Research Administration Practices (RAP) Sessions

The Subaward Process

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Agenda

• 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: Alisa Chomhirun; Noelle Donahue; Jessica Rivieccio; Priscilla Caissie; Victoria Grafflin

Subawards is Part of The Office of Sponsored Programs (OSP)

- Provide Guidance to PI’s & DLC’s
- Draft & Execute New Subaward Agreements
- Process Modifications, Closeouts, & Invoices
Subawards at MIT

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

Subawards in Proposals

- Identifying our collaborators (adding new organizations when needed)
- Identifying high-risk organizations
- Securing budgets, scope of work, letters of commitment

Requesting New Subawards

- Finalizing scope of work and budget
- Authorizing the new sub
- Assessing and managing risks, when needed

Subaward Monitoring

- Monitoring performance, reviewing and approving deliverables and reports
- Reviewing and approving invoices
- Modifying scope of work and budget during the life of the sub

Subaward Closeout

- Reviewing and approving deliverables and reports
- Reviewing and approval final payment
- Adjusting funds as needed
Stages of a Subaward

Pre-Award
- Identify Subaward in Proposal

Post-Award
- Request New Subaward
- Negotiate Agreement
- Monitor & Modify Subaward
- Closeout Subaward
Pre-Award Considerations

Is it a subaward? a consultant? or a vendor?

Is the Subrecipient organization in KC or does it need to be created?

Are there any potential conflicts of interest?

Is the Subrecipient organization high risk?
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
- May 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.

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.
Uniform Guidance and MIT Policy

(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.

Subrecipient Questionnaire Will Determine Organization Risk Level

Subrecipient Risk Assessment

**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.

Organization has not been evaluated. DLC must request evaluation before including in proposal.
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 OSP are responsible for taking appropriate action where there are discrepancies – PIs must notify OSP 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 obtaining the **Final Technical Report** from the Subrecipient. After financial and technical aspects for the subaward have been met, the completed Closeout Request Form and a copy of the Final Technical Report should be sent to: osp-research-subawards-closeouts@mit.edu.

**RST** is responsible for obtaining all other reports as required in the 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.**

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) then click **Search**

From search results, click “open”
The KC Subaward has 6 tabbed screens to select:

- Subaward
- Financial
- Custom Data
- Template Information
- Subaward Actions
- Medusa

The subaward tab has subsections that you can expand to view using Show/Hide.
Financial tab – View Invoices

### History of Changes

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<th>Anticipated Change</th>
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Select **Template Information tab** then click **Show** on the **Attachments** subsection.
Template Information tab - view Attachments

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

Special Note – To view a Subaward or view Subaward Attachments in KC, you will need KC authorizations as granted by the Primary Financial Authorizer for your DLC. More information about KC authorizations may be found here: https://kc.mit.edu/sites/kc/files/uploads/kc-all-roles-db-dlc-authorizations-2017-11-29.pdf
Help & Resources

— Resources —

OSP 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 —

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