

Spreading the Wealth and Sharing the Responsibilities: Compliant Subrecipient Management at Duke

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Characteristics of Subrecipients:

Subrecipient

Performance is measured against the objectives of the sponsored project

Responsible for programmatic decision making

Responsible for adherence to applicable federal compliance requirements

Utilizes funds to carry out a program of the organization - not to provide goods or services for the program

Characteristics of Vendors:

Vendors

Provide goods and services within normal business operations

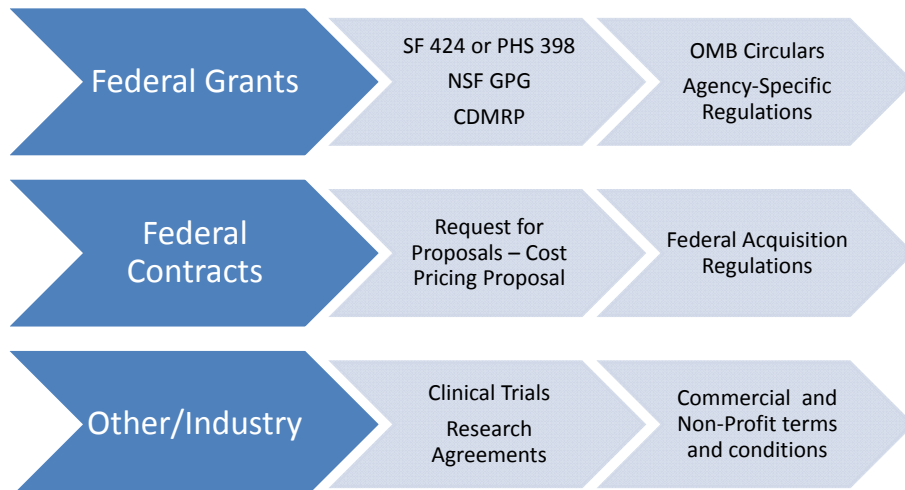
Provides similar goods and services to many different purchasers

Operates in a competitive environment

Provides goods and services ancillary to the operation of the federal program

Not subject to monitoring or reporting requirements of the prime award

Sponsor Guidance and Requirements



Documentation Required by Duke University from Subrecipients Prior to Proposal Submission



Content and format of documentation depends upon prime sponsor requirements (e.g., National Institutes of Health or National Science Foundation)

Institutional authorization certifying participation, compliance, and costs

Detailed budget with justification and Checklist

Statement of Work

Biosketches for Key Personnel and Other Support, if applicable

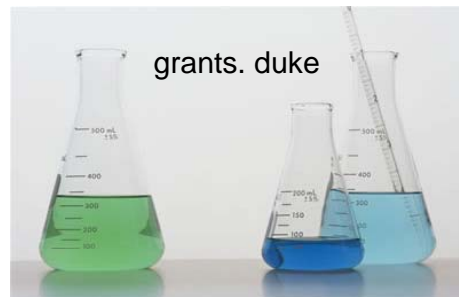


Application for a
Public Health Service Grant

PHS 398



GRANTS.GOVSM

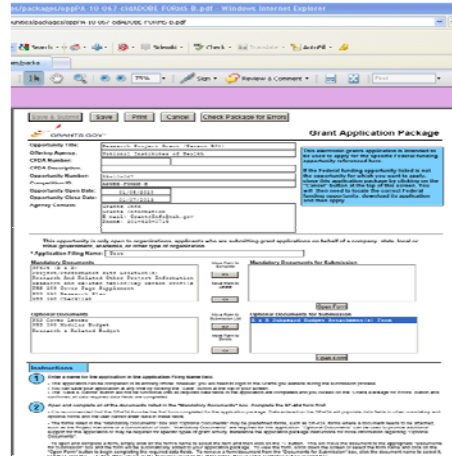


Give Consideration to Submission Process

Requirements of Parent
Announcement
PA-10-067 Research
Project Grant...

Will submission require
detail or modular budget?

Non-modular submissions
must include R&R Subaward
Budget Attachment(s) Form
for subrecipients for submission via grants.duke.

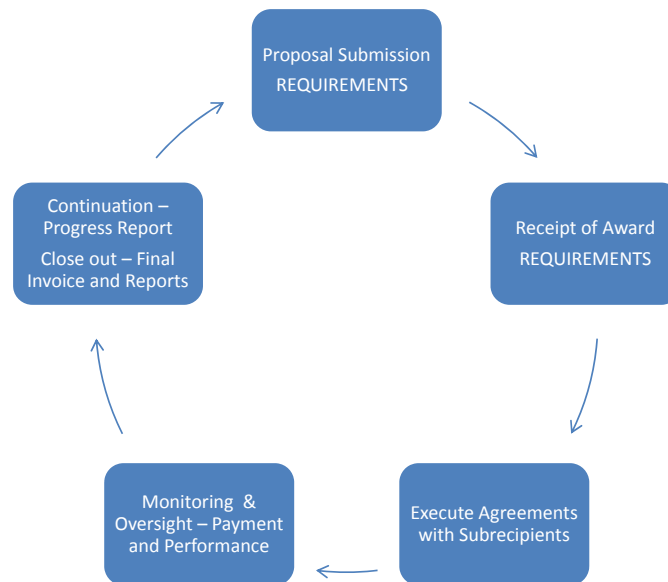


SPS Entry:

- 1) Performance Site(s)
- 2) Budget Information
- 3) Internal Documents (Signed PHS 398 from each subrecipient)

Upload appropriate attachments
in grants.duke

Managing the Cycle from Proposal Submission through Closeout



What You Need from the Sub at Time of Award

- A statement of work
- A budget with justification
- A signed commitment from an authorized official of the subrecipient institution
- A Subrecipient Checklist (also known as “Form 1”) – can be obtained later

The Budget

- Detailed
- Justified
- Include indirect costs in justification
- Pay particular attention to F&A for foreign subrecipients

Statement of Work

- Should be detailed and specific to subrecipient
- Not part of typical prime proposal submission
- ...but essential to the subaward agreement

Signed Commitment

- Cover page or letter
- Signed by authorized official of the subrecipient institution
- Not part of prime proposal submission
- But (like Statement of Work) essential to the subrecipient proposal

Subrecipient Checklist



The screenshot shows a web application interface for 'Subrecipients'. At the top, there is a header with 'Subrecipients' in a large font, and a user profile 'Kenneth W. MacDonald' with a 'Read Assistance?' link and a 'Logout' button. Below the header, there are tabs for 'Form 1', 'Profiles', and 'Admin'. A search box is present with the text 'Search for a Proposal with Subcontractors' and a 'Search' button. The search box contains the placeholder text: 'Enter a Proposal ID, P1 Last Name, part of a Subrecipients Name, Subrecipient Acronym or part of a Title.'



Why Are Subcontracts Delayed?

- Budget changes
 - Revised budgets
 - Revised budget justifications
 - Is scope of work affected?
 - Budget errors
 - Foreign site restrictions
 - IRB renewals for higher-risk subrecipients
 - Negotiations on terms and conditions
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Subcontract Modifications

What delays installments on existing awards?

- Change in budget
 - Lack of an out-year budget
 - Lack of a Subrecipient Progress Report
-

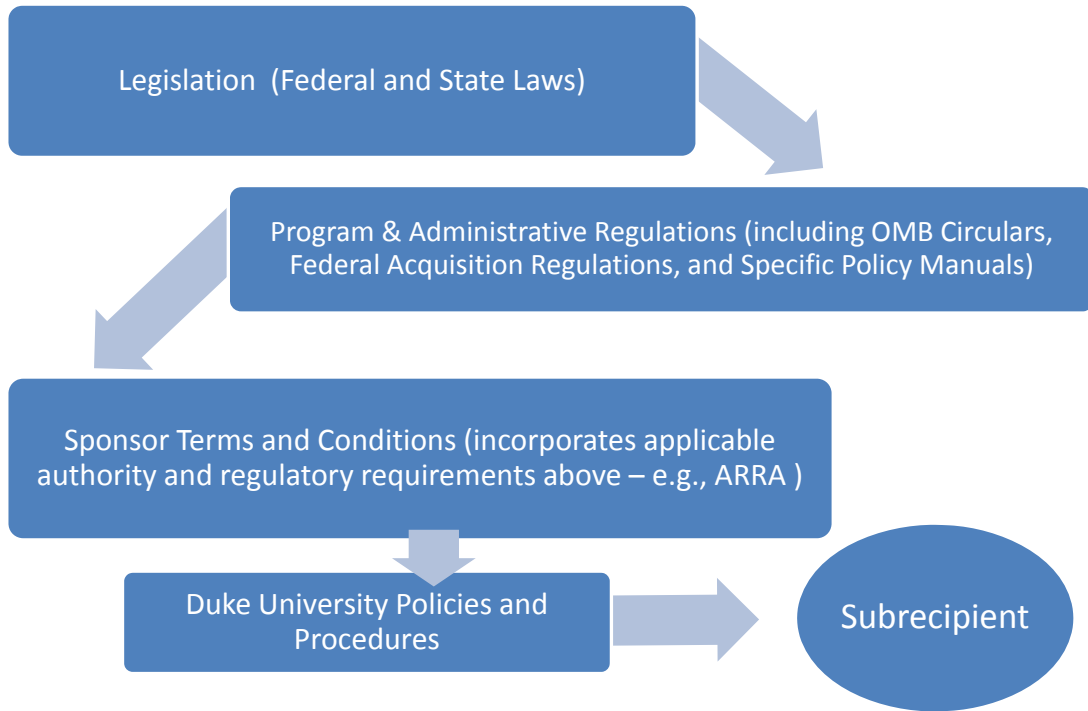


Defining Contractual Obligations – Who’s doing What, When, Where, and How much?



Agreements Governed by Terms and Conditions of Prime Sponsor





Basic Elements

- Budget/Project Period and Level of funding for Scope of Work Assigned
- Reporting Requirements – technical and fiscal
- Billing Instructions and disposition of carryover from one budget period to another
- Incorporation by reference the terms of prime agreement



Final Thoughts

- Waiting for the Sub
- Moving on to post-award
- Contact me (for subawards under Campus primes):

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Spreading the Wealth and Sharing the Responsibilities: Compliant Subrecipient Management at Duke – Post Award Perspective

Michelle Rigsbee, Associate Director
Sharon Amos, Administrative Manager
Office of Sponsored Programs

Sponsored Program's Responsibilities

- Paying Invoices
- Compliance Monitoring
- Financial Reporting to Sponsors

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Paying Invoices

- OSP is responsible for paying the Subcontractor for expenses incurred on Duke's sponsored projects.
- OSP reviews the Subcontractor invoices for accuracy by comparing it to the approved budget included in the subcontract document, including verification that the correct F&A rate has been applied.
- OSP sends copies of the AP Check Request and invoice to the Departmental Administrator.

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Departmental Responsibility

- If a subcontractor is having performance issues and payments should be stopped or modified as a result, you must notify OSP.
- If during monthly reconciliations you do not see payments to the Subcontractor, someone within the department should be contacting the subcontractor to see if there are any problems.

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Final Invoices

- Final invoices require PI's review, approval and certification of adequate technical performance before OSP will process for payment.
- OSP reviews all compliance issues once more before final payment is made and any necessary adjustment may be deducted from final payment.

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Final Invoice Exceptions

- When invoices are marked final, but we have an amendment extending the performance period, they do not require approval (unless there is no automatic carry forward).
- When an invoice expends the full \$ value of the award, but is not marked final, OSP treats it as a final and require approvals.

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Compliance Monitoring

- Compliance issues reviewed specifically at time of invoice processing include the following:
 - expenses are allowable
 - expenses are within budget thresholds (i.e. review sponsor rebudgeting limits, etc.)
 - correct F&A is being applied
 - mandatory cost sharing is reported
 - invoice is certified by subcontractor

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Compliance Monitoring

- A separate WBSE is required for each Subcontract awarded on a sponsored project.
 - Allows for individual management of the funds awarded to each Subcontractor.
 - Segregates subcontractor funds from the Duke funds.
 - As OSP identifies subcontracts that have not been assigned a separate WBSE, we will be requesting new codes and correcting this in the future.

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Compliance Monitoring

- At set-up, if award is federal prime, OSP sends a financial compliance letter to the subcontract institution informing them of the federal policies governing the award.
- The referenced documents address issues such as allowable/unallowable costs, costing consistency, administrative costs, allocating costs and effort reporting.

Includes A-21, A-87, A-122, A-133, 45 CFR 74 Appendix E, and 48 CFR 31

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Compliance Monitoring

- In order to comply with OMB Circular A-133, OSP is required to maintain and review a Subcontractors audit report.
- If an audit report identifies findings that may affect the subcontract, OSP is required to follow-up on the action taken by the Subcontractor to correct the finding.
- Failure of the Subcontractor to comply may jeopardize future subcontracting relationships with Duke.

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Compliance Monitoring

- Subcontractors that are excluded from the OMB Circular A-133, require monitoring beyond normal business practices and are handled case by case.
 - Examples:
 - Foreign Institutions
 - Non-educational Institutions

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Subrecipient Monitoring

- Expectation by Duke that Departmental Administrators and PI's monitor progress and activities of Subcontractors.
- Reviewing invoice expenditures is a non-scientific tool available to monitor progress.
- High Risk and/or Foreign Subcontractors requires a higher degree of departmental monitoring and involvement than those governed by the OMB Circular A-133.

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Final Reporting to the Prime Sponsor

- OSP will.....
 - verify receipt of final invoice during closeout process.
 - ensure that the subcontractor final invoice is included in the final report/invoice submitted to the sponsor.
 - late submission of final invoices can delay final reports submitted to the sponsor.

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