Welcome!

Recording - This meeting will be recorded (I will notify you when we begin to record). We will post the video to the RA Hub for referral.

Mute/Unmute - When we begin, I will “Mute All” to avoid any disturbance of sounds. Please unmute as needed.

Chat – submit questions, comments, feedback; click Chat and send To: Everyone
Any questions?

Begin Record …
Research Administration Practices (RAP) Sessions

The Subaward Process

Victoria Grafflin, Manager, Research Subawards, RAS
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Alisa Onyuksel, Subaward Administrator, RAS
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October 27, 2020
RAP Sessions: Targeted skills based educational offerings open to the Research Administration community at MIT. Information gathered and shared with attendees can be taken back to their desks and applied immediately.

• Introductions
• Processes In Subaward Lifecycle
• Subaward or Contractor Determination
• A New Subrecipient Organization
• Assigned Risk Levels
• Getting Your Subaward Set Up
Introducing: The Subawards Team

The Subawards Team: Victoria Grafflin, Jessica Rivieccio, Alisa Onyuksel, Jeremy Kennelly, and Priscilla Caissie

Subawards is Part of The Research Administration Services (RAS)

- Provide Guidance to PI’s & DLC’s
- Draft & Execute New Subaward Agreements
- Process Modifications, Closeouts, & Invoices
Snapshot of Subaward Universe

Subaward Statistics
Total Subawards: 714
Invoices Processed FY 2020: 3,338
Approximately 40% of subawards are from federal funding sources
Approximately 24-30% of subawards are from foundation funding
Approximately 10-16% of subawards are from foreign federal governments

See Subawards Overview for policies and process information - https://ras.mit.edu/grant-and-contract-administration/subawards-overview
Subaward Life Cycle

https://ras.mit.edu/grant-and-contract-administration/subawards-overview
Stages of a Subaward

Pre-Award

- Identify and Vet Subaward in Proposal
- DLC Submits Requisition for New Subaward

Post-Award

- Assess Subawardee Risk, Draft, Negotiate & Set-Up New Subaward Agreement
- Process Invoices, Monitor & Amend Subaward
- Closeout Subaward
Pre-Award Considerations

- Is it a subaward, a consultant, a vendor, or something else?
- Have we subawarded to this organization before? Do they need to be set up as a vendor to MIT and as an org in KC?
- Are there any potential conflicts of interest?
- Is the Subrecipient organization high risk?
- Is the Scope of Work appropriate for a Subaward?
- Is the subawardee organization capable of meeting MIT’s requirements?
How to Determine the Relationship

SUBAWARD? VENDOR? CONSULTANT?

Subaward
✓ Research Collaborator;
✓ Contributes Significantly to Project;
✓ PI is named;
✓ Keeps IP they Develop;
✓ Responsible for Sponsor Requirements;
✓ Independent Decision Making
✓ Work Measured by Project Results
✓ Publish or Co-author

Vendor
✓ Provides similar services to a range of clients;
✓ Operates in competitive environment;
✓ No PI identified;
✓ Not collaborating in research design;
✓ No expectation of IP or development of new knowledge

Consultant
✓ Paid for hourly work
✓ Considered “work for hire”
✓ Resulting IP goes to MIT
Uniform Guidance and MIT Policy

MIT policy follows the Federal Regulations Uniform Guidance (CFR 200).

The Research Subawards Team (RST) reviews and determines if the relationship with the organization is a Subaward.

If a request for a subaward is made that more appropriately falls under a consultant or vendor category, then it may require budget changes (F&A applied to the full cost) and could be a Federal Audit risk.

See Subrecipient And Contractor Determination form -
Uniform Guidance and MIT Policy

MIT policy follows the Federal Regulations Uniform Guidance (CFR 200).

§200.330 Subrecipient and contractor determinations.

• The non-Federal entity may concurrently receive Federal awards as a recipient, a subrecipient, and a contractor, depending on the substance of its agreements with Federal awarding agencies and pass-through entities. Therefore, a pass-through entity must make case-by-case determinations whether each agreement it makes for the disbursement of Federal program funds casts the party receiving the funds in the role of a subrecipient or a contractor. The Federal awarding agency may supply and require recipients to comply with additional guidance to support these determinations provided such guidance does not conflict with this section.

(a) Subrecipients. A subaward is for the purpose of carrying out a portion of a Federal award and creates a Federal assistance relationship with the subrecipient. See §200.92 Subaward. Characteristics which support the classification of the non-Federal entity as a subrecipient include when the non-Federal entity:

(1) Determines who is eligible to receive what Federal assistance;
(2) Has its performance measured in relation to whether objectives of a Federal program were met;
(3) Has responsibility for programmatic decision making;
(4) Is responsible for adherence to applicable Federal program requirements specified in the Federal award; and
(5) In accordance with its agreement, uses the Federal funds to carry out a program for a public purpose specified in authorizing statute, as opposed to providing goods or services for the benefit of the pass-through entity.
(b) Contractors. A contract is for the purpose of obtaining goods and services for the non-Federal entity’s own use and creates a procurement relationship with the contractor. See §200.22 Contract. Characteristics indicative of a procurement relationship between the non-Federal entity and a contractor are when the contractor:

1. Provides the goods and services within normal business operations;
2. Provides similar goods or services to many different purchasers;
3. Normally operates in a competitive environment;
4. Provides goods or services that are ancillary to the operation of the Federal program; and
5. Is not subject to compliance requirements of the Federal program as a result of the agreement, though similar requirements may apply for other reasons.

(c) Use of judgment in making determination. In determining whether an agreement between a pass-through entity and another non-Federal entity casts the latter as a subrecipient or a contractor, the substance of the relationship is more important than the form of the agreement. All of the characteristics listed above may not be present in all cases, and the pass-through entity must use judgment in classifying each agreement as a subaward or a procurement contract.

§ 200.92 Subaward.

Subaward means an award provided by a pass-through entity to a subrecipient for the subrecipient to carry out part of a Federal award received by the pass-through entity. It does not include payments to a contractor or payments to an individual that is a beneficiary of a Federal program. A subaward may be provided through any form of legal agreement, including an agreement that the pass-through entity considers a contract.
Subrecipient Risk Assessment

Subrecipient Questionnaire Will Determine Organization Risk Level

- Low Risk: Proceed using standard risk monitoring policy; no additional management required.
- Risk Undetermined: Organization is in the process of being evaluated by the Sub Team. DLC must contact the OSP Subawards Team.
- High Risk: Organization has been evaluated. DLC must contact Sub Team for special requirements.
- Status: Organization has not been evaluated. DLC must request evaluation before including in proposal.

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Conflicts of Interest

• We must inform sponsors of potential conflicts of interest related to subawards.

• At proposal stage, MIT Investigators must identify if they have a significant financial relationship with potential vendors or subrecipients.

• MIT must also be made aware of conflicts of interest that subrecipients may have.

“Does this project contemplate any purchases from or subawards to a company or other organization in which you hold an SFI?”

See MIT’s COI website – http://coi.mit.edu or contact coi-help@mit.edu
Subaward Setup

- Request Subaward through Buy2Pay
- Provide all necessary details in requisition

- PI Names
- Scope of Work
- Detailed Budget
- Subrecipient Letter of Intent
- IRB Approvals, if applicable
- COI disclosure and management plan, if applicable
- Any other relevant details or terms and conditions to be included in subaward

See B2P Create Requisition for Subrecipient Award quick card (contact B2P@mit.edu for assistance) – https://vpf.mit.edu/system/files/downloads/B2P%20Quickcards/CreateReq-SubRecipientAward.pdf
How Long Will it Take to Get My Subaward?
IT DEPENDS…

**Weeks:**
- New Prime Award
- New Organization
- High Risk Organization
- Foreign Organization
- Unclear if Vendor or Sub
- Exports Involved
- Complex Prime Requirements
- Conflict of Interest Issues

**Days:**
- FDP Template
- Similar Subs Off Same Prime
- Familiar Prime e.g. NIH
- Sub is a Repeat Customer
- No Complicating Factors e.g. Human or Animal Subject, Exports, Conflict of Interest Issues
Subaward Monitoring

- Monitoring is an important compliance activity that helps us manage risk

- Monitoring is a shared responsibility among RST, DLC, PI:

- Monitoring activities include:
  - Annual review of Subrecipient organization – RST
  - Monitoring of technical progress – PI/DLC
  - Review of Invoices for accuracy, allowability, completeness – All
PI Monitoring Responsibilities

PIs are responsible for:
- monitoring the technical aspects of the project and
- documenting approval of technical reports

Approval of subaward invoices must be based on 
**satisfactory technical progress**

Billed amounts must correspond to work completed to date, completion of milestones, etc.

PI and RAS are responsible for taking appropriate action where there are discrepancies – PIs must notify RAS when there are performance or other issues
Closeout Process

The closeout process begins when the Closeout Request Form is received by RST.

**PI/DLC** is responsible for confirming that the subaward has ended, all invoices have been received, and obtaining the Final Technical Report from the Subrecipient. Submit the Closeout Request Form and a copy of the Final Technical Report to: subawards-closeouts@mit.edu.

**RST** is responsible for obtaining all other reports as required by Subaward Agreement (e.g. Patent and Property Reports).

MIT reserves the right to withhold payment of final invoice until all deliverables are received. The Prime Award cannot close until all final Subaward deliverables are received.

Common B2P Subaward Issues

• Please choose AMT-type PO line when creating or revising a Subaward purchase order. QTY will restrict the ability to link and pay multiple invoices on a B2P PO line.

• Please create two separate PO lines for G/L 420600 and G/L 420620; the first line should be for G/L 420600. B2P data entry administrators typically charge first from top-to-bottom.

• Inactive Cost Object error in B2P when the cost object was already extended in KC and SAP?

  Solution: the cost object needs to be re-added to each PO line
KC Subaward Module

From KC Home, click **Search for Subawards**
In the Search screen, enter search criteria such as **Purchase Order ID** or **Subaward ID** (located on the Subaward agreement as the Subaward Agreement No.), then click **Search**

**Subaward ID = Subaward Agreement number**  
**Example:** Agreement no. S####

*Multi-year agreements may have multiple purchase orders—search with "*" before and after the PO#*

Older agreements before 2018 used the PO# as the agreement number and start with 571000####

From search results, click “open”
Subaward Administrator status notes
### Financial tab – View Invoices

#### Invoice Details

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<th>Invoice ID</th>
<th>Start Date</th>
<th>End Date</th>
<th>Effective Date</th>
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**Note:** Invoice ID numbers are for demonstration purposes only.
Comments, Notes & Attachments tab — view

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Attachment details include **Attachment Type**, **Description**, **File Name** (with PDF thumbnail), **Last updated** (and by whom), and an **Action** button to **View** the attachment.

Help & Resources

— Resources —

RAS Subawards Overview
Subrecipient Contractor Determination Form
Subrecipient Profile Questionnaire
Subaward Closeout form
B2P: Create Requisition for Subrecipient Award quick card
COI Quick Reference Cards

— Contact for Help —

RAS Subaward Administrator - Department Assignments
Subaward team email - subawards@mit.edu
Subaward Closeout email - subawards-closeout@mit.edu
Research Administration Help - RA-help@mit.edu
Buy-2-Pay - B2P@mit.edu | COI - coi-help@mit.edu