

Office of Sponsored Programs (OSP) Roundtable

Subawards on Sponsored Projects

Research & Innovation



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
 - - New NIH Requirements
 - - 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 referred to as subagreement or subcontract.

NOTE: Sending non-sponsored funds (ex. Cornell funds, gift funds) 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.

The Subaward Relationship

Prime Sponsor

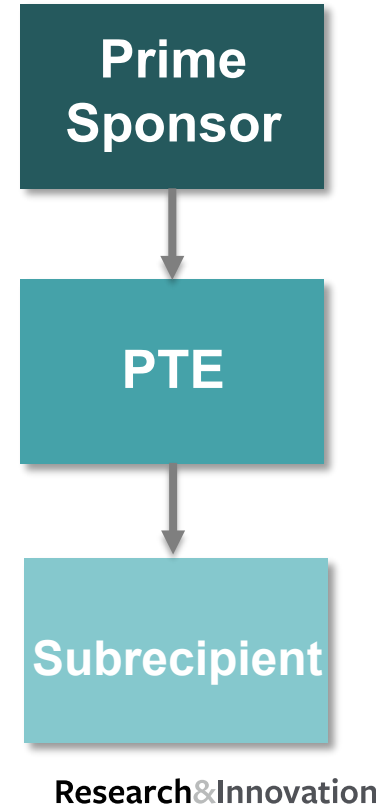
- The entity from where the funding originates

Pass Through Entity (PTE)

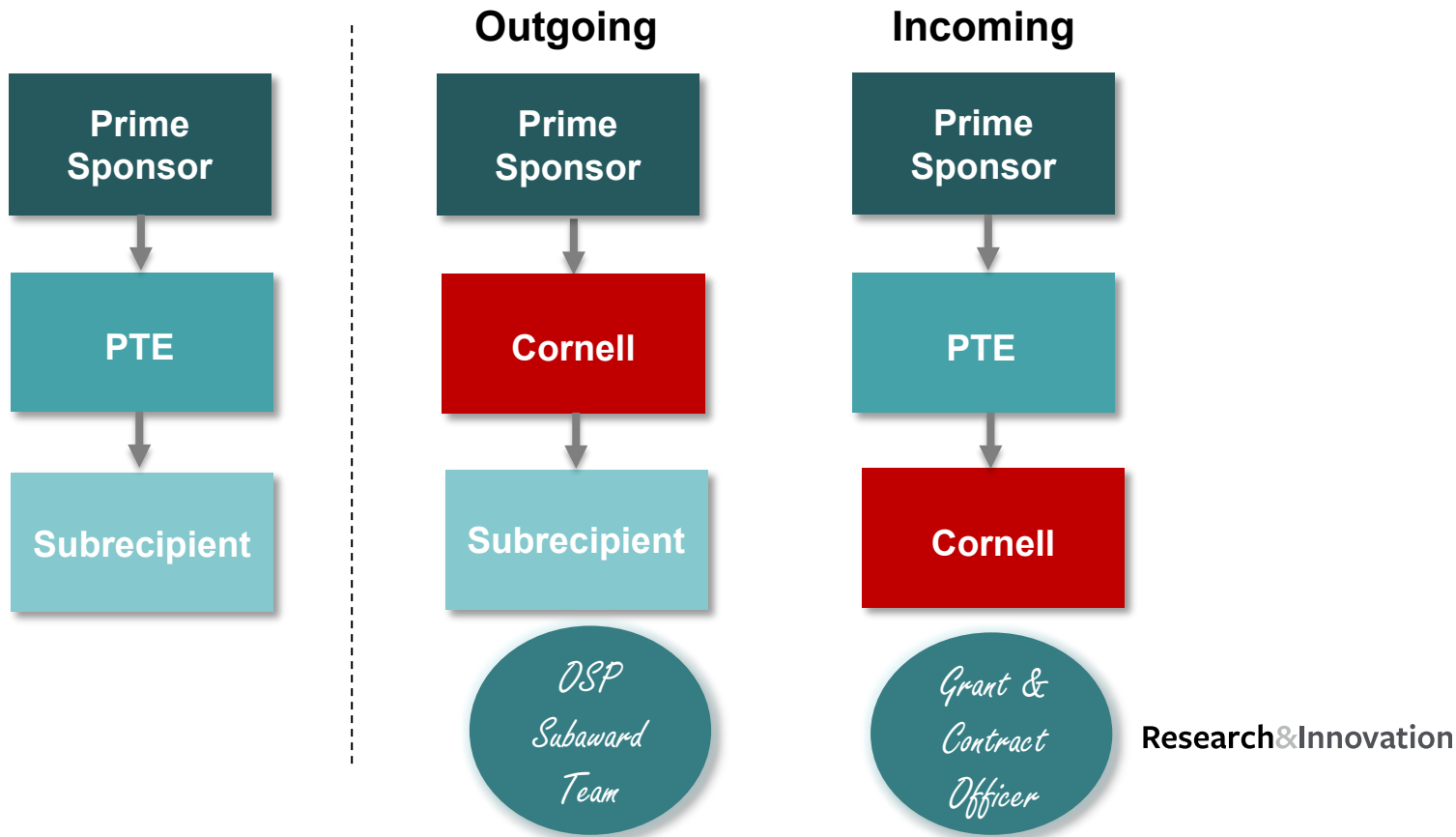
- Recipient of the prime award. The PTE issues the subaward

Subrecipient

- The recipient of the subaward



Incoming vs. Outgoing Subawards



Subrecipient vs. Contractor

Subrecipient

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

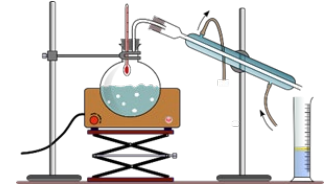
Contractor/Vendor

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

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.

Additional Guidance and Link to Checklist: <https://researchservices.cornell.edu/resources/proposing-subaward>



Scenario 1:

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



Scenario 2:

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

Subaward Lifecycle



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 Intent (LOI) 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
 - Written Agreement for consortium participant/subrecipient (NIH)
 - Biosketches
 - Equipment, Facilities, and Other Resources
 - Collaborators and Other Affiliations
3. Subaward proposal documents are uploaded to RASS and submitted with prime proposal to prime award GCO for review

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<https://researchservices.cornell.edu/resources/proposing-subaward>

NEW! NIH Requirements Policy Guidance for Subaward/Consortium Written Agreements

Effective January 1, 2024

See: <https://grants.nih.gov/grants/guide/notice-files/NOT-OD-23-182.html>

NIH expects recipients to ask potential subrecipients, at the application stage, to submit language in their letters of support indicating their awareness of the requirements of the policy and the subrecipient's willingness to abide by all requirements should an award be issued.

If a subrecipient is unwilling to accept the NIH requirements as outlined in NOT-OD-23-182 Section 15.2.1 Written Agreement, then a subaward cannot be issued to that subrecipient.

NEW! NIH Requirements

Policy Guidance for Subaward/Consortium Written Agreements

<https://grants.nih.gov/grants/guide/notice-files/NOT-OD-23-182.html>

Effective January 1, 2024

All subawards on NIH awards must include a written agreement signed by both Cornell and the subrecipient that addresses the negotiated arrangements for meeting the scientific, administrative, financial, and reporting requirements of the project, including those necessary to ensure compliance with all Federal regulations.

For foreign subrecipients, written agreements must include a provision requiring the foreign subrecipient to provide access to copies of all lab notebooks, all data, and all documentation that supports the research outcomes as described in the progress report, to the primary recipient with a frequency of no less than once per year, in alignment with the timing requirements for Research Performance Progress Report (RPPR) submission. Such access may be entirely electronic.

NIH expects recipients to update existing subaward agreements to foreign subrecipients to include this requirement on or before March 2, 2024.

FDP Expanded Clearinghouse

<https://fdpclearinghouse.org/>

The FDP Expanded Clearinghouse is a publicly available website that provides online organizational profiles containing entity-based information needed by pass-through entities when they are issuing subawards or monitoring their subrecipient entities. Participating Organizations (listed under “Participating Organizations”) have agreed to review each other's published profiles in lieu of sending/receiving individual subrecipient commitment forms containing the information posted on their profile.

The goal of the FDP Expanded Clearinghouse is to significantly reduce administrative burden.

FDP Subrecipient Letter of Intent



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

Subrecipient (Sub) Legal Name:		Pass-Through Entity (PTE) Legal Name:	
Sub DUNS:		PTE DUNS:	

Sub Principal Investigator:		PTE Principal Investigator:	
Sub Internal Project Identifier (optional):		PTE Internal Project Identifier (optional):	

Project Title:			
Prime Awarding Agency:		Project Period:	Start: End:
Total Proposed Amount for Project Period:	\$	Cost Sharing Amount for Project Period:	\$

*Project Use Information:*Human Subjects Yes No Vertebrate Subjects Yes No*Administrator:*

Sub Name/Title:		PTE Name/Title:	
Sub Phone:		PTE Phone:	
Sub Email:		PTE Email:	
Sub Email for Awards (if different from above):			

This proposal has been reviewed and approved by the appropriate official(s) of Subrecipient, and certified to its accuracy and completeness. The appropriate programmatic and administrative personnel of Subrecipient involved in this application are aware of the prime awarding agency's policies, agree to accept the obligation to comply with award terms, conditions and certifications, and are prepared to establish the necessary inter-institutional agreement consistent with that policy.

The following documents are attached to this Statement of Intent:

<input type="checkbox"/> Sub Statement of Work	<input type="checkbox"/> Sub Budget Justification
<input type="checkbox"/> Sub Detailed Line Item Budget	<input type="checkbox"/> Other: _____

Signature of Subrecipient's Authorized Official

Date

Name and Title of Authorized Official

OR

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
- Biosketches of all Key Personnel, in agency-required format
- Other: _____

SECTION B – Certifications

- 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)
- 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).
- 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
- Cost Sharing** Yes No Amount: _____
Cost sharing amounts and justification should be included in the subcontractor's budget
- 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_subawds@cornell.edu as soon as they become available.

If "Yes": Have all key personnel involved completed Human Subjects Training? Yes No

- 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.

FDP Subrecipient LOC vs. Subcontractor Commitment Form

Is the subrecipient entity on the FDP Expanded Clearinghouse participant list?

<https://fdpclearinghouse.org/organizations>

Yes

No

FDP Subrecipient Letter of Intent (with all sections completed and signed by an authorized person.)

Subcontractor Commitment Form (with all sections completed and signed by an authorized person.)

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<https://researchservices.cornell.edu/forms/subcontractor-commitment-form>

Subaward

1. OSP Grant & Contract Officer (GCO) processes the prime award.
2. Department/Unit receive a copy of the distribution. Once this notice is received, a request can be submitted.
3. Department/Unit Research Administrator initiates a “Subaward Request” in RASS. See <https://guide.rass.cornell.edu/sponsored-projects/initiate-a-subaward/> for detailed guidance

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:

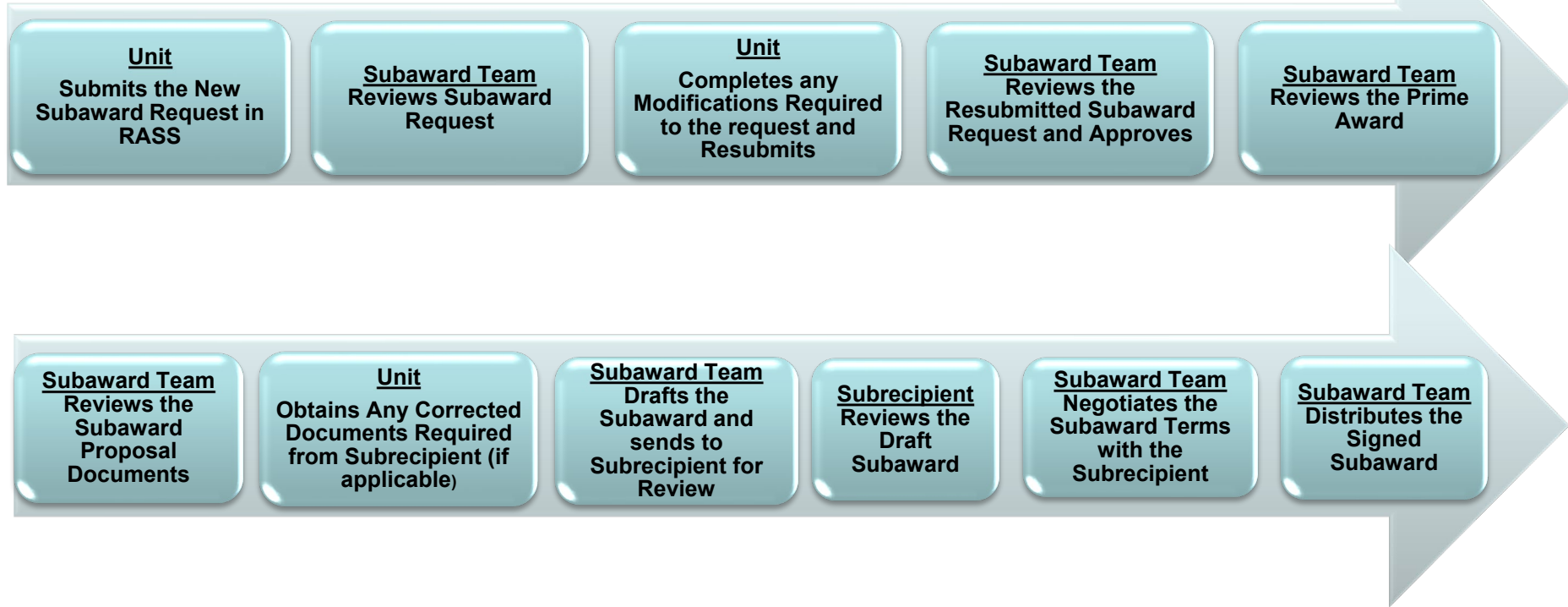
- 1) Use the Subrecipient's Federally Negotiated Rate
- 2) Negotiate a rate between Cornell and the Subrecipient
- 3) Use the de minimis rate of 10% Modified Total Direct Costs (MTDC)

Uniform Guidance Definition of MTDC – 2 CFR 200.68

MTDC means all direct salaries and wages, applicable fringe benefits, materials and supplies, services, travel, and up to the first \$25,000 of each subaward (regardless of the period of performance of the subawards under the award). MTDC excludes equipment, capital expenditures, charges for patient care, rental costs, tuition remission, scholarships and fellowships, participant support costs and the portion of each subaward in excess of \$25,000. Other items may only be excluded when necessary to avoid a serious inequity in the distribution of indirect costs, and with the approval of the cognizant agency for indirect costs.

NOTE: For federal prime awards and many non-federal prime awards, the IDC Rate cannot change in the out years of a subaward. The rates that can be used by the subrecipient are the approved rates when the award is fully executed and that becomes the rate for the life of the agreement. A change in the IDC Rate requires prime sponsor prior approval.

Subaward Timeline



Subaward Document

- Subaward document is made up of 4 (or more) parts:
 - Subaward
 - 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.

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

A SOW should not: Point to the task number(s) or specific aim(s) of a different document.
(Ex. Subrecipient will complete experiments in Task 1 outlined in the project description.)

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 and/or the prime sponsor.
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

Working with Weill Cornell Medical College

Weill Cornell Medical College (WCM) is technically not a Subrecipient to Cornell:

1. WCM – is a Cornell entity, however, their financial system defers from Cornell Ithaca and are treated as if they were a subrecipient in the RASS system. A subaward record needs to be added to the prime award record for WCM collaborations.
2. Compliances – The WCM compliance office is separate from Cornell Ithaca's compliance office. WCM needs to provide copies of approved protocol documentation when WCM is using human subjects, vertebrate animals, etc.
3. The Agreement– The agreement between WCM and Cornell Ithaca is a Memorandum Of Understanding (MOU) as opposed to a subaward agreement.
4. Invoicing – WCM submits invoices to Cornell Ithaca which are reviewed by the PI/Unit for completeness, allowability, etc. and the unit submits them for payment in the same way subrecipient invoices are reviewed and submitted for payment.

Modifications

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 must “Request Modification” within the subaward record in RASS.

<https://rass.cornell.edu>

Note: Many subaward modifications require prime sponsor prior approval. The prime award terms and/or prime sponsor policies will generally dictate if/when subaward modifications require prior approval.

Your Prime Award GCO can assist you with interpreting the prime award prior approval requirements.

Request Modification

Submit a request for modifications to this Subaward.

Request

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Closeout

- All final reports must be received from the subrecipient.
- The Unit must input the dates the final reports were received into the Deliverables Panel on the subaward record in 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

In a subaward, Cornell is acting as the federal government and/or sponsor. As such, the processes and controls must be carefully scrutinized on an ongoing basis

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
- Collects and reviews the reports from the subrecipient and enters the dates received in the RASS.

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PI/Unit Responsibilities

- Monitor performance
 - Are all reports and invoices being submitted? Are they acceptable?
 - Are there any concerns about performance?
 - For subrecipients/subawards designated as elevated risk, it is important that the additional monitoring requirements be completed.
- 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.

Subaward Concepts and Reminders

- a) Subawards are not automatically sent out when the prime award is distributed in RASS. The Unit Research Administrator must initiate the subaward(s) on the subaward record(s) in RASS.
- b) Modifications to the prime award do not automatically flow down to the subaward(s) (ex. Funding increase, No Cost Extension, early termination, etc.). The Unit Research Administrator must request a modification on the subaward record(s) in RASS to modify the subaward(s).
- c) Nearly all Cornell subawards are cost reimbursement agreements - funds are not sent from Cornell to a subrecipient upon execution of a subagreement. The subrecipient incurs allowable project expenses and invoices Cornell for reimbursement of those expense. Exception: When advance payment terms have been negotiated with the Subrecipient and are included in the subagreement. The Subrecipient invoices Cornell for the agreed upon advance.
- d) Subrecipient invoice review and payment reminders:
 - PIs and units are responsible for invoice review, and invoices should never be approved without discussion with OSP if deliverables are lacking.
 - Subaward invoices should be paid within 30 days, and any delays (e.g. awaiting a deliverable) should be documented on the payment form.
 - If you haven't gotten an invoice from a subrecipient for a while, this should be noted as part of your monitoring. Is work underway? Are there invoicing problems? Are they getting lost at Cornell?

RASS Demo

<https://rass.cornell.edu>

Who to call when you need help



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.

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Additional Resources

Subawards in a Proposal:

<https://researchservices.cornell.edu/proposal/subcontracts>

Proposing a Subaward:

<https://researchservices.cornell.edu/resources/proposing-subaward>

Initiate a Subaward in RASS:

<https://guide.rass.cornell.edu/sponsored-projects/initiate-a-subaward/>

Issuing the Subaward Agreement:

<https://researchservices.cornell.edu/resources/issuing-subaward-agreement>

Subaward Roles & Responsibilities:

<https://researchservices.cornell.edu/resources/subawards-roles-and-responsibilities>

Subrecipient Monitoring:

<https://researchservices.cornell.edu/resources/subrecipient-monitoring-financial-and-technical>

Collaborating with Weill Cornell Medicine:

<https://researchservices.cornell.edu/process/collaborating-weill-cornell-medicine>

Questions?

Tammy Wildenstein
Subaward Officer
Office of Sponsored Programs
tlw62@cornell.edu

Hayley Rein Kresock
Subaward Associate
Office of Sponsored Programs
hkr28@cornell.edu

Mary-Margaret Klempa
Senior Director
Office of Sponsored Programs
mk636@cornell.edu

cu_subawards@cornell.edu

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