# OSP NEWSLETTER

>>> SUBAWARDS <<<

What is the difference between an Incoming Subaward and an Outgoing Subaward?

An **Incoming** Subaward is when another institution (pass through entity; PTE) receives funding from a Sponsor (aka prime sponsor) and subawards a portion of the work to CSU.

E.G.: NSF AWARDS A PROJECT TO UNIVERSITY OF WASHINGTON (UW); UW THEN AWARDS SOME OF THE FUNDING TO CSU TO COMPLETE A PORTION OF THE WORK.

An **Outgoing** Subaward is when CSU receives funding from a Sponsor (aka prime sponsor) and subawards a portion of the work to another institution. CSU is the PTE.

E.G.: NSF AWARDS A PROJECT TO CSU; CSU THEN AWARDS SOME OF THE FUNDING TO UW TO COMPLETE A PORTION OF THE WORK.

OUTGOING SUBAWARD TEAM
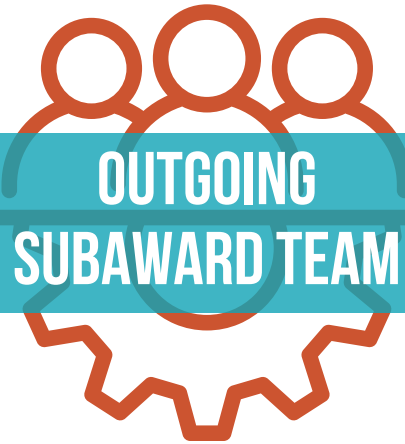
- **Kris Miller**, Subaward Manager
- **Julie Harvey**, Subaward Administrator
- **Steve Crawford**, Subrecipient Risk Analyst & Invoicing Administrator

Quick Clip

Outgoing Subs

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PRE-AWARD.

Incoming Subawards:

A subaward to the institution should be treated like any other sponsored agreement coming to the institution. As soon as an investigator knows she or he will be included as a subawardee, a proposal record should be created in KR PD and routed appropriately.

Outgoing Subawards:

There are two processes that should occur during the pre-award stage for outgoing subawards:
- Subrecipient vs. Contractor determination
- Collection of subrecipient information which includes the following documents:
  - Adequate Statement of work
  - Approved Budget and Budget Justification
  - Signed Sub-commitment letter
  - Signed Sub-commitment letter for NIH Foreign Subs

SUBAWARD OR CONSULTANT/CONTRACTOR/VENDOR - THAT IS THE QUESTION

Subaward
- Performs a substantive portion of the programmatic work
- Partcipates in an intellectually creatve and significant way
- Performance is measured against whether project objectives are met

Consultant
- Individual or business providing highly technical, temporary services
- Not responsible for overall outcome of project; provides knowledge and expertise
- Provides an expert opinion

Contractor/Vendor
- Provides similar goods and services within normal business operations to different purchasers
- No programmatic decision making
- Provides own tools and training

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Quick Clip

Sub, Consultant, or Vendor

We have guidance available to assist in making the correct determination!

MTDC
Modified total direct costs, consisting of all direct salaries and wages, applicable fringe benefits, materials and supplies, services, travel and **up to the first $XX,000* of each subaward (regardless of the period of performance of the subawards under the award).**
*$25K per current NICRA

ROLES AND RESPONSIBILITIES MATRIX

Pre-Award Activities with Outgoing Subawards				
Proposal and Budget Development- Getting it Together	**Principal Investigator**	**Unit/Department**	**College**	**OSP**
Identify subawardees/collaborators	Primary			
For proposals with subrecipients, collect subrecipient documents (SOW, budget, budget justification, commitment form)	Primary	Assistance		
Initial review of sub commitment form for completion including UEI#, IACUC or IRB, IDC rate agreement	Assistance	Primary		
For proposals with high-risk subrecipients (foreign entities or small businesses), develop fixed price/deliverable-based budget & SOW	Primary	Assistance		
Proposal Review & Approval- Getting it Checked Out	**Principal Investigator**	**Unit/Department**	**College**	**OSP**
Review subrecipient's materials and check for their institutional approval(s)		Primary	Assistance	Assistance
Post Award Activities with Outgoing Subawards				
Subcontracting- Getting Others Going	**Principal Investigator**	**Unit/Department**	**College**	**OSP**
Submit PI Request to Issue form to OSP support team	Primary	Assistance		
Submit Authorization to Issue to Subaward Administrator with required paperwork				Primary
Log request in KR Subaward Module				Primary
Draft Subaward Agreement and email to subrecipient				Primary
Negotiate terms with subrecipient				Primary

RISK ASSESSMENT:

The Uniform Guidance requires pass-through entities, like CSU, to conduct a risk assessment of their subrecipients (§200.332(b)). A risk assessment is used to determine the likelihood of a subrecipient's noncompliance with federal regulations. Indicators that an entity might be high risk include:

- LITTLE EXPERIENCE ACCEPTING FEDERAL FUNDS
- INADEQUATE FINANCIAL MANAGEMENT SYSTEMS
- UNAWARE OF COST PRINCIPLES
- LACK OF EXPERIENCE AS A SUBRECIPIENT
- INTERNATIONAL ENTITY OR SMALL NON- OR FOR-PROFIT ORGANIZATION

Foreign and small businesses or small non-profit subrecipients should have a preliminary risk assessment done at the proposal stage to ensure they have the internal controls to qualify as a subrecipient and/or their risk level doesn't change how we propose. A high-risk foreign subrecipient may require a fixed-amount agreement based on milestones, which requires sponsor approval. Issuing a fixed-amount agreement based on milestones may reduce CSU's financial risk. Budgeting appropriately at the proposal stage means we don't have to go back to the sponsor and ask for approval to issue a fixed-amount subaward later, which will delay the issuance of the subaward.

FOREIGN SUBS

Common issues encountered when performing a risk assessment and negotiating Subawards to Foreign 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 many other factors

NIH FUNDING POLICY NOT-OD-23-182

Requires a provision in the outgoing subaward requiring a 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 submission. "

Due to the NIH Policy above, at proposal stage, if there is a foreign subrecipient on an NIH proposal, the "Proposal Sub-commitment Supplement" form is REQUIRED.

POST-AWARD.

Subaward administration is a shared responsibility at CSU, and Principal Investigators (PIs) are responsible for monitoring subrecipient activities and expenditures. Prior to approving a subrecipient invoice, the PI should ensure that the subrecipient meets the award performance expectations, terms and conditions and that expenditures are reasonable for the work performed.

If the PI has concerns or is unsatisfied with the subrecipient's performance or deliverables, the PI should contact the subrecipient before approving an invoice and return the invoice to OSP indicating there is an issue and the actions being taken to resolve it. The invoice will then be held and the subrecipient institution informed, until the problem is resolved.

Timely processing of invoices is important for keeping CSU in compliance with federal regulations.
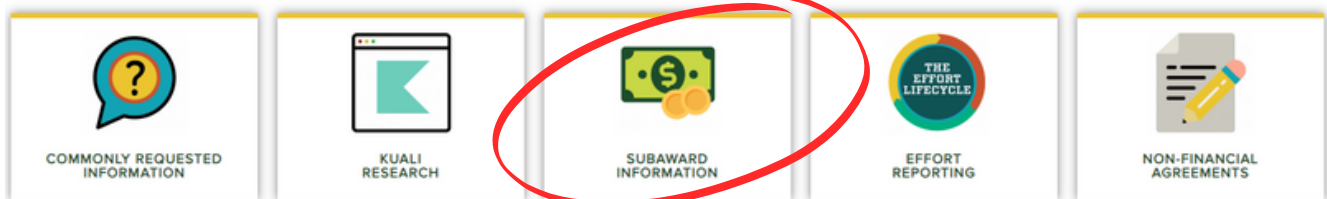
MORE OSP TEAMS

- Administrative Support
- **Outgoing Subawards**
- Contracting
- Financial Post-Award
- Electronic Research Administration
- Training and Information

It takes a village! Administering the CSU research enterprise is a complex endeavor that involves individuals in multiple offices across campus as well as the 40+ people in OSP. Each office, each investigator, and each sponsor has their own interests and requirements, all of which must be addressed. In order to ensure the research enterprise remains vibrant, sustainable, and compliant. It is imperative that everyone understands their role in the process and that we work together collaboratively. See Roles and Responsibility Matrices at each stage of the award lifecycle on the OSP Website.

RESOURCES

QUICK LINKS

COMMONLY REQUESTED INFORMATION | KUALI RESEARCH | SUBAWARD INFORMATION | EFFORT REPORTING | NON-FINANCIAL AGREEMENTS

OSP Website (https://www.research.colostate.edu/osp/)
- **OSP About - Staff Directory**
- **OSP Guidance**
- **OSP Forms**
- **OSP Training - Quick Clips and Video Resources**
- **OSP Quick Links - Outgoing Subawards**
  - **Roles and Responsibilites**
- **Commonly Requested Information**

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