



Symposium for Research Administrators

Reengineering Research Administration

Black and White in a Gray World

Compliant Subrecipient Management
at Duke



2012 Symposium
for Research Administrators

Duke University

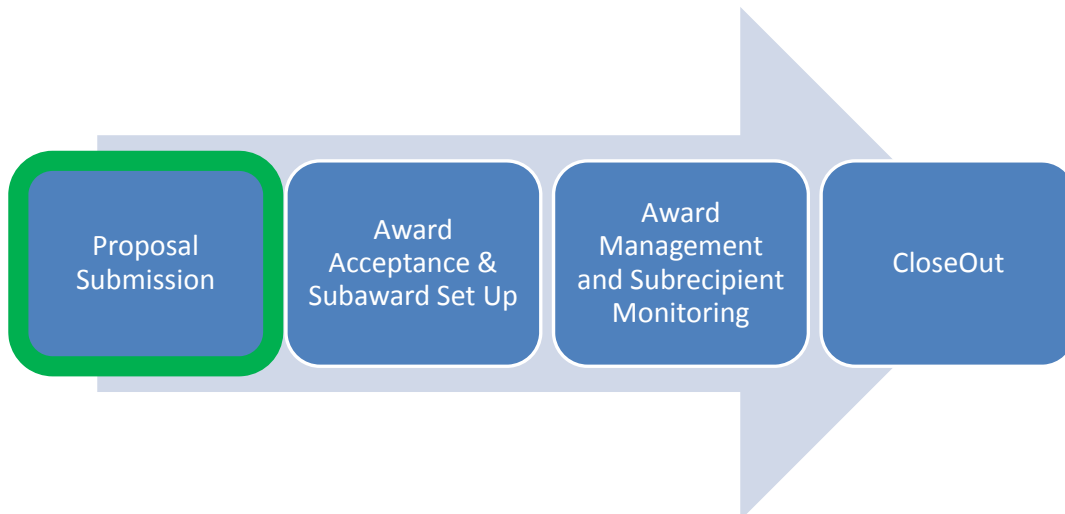
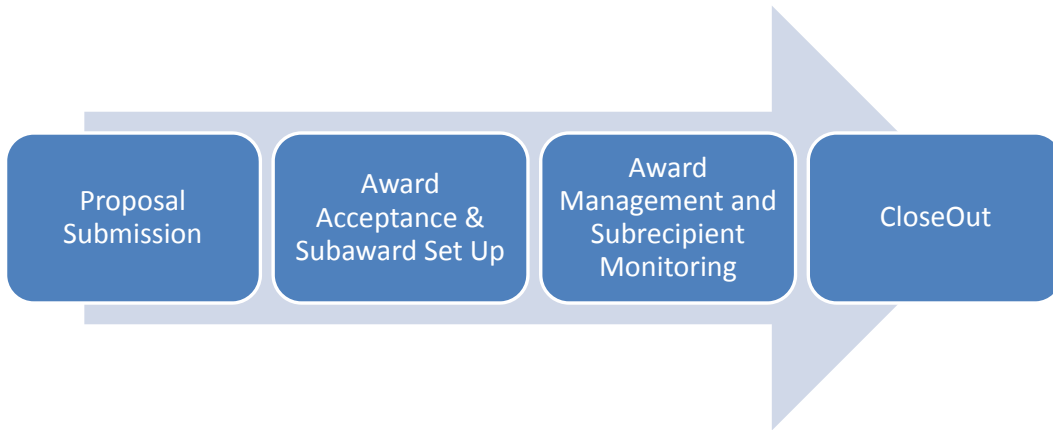
Session Overview

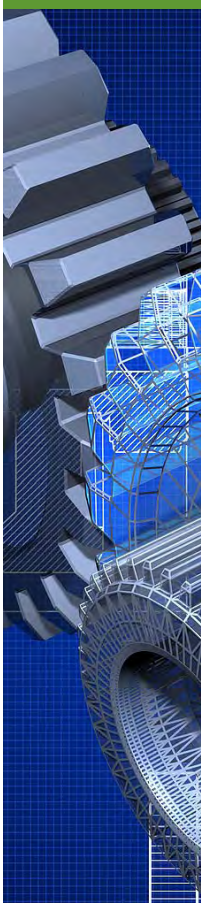
This session will strive to provide its attendees with an understanding of subrecipient management at Duke, and how to conduct business with the Central offices ORA/ORS/OSP. We will go over the purpose of the Subrecipient Initiation Request Form, the new business practice now in place within ORA, ORS, and OSP for outgoing agreements. We will attempt to bring clarity to Roles and Responsibilities for all stakeholders in the School of Medicine and School of Nursing and the expectations of federal government when it comes to subaward management via the NIH Grant Policy Statement. We will unfold these discussions with audience interaction and panel discussion.



Session Agenda:

Lifecycle of the Subrecipient Agreement





Characteristics of Subrecipients:

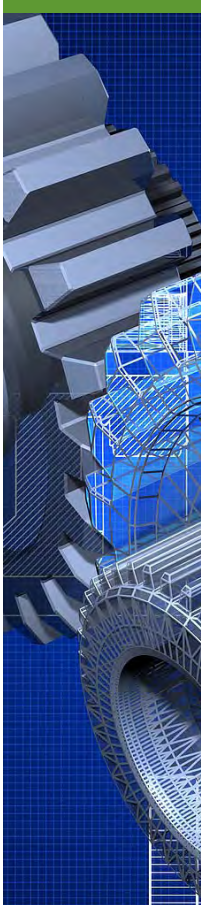
Subrecipients

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

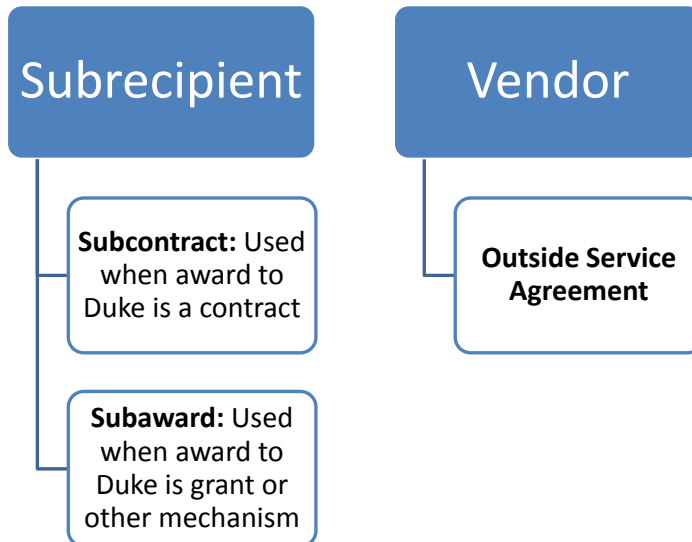
Provides similar goods and services to many different purchasers

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

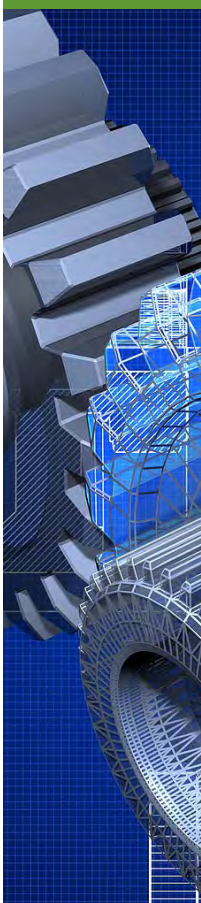
Award Mechanisms



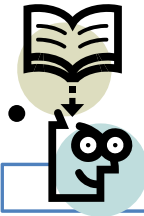
ORA/ORS Subrecipient Internal Checklist

- There are required documentation necessary for subrecipient participation to any sponsor.
- The Subrecipient Checklist has been developed and is intended for covering the minimum required documentation.
- Depending upon sponsor, additional requirements may be necessary above and beyond these requirements.

Please see handout #1



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, National Science Foundation, Foundations, etc.)

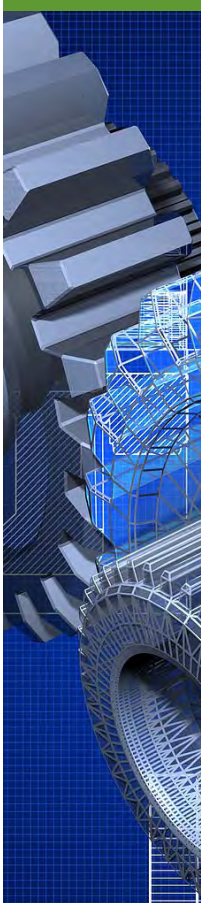
Institutional authorization certifying participation, compliance, and costs

Detailed budget with justification and Checklist

Statement of Work

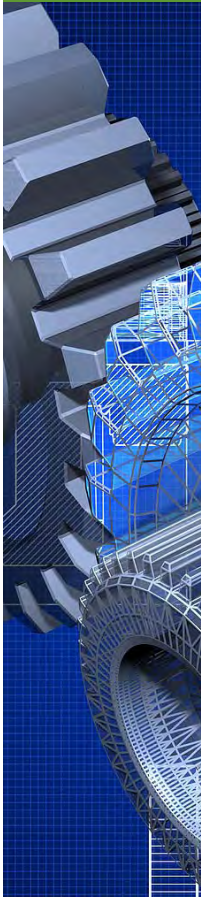
Biosketches for Key Personnel and Other Support, if applicable

Other Sponsor required forms (i.e. Assurances, certifications, FWA, DUNS # AND FCOI)



Signed Commitment

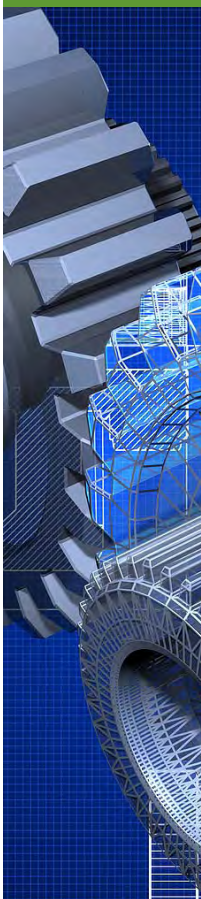
- Cover Page or Letter that reflects certification and assurances.
- Signed by authorized official of the subrecipient institution
- Generally obtained at proposal submission but may need to be revised if there are significant changes in budget/scope of work



Statement/Scope of Work

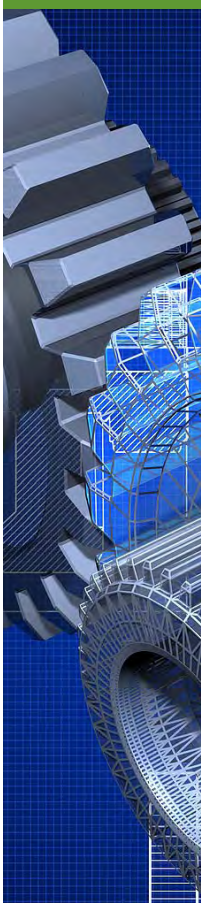
- Should be detailed and specific to each subrecipient
- Each year should be specific to budget period. May need to submit revised Statement of Work each year
- Not the same as generalized abstract submitted at proposal time
- Should answer “Who is doing what, when , where and how much?”

Please see handout #1



The Budget

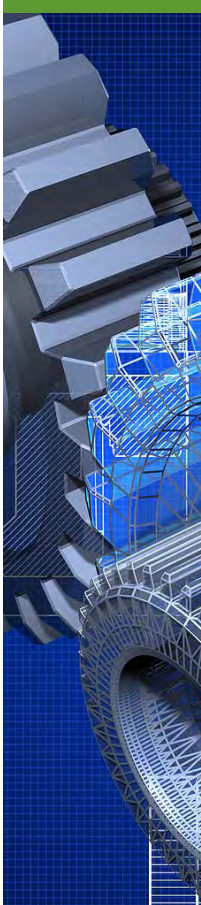
- Detailed
- Justified
- Include indirect costs in justification
- Checklist, copy of rate agreement, or indirect cost policy
- Pay particular attention to F&A for foreign sites



The FCOI Certification

- The prime recipient must take reasonable steps to ensure that subrecipient Investigators comply with the sponsor's FCOI requirements.
- Subrecipients must make a written assurance that their FCOI policy complies with sponsor's regulations.
- In the case of PHS funded projects, if the subrecipient cannot certify they have an FCOI policy that is consistent with PHS regulations, they will be subject to the prime recipient's FCOI policy.

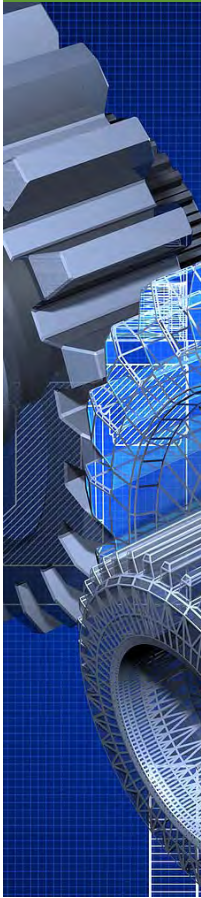
<http://research.som.duke.edu/sites/research.som.duke.edu/files/documents/SUBRECIPIENT%20FCOI%20CERTIFICATION%20FORM%20PROPOSAL.pdf>



SPS – Sponsored Projects System



Subrecipient data needs to be captured in SPS



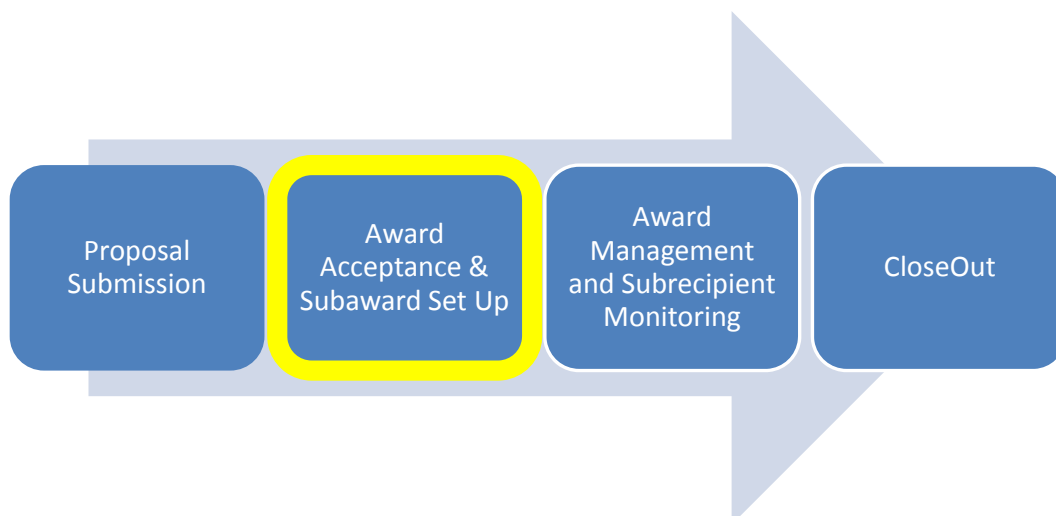
SPS Entry

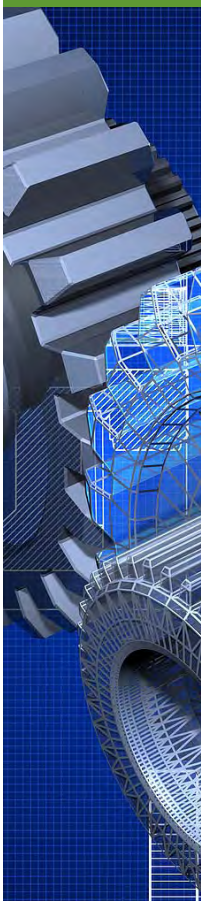
Entries should include the following:

- 1) Performance Site(s)
- 2) Performance Effort (feeds online travel system)
- 3) Budget Information
- 4) Internal Documents – Signed PHS 398 face page or sponsor equivalent attached

Consider the Submission Process When Gathering Documents

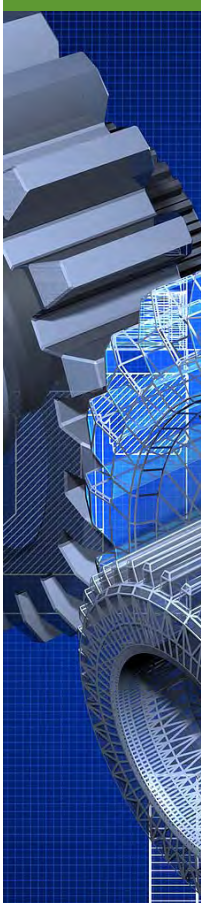
- Know your sponsor requirements
- Non-modular grant submissions to NIH must include R&R Subaward Budget Form Attachment(s) for each subrecipient for submission via grants.duke.





What You Need at Time of Initial Award:

- Project **MUST** be Awarded in SPS
- FCOI Disclosure (for PHS and PHS+ agencies)
- SIR - Subrecipient Initiation Request (ORA)
- Fund Code for each subrecipient
- IRB/IACUC Approvals
- Special Terms & Conditions Desired - specific to each agreement and different from the flow-down terms of prime (i.e. invoice location, carryforward)



What You Need From the Sub at Time of Initial Award:

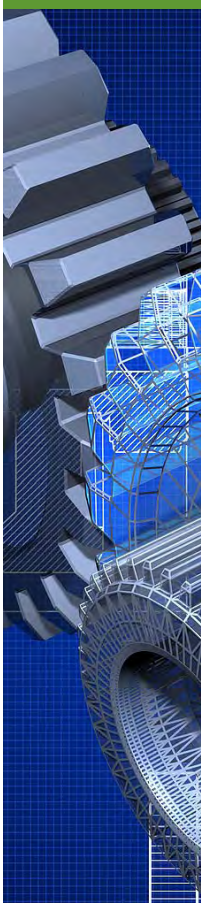
- A statement of work
- A budget with justification that matches award
- Checklist or F&A Rate Agreement
- A signed commitment from authorized official of the subrecipient institution
- Sponsor Specific Documentation such as valid DUNS #, FWA#, FCOI Assurance, etc.
- Wire Information (Foreign Sites Only)

Financial Conflict of Interest (FCOI) Disclosure

Written agreements with subrecipients must establish whether the FCOI policy of the prime recipient awardee institution or the subrecipient will apply. In the case of NIH funded projects the awardee institution is responsible for reporting all identified FCOIs for subrecipient investigators to NIH through eRA Commons.

<http://research.som.duke.edu/sites/research.som.duke.edu/files/documents/SUBRECIPIENT%20FCOI%20DISCLOSURE%20AWARD.pdf>

They Call Me
Mr. SIR 😊
ORA Review



Duke University Symposium for Research Administrators



Duke Office of Research Administration Duke University School of Medicine

Subaward Initiation Request

To initiate an outgoing subaward or subcontract for an award, please complete this subaward/contract initiation request. **Grant Manager Name:** *
Please enter the Duke department point of contact for this subaward initiation.

Grant Manager E-mail Address: *
Please enter the e-mail address of the Duke Department requestor.

Duke Principal Investigator Name: *

Duke Principal Investigator E-mail Address: *

Active SPS Record Number: *
Please enter the active SPS record number for this award.

Prime Sponsor Name: *
Please enter the name of the funding sponsor for this award.

Prime Award Number: *
Please enter the sponsor number assigned to this award.

Parent WBSE: *
Please enter the parent WBSE for the project.

Action Type: *

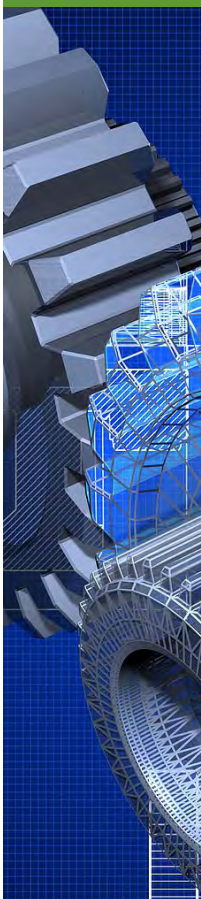
- New
 Amendment

Is this a new subaward request or a request to amend an existing subaward?

Non Competing Renewal: *

- Yes
 No

Is this a non-competing renewal? If yes, complete the subaward progress report on next page.



Duke University Symposium for Research Administrators

Subaward Initiation Request

To initiate an outgoing subaward or subcontract for an award, please complete this subaward/contract initiation request.

Total # of subawards to be issued with this action?: *
Please indicate the total number of subawards to be issued as a result of this form.

Additional Subawards (Use box below only if there is more than one subaward): *

<small>LUAC-CH 203-1061, \$5,000</small>
<small>Emory University 203-1062, Tenriast</small>

Please enter each additional Subaward. List the Subaward Entity Name, WBSE, and Budget Amount (For example, Baylor University 203-1234 \$25,000; Emory University 203-1235 \$32,000)

Has the Subrecipient (SR) submitted all required technical reports in a timely manner?: *

- Yes
 No

Has the (SR) made satisfactory progress within the original scope of work?: *

- Yes
 No

Is the (SR)'s spending rate appropriate for the work accomplished?: *

- Yes
 No

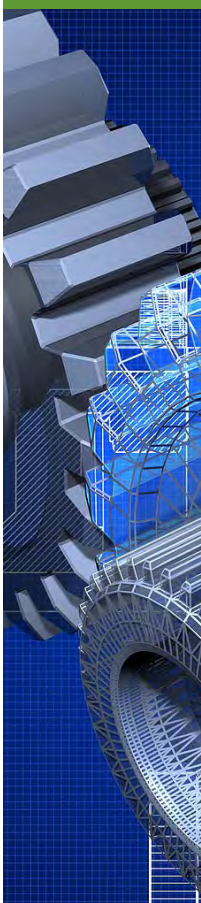
Are changes to the agreement needed?: *

- No changes at this time.
 Change in scope of work (attach new statement of work and authorized signature of SR)
 Change in budget (attach new budget, budget justification, and authorized signature of SR)
 Other- Please specify in the special terms section below

Has the (SR) disclosed a conflict of interest relating to this project?: *

- Yes
 No

If yes, attach documentation detailing how the conflict of interest has been managed, reduced, or eliminated.



Should the subaward agreement be continued?: *

Yes - Issue a modification to continue the agreement for the next budget period.

No - Do not continue the agreement.

Special Terms to be included in the subaward:

Terminate Every University due to poor performance of SAs.
see attachment.

* Asterisks indicate a required field.

Subaward Material: *

Please upload the subaward scope of work along with a detailed, line-item budget (salaries, fringe, travel, contractual, etc). Note: the total cost represented on the line-item budget should match the total cost of subaward support requested in this form.

Assurance Statement: *

Yes, I agree.

No, I do not agree.

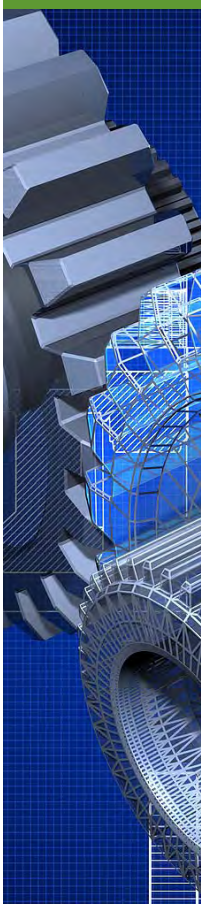
By submitting this request to ORA, both the Owning Org and Principal Investigator assume the responsibility for administrative and programmatic performance of the Subaward(s) named above.

[Previous Page](#) [Submit](#)

2012 Symposium for Research Administrators

Duke University

Subcontract Agreement And Modification ORS Review



ORS Subcontract Agreement Review:

Duke OFFICE OF RESEARCH SUPPORT **Duke University**
Subcontract Agreement
Review Sheet

DATE: 10/4/2012

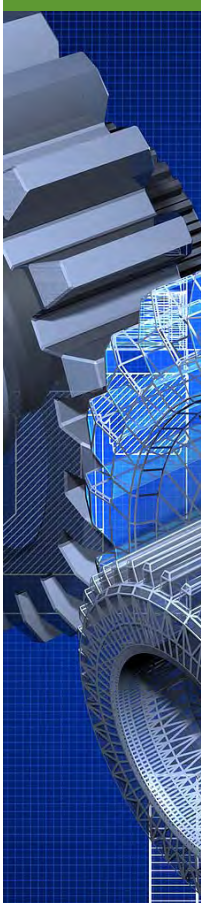
SUBRECIPIENT INSTITUTION: _____

DUKE PI: _____ SUBRECIPIENT PI: _____

PARENT SPS NO.: _____ SUBCONTRACT NUMBER: _____

ORS has reviewed the subcontract materials provided for this project and determined that the indicated items below still need to be provided. Please send these items via email attachment to sub-ors@duke.edu:

- Duke University Subrecipient Checklist. This must be completed and signed by both the subrecipient PI and an authorized official of the subrecipient institution. This form may be found online at: <https://redcap1.duke.edu/subrecipients/research/forms/>. Please print the PDF for your subcontractor and send the form to them via email attachment.
- Statement of work for the subcontract.
- A budget for the subcontract. The total amount for the current budget period should match the amount you have budgeted for this subcontract in the current period.
- A budget justification for the subcontract.
- An IRB letter indicating approval for human-subjects research (if required for this subaward). This letter must be signed by an authorized official of the IRB responsible for review of the subrecipient's human-subjects research and must indicate the date of approval. As well, this IRB must have an active Federal Wide Assurance (FWA) number registered with the US Department of Health & Human Services.
- An IACUC letter indicating approval for vertebrate-animal research (if required for this subaward). This letter must be signed by an authorized official of the IACUC, responsible for review of the subrecipient's vertebrate-animal research and must indicate the date of approval. As well, this IACUC must have a valid Animal Welfare Assurance number registered with the US Public Health Service.



ORS Subcontract Modification Review:

Duke OFFICE OF RESEARCH SUPPORT **Duke University**
Subcontract Modification
Review Sheet

DATE: 10/4/2012

SUBRECIPIENT INSTITUTION: _____

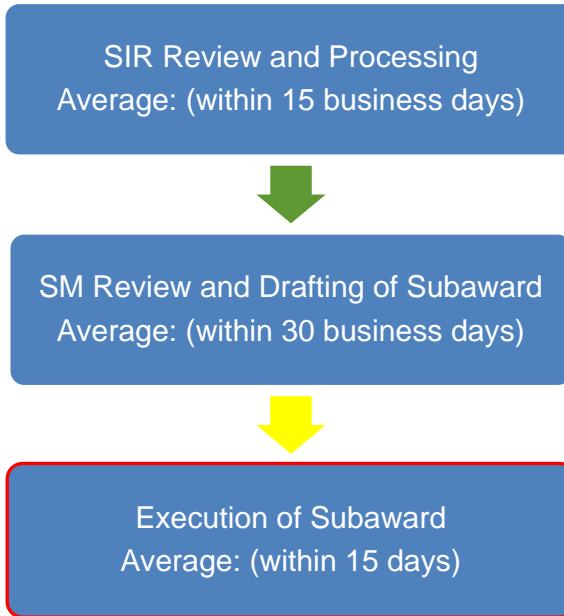
DUKE PI: _____ SUBRECIPIENT PI: _____

PARENT WISE: _____ SUBCONTRACT WISE: _____ SUBCONTRACT NUMBER: _____

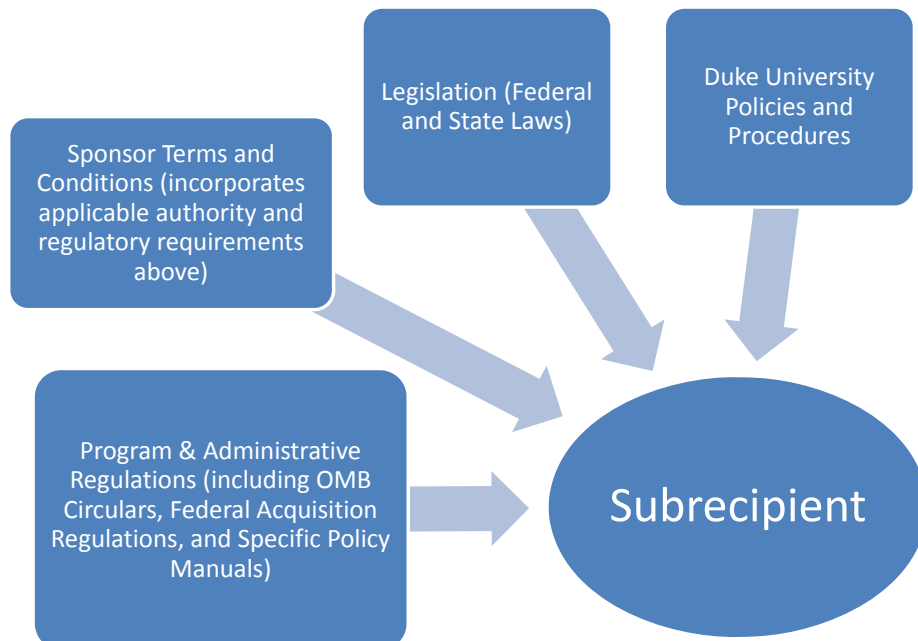
ORS has reviewed the subcontract materials provided for this project and determined that the indicated items below still need to be provided. Please send these items via email attachment to sub-ors@duke.edu:

- Duke University Subrecipient Progress Report -- must be completed and signed by the Duke PI. This form may be found online at: <http://ors.duke.edu/forms/subrecipients/form-01-at-orsms-report>
- Budget for the current period. The total amount for the current budget period should match the amount you have budgeted for this subcontract in the current period.
- Budget justification for the current period. Budget differs from previous period by more than inflationary adjustment and ORS has no justification for the current period.
- Revised or amended statement of work (if necessary).
- Final invoice (for deobligations at end of project, or end of budget period if no carry-forward is allowed).
- An IRB letter indicating continued approval for human-subjects research (if required for this subaward). This letter must be signed by an authorized official of the IRB responsible for review of the subrecipient's human-subjects research and must indicate the date of approval. As well, this IRB must have an active Federal Wide Assurance (FWA) number registered with the US Department of Health & Human Services.
- An IACUC letter indicating continued approval for vertebrate-animal research (if required for this subaward). This letter must be signed by an authorized official of the IACUC, responsible for review of the subrecipient's vertebrate-animal research and must indicate the date of approval. As well, this IACUC must have a valid Animal Welfare Assurance number registered with the US Public Health Service.
- Other: _____

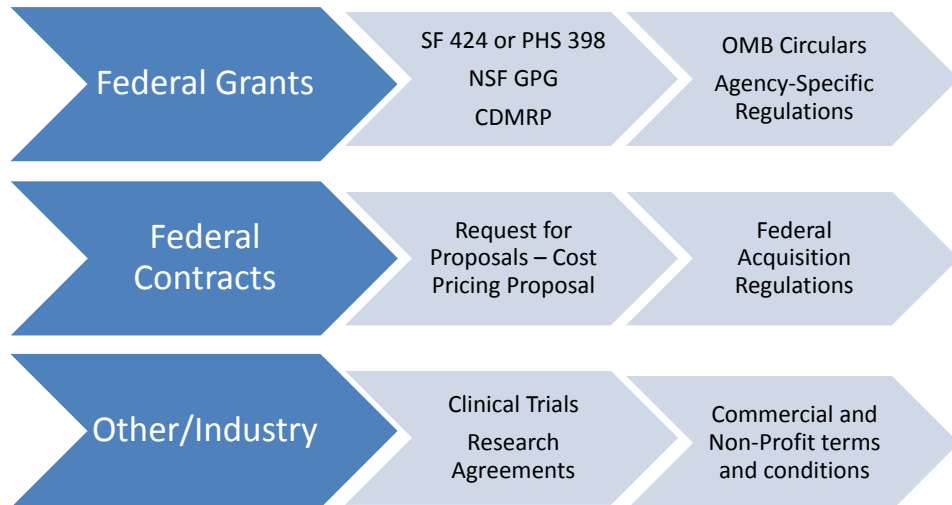
ORA Subaward Process Timeline 45 – 60 day turn around



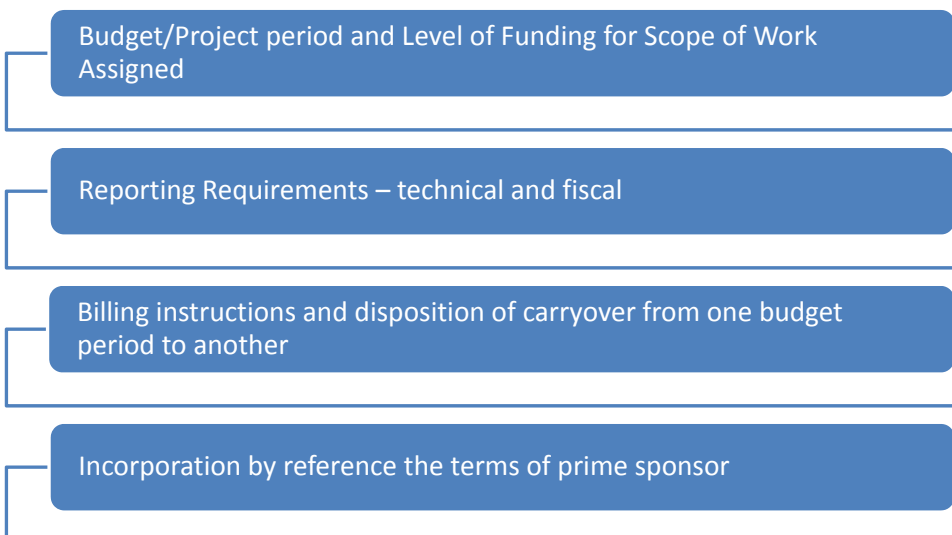
How Agreements are Governed

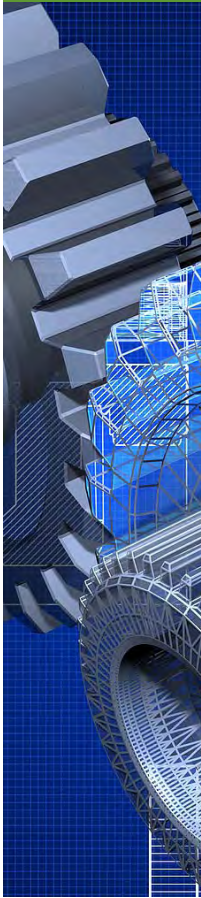


Where to Find Sponsor Guidance and Requirements



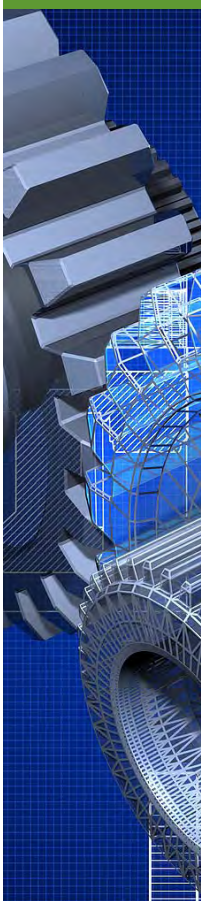
The Basic Elements of an Agreement





Why are Subrecipient Award Agreements Delayed?

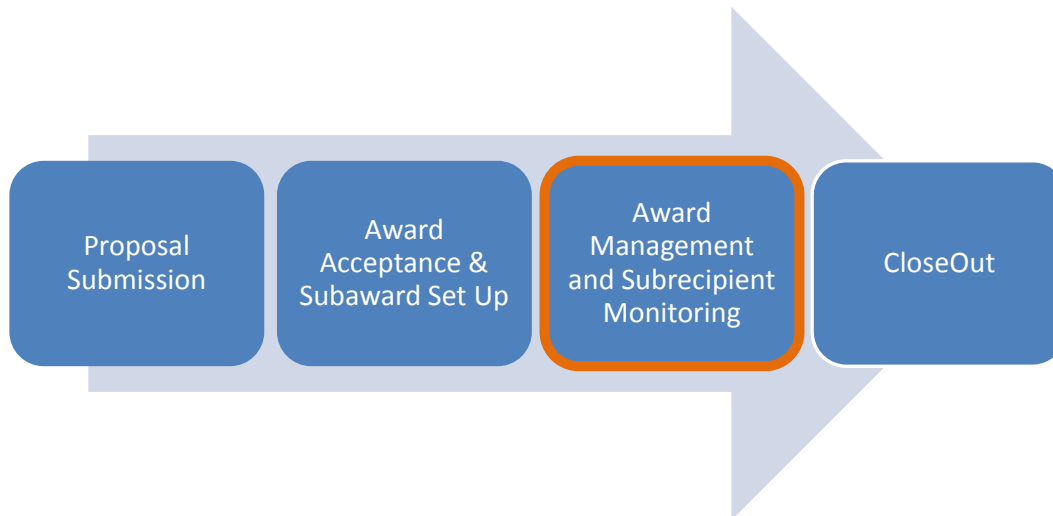
- No SIR (ORA) or applicable documentation
- Budget changes
 - Revised budgets
 - Revised budget justifications
 - Revised scope of work
- Budget errors
- Foreign site restrictions
- IRB renewals for higher-risk subrecipients
- Negotiations on terms and conditions, i.e. flow through OCRC (generally the cause of major delays)
- Other Sponsor required forms (i.e. Assurances, certifications, FWA, DUNS # AND FCOI disclosure)



Subrecipient Award Modifications

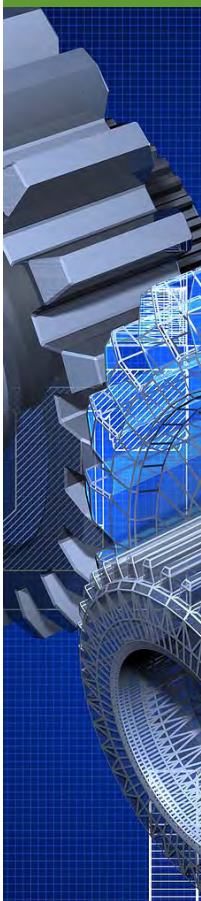
What delays installments on existing awards?

- No SIR (ORA) or applicable documentation
- Change in budget
- No outlying budget from original submission
- No Subrecipient Progress Report
- No statement of work for current funding period
- IRB renewals
- Other Sponsor required forms (i.e. Assurances, certifications, FWA, DUNS # AND FCOI)



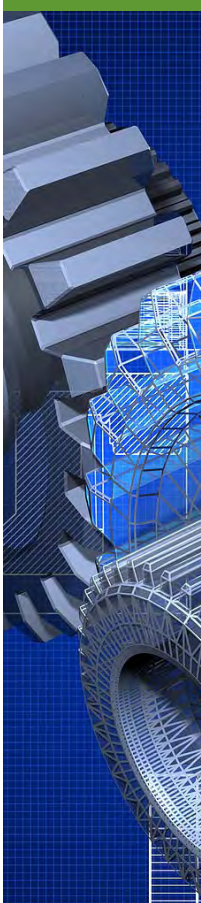
Sponsored Program's Responsibilities

- Setup of Subrecipient Record
- Compliance Review
- Paying Invoices/Compliance Monitoring
- Financial Reporting to Sponsors



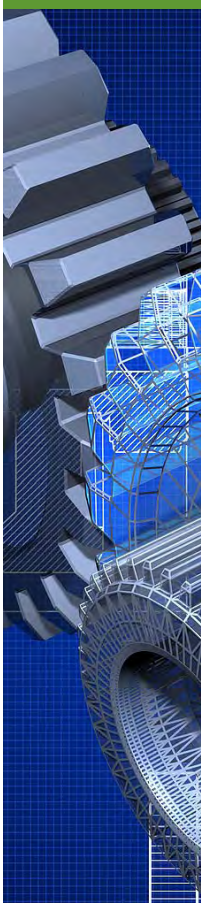
Subrecipient Record Set-up

- A separate WBSE is required for each subrecipient on a sponsored project.
 - Allows for individual management of the funds awarded to each subrecipient.
 - Segregates subrecipient funds from Duke funds.
 - If OSP identifies subrecipients that have not been assigned a separate WBSE, we will be requesting that this to be done before completing set-up.



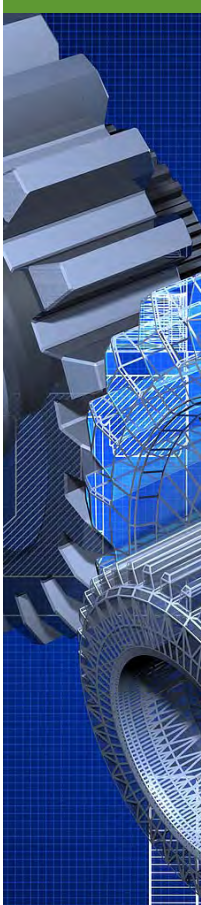
Subrecipient Record Set-up

- Agreement is reviewed for completeness noting sponsor terms, invoicing requirements, deliverables, F&A rate, FFATA requirements, and other special terms.
- Billing record created for use by OSP
- Compliance requirements are determined



Compliance Review – Federal Prime

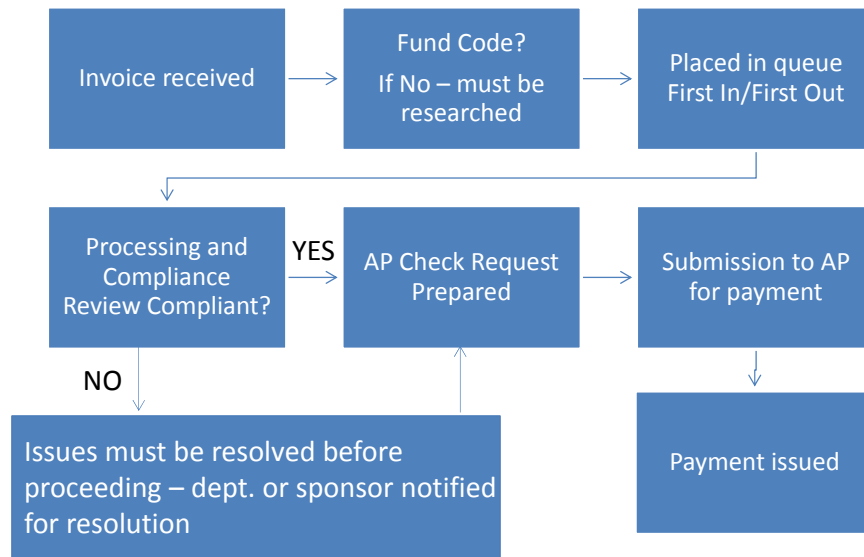
- At set-up, if award is federal prime, OSP sends a financial compliance letter to the subrecipient institution informing them of the federal policies governing the award.
- The referenced documents address issues such as allowable/unallowable costs, costing consistency, administrative costs, allocating costs and effort reporting.
- **Includes A-21, A-87, A-122, A-133, 45 CFR 74 Appendix E, and 48 CFR 31**



Compliance Review – Non-federal

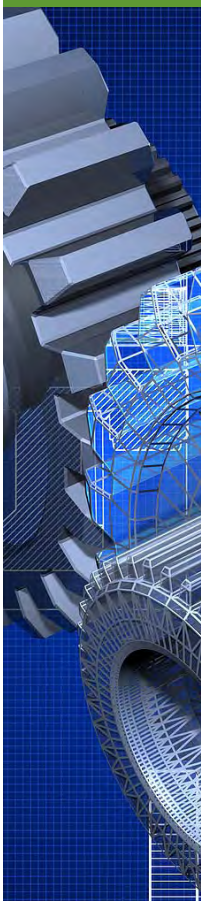
- If agreement is governed by a non-federal prime, special terms and conditions are noted on the OSP billing record

The Invoice Cycle



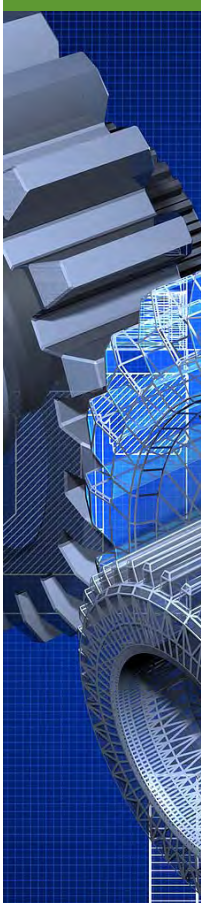
Paying Invoices

- OSP is responsible for paying all subrecipient invoices for expenses incurred on Duke's sponsored projects
- OSP reviews the invoices for accuracy and compliance with terms of award
- Copies of the AP Check Request and invoice are available in R3 once processed.



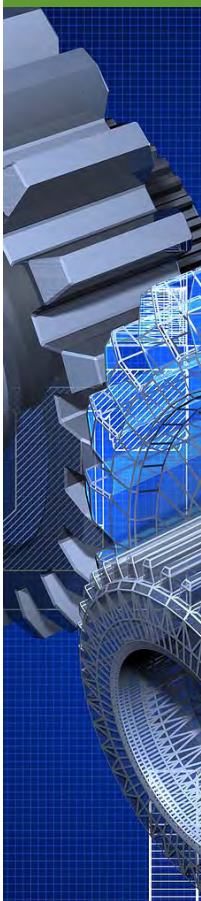
Compliance Monitoring

- Compliance issues reviewed specifically at time of invoice processing include:
 - Expenses are allowable
 - Expenses are within budget thresholds (i.e. sponsor rebudgeting limits, etc.)
 - Correct F&A is being applied
 - Mandatory cost-sharing is being reported (dept. responsible for monitoring)
 - Invoice is certified by the subrecipient



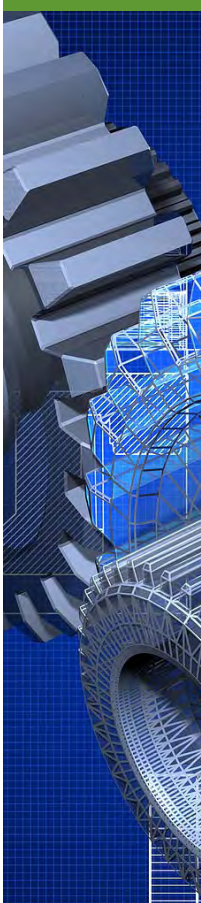
Final Invoices

- Final invoices require PI's review, approval and certification of adequate technical performance before OSP will process for payment (GAP 200.280).
<https://finance.duke.edu/accounting/gap/m200-280.php>
- OSP reviews all compliance issues once more before final payment is made and any necessary adjustments may be deducted from final payment.



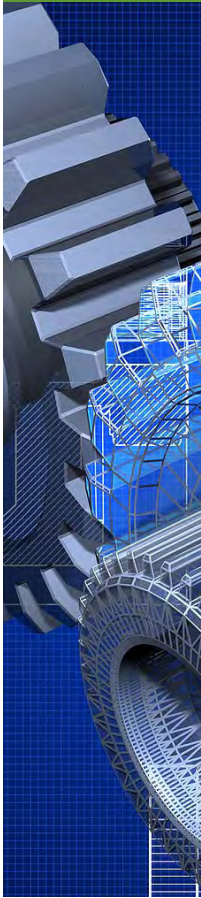
Final Invoice Exceptions

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



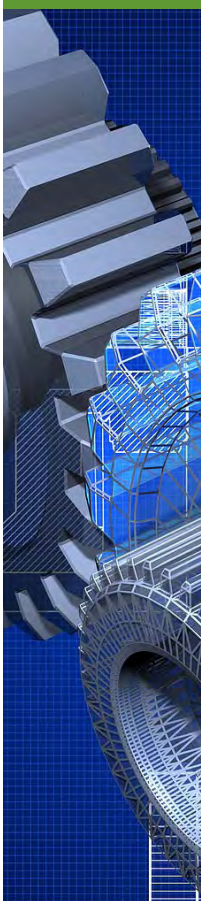
Departmental Responsibility

- If pre-approval is required invoices should go directly to the department.
- If a subrecipient is having performance issues and payments should be stopped or modified as a result, you must notify OSP and your pre-award office.
- If during monthly reconciliations you do not see payments to the subrecipient, someone should be contacting the subrecipient and OSP to see if there are any problems.



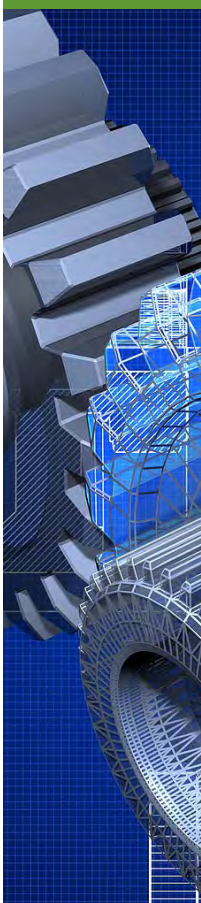
What can stop an invoice from being paid?

- No certified signature (from site)
- No detail/documentation if required
- Invoice dates are beyond/prior to period of performance
- Incorrect F&A rate applied
- Unallowable expenses
- No PI/Department approval if required
- No PI Certification if Final
- No agreement/modification



What can stop an invoice from being paid?

- If foreign – missing/incomplete wire information
- If foreign – missing financial report or other

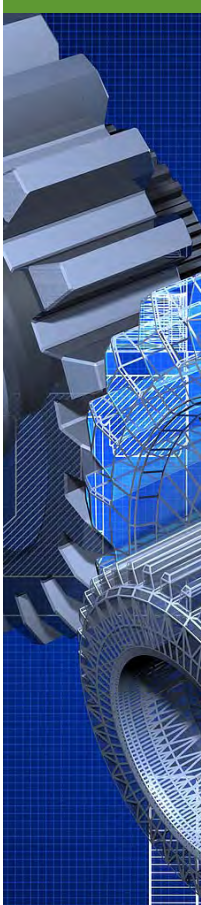


Milestone/Deliverable Based Projects

Payments are NOT automatic.

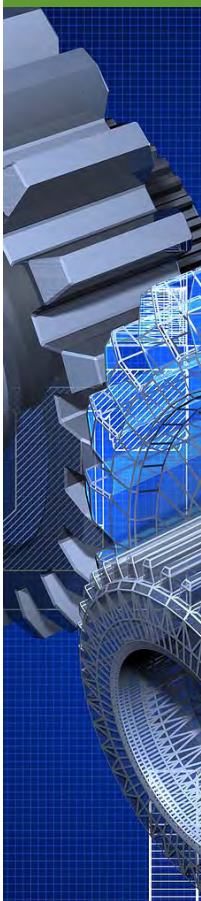
Department must notify OSP that the deliverable has been met and that the next scheduled payment is ready to be submitted.

***NOTE:** If the deliverable is a financial report, OSP must receive a copy.



Subrecipient Monitoring

- In order to comply with OMB Circular A-133, OSP is required to maintain and review a Subrecipient's audit report (each subrecipient, not each project).
- If audit report identifies findings that may affect the subaward, OSP is required to follow-up on the action taken by the Subrecipient to correct the finding.
- Failure of the Subrecipient to comply may jeopardize future subrecipient relationships with Duke.

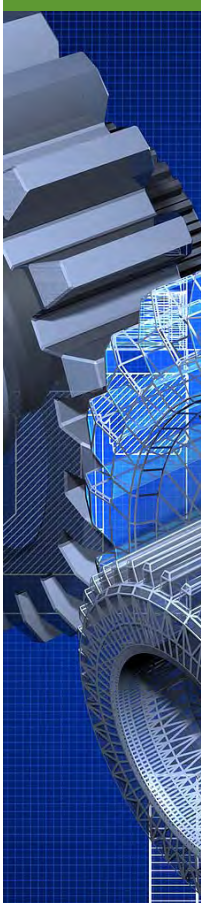


Subrecipient Monitoring

- Subrecipients that are excluded from OMB Circular A-133 audits require monitoring beyond normal business practices and are handled case by case.

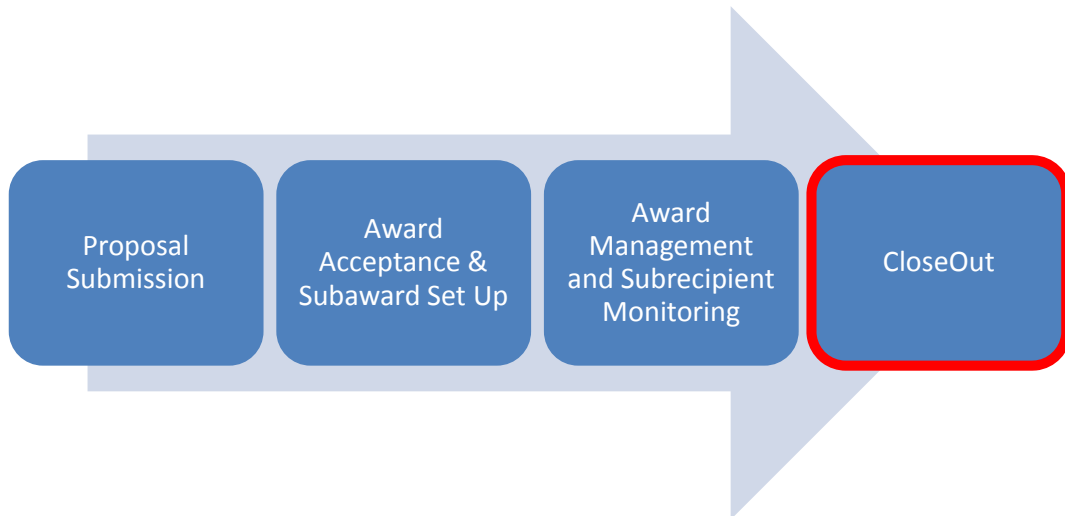
Examples:

- Foreign Institutions
- Non-educational Institutions



Basic Monitoring Expectations

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



Final Reporting to Prime Sponsor

OSP will....

- Verify receipt of final invoice during closeout process.
- Ensure that the subrecipient's final invoice is included in the final report/invoice submitted to the sponsor.

Note: Late submissions of final invoices can delay final reports submitted to the sponsor.



To Our Symposium Panel



ORA: Charlyne Shivers; ORS: Susan Lasley; Department: Darlene McCain and the Office of Sponsored Programs



Who's Who? In Duke Central Office's

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Symposium for Research Administrators

Reengineering Research Administration

QUESTIONS?