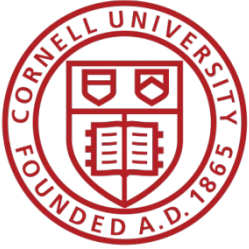


Office of Sponsored Programs (OSP) Roundtable

Subawards on Sponsored Projects





Subawards on Sponsored Projects

Presenters:

Tammy Wildenstein

Subaward Officer

Office of Sponsored Programs

Hayley Rein Kresock

Subaward Associate

Office of Sponsored Programs

OSP Subaward Team

Tammy Wildenstein
Subaward Officer

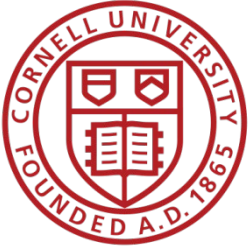
Hayley Rein Kresock
Subaward Associate

Mary-Margaret Klempa
Sr. Director, Office of Sponsored Programs



AGENDA

- Key Definitions
- Incoming vs Outgoing subawards
- Subaward Lifecycle
 - - Proposal
 - - Subaward
 - - Modifications
 - - Close out
- Subrecipient Monitoring
- Subaward Process in RASS



Key Definitions

Subaward: A formal legal agreement between Cornell University and another legal entity to perform a defined portion of the sponsored project's intellectually significant activity in exchange for sponsored funds.

- Work to be performed is defined in a Statement of Work (SOW).
- Funds to be used are outlined in a detailed budget and justification.
- Also called subagreement or subcontract.

Note: Sending non-sponsored funds (ex. Cornell funds, gift funds, etc.) to another entity is not a subaward and is not processed by OSP. PI/units wishing to send non-sponsored funding to an outside entity will need to work with Cornell Counsel.



Who's who?

Prime Sponsor

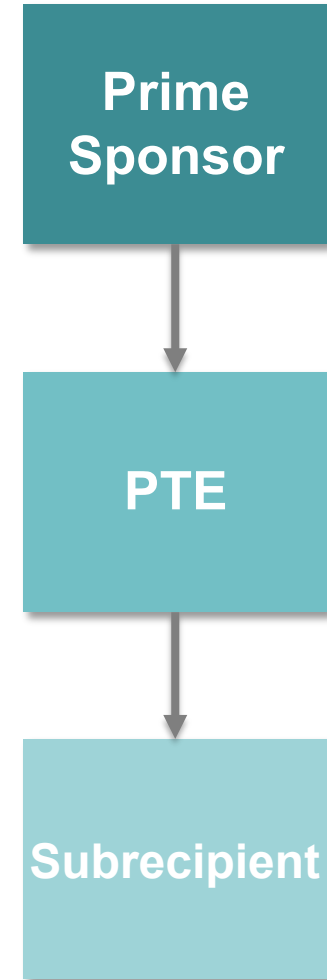
- The entity from where the funding originates

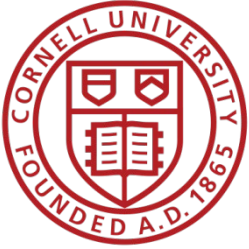
Pass Through Entity (PTE)

- Recipient of the prime award. The PTE issues the subaward

Subrecipient

- The recipient of the subaward





What are they?

Subrecipient

- A subaward is issued to a subrecipient for the purpose of carrying out a portion of a sponsored award.

Contractor/Vendor

- A contract is issued to a contractor for the purpose of obtaining goods and/or services.



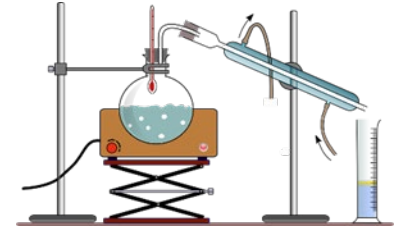


Subrecipient vs. Contractor

- Uniform Guidance 2 CFR 200.331 – Subrecipient and contractor determinations

Subrecipient	Contractor
Cornell is engaging another entity to carry out a portion of the award.	Cornell is procuring a service that will support the project.
Work to be performed will be self-directed with minimal direction from Cornell.	Cornell will provide a high level of direction regarding the work being performed.
Has programmatic decision making responsibilities.	Does not have programmatic decision making responsibilities.
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/award 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.	Engaged to provide goods and services that are ancillary to the operations of the prime award.
Responsible for adherence to the prime award requirements.	Normally operates in a competitive environment.

What are they?



Albert Einstein is a faculty member at Sunflower University in Topeka, KS. His lab has developed a unique process to characterize nano-materials using an ultra sensitive microscope that his lab has developed.

Dr. Einstein is included in a proposal with Dr. DaVinci at Cornell University. The scope of work for Dr. Einstein states “The Einstein laboratory at Sunflower University will characterize the nano materials produced by Dr. DaVinci’s lab using the unique process developed at Sunflower U. and will assist in writing manuscripts.”

Subrecipient

What are they?



Marie Curie is a Staff Scientist at XYZ Corp. in Tucson, AZ.

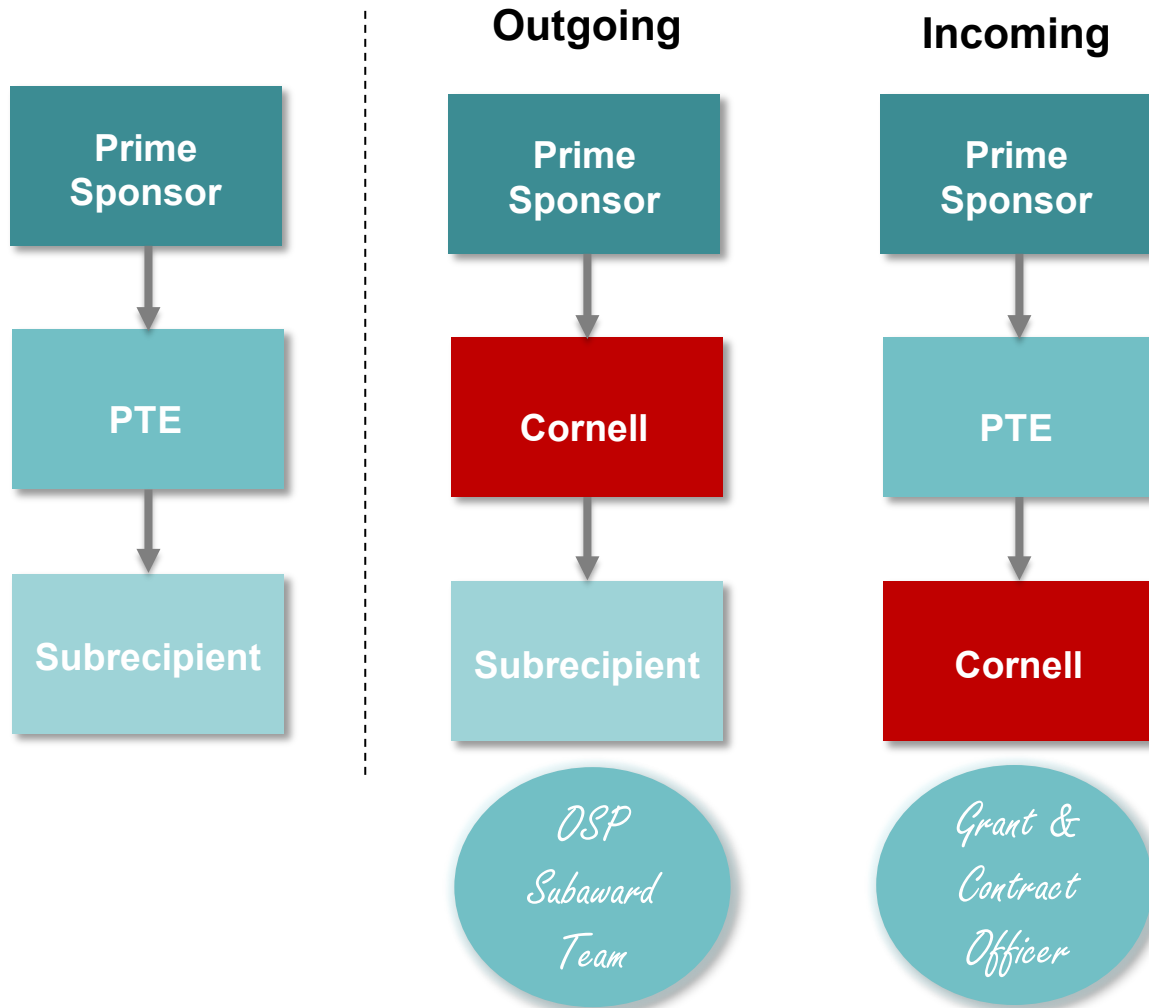
Her lab has developed a unique process to filter sound from liquids using a novel computer program. XYZ Corp. markets this process broadly to the public.

Dr. Curie is included in a proposal with Dr. Edison at Cornell University. The scope of work for Dr. Curie states “The Curie laboratory at XYZ Corp. will run samples of liquids provided by the Edison laboratory at Cornell University and will provide the sound data to Cornell for use in the sound bite testing portion the project.”

Contractor/Vendor



Incoming vs. Outgoing Subawards





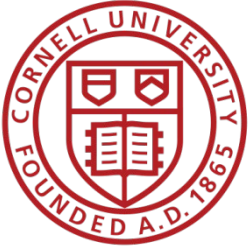
Subaward Lifecycle

Proposal

Subaward

Modifications

Closeout

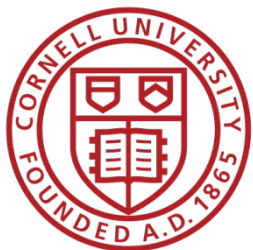


Subaward Proposal

1. PI identifies subrecipient(s)
 - Consider their qualifications, past experience, type of institution, preparedness to perform.

2. Research Administrator gathers the required proposal documents from the subrecipient(s)
 - Letter of Commitment (LOC) for FDP Partner entities or a Subrecipient Commitment Form signed by an authorized official for non-FDP entities.
 - Detailed Statement of Work
 - Detailed budget, justification, and Negotiated Indirect Cost Rate Agreement
 - Other Documents as required by the sponsor
 - Biosketches
 - Equipment, Facilities, and Other Resources
 - Collaborators and Other Affiliations

3. Subaward proposal documents are submitted with prime proposal to prime award GCO for review



LOC vs. Subcontractor Commitment Form



Is the subrecipient institution on the FDP Expanded Clearinghouse participant list (<https://fdpclearinghouse.org/organizations>)?

NO

Is the sponsor a PHS agency, NSF, or non-PHS agency that has adopted the PHS regulations for Financial Conflict of Interest (FCOI)?

YES

Documents required:

- Letter of Commitment including Subrecipient PI name, project period, total amount requested, cost share amount (if any), compliances, and authorized signature
- Statement of Work (SOW)
- Budget

YES

Documents required:

- Cornell OSP Subcontractor Commitment Form
- Statement of Work (SOW)
- Budget

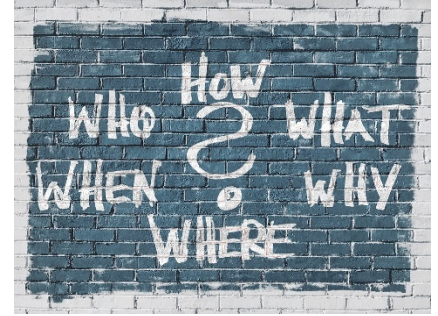
NO

Documents required:

- Letter of Commitment including Subrecipient PI name, project period, total amount requested, cost share amount (if any), compliances, and authorized signature **OR** Cornell OSP Subcontractor Commitment Form
- Statement of Work (SOW)
- Budget



Statement of Work

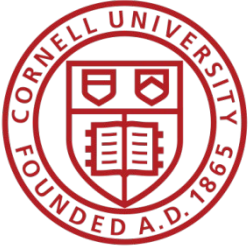


A comprehensive SOW should identify:

- Who – the subrecipient institution, the PI and project staffing
- What – project and subaward objectives and description of research to be conducted
- When - the period of performance and timing/frequency of meetings and reports
- Where - location(s) where the research will be conducted
- How - deliverables and milestones defined with a high level of specificity and detail

A comprehensive SOW performs the following functions:

- Allows OSP to perform the required subrecipient risk assessment and determine contract terms
- Clarifies the determination of the subrecipient versus contractor relationship
- Supports more effective monitoring
- Allows CORNELL UNIVERSITY to identify and correct performance deficiencies

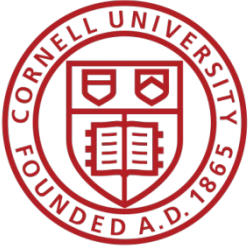


Subaward

1. OSP Grant & Contract Officer (GCO) processes the prime award. Department/Unit receive a copy of the distribution. Once this notice is received, a request can be submitted.
2. Department/Unit Research Administrator initiates a “Subaward Request” in the RASS Portal.

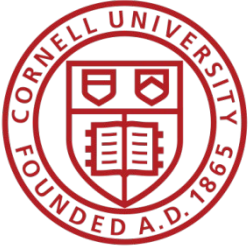
<https://rass.cornell.edu>





OSP Review & Processing

1. OSP Subaward Team reviews all requests for completeness and consistency with the prime award.
2. Accepted requests are further reviewed by the OSP Subaward Team for consistency with federal, sponsor, and Cornell policy.
 - Risk Assessment is completed, including audit review
 - Debarment, suspension, and excluded parties checks
 - Indirect costs
3. OSP Subaward Team drafts the subaward agreement and sends it to the subrecipient for review.
4. OSP Subaward Team works with the subrecipient to negotiate the subaward. Once in agreement, the subaward is executed and processed.



Indirect Costs

Uniform Guidance 2 CFR 200.332(a)(4)

Subrecipients have three options for indirect Costs:

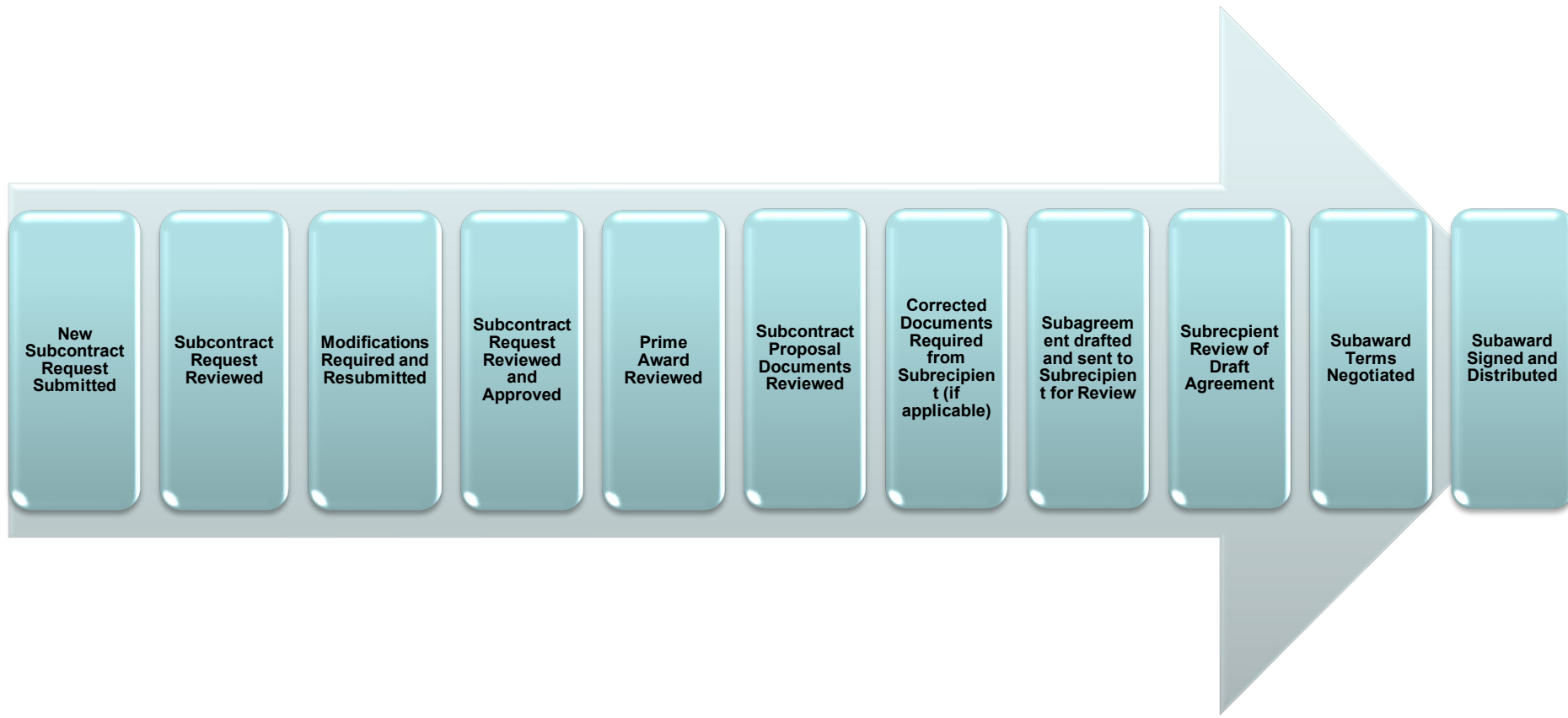
- 1) Use the Subrecipient's Federally Negotiated Rate
- 2) Negotiate a rate between Cornell and the Subrecipient
- 3) Use the de minimis rate of 10% of Modified Total Direct Costs (MTDC)

See 2 CFR 200.68 – Uniform Guidance Definition of MTDC





Subaward Timeline



**New
Subcontract
Request
Submitted**

**Subcontract
Request
Reviewed**

**Modifications
Required and
Resubmitted**

**Subcontract
Request
Reviewed
and
Approved**

**Prime
Award
Reviewed**

**Subcontract
Proposal
Documents
Reviewed**

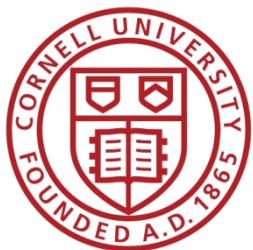
**Corrected
Documents
Required
from
Subrecipient
(if
applicable)**

**Subagreement
drafted and sent to
Subrecipient
for Review**

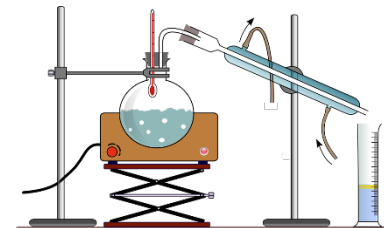
**Subrecipient
Review of
Draft
Agreement**

**Subaward
Terms
Negotiated**

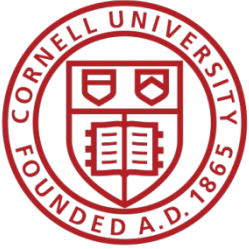
**Subaward
Signed and
Distributed**



Subagreements



- Subagreement document is made up of 4 (or more) parts:
 - Subagreement
 - Statement of Work
 - Budget
 - Prime Award
- Includes two types of terms:
 1. The award terms and conditions from the prime award are “flowed down” to the subrecipient, who must also agree to comply with them.
 2. Additional terms that Cornell imposes on the subrecipient.



Negotiation



Common areas where negotiation is needed:

1. Insurance – subrecipient unable or unwilling to provide insurance as outlined in the subagreement.
2. Intellectual Property – subrecipient unable or unwilling to provide Cornell or prime sponsor with IP rights as outlined in the subagreement.
3. Compliances - Human Subjects work requires an approved IRB Protocol, Vertebrate Animals work IACUC Protocol and related agreements, etc.
4. Conflict of Interest – subrecipient does not have a compliant Conflict of Interest Policy and is required to follow Cornell’s policy.
5. Indemnification – subrecipient unable or unwilling to agree to indemnify Cornell.
6. Indirect Costs – subrecipient without a federally negotiated rate and a rate greater than 10% de minimis included in the subrecipient’s budget.
7. Financial Statements – subrecipient not willing to provide financial statements



Modifications

Note: The terms modification and amendment are used interchangeably.

When does a subaward need to be modified/amended?

- Provide additional funding
- Provide additional funding and time
- Issue a no-cost extension
- Approve a budget revision
- Approve a change in project activities that will affect the scope of work
- Approve a change in key personnel
- Compliances have changed
- Other changes...

Department/Unit Research Administrator requests a “Modification to Subaward” in the RASS Portal.

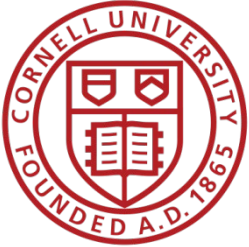
<https://rass.cornell.edu>



Closeout

- All final reports must be received from the subrecipient, and the dates the final reports were received must be entered into RASS. (technical, equipment, patent, financial etc.)
- A final invoice marked “final” must be received. Once all final reports are received, payment can be made.
- We do not process amendments to deobligate funds at the end of a project.





Subrecipient Monitoring



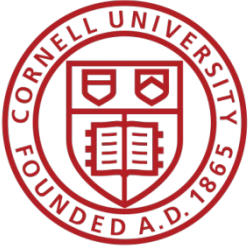
2 CFR 200.332 – Requirements for pass-through entities

All pass-through entities must:

- (a) Ensure that every subaward is clearly identified to the subrecipient as a subaward and that it includes the mandated information.
- (b) Evaluate each subrecipient's risk of noncompliance with Federal statutes, regulations, and the terms and conditions of the subaward to determine the appropriate subrecipient monitoring.
- (c) Consider imposing specific subaward conditions upon a subrecipient if appropriate.
- (d) Monitor the activities of the subrecipient to ensure that the subaward is used for authorized purposes, in compliance with Federal statutes, regulations, and the terms and conditions of the subaward; and that subaward performance goals are achieved.**

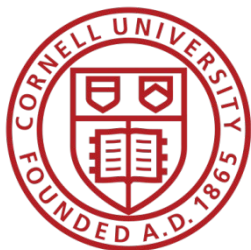
Pass-through entity monitoring of the subrecipient must include:

- (1) Reviewing financial and performance reports.
- (2) Following-up and ensuring that the subrecipient takes timely and appropriate action on all deficiencies pertaining to the Federal award provided to the subrecipient from the pass-through entity detected through audits, on-site reviews, etc..
- (3) Issuing a management decision for audit findings pertaining to the Federal award.



Subrecipient Monitoring

- (e) Depending upon the assessment of risk posed by the subrecipient the pass-through entity may provide technical assistance on program related matters, perform on-site reviews, etc. to ensure proper accountability and compliance with program requirements and achievement of performance goals:
- (f) Verify that every subrecipient is audited as required by Subpart F - Audit of the Uniform Guidance Requirements when it is expected that the subrecipient's Federal awards expended during the respective fiscal year equaled or exceeded the threshold set forth in 2 CFR 200.501 Audit requirements.
- (g) Consider whether the results of the subrecipient's audits, on-site reviews, or other monitoring indicate conditions that necessitate adjustments to the pass-through entity's own records.
- (h) Consider taking enforcement action against noncompliant subrecipients as described in 2 CFR 200.339 Remedies for noncompliance of this part and in program regulations.



Subrecipient Monitoring

We all play a part

OSP

- Risk Assessment
- Sub profiles
- Rate Agreements
- Insurance Certs
- Audit/financial statement review

SFS

- Audit/financial statement review
- Aids with risk assessment

PI/Unit

- Monitors technical and financial progress prior to approving payment



PI/Unit Responsibilities



- Monitor performance
 - Are all reports and invoices being submitted? Are they acceptable?
 - Are there any concerns about performance?
- Review reports
 - Is performance as expected?
 - Is progress being made?
- Review invoices
 - Are the costs commensurate with progress?
 - Are the costs consistent with the terms of the subaward?
- Engage the OSP Subaward Team any time there are concerns.

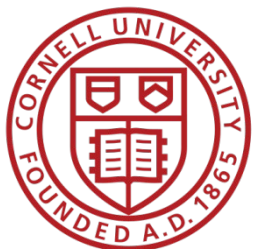
Subrecipient non-performance impacts the entire project!

Discuss any performance concerns with the subrecipient and/or the OSP Subaward Team.



RASS Demo

<https://rass.cornell.edu>



Who do I call?



RASS Help

guide.rass.cornell.edu

rass@research.cornell.edu

RASS office hours on Tuesday and Thursday from 1pm – 2pm

[Join via Zoom.](#)

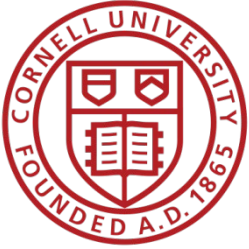
Outgoing subawards

OSP Subaward Team – cu_subawards@cornell.edu

Prime Award Grant and Contract Officer

- Incoming subawards (awards to Cornell)
- Outgoing subaward proposals (pre-award stage)
- When prime sponsor prior approval is required for an action on an existing subaward

When in doubt, email both the Subaward Team (cu_subawards@cornell.edu) and the GCO for assistance.



Questions?

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