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

- Proposal Submission
- Award Acceptance & Subaward Set Up
- Award Management and Subrecipient Monitoring
- CloseOut
### Characteristics of Subrecipients:

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<th>Subrecipients</th>
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<td>Performance is measured against the objectives of the sponsored project</td>
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<td>Responsible for programmatic decision making</td>
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<td>Responsible for adherence to applicable federal compliance requirements</td>
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<td>Utilizes funds to carry out a program of the organization – not to provide goods or services for the program</td>
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### Characteristics of Vendors:

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<td>Provide goods and services within normal business operations</td>
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<td>Provides similar goods and services to many different purchasers</td>
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<td>Operates in a competitive environment</td>
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<tr>
<td>Provides goods and services ancillary to the operation of the federal program</td>
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<td>Not subject to monitoring or reporting requirements of the prime award</td>
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Award Mechanisms

Subrecipient

Subcontract: Used when award to Duke is a contract

Subaward: Used when award to Duke is grant or other mechanism

Vendor

Outside Service Agreement

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.

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**2012 Symposium for Research Administrators**

- **Proposal Submission**
- **Award Acceptance & Subaward Set Up**
- **Award Management and Subrecipient Monitoring**
- **CloseOut**
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
To initiate an outgoing subaward or subcontract for an award, please complete this subaward/contract initiation request:

- Grant Manager Name: [Name]
- Grant Manager Email Address: [Email]
- Duke Principal Investigator Name: [Name]
- Duke Principal Investigator Email Address: [Email]
- Active SPS Record Number: [Number]
- Prime Sponsor Name: [Name]
- Prime Sponsor Email Address: [Email]
- Prime Award Number: [Number]
- Parent WBS: [Number]

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.

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: [Number]

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

- [Box]

Please enter each additional Subaward. List the Subaward Entity Name, WBS, and Budget Amount. For example, Phoenix University 2012-2013 $20,000; Bravely University 2012-2013 $20,000

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 operating rate appropriate for the work accomplished?
- Yes
- No

Are there other changes to the agreement needed?
- Yes
- No

Age in scope of work, budget, or other relevant changes?
- Yes
- No

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, addressed, or eliminated.
Subcontract Agreement

And

Modification

ORS Review
ORS Subcontract Agreement Review:

[Image of subcontract agreement page]

ORS Subcontract Modification Review:

[Image of subcontract modification page]
ORA Subaward Process Timeline
45 – 60 day turn around

SIR Review and Processing
Average: (within 15 business days)

SM Review and Drafting of Subaward
Average: (within 30 business days)

Execution of Subaward
Average: (within 15 days)

How Agreements are Governed

Sponsor Terms and Conditions (incorporates applicable authority and regulatory requirements above)

Legislation (Federal and State Laws)

Duke University Policies and Procedures

Program & Administrative Regulations (including OMB Circulars, Federal Acquisition Regulations, and Specific Policy Manuals)

Subrecipient
Where to Find Sponsor Guidance and Requirements

**Federal Grants**
- SF 424 or PHS 398
- NSF GPG
- CDMRP
- OMB Circulars
- Agency-Specific Regulations

**Federal Contracts**
- Request for Proposals – Cost Pricing Proposal
- Federal Acquisition Regulations

**Other/Industry**
- Clinical Trials
- Research Agreements
- Commercial and Non-Profit terms and conditions

The Basic Elements of an Agreement

- 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 sponsor
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.

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

- Invoice received
- Fund Code? If No – must be researched
- Placed in queue First In/First Out

Processing and Compliance Review Compliant?

YES
- AP Check Request Prepared
- Submission to AP for payment
- Payment issued

NO
- Issues must be resolved before proceeding – dept. or sponsor notified for resolution

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).
• 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

THANK YOU

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