

Subrecipients – Pre-and Post-Award

BACKGROUND

When multiple institutions collaborate on a research proposal typically one is the lead institution and the others are subrecipients. After the lead institution receives an award they will issue subawards (also known as subcontract, subagreement, or consortium agreement) to the subrecipients. Contracting part of the research effort provides the lead institution, or prime awardee, with access to more resources and expertise than would be available in a single-investigator/institution project. This document aims to help researchers understand when a subaward is appropriate and what is required to prepare and to administer university-issued subawards.

DEFINITIONS

Except as noted below, these definitions come from 2 CFR 200 “Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards”

Consultant: definition from the National Institutes of Health website “An individual who provides professional advice or services for a fee, but normally not as an employee of the engaging party.”

Contract: a legal instrument by which a non-Federal entity purchases property or services needed to carry out the project or program under a Federal award.

Contractor: an entity that receives a contract; includes vendors and subrecipients.

Fixed amount agreement: a type of grant agreement under which the Federal awarding agency or pass-through entity provides a specific level of support without regard to actual costs incurred under the Federal award. This type of Federal award reduces some of the administrative burden and record-keeping requirements for both the non-Federal entity and Federal awarding agency or pass-through entity. Accountability is based primarily on performance and results.

Pass-through entity: a non-Federal entity that provides a subaward to a subrecipient to carry out part of a Federal program.

Recipient: means a non-Federal entity that receives a Federal award directly from a Federal awarding agency to carry out an activity under a Federal program.

Subaward (subcontract or consortium agreement): 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: a non-Federal entity that receives a subaward from a pass-through entity to carry out part of a Federal program; but does not include an individual that is a beneficiary of such program. A subrecipient may also be a recipient of other Federal awards directly from a Federal awarding agency. Synonyms include subcontractor, subawardee, and subgrantee

Vendor: definition from Harvard University's OSP site "An organization that provides goods and services within normal business operations. Vendors provide similar goods and services to many different purchasers; operate in a competitive environment; and provide goods or services that are ancillary to the operation of the sponsored program." [2 CFR 200 uses the term contractor]

Subrecipients in Proposals

Pursuant to 2 CFR 200, the Office of Research and Sponsored Programs (ORSP) must make a determination about the role of any non-Wake Forest University personnel on proposals. If non-WFU personnel are named as Co-Principal/Co-Investigators, then a subaward will be issued by WFU to the collaborator's home institution at the award stage. If an individual named in a proposal is merely providing ancillary services on a project then this person or entity is likely a contractor, consultant, or vendor. Some of the questions that help determine an individual's role include: where will they be performing research and/or are their services provided to many other purchasers. The flow chart in Appendix A can be used to assist researchers in determining whether an individual is a subrecipient or a contractor; however, ORSP is ultimately responsible for making the final the determination prior to proposal submission.

Regardless of whether non-WFU personnel will be subrecipients or contractors, all are expected to provide a budget, justification, and other information for inclusion in the proposal, as applicable. Collaborators that ORSP determines should be treated as subrecipients will also be asked to complete a Subrecipient Commitment Form.

If WFU is a subrecipient on a collaborator's proposal then ORSP will assist the WFU-PI in the preparation of any documentation required by the lead institution. The WFU-PI is expected to route the proposal for approval. Required documentation will be provided to the lead institution, including Wake Forest University Health Sciences, after the proposal has been approved.

If a subaward is not included in the original proposal 2 CFR 200.308 states that under a federal award, a recipient must obtain approval before transferring programmatic effort to another entity unless the collaboration was "described in the application and funded in the approved Federal awards." Some sponsors, such as the National Institutes of Health, waive this prior approval requirement unless the subrecipient is a foreign entity. The PI should work with the ORSP to secure prior approval.

Subrecipients in Awards

After an award is made, or there are reasonable indications that one is forthcoming, ORSP will prepare a draft subaward. For all Federally-funded projects, ORSP uses the Federal Demonstration Partnership (FDP) Subaward forms. Subrecipients that ORSP determines to be higher risk, ex. foreign entities, small non-profits, may be subject to additional monitoring or terms. WFU's PI and subrecipient PI are responsible for preparing the Statement of Work and it

must be consistent with the prime award. The Statement of Work should include the specific work or research that will be accomplished, a timetable, and defined or measurable deliverables.

Once ORSP receives the award from the sponsor, the subaward will be finalized including all appendices and attachments. ORSP is responsible for ensuring that the subaward is accurate, complete, and compliant with the sponsor's award. The Legal Department may be consulted to review the final draft of any subcontract if the FDP template is not used or if significant changes are made to the standard subaward terms.

Prior to signing all subawards, ORSP will check Visual Compliance to ensure that the subrecipient is not on any government list or ineligible to receive Federal contracts or assistance.

Subrecipient invoices will be sent to the PI or the PI's departmental business manager at the intervals stated in the subcontract. The business manager should check the amounts invoiced against the amount remaining on the subcontract then contact the PI to review and approve the invoice. If the PI indicates performance concerns, the PI or departmental business manager should contact ORSP. ORSP will contact the subrecipient institution's sponsored programs office and the invoice will be held until all concerns are resolved.

Any subaward changes, including but not limited to the period of performance, amount funded, or scope of work, require a modification or amendment to the subaward. All modifications must be in writing and signed by ORSP and the subrecipient's authorized approver.

If WFU is the subrecipient, the lead institution may require additional paperwork and/or a revised budget. WFU's PI should work with their departmental business manager, if applicable, and ORSP on the revised budget. Only staff in ORSP are authorized to sign the subaward agreement. Financial Services will prepare invoices for awards where WFU is a subrecipient.

Appendix A – Subcontract versus contractor
Appendix B – Roles and responsibilities
Appendix C – Preparing the Statement of Work

REFERENCES

2 CFR 200 http://www.ecfr.gov/cgi-bin/text-idx?tpl=/ecfrbrowse/Title02/2cfr200_main_02.tpl