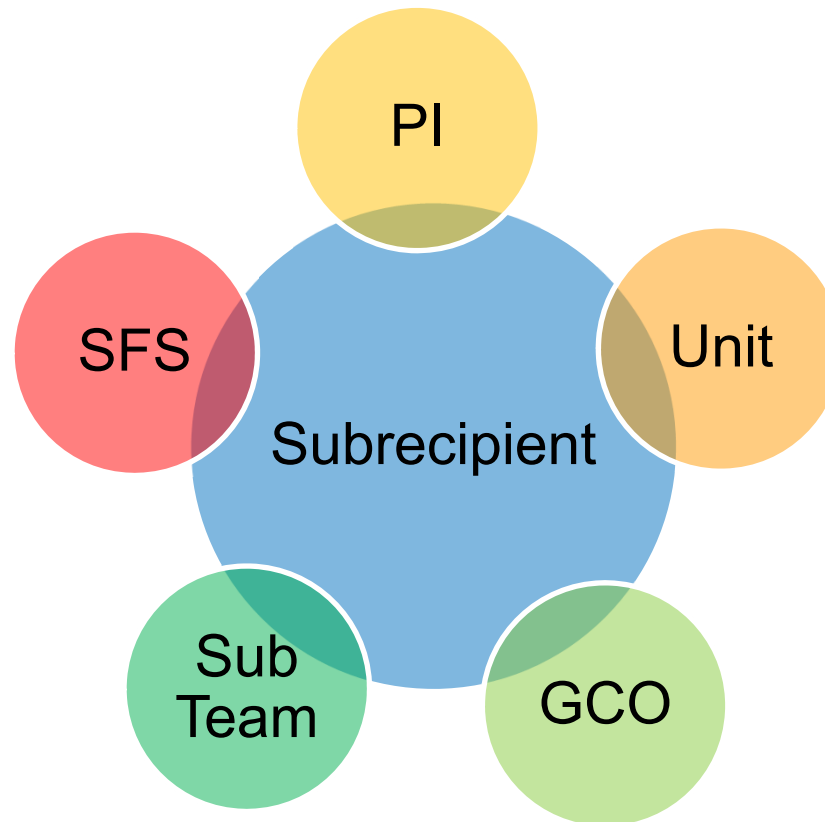


SUBAWARD or PROCUREMENT

Subrecipient Characteristics	Contractor/Consultant Characteristics
Work to be performed will be self-directed with minimal direction from Cornell University.	Cornell University is buying a service that will support the project. Cornell will also provide a high level of direction regarding the work being performed.
May determine who is eligible to receive federal assistance	Provides the specified goods and services within their normal business operations.
Performance will be measured in relation to whether objectives of the prime sponsor have been met	Provides the specified goods and services to many different purchasers.
Will use the funds to carry out a program for a public purpose specified in the prime award.	Will provide services for the benefit of Cornell University.
Are responsible for programmatic decision making	Normally operate in a competitive environment.
Are responsible for adherence to the prime award requirements	Engaged to provide goods and services that are ancillary to the operations of the prime award.



Who's who?





Subrecipient Monitoring

OSP

SFS

PI/Unit

- *Sub profiles
- *Rate Agreements
- *Insurance Certs
- *Audit/financial statements
- *Risk Assessment

- *Audit/financial statement review
- *Aids with risk assessment (determination)

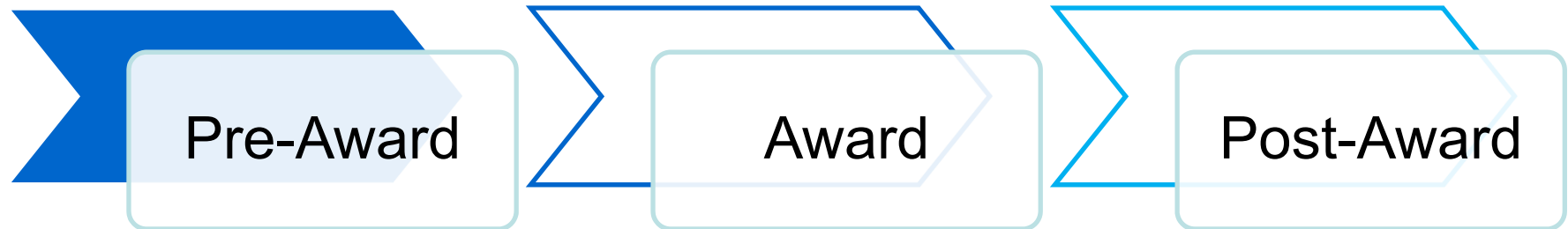
- *Monitors technical and financial progress prior to approving payment



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Life of a Subaward





Pre-Award Proposal Development

It is always best to think about the potential for subaward activity with each proposal.

Subrecipient = Partner

Understand the program goals and select the right partner to help achieve the goals

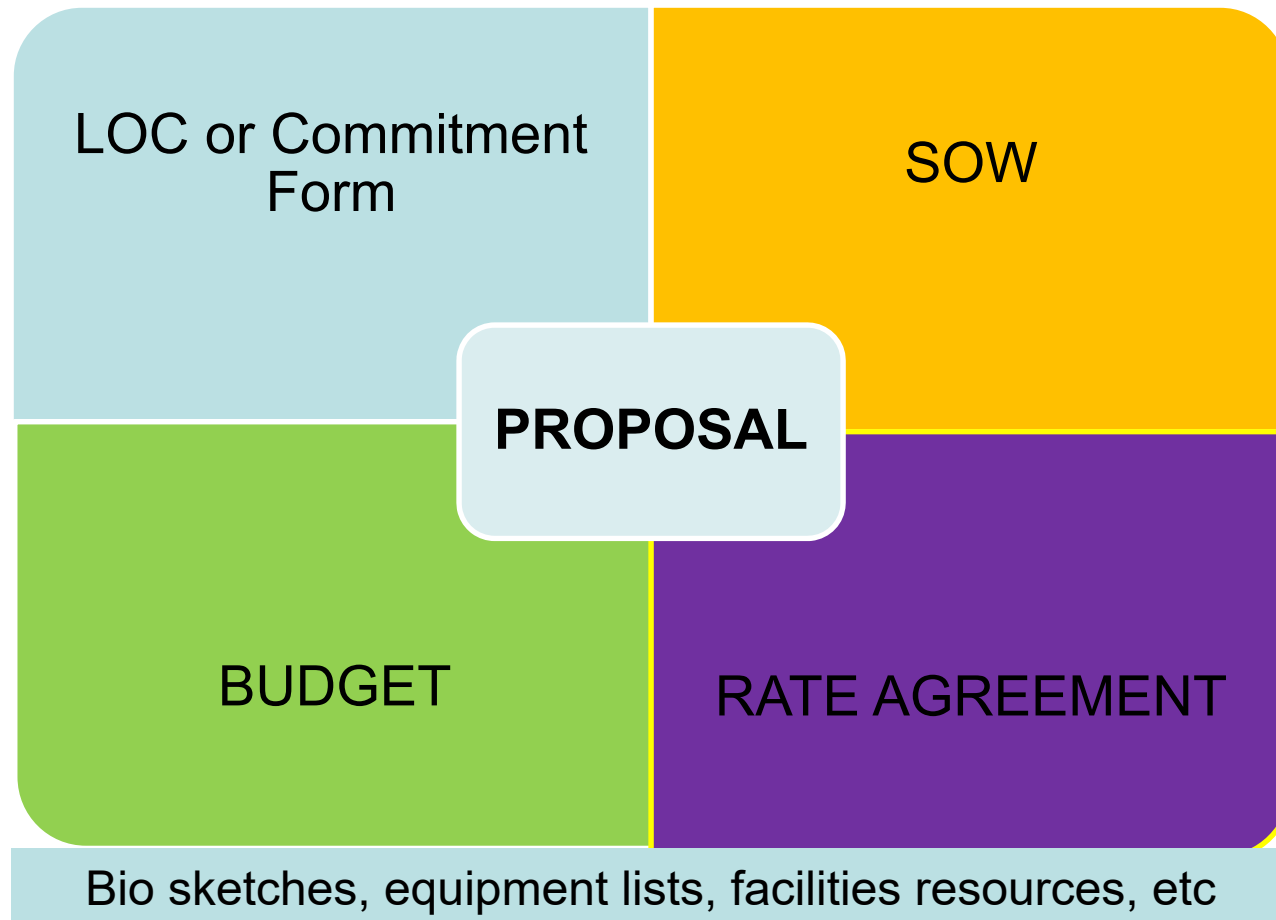
Considerations important to OSP/SFS

- Are they financial stable?
- Trustworthy accounting systems
- Debarred or Suspended
- History of lack of performance?



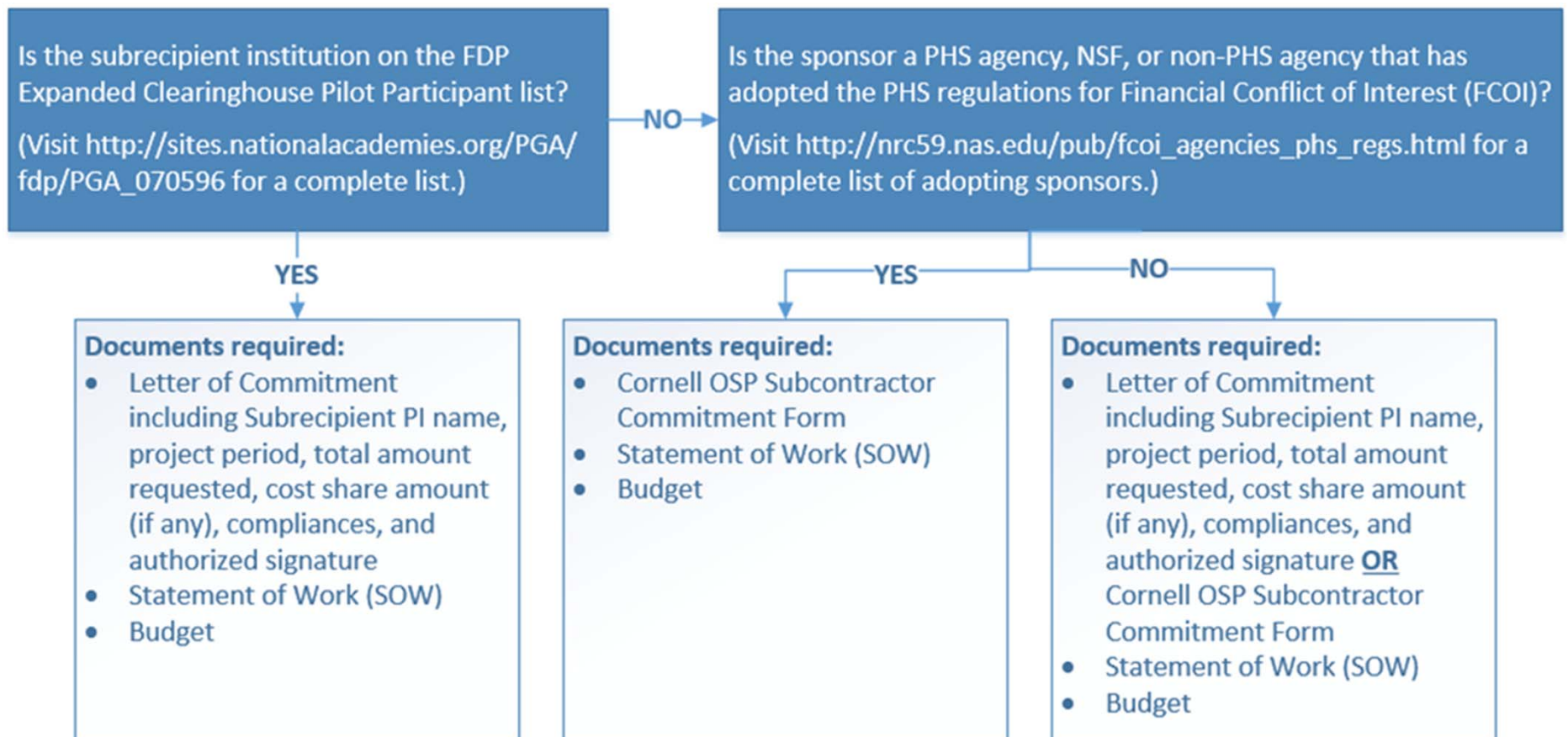


Pre-Award Proposal Development





Subcontractor Commitment Form Preparation Guidance





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Template Letter of Commitment for Outgoing Subawards

Letters should be written on institutional letterhead and must be signed by an authorized institutional official of the subrecipient institution. Please keep in mind that Letters of Commitment that are included within a proposal submission to a prime sponsor may be subject to additional sponsor requirements not addressed by this template.

<DATE>

Mary-Margaret Klempa
Director, Office of Sponsored Programs
Cornell University
373 Pine Tree Road
Ithaca, New York 14850-2820
Email: cu_proposals@cornell.edu
Phone: 607-255-5014

RE: <SPONSOR> Proposal Submission <"TITLE">

Dear Ms. Klempa:

<SUBRECIPIENT INSTITUTION> is pleased to be included in your application to be submitted to the <SPONSOR> Program under the direction of Cornell University Principal Investigator <LEAD PI NAME>. As an authorized institutional official of <SUBRECIPIENT INSTITUTION> please accept the attached materials which support our request to be in the proposal titled above.

Subrecipient Principal Investigator:
Support Requested (USD):
Requested Period of Performance:
Cost Share Commitment:
<Our scope of work includes: Human Subjects, Animal Subjects, Stem Cells>

Our institutional profile can be found at: <LINK>

A copy of our Federally Negotiated Indirect Cost Rate Agreement can be found at: <LINK>

If you have any questions or require additional information, please contact <NAME> at <PHONE> or by email at <EMAIL>. Should this proposal be selected for funding, we request that any resultant agreement is forwarded to the undersigned.

With kind regards,
<NAME>
<TITLE>

OR



Office of Sponsored Programs

SUBCONTRACTOR COMMITMENT FORM

This form is intended to be completed & signed by an organization participating on a Cornell project as a subcontractor

Subcontractor Legal Name: _____
Subcontractor PI Name: _____
Address: _____ City: _____ State: _____
Address where research will be performed: _____ City: _____ State: _____
Proposal Title: _____
Period of Performance: _____ Total Amount Requested _____
Cornell's PI Name: _____
Prime Sponsor: _____

SECTION A - Proposal Documents

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

- SUBCONTRACTOR COMMITMENT FORM (required for all PHS proposals)
- STATEMENT OF WORK (required for all proposals)
- BUDGET AND BUDGET JUSTIFICATION (required for all proposals)
- Certificate of Insurance (may be required at time of issuance of subaward)
- Small/Small Disadvantaged Business Subcontracting Plan, in agency-required format
- Sketches of all Key Personnel, in agency-required format
- Other: _____

SECTION B - Certifications

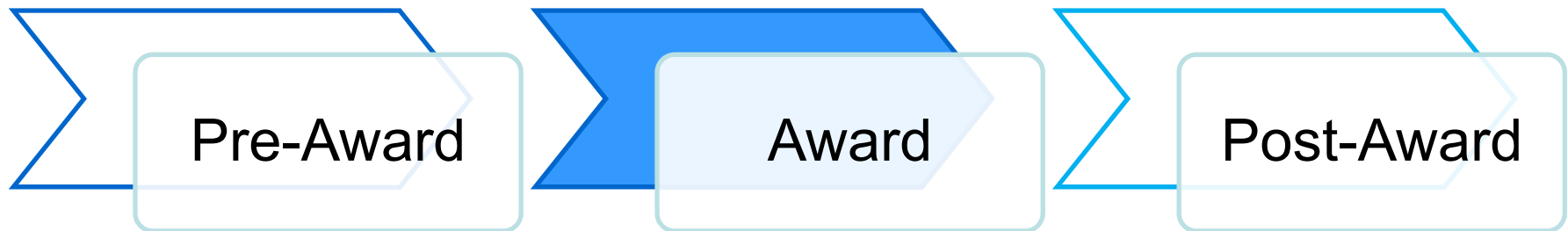
1. **Facilities and Administrative Rates** included in this proposal have been calculated based on:
 - Our federally-negotiated F&A rates for this type of work, or a reduced F&A rate that we hereby agree to accept. (If this box is checked, please attach a copy of your F&A rate agreement or provide a URL link to the agreement.)
 - Other rates (please specify the basis on which the rate has been calculated in Section D Comments below)
2. **Fringe Benefit Rates** included in this proposal have been calculated based on:
 - Rates consistent with or lower than current/applicable federally-negotiated rates (If this box is checked, please attach a copy of your FB rate agreement or provide a URL link to the agreement.)
 - Other rates (please specify the basis on which the rate has been calculated in Section D Comments below).
3. **Small Business Concern** Yes No
Subcontractor represents that it is a small business concern as defined in 13 CFR 124.1002.
If "Yes": Subcontractor represents that it is a:
 - Small disadvantaged business as certified by the Small Business Administration
 - Women-owned small business concern
 - Veteran-owned small business concern
 - Service-disabled veteran-owned small business concern
 - HUBZone small business concern
4. **Cost Sharing** Yes No Amount: _____
Cost sharing amounts and justification should be included in the subcontractor's budget
5. **Human Subjects** Yes No Approval Date: _____
If "Yes": Copies of the IRB approval must be provided before any subaward will be issued. Please forward these documents to Cornell's PI and Cornell's Office of Sponsored Programs Subcontract Team at cu_subawards@cornell.edu, as soon as they become available.
If "Yes": Have all key personnel involved completed Human Subjects Training? Yes No
6. **Animal Subjects** Yes No Approval Date: _____
If "Yes": A copy of the IACUC approval must be provided before any subaward will be issued. Please forward this document to Cornell's PI and Cornell's Office of Sponsored Programs as soon as it becomes available.



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Life of a Subaward





Award





Subaward agreement

- Contractual agreement to hold sub accountable for SOW and budget
- Flow down prime sponsor terms and conditions
- Publication/copyright/data rights
- Insurance
- Compliances





Amendment (Modification)

- Compliances – any change?
- Next Period of Funding – increasing funds by?
- No Cost Extension – adding time!
- Budget Revision – approvals, revisions, edits, etc? Sponsor approval? Attach file
- Change in Project Activities that Affect Scope
- Change In Key Project Personnel – may need Sponsor approval
- Other Change – *“it just doesn’t fit”* or *“...allow me to explain!”*



Monitoring – PI/Unit

- Responsible for timely completion of project
 - Progress reports
 - Review and discuss performance as needed
- Subrecipient not performing impacts the entire project
- Invoice is commensurate with progress
- Expected deliverables received
 - Performance as expected
- Unit approval indicates PI approval
 - High risk subawards
 - Requires documentation of PI approval





Managing Elevated Risk

- Challenges
 - Invoices not timely
 - Technical Reports
 - Questionable transactions





Receiving / Approving Invoices – PI/Unit

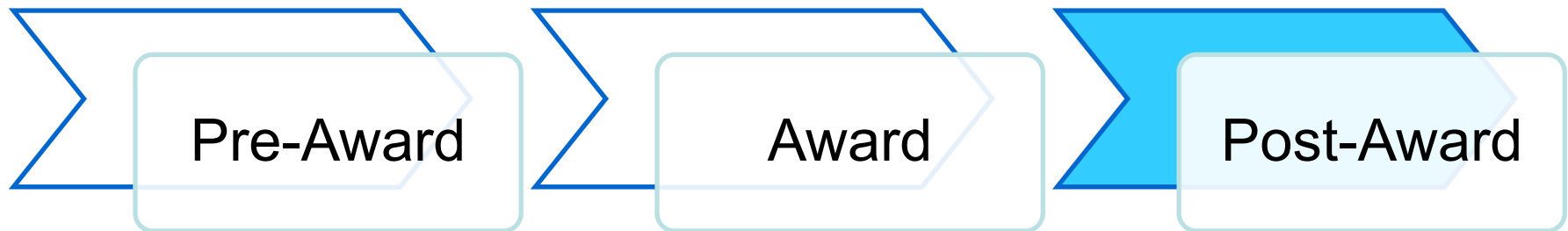
- Current and cumulative expenses noted
 - Including cost share, if applicable
 - Cumulative expenses recorded in general ledger
- Invoice certification ([§200.415](#))
- Invoice payment, [§200.305\(b\)\(3\)](#), within 30 days
 - Unless the invoice is believed to be improper
 - Document delays in approval/payment



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Life of a Subaward





Close Out

- Final Invoice marked “final”
- Final Reports: Technical, Patent, Equipment, etc
- Final payment
 - reconcile balance to prime account
 - We do not process amendments to deobligate funds at the end of a project





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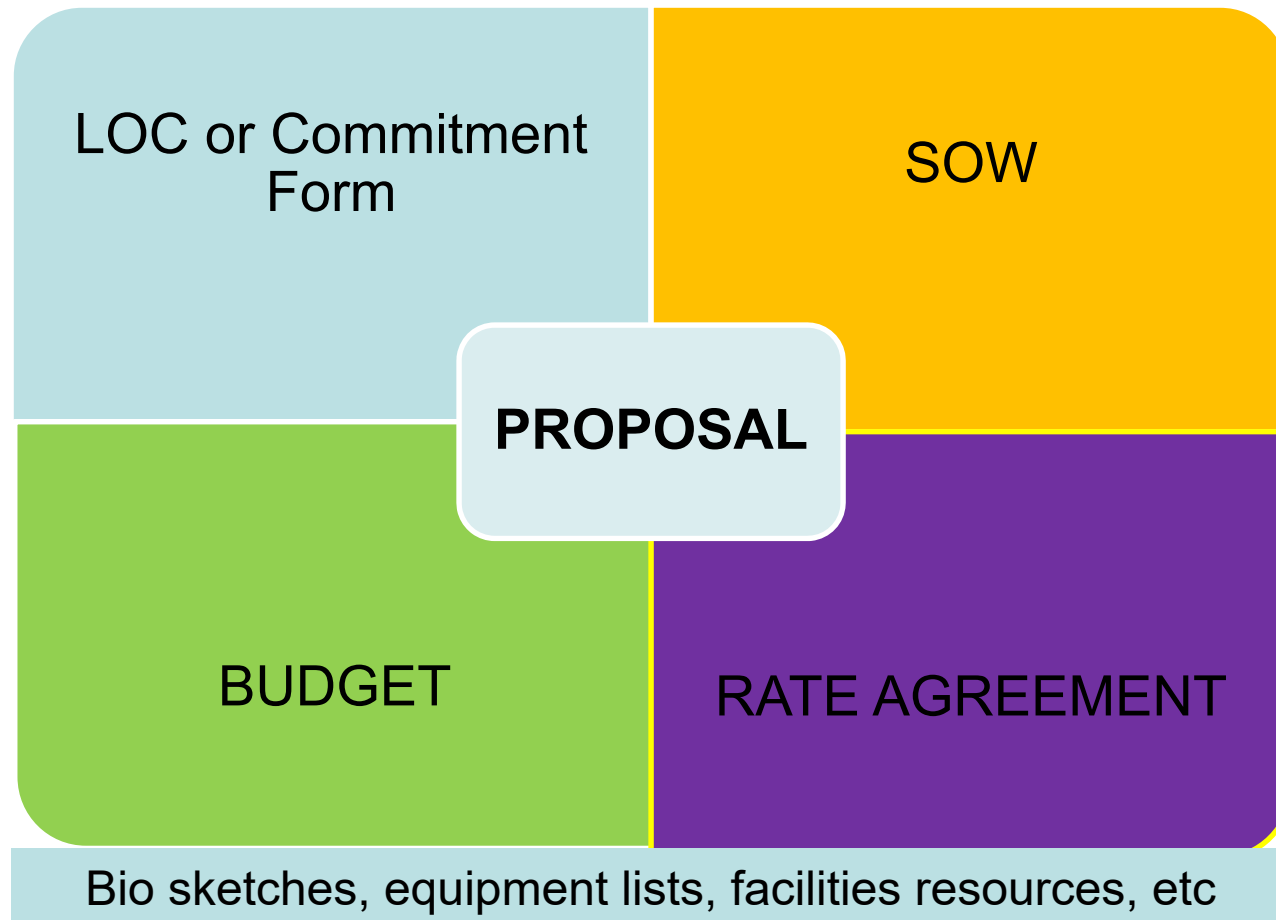
Incoming Subawards

<https://www.osp.cornell.edu/Contacts/whoismygco.html>



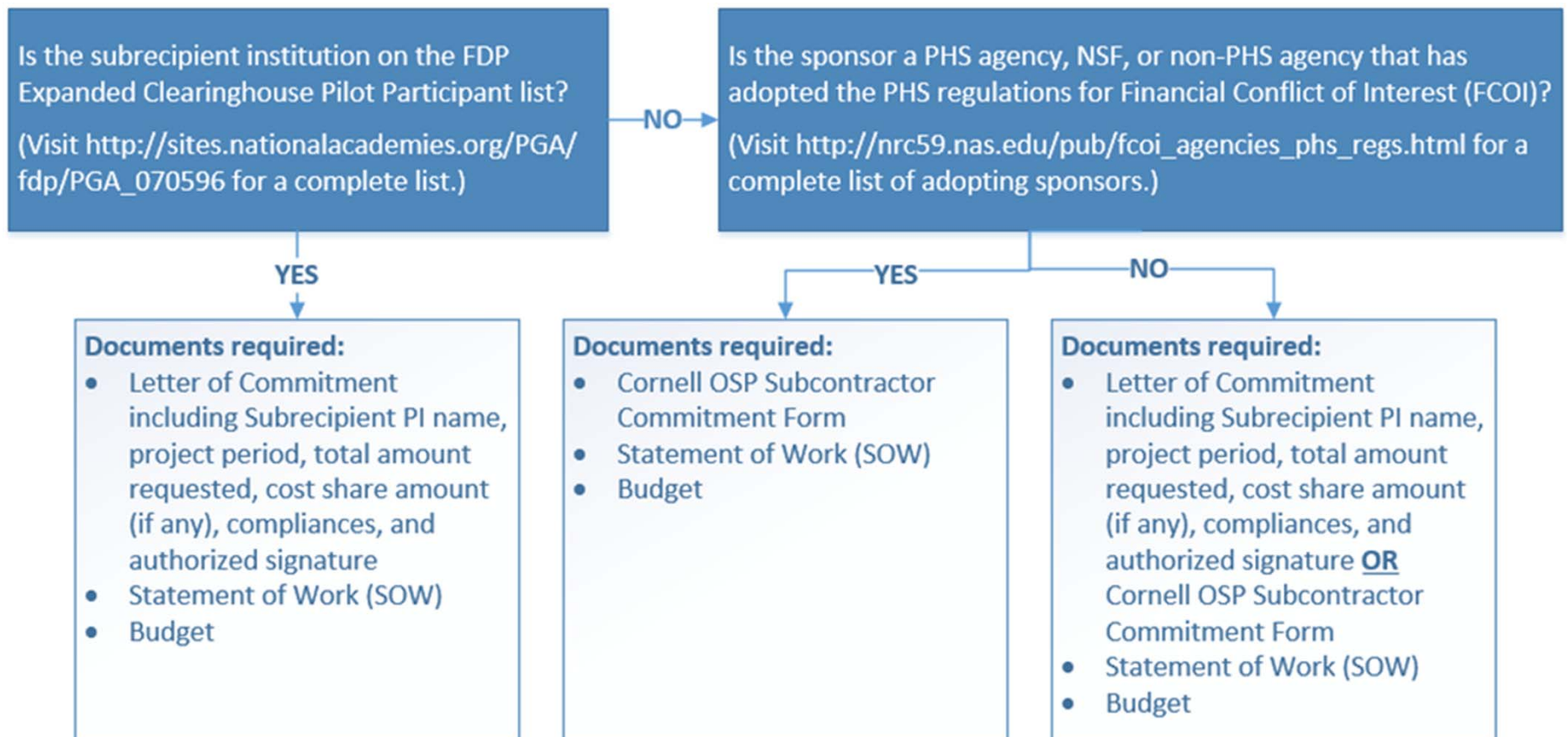


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SFS-HELP@CORNELL.EDU