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Subawards

- Uniform Guidance under 2 CFR 200 requires Pass Through Entities (PTEs) to preform a risk assessment of all outgoing Subawards and have a process of Subrecipient monitoring to further mitigate potential risks after award.
- Essentially CSU has to preform the same review, evaluation, and due diligence functions that a Federal Agency would do prior to issuing an award to that entity.



Subawards – 80/20 Rule

- Subawards to other US educational institutions are generally fairly straight-forward. These make up 80-90% of the total Subawards CSU issues within a given year. (Generally tend to be “Low Risk”)
- The remaining 10-20% are Subawards to other entities like Foundations, Companies and International Entities. (Generally tend to be “Medium” or “High Risk”)
- It is this group that we spend most of our time doing risk assessments, risk mitigation, negotiating agreements, and post award monitoring.
- These additional process steps and review means the potential for delays in issuing awards.



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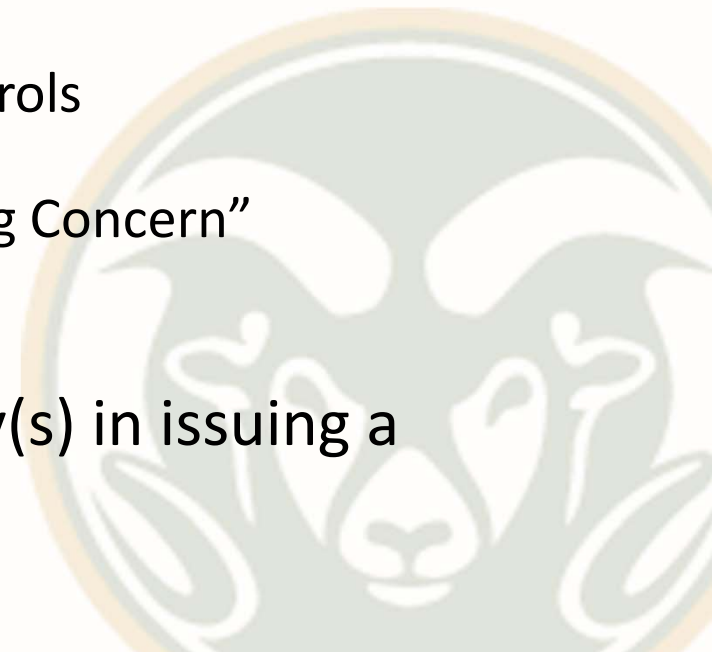
Pre-Award Things to Consider for International Subawards

- Data points we need to consider include:
 - Do we have any past experience with the entity?
 - Do they have a Negotiated Indirect Cost Rate?
 - Do they have a DUNS number?
 - Are they registered in SAM?
 - Do they have a COI policy?
 - Plus a whole host of other factors...
- A “No” answer to any of these equals a greater potential for a delay in issuing an award to the International entity.



Post-Award Things to Consider

- Some of the more common issues SP encounters when performing a risk assessment and negotiating Subawards to International Entities:
 - Currency / Banking issues
 - Language barrier / Translation issues
 - Need for advance payment
 - Limited accounting systems / internal controls
 - Invoicing issues
 - Limited Evidence that the entity is a “Going Concern”
 - Export Control
 - Plus a whole host of other factors...
- Any one of these issues can cause delay(s) in issuing a Subaward.





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How Can We Help Mitigate Delays?

At proposal stage:

- Communicate early with your Sponsored Programs Team!
 - We can help advise how to best avoid common pitfalls earlier in the process so issues are not a surprise come award time.
- Ensure we have a good administrative point of contact at the International entity.
- Ensure that the Subaward Commitment form is fully filled out and answered correctly at proposal stage.
 - Blank answers or known incorrect answers on this form can lead to delays.
- If the International entity doesn't have a DUNS or SAM registration at the time of proposal suggest that they be proactive in getting these items taken care of well in advance of award.



Mitigating Delays (cont.)

At proposal stage:

- Request within the proposal, to the prime funding agency, that CSU have approval to issue a fixed price award to the International entity.
 - Uniform Guidance requires that we get prior approval for issuing fixed price awards (Under \$250,000).
 - Fixed price award with payment tied to the receipt of a known deliverable is a way to mitigate risk, and makes invoicing less problematic for the Subawardee.
- Suggest the International entity provide task driven scope of work and budget broken out by task.
 - Opposed to a summary budget by year.
 - Will still be beneficial even if we don't get agency approval to issue a Fixed Price award.



Mitigating Delays (cont.)

At award stage:

- Ensure the Request to Issue a Subaward form is filled out and returned to SP as soon as possible.
- Ensure that SP has the latest and greatest SOW and budget.
- Assist SP in getting additional information from the Institutional entity that may be required:
 - Financial Statement
 - Audit Reports
 - Rate agreements
 - Insurance certificates
 - Other information as may be needed (W-8)





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Contacts & Resources

Your CSU OSP Team

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FCOI Institutional Clearinghouse

- <http://thefdp.org/default/fcoi-clearinghouse/>

SAM.gov guidance (plus more at <https://www.sam.gov/SAM/pages/public/index.jsf>):

- New Grantee Registration:
[https://www.sam.gov/SAM/transcript/Quick Guide for Grants Registrations.pdf](https://www.sam.gov/SAM/transcript/Quick%20Guide%20for%20Grants%20Registrations.pdf)
- International Entities:
[https://www.sam.gov/SAM/transcript/Quick Guide for International Entity Registration.pdf](https://www.sam.gov/SAM/transcript/Quick%20Guide%20for%20International%20Entity%20Registration.pdf)