

Subaward Execution and Approval: Procedures

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Responsible College Officer

Director, Grants & Contracts

Responsible Office

Grants & Contracts

Procedure Statement

The purpose of this document is to assist the Weill Medical College (WMC) of Cornell University's faculty and staff in the preparation and administration of subawards issued under sponsored programs.

Reason for Procedure

Sponsored programs funded by agreements made to a prime institution are usually conducted within the physical boundaries of the primary college, institution, or hospital. On occasion, a portion of the required effort may be provided by one or more other institutions or companies (third parties) who are made responsible for a discrete part of the project. When the portion of effort being performed by a third party constitutes a substantive component of the sponsored program, the third party is required to provide the resources and personnel necessary to conduct that portion of the work as a subgrantee. Costs normally associated with third party effort could include any or all of the following: labor, employee benefits, materials and supplies, travel, equipment, subawards, consultants, other direct costs, and facilities and administrative costs.

Who Should Know This Policy

- Dean
- Senior Administration – Vice Provosts, Associate Deans
- Director, Department Chair, Division Head
- Faculty
- Departmental/Divisional Administrators
- Finance Personnel – Research Accounting, Accounting Services
- Grants & Contracts Personnel
- Research Compliance Personnel
- Research Integrity Personnel
- All Employees
- Information Technology Personnel
- Human Resources Personnel
- Students

Contacts

Subject	Contact	Phone	Email
Grants & Contracts Administration	Amy Zier	(212) 821-0949	aaz2001@med.cornell.edu
Clinical Trials Administration	Marion Schwartz	(646) 253-2830	mas2075@med.cornell.edu
Finance questions	Kevin McGrath	(212) 680-7125	kjmcgra@med.cornell.edu
Institutional research compliance issues	Barbara Pifel	(212) 821-0722	blp2001@med.cornell.edu

Applicable WMC Policies and Procedures

- *Pre-Award and Preliminary Account: Policy*
 - *Contracting with Small Businesses, Minority-Owned Businesses, and Women's Business Enterprises: Procedures*
 - *Proposal Development, Processing, and Submission: Procedures*
 - *Service Provider Payments (Independent Contractor/Consultant) Policy and Guidelines*
 - *Subrecipient Monitoring: Procedures*
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Subaward Relationship

The term prime sponsor or sponsor refers to the organization that makes an award directly to the prime institution. The award document is the agreement processed by the sponsor and accepted by the prime institution specifying the terms under which the program will be conducted.

The document that the prime institution generates to formalize a third party relationship with another organization to perform substantive work on an award is a subaward. Sometimes the terms "subaward" and "subcontract" are used interchangeably; however, they are distinct. A "subaward" is used when the originating award is a grant, and a "subcontract" is used when the originating award is a contract. This document uses this differentiation when referring to subawards. The third party performing the effort under a subaward is the subgrantee or subrecipient. The third party subrecipient is unique from a vendor or Independent Contractor in that the subrecipient is listed in the proposal, has already been approved by the sponsor, and provides work directly related to the science and scope of the award.

All other non-subrecipient activities performed by an individual or entity under a sponsored agreement are normally administered through an Independent Contractor or Consulting Agreement. Typically, these purchased services will involve an organizational entity, but do not involve a substantive portion of the work effort of the project. For example, the service provider is performing repetitive tests or activities requiring little or no discretionary judgment on the part of the provider. A completed Independent Contractor Questionnaire is required to obtain general information about the service provider's business activities. If the service provider is considered an Independent Contractor and is not a paid WMC employee, a purchase requisition must be completed to procure the services.

An Independent Contractor review is generally not required for expert service providers participating in sponsored programs. Expert is narrowly defined as an individual providing highly specialized expertise directly related to the science and scope of the sponsored project. It does not include administrative or business services. A completed Independent Contractor Questionnaire attesting to expert status must be approved before the expert status is hired. In these instances, a Consulting Agreement will be issued

with the assistance of University Counsel, or a Purchase Requisition will be issued for these consulting services.

Scenario	Type of Agreement	Examples
The subgrantee institution is specified in the proposal and has been approved by the sponsor. PI(s) at another institution with specialized knowledge will perform a portion of the work on the award granted to WMC.	Subaward	Columbia University Memorial Sloan-Kettering Cancer Center
WMC is purchasing the use of services or facilities from an organizational entity or individual, which does not involve a substantive portion of the project. These entities provide services to support the research, such as repetitive tests and activities. The acquisition of services or facilities must follow WMC's procurement process, and the provider of these services is not necessarily specified in the original proposal.	Service Provider (Independent Contractor / Consulting Agreement)	NewYork-Presbyterian Hospital Cornell - Ithaca
The acquisition of goods for the award must follow WMC's procurement process. The PI must comply with any terms and conditions in the award with regards to the type of vendor selected (ex. small business, minority owned).	Vendor (goods)	Thomas Scientific Sigma-Aldrich, Inc.

Subaward Procedures

Subgrantee Selection

If the subgrantee is specified in the grant or contract proposal where WMC is the prime institution, and the collaboration is funded, it is not necessary to comply with the procurement requirements for competitive bidding or sole source justification since the sponsor or peer review process already approved the selection. If this is not the case, it is the responsibility of the WMC Principal Investigator (PI), along with the Purchasing Department, to comply with procurement requirements of the sponsor in selecting a subgrantee.

Subgrantee Proposal

The submission process for a proposal containing subawards is the same as is required for submitting any other proposal to a particular sponsor.

To determine if an application or contract should be sent to the Grants and Contracts Office or the Institute for Clinical Research, review the abstract or scope of work against the College's definitions of "basic" research, "clinical research", and "clinical trial", which are summarized with keywords below.

Send to Grants and Contracts Office:

- "Basic" research: systematic, intensive; to increase knowledge or understanding; systematic application of knowledge to the production; material of human origin, tissues, specimens, and cognitive phenomena
- "Clinical" research: patient-oriented research; epidemiologic and behavioral studies; outcomes research; with human subjects; directly interacts with human subjects; mechanisms of human disease

Send to Institute for Clinical Research:

- "Clinical Trial" research: biomedical or behavioral; study of human subjects; safe, efficacious, and effective; experimental drug, treatment, device, or intervention; Phase I, Phase II, Phase III, Phase IV

Regardless of the method used in selecting a subrecipient, there must be adequate time provided between the receipt of a subgrantee's proposal and the sponsor's proposal due date, to allow WMC's PI sufficient time to discuss and negotiate the statement of work. All paperwork must be submitted to Grants and Contracts or the Institute for Clinical Research for review and signature at least seven working days before the Sponsor's submission deadline. *When WMC is a subgrantee for another prime institution, this deadline remains the same and all paperwork must go through one of the two offices.*

The following is the minimum information needed when Weill Medical College is prime and there is a subgrantee:

For Submission to G&C/ICR

- Routing Form
- Other internal forms as directed on routing form
- Financial Disclosure Forms for WMC key personnel and key personnel from all subgrantee institutions. Key personnel from other institutions may use WMC forms or provide forms from their institution.
- RFA or PA if applicable (Note: The RFA/PA may indicate supplemental instructions. Submit any additional documents as requested in the RFA/PA. For program projects grants, center grants, career grants, consult the NIH guidelines for any specific instructions.)
- Scope of Work for subgrantee institution
- Billing Compliance form if applicable. For assistance in determining if this form is required, please contact the Office of Billing Compliance at (212) 746-0145.

For Submission to NIH

Subgrantee should insert their name on the top of their paperwork going to NIH

- WMC Face Page
- Subgrantee signed Face Page
- WMC NIH Form Page 2
- WMC NIH Table of Contents
- WMC NIH Modular budget page if applicable
- WMC Budget for year 1 (NIH form page 4) and budget for all the years (NIH form page 5)
- Subgrantee Budget for year 1 (NIH form page 4) and budget for all the years (NIH form page 5)
- WMC Budget Justification with Subgrantee budget justification information included
- WMC Introduction to Revised Application if applicable
- WMC Research Plan (A-J)
- Section E or F of research plan that pertains to IACUC or IRB if applicable
- NIH Biosketches for key personnel from WMC and subgrantee institution
- WMC Resource page
- Subgrantee Resource page
- WMC Checklist page
- Subgrantee Checklist page
- WMC Targeted Enrollment Table if using human subjects
- Subgrantee Targeted Enrollment Table if using human subjects
- Human Subjects Education Form if using human subjects. List only the WMC personnel that have passed the human subjects education test.
- Certificates of proof of passing the human subjects education test for key personnel from subgrantee institution. Note: For those key personnel who have not taken and passed the test, please include a cover letter with your application to the NIH indicating the names of the key personnel who have not yet taken the test and that proper documentation will be forwarded to the NIH once they have passed the test.
- Appendix

- Letters of Support if applicable (*Do not need to submit to G&C or ICR for review*)

Incorporating Subgrantee's Proposal into WMC's Proposal When WMC is the Prime Institution: The subgrantee's costs are included in WMC's budget as a direct cost. When calculating WMC's facilities and administrative costs (indirect costs), the amount which exceeds \$25,000 of each subaward should be excluded from the calculation in accordance with the Office of Management and Budget (OMB) Circular A-21.

- *Note that if there are multiple subawards on a grant from the same site or subrecipient, WMC can only collect facilities and administrative costs on the first \$25,000 from each of the sites and not from each subaward budget.*
- *Note that WMC can collect facilities and administrative costs on the first \$25,000 on each competitive renewal of an award.*

The following is the minimum information needed when WMC is a subgrantee and another institution is prime:

For Submission to G&C/ICR

- Routing Form
- Other internal forms as directed on routing form
- Financial Disclosure Forms for WMC key personnel
- RFA or PA if applicable (Note: The RFA/PA may indicate supplemental instructions. Submit any additional documents as requested in the RFA/PA. For program projects grants, center grants, career grants, consult the NIH guidelines for any specific instructions.)
- Prime Institution Face Page
- Billing Compliance form if applicable. For help in determining if this form is required, please contact the Office of Billing Compliance at (212) 746-0145.

For Submission to Prime Institution

Label on the top of all pages: Weill Medical College of Cornell University

- WMC NIH Face Page
- WMC Budget for year 1 (NIH form page 4) and WMC budget for all years (NIH form page 5)
- WMC Budget Justification
- WMC Scope of Work
- Biosketches for WMC key personnel
- WMC Resource page
- WMC Checklist page
- WMC portion of Section E or F of research plan that pertains to IACUC or IRB if applicable
- WMC Targeted Enrollment Table if using human subjects
- Human Subjects Education Form if using human subjects listing WMC personnel only
- WMC Letters of Support if applicable (*Do not need to submit to G&C or ICR for review*)

Pre-Qualification of Subgrantees

When possible and practical, it is WMC's policy to pre-qualify potential subrecipients so that a variety of financial and organizational information is known about the subrecipient before agreements are signed. Pre-award subgrantee review includes those activities undertaken prior to officially subawarding with a third-party subrecipient organization. Such activities mitigate risks through the review of organizational, financial, or other information from subrecipients that have been included in a research proposal.

If either of the following conditions is met, the Grants & Contracts Office or the Institute for Clinical Research will conduct a pre-award subrecipient review.

- If the subrecipient organization is a unique organization or has not had a previous subgrantee relationship with WMC
- If the subrecipient award is greater than \$500k

First, the Grants and Contracts Office or the Institute for Clinical Research will determine if the subgrantee is subject to A-133 audits and will review the Federal Audit Clearinghouse database to find the audit report. Finance will review the A-133 audit to identify any material weaknesses and evaluate any risks with respect to the subrecipient's research operations. If they determine there are no risks based on the A-133 audit, Grants and Contracts or the Institute for Clinical Research may proceed with preparing and executing the subaward. If it is determined that disclosed noncompliance or material weaknesses pose significant risks related to research operations, WMC will not contract with the subrecipient.

If the subgrantee is not in the Federal Audit Clearinghouse database, the Grants and Contracts Office or the Institute for Clinical Research will send a *Subrecipient Information Form* to the subgrantee organization during the proposal and negotiation process. This form includes questions regarding administrative information, organizational status, annual income/expenditures, and A-133 audit history. The subrecipient should complete and return the form to Grants and Contracts or Institute for Clinical Research. The offices will then forward the form to Finance, which will then review for approval before a subaward agreement can be signed.

Pertinent risk factors (e.g., subject to A-133 audit, sophistication and size of subrecipient, size of pass-through program, proportion of work undertaken by the subrecipient, complexity of the research endeavor) drive the determination of specific monitoring activities that should be undertaken during the life of the award. Risk monitoring will provide an understanding of the potential subrecipient's risk profile and assurance that research funds will be properly controlled (See Section *Risk Monitoring of Subrecipient Monitoring: Procedures*).

Preparing the Subaward

When Grants and Contracts or the Institute for Clinical Research receive a fully executed award from the prime sponsor, a subaward with the proposed organization is prepared. Grants and Contracts or Institute for Clinical Research must obtain written approval from the PI or the department administrator that the draft of the subaward is ready to be released. This is necessary for the offices to ensure that the proper steps and determinations have been made prior to issuance of the subaward.

Once the subaward is prepared, it is normally sent signed to the subgrantee for review and signature. In some cases, including some industrial subawards, the subgrantee may want to negotiate changes or request clarification of the terms and conditions. Grants and Contracts or the Institute for Clinical Research negotiates and coordinates those requested changes with department personnel and the PI, where appropriate. Once negotiations are complete and the signed subaward is received, Grants and Contracts or the Institute for Clinical Research executes it on behalf of WMC, returns the fully executed document to the subgrantee, and makes the proper internal distributions.

When WMC is a subgrantee on an award, the prime institution generates the subaward and sends it to Grants and Contracts or the Institute for Clinical Research. At times, there may be delays in receiving the subaward from the prime institution. Once WMC has the subaward, negotiations must take place between institutions on the terms and conditions. Typically the prime institution uses the standard FDP-approved subaward agreement, but there are cases where the prime institution has its own restrictions, which make the negotiations more difficult or time-consuming. Between subsequent non-competing years of a subaward, the PI must submit the appropriate paperwork, including the routing form and subgrantee disclosure form, to Grants and Contracts or Institute for Clinical Research before the subaward can be fully executed. Furthermore, on a new or competing subgrantee agreement, the PI may have to revise the budget to match what was awarded to WMC as a subrecipient.

Advance Payments to Subgrantees When WMC is the Prime Institution

Advance payments to subrecipients are generally not allowed since:

1. Sponsor guidelines normally state that subgrantees are reimbursed for expenses incurred for performing the work.
2. WMC does not usually receive advance funding from its sponsors; therefore, it is poor fiscal management to advance funds to a subgrantee. Requests for advance payments for subgrantees will be considered only in very unusual circumstances and on a case-by-case basis. All advance payments, if approved by Grants and Contracts will be issued by Finance and only after a fully executed subaward is in place.

Account Setup

Once a fully executed subaward is received, Grants and Contracts or the Institute for Clinical Research issues the subaward and its terms and conditions to the PI, department administrator, and Finance. Finance then establishes the account number for the project.

Roles & Responsibilities

Responsibilities	PI	Dept Admin	Grants & Contracts	Inst for Clinical Research	Finance
Identify the need for subawards	P				
Request subaward	P	S			
Develop and negotiate subawards in response to PI request			P	P	
Comply with procurement requirements of the sponsor in selecting a subgrantee	P				S
Pre-qualify subrecipient selection with review of A-133 audits in Federal Audit Clearinghouse			P	P	
If not in Federal Audit Clearinghouse, send <i>Subrecipient Information Form</i> to subrecipient for organizational information			P	P	
Identify and evaluate risks from A-133 audit or Subrecipient Information Form and approve or disapprove selection			S	S	P
Assist G&C and ICR as needed to obtain information during award negotiations	P	S			
Negotiate, approve, and notify the PI of the project terms and conditions			P	P	

KEY
P = PRIMARY RESPONSIBILITY
S = SECONDARY RESPONSIBILITY
O = INSTITUTIONAL OVERSIGHT
O - L = LOCAL OVERSIGHT
I = PROVIDE INPUT

Definitions

Term	Definition
OMB Circular A-133	Circular issued by the Office of Management and Budget (OMB) setting forth standards for obtaining consistency and uniformity among Federal agencies for the audit of States, local governments, and non-profit organizations expending Federal awards.
Consultant / Independent Contractor	An individual or entity engaged to perform services and commonly referred to as a consultant, freelancer, contractor, etc. The service provider is responsible for the means and methods for completing the job based on specifications in the award. The service provider is not supervised or controlled by WMC employees.
Facilities and Administrative (F&A) Costs	Costs that are incurred for common or joint objectives and therefore cannot be identified readily and specifically with a particular sponsored project, an instructional activity, or any other institutional activity (OMB Circular A-21, Section E1).
Federal Audit Clearinghouse database	A database compiled on behalf of the Office of Management and Budget (OMB) whose primary purpose is to disseminate audit information to Federal agencies and to the public, to support OMB oversight and assessment of Federal award audit requirements, to assist Federal cognizant and oversight agencies in obtaining OMB Circular A-133 data and reporting packages, and to help auditors and auditees minimize the reporting burden of complying with Circular A-133 audit requirements.
Prime Institution	Applicant institution which has been awarded the primary grant, contract, or cooperative agreement.
Purchase Order	A WMC purchase order is a valid contract which contains the College's terms and conditions for purchasing goods.
Subrecipient	<p>A subrecipient is a third-party organization performing a portion of the scope of work on WMC's sponsored project or program. The terms of the subrecipient relationship are generally documented in a subaward / subgrant / subcontract agreement.</p> <p>OMB Circular A-133 defines a subrecipient as follows for purposes of Federal awards, grants, and contracts: "A subrecipient means a non-federal entity that expends Federal awards received from a pass-through entity to carry out a Federal program, but does not include an individual that is a beneficiary of such a program. A subrecipient may also be a recipient of other Federal awards directly from a Federal awarding agency. Note that a "subrecipient" does not include a consultant or independent contractor whose services are retained for purposes of carrying out the prime award."</p>
Subawards / Subgrants / Subcontracts	As it pertains to this policy, these terms mean an award of financial support subsidiary to a prime award (e.g., a grant, cooperative agreement, and other agreements) made by a prime award recipient to an eligible subrecipient. It also includes awards made by a subrecipient to a lower tier subrecipient. It does not include procurement of goods and services through the funds provided in a prime award.
Vendor	An entity that provides commercial goods and services within normal business operations.

Yale University

Comment: It's odd to say this is the definition if you don't actually quote it, I think.