



OFFICE OF THE VICE CHANCELLOR
FOR RESEARCH

Research Administrators Monthly Meeting November 2018

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Announcements

- ORS and GCO will be closed 12/24 - 1/1
- **REMINDERS:**
 - December is a “short” month, so many tasks (proposals, invoices, reports, closeouts, etc.) will need to be completed earlier
 - AY18 Effort Reporting – THANK YOU! And remember to...
 - Overpayments on grants should be removed and placed on a non-sponsored C-FOP.



Subawards & Subrecipient Monitoring

Agenda

- Review the subaward process and forms
- Review the University's subrecipient monitoring responsibilities
- Identify tools/resources to help with the subaward and subrecipient monitoring process



Learning Objectives

Participants will:

- Be aware of all parties involved in the subaward and subrecipient monitoring processes
- Understand what constitutes subrecipient monitoring
- Know your role is in subrecipient monitoring
- Be provided resources for creating subaward packages and monitoring subrecipients

What is a subaward?

- A legally binding agreement issued by a pass-through entity (i.e., UIC) to a subrecipient to carry out a substantive portion of work on a sponsored award received by the pass-through entity.
- Does not include payments to a contractor or payments to an individual that is a beneficiary of a sponsored program.
- May be provided through any form of legal agreement, including an agreement that the pass-through entity considers a contract.

What is a subrecipient?

- An entity that receives a subaward from a pass-through entity to carry out part of a sponsored program; but does not include an individual that is a beneficiary of such program.
- May also be a recipient of other sponsored awards directly from an awarding agency.



Preaward Process

Subrecipient or Contractor?

SUBRECIPIENT/SUBCONTRACTOR	VENDOR/CONSULTANT
carries out a portion of the programmatic effort of the project	provides goods/services within normal business operations
is responsible for programmatic decision making relative for their portion of the scope of work	provides similar goods/services to many different purchasers
must adhere to sponsored compliance requirements (IRB, IACUC, re-budgeting restrictions, publication, and Intellectual Property rights)	is not subject to compliance requirements of the prime sponsor such as reporting and monitoring
uses the sponsored funds to carry out a program of the organization as compared to providing goods or services	provides services as an individual or sole proprietor
identifies a Principal Investigator to manage the project	person conducting the work may or may not be identified
expected to publish and disseminate the project results	no publications are expected
may be providing cost sharing or matching funds	no cost sharing or matching funds involved
there is a potential for patentable or copyrightable technology created through the project	no potential for patentable or copyrightable technology created through project – work for hire
may participate/collaborate in project design/proposal development	does not participate/collaborate in project design/proposal development

UIC Subaward Process

Once prime award is executed (or anticipation account set up):

- Complete the appropriate sub package
 - FDP Subaward Agreement 2017 for federal funding
 - Subcontract Agreement for non-federal funding
- Submit via [ORSWeb](#) as Request for Action [Submission Type: Subaward (New)]

WELCOME TO ORS DOCUMENTS DELIVERY PORTAL

INSTRUCTIONS:

PLEASE COMPLETE THE FOLLOWING FORM AND SUBMIT, A NOTIFICATION WILL BE SENT TO ORSWeb - THE OFFICE OF RESEARCH SERVICES

Document Type * Proposal Request For Action (RFA)

Submission Type *

Selected Department * [Select Department](#)

PHS Subrecipient Compliance

- Subaward issued under prime award from PHS or non-federal agency applying PHS FCOI regulations

Federal Agencies	Non-Federal Agencies
NIH	American Cancer Society
HRSA	American Heart Association
FDA	American Lung Association
SAMHSA	Arthritis Foundation
AHRQ	Juvenile Diabetes Research Foundation
CDC	Lupus Foundation of America
ATSDR	Susan G. Komen for the Cure

Federal Demonstration Partnership (FDP)

- An association of federal agencies, academic research institutions with administrative, faculty and technical representation, and research policy organizations that work to streamline the administration of federally sponsored research.
- The FDP uniquely offers a forum for individuals from universities and nonprofits to work collaboratively with federal agency officials to improve the national research enterprise.
 - www.thefdp.org

FDP Subaward Agreement 2017

- Federal funding (even if our incoming award is not directly from federal agency)
- Subrecipient does **NOT** need to be an FDP member to use this template
- Terms and conditions are well known and accepted by almost all institutions
- Includes sections on compliance (attachment 2), reporting (attachment 4), scope of work and budget (attachment 5)
- Attachment 3A and 3B provides contacts for both parties

FDP Subaward Agreement 2017

- Under Uniform Guidance, as a Pass Through Entity (PTE), UIC is required to report data to the subrecipient
 - Subrecipient Name – **Must match DUNS name**
 - Federal Award Identification Number (FAIN)
 - Federal Award Date
 - Period of performance
 - Amount of federal funds obligated by this action
 - Total amount of federal funds obligated to subrecipient
 - CFDA Number and Name
 - Indirect cost rate for **both prime and subaward**

Subrecipient **MUST BE REGISTERED AND ACTIVE** in sam.gov

UIC Subcontract Package

Use subcontract package for all non-federal prime funding sources

- Some prime and subrecipient information need to be entered in the contract
- Include a detailed Scope of Work (Exhibit A)
- Include budget details and points of contact (Exhibit B)
 - Ensure F&A rate is correctly calculated

Please do not send to subrecipient directly!

Subaward/Subcontract Amendment

- Same package for federal or non-federal prime funding source
- All required data included for federal funding
- Include grant code and previous encumbrance number on Exhibit B
- If allowed, do **NOT** include carry forward funding on Exhibit B budget page or amount funded this action
- Submit via [ORSWeb](#) as Request for Action [Submission Type: Subaward Amendment]

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[Select Department](#)

Future Updates

- Signature page revisions for FDP subaward, subcontract, and amendment package
 - Checklist for PIs and Departments
- Guidance documents for subaward packages
- Updated subcontract package
- Updated FDP forms as released
- Subrecipient risk assessment questionnaire
 - Assessment prior to issuance of subaward
 - Additional terms and conditions may be added to subaward based on assessment



Subrecipient Monitoring & Management

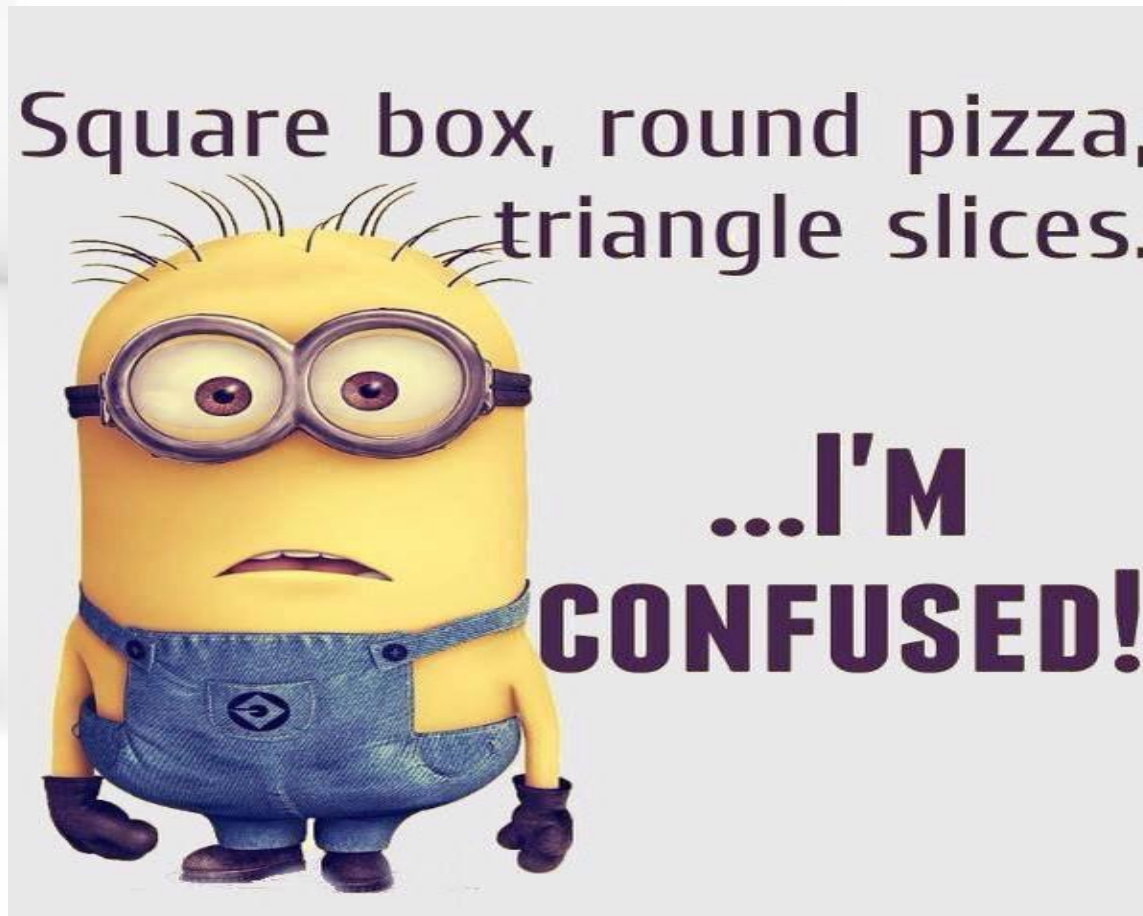
Why do we have to monitor subrecipients?

Uniform Guidance (UG) §200.331(d) requires that when the pass-through entity (i.e., UIC) issues a subaward, UIC must monitor the activities of the subrecipient to ensure that:

- ✓ the subaward is used for authorized purposes,
- ✓ in compliance with Federal statutes, regulations, and terms and conditions of the prime and subaward, and
- ✓ performance goals are achieved.



What does monitoring consist of?



Monitoring Methods

- **Reporting**

Review financial invoices and performance reports submitted by subrecipient.

- **Site Visits**

Perform site visits at the subrecipient's location to review financial and/or programmatic records.



- **Desk Reviews**

Request, obtain and review supporting documentation from subrecipient for questionable costs.



- **Regular Calls and Communications**

Contact subrecipient regularly and make appropriate inquiries concerning program activities.

Monitoring Cycle

Risk Assessment

- Determine subrecipient eligibility
- Determine financial adequacy of the subrecipient
- Verify subrecipient is not debarred or suspended
- Ensure all compliance approvals have been obtained

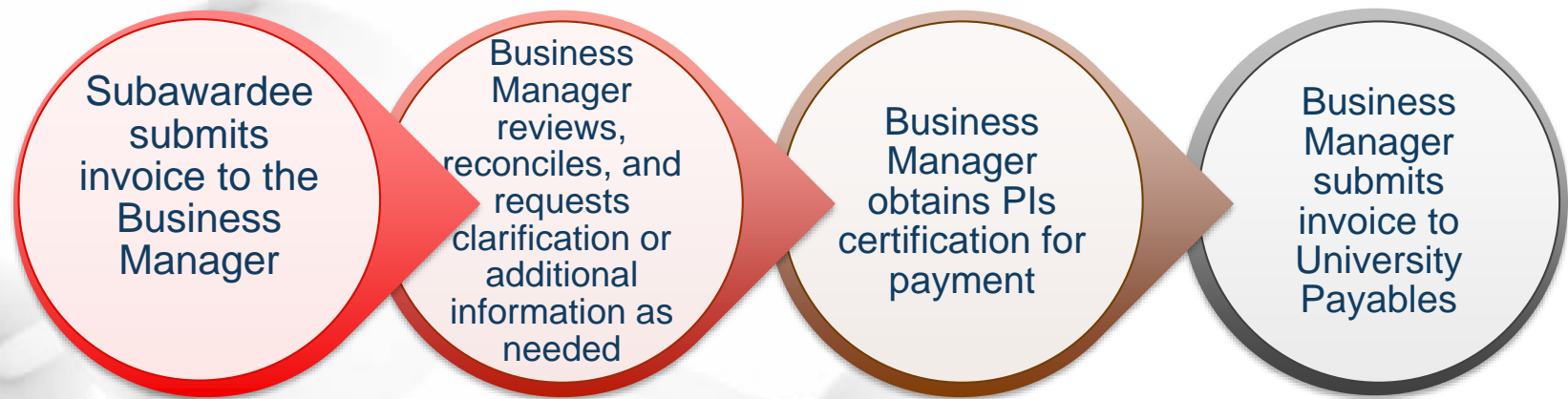
Monitoring throughout the Life of Subaward

- Technical reports
- Project deliverables
- Invoices
- Satisfactory progress reports to payments
- On-site visit or desk review

Monitoring at Closeout

- 60-90 days before the end date of the subaward, determine if the subrecipient needs a no-cost extension
- 30-45 days before the end of the subaward, remind the subrecipient when of final deliverable due dates (invoices, reports, etc.)
- Ensure the final progress report and an invoice labeled “Final” have been received by the due date(s)

Subaward Invoice Review Process



Examples of Supporting Documentation

Expense Type	Documentation
Personnel	Timesheets, effort reports, payroll statements
Travel	Name of traveler, location, purpose and dates of travel, copies of travel voucher, receipts, etc.
Equipment	Type of equipment purchased, copies of purchase orders, invoices, etc.
Other Expenses	Copies of receipts and invoices, itemized list of all expenses

Ensure Timely Closeout

➤ Obtain all required reports from subrecipient

Project Performance

- ✓ Technical Reports
- ✓ Project Deliverables

Financial

- ✓ Final Invoice
- ✓ Refunds, Rebates, Credits Form (if necessary)
- ✓ Subcontractor's Release Form
- ✓ Verify Fulfillment of Cost Sharing Requirements
- ✓ Disallowances or disputed costs

Other Obligations

- ✓ Patent
- ✓ Property Reports

FINISH
WHAT
YOU
START.

Who Is Responsible For Subrecipient Monitoring?



Unit (PI & Business Manager) Responsibilities

- Monitor subrecipient invoices to ensure that:
 - costs are appropriate,
 - certified by an authorized official
 - received and paid on a timely basis.
 - within the parameters of the award budget
 - used for authorized purposes
 - In line with tasks being performed
- Ensure subrecipient's costs are RAAC.
- Investigate questionable expenditures if necessary.



Unit (PI & Business Manager)

Responsibilities (cont'd)

- Monitor effort and ensure cost share commitments are included on invoices (if applicable).
- Maintain documentation to support monitoring activities.
 - E.g., Ensure Statement of Work goals are being met
- Appropriate designee (PI is preferred) certify/approve all subrecipient invoices.
- Review and document subrecipient's qualifications/why the decision was made to go with this subrecipient.



Unit (PI & Business Manager)

Responsibilities (cont'd)

- Receive and review technical reports.
 - If there are technical deficiencies and award termination is desired, supporting documentation must be provided to ORS.
- Ensure all closeout documents are submitted timely, i.e., final technical/programmatic reports and final invoice.
- The Federal Government places the **primary responsibility** for management of Federally funded projects with the Principal Investigators.



GCO Responsibilities

- ✓ Ensure that annual Single audits are completed for those subrecipients subject to Single Audit (expending >\$750k in federal \$)
- ✓ Or in cases where not subject to Single Audit (<\$750k/for profit/foreign entities), ensure requested documents are received.
- ✓ Conduct risk analysis.
- ✓ Issue management decision letter to subrecipients with audit findings specific to UIC, if necessary.



GCO Responsibilities (cont'd)

- ✓ Review Single audit reports to determine if findings pertain to UIC. If so, review and monitor any corrective actions taken.
- ✓ Perform financial reviews as necessary.
- ✓ Notify ORS and units of high risk subrecipients.
- ✓ Provide subrecipient risk ratings to ORS and units.



ORS Responsibilities

- ✓ Review subrecipient proposals and certifications, including financial conflict of interest, at the time of proposal.
- ✓ Provide assistance with determining whether vendor is a subrecipient versus vendor/contractor
- ✓ Provide prime award information, when applicable. For Federal funding this includes 13 elements such as CFDA title and number, etc.
- ✓ Inform the subrecipient of applicable compliance requirements, including any appropriate flow-down provisions from the prime agreement.

Tools for You!

- **Subrecipient Invoice Checklist** (to be completed with each invoice--financial):
<https://www.obfs.uillinois.edu/common/pages/DisplayFile.aspx?itemId=96447>
- **Subrecipient Monitoring Checklist** (to be used throughout the award--programmatic):
<https://www.obfs.uillinois.edu/common/pages/DisplayFile.aspx?itemId=96445>
- **Vendor/Contractor vs. Subrecipient** (to be used to determine which type of contract should be used):
<https://research.uic.edu/sites/default/files/form/files/Subrecipient.pdf>

Single Audit – Subrecipient Monitoring Criteria

- Determining Subrecipient Eligibility
- SAM registration
- Award identification (13 elements)
- During award monitoring
- Single Audit monitoring
- For-Profit review
- Pass through entity impact (e.g., risk assessment)

Example Inquiries Received

- Why did you choose that subrecipient (and is there supporting documentation to support your answer)?
- Why is this a subrecipient rather than a contractor?
- How did you evaluate this subrecipient's performance?
- What kind of monitoring did you do?
- Did you communicate all of the required data elements and flow down provisions to the subrecipient?
- Where are the rebudgeting provisions you're requesting of me?

Resources

❖ University of Illinois - Subawards

- Section 16-Grants and Research Contracts/Subawards
- <https://www.obfs.uillinois.edu/bfpp/section-16-grants-research-contracts/sponsored-projects-subawards>

❖ Uniform Guidance 2 CFR 200

- Subpart C – Pre-Federal Award Requirements & Contents of Federal Awards (200.207)
- Subpart D – Post Federal Award Requirements (200.330 to 200.332, 200.338)
- <https://www.ecfr.gov/cgi-bin/retrieveECFR?gp=&SID=cbe12597ea7cfe86dbedc9fa3647ba04&mc=true&n=pt2.1.200&r=PART&ty=HTML>

❖ Single Audit Federal Compliance Supplement (updated annually)

- Part 3 – Compliance Requirements (Section 3.1-M and 3.2-M.)
- https://www.whitehouse.gov/sites/whitehouse.gov/files/omb/circulars/A133/2017/Compliance_Supplement_2017.pdf

QUESTIONS



Next Meeting

Wednesday, December 19

eRA Updates & Holiday Party