Session Overview

This session will strive to provide its attendees with an understanding of subrecipient management at Duke, and how to conduct business with the Central offices ORA/ORS/OSP. We will go over the purpose of the Subrecipient Initiation Request Form, the new business practice now in place within ORA, ORS, and OSP for outgoing agreements. We will attempt to bring clarity to Roles and Responsibilities for all stakeholders in the School of Medicine and School of Nursing and the expectations of federal government when it comes to subaward management via the NIH Grant Policy Statement. We will unfold these discussions with audience interaction and panel discussion.
Roles and Responsibilities

The Offices of Research Support and Office of Research Administration

The Office of Research Support (for campus units) and the Office of Research Administration (for the School of Medicine and School of Nursing) are responsible for supporting investigators and financial administrators with managing their externally sponsored research projects. More specifically, they are responsible for ensuring that sponsored projects are carried on in compliance with university policies and federal and local regulations. Because awards are made to the university on behalf of an investigator, the university is ultimately responsible for proper management of a project and a sponsor’s funds. All proposals, regardless of the source of funding or the type of project (research, instructional, conference, travel, training, etc.), must be reviewed and approved by these offices prior to submission to a sponsor. All awards must be reviewed and negotiated by these offices prior to acceptance.

http://finance.duke.edu/research/roles/preaward.php
The Office of Sponsored Programs (OSP)

The Office of Sponsored Programs (OSP) is responsible for the accounting of sponsored activity at Duke (excluding Non-Governmental - Not Requiring Reports Costs Objects), which includes administering the financial reporting, billing, and cash collections for sponsored projects. OSP safeguards project funds, maximizes the University’s cash flow position, and maintains good relations with sponsoring agencies and University personnel. In addition they facilitate the progress of sponsored projects for principal investigators and financial administrators.


The Principal Investigator/Program Director (PI/PD)

The Principal Investigator (PI) or Program Director (PD) is ultimately responsible for the direction of the sponsored project. The PI/PD is the primary individual in charge of a research grant, cooperative agreement, training or public service project, contract, or other sponsored project.

http://finance.duke.edu/research/roles/pi.php
The Financial Administrator

The term Financial Administrator encompasses Grant Administrator, Department Administrator, Grant Managers, Business Managers and Financial Designees.

While ultimate responsibility for the direction of any sponsored project remains with the Principal Investigator (PI) and/or Program Director (PD), the PI in consultation with the department chair, must designate an administrator to assist in managing the financial and administrative aspects of the sponsored project (unless the PI has been designated as the financial administrator, in which case they must have the appropriate training). This person will manage finances, reconcile individual expenses to the award amount, prepare reports and perform other administrative functions related to the grant.

http://finance.duke.edu/research/roles/grant-admin.php

Session Agenda:

Lifecycle of the Subrecipient Agreement
Characteristics of Subrecipients:

<table>
<thead>
<tr>
<th>Subrecipients</th>
</tr>
</thead>
<tbody>
<tr>
<td>Performance is measured against the objectives of the sponsored project</td>
</tr>
<tr>
<td>Responsible for programmatic decision making</td>
</tr>
<tr>
<td>Responsible for adherence to applicable federal compliance requirements</td>
</tr>
<tr>
<td>Utilizes funds to carry out a program of the organization – not to provide goods or services for the program</td>
</tr>
</tbody>
</table>
Characteristics of Vendors:

Vendors

- Provide goods and services within normal business operations
- Provides similar goods and services to many different purchasers
- Operates in a competitive environment
- Provides goods and services ancillary to the operation of the federal program
- Not subject to monitoring or reporting requirements of the prime award

Award Mechanisms

- **Subrecipient**
  - **Subcontract**: Used when award to Duke is a contract
  - **Subaward**: Used when award to Duke is grant or other mechanism

- **Vendor**
  - **Outside Service Agreement**
ORA/ORS Subrecipient Internal Checklist

• There are required documentation necessary for subrecipient participation to any sponsor.
• The Subrecipient Checklist has been developed and is intended for covering the minimum required documentation.
• Depending upon sponsor, additional requirements may be necessary above and beyond these requirements.

Please see handout #1

Documentation Required by Duke University from Subrecipients Prior to Proposal Submission

- Content and format of documentation depends upon prime sponsor requirements (e.g. National Institutes of Health, National Science Foundation, Foundations, etc.)
- Institutional authorization certifying participation, compliance, and costs
- Detailed budget with justification and Checklist
- Statement of Work
- Biosketches for Key Personnel and Other Support, if applicable
- Other Sponsor required forms (i.e. Assurances, certifications, FWA, DUNS # AND FCOI)
Signed Commitment

• Cover Page or Letter that reflects certification and assurances.

• Signed by authorized official of the subrecipient institution

• Generally obtained at proposal submission but may need to be revised if there are significant changes in budget/scope of work

Statement/Scope of Work

• Should be detailed and specific to each subrecipient

• Each year should be specific to budget period. May need to submit revised Statement of Work each year

• Not the same as generalized abstract submitted at proposal time

• Should answer “Who is doing what, when, where and how much?”

Please see handout #2
The Budget

- Detailed
- Justified
- Include indirect costs in justification
- Checklist, copy of rate agreement, or indirect cost policy
- Pay particular attention to F&A for foreign sites

If the SIR’s budget is different than what is in R3 the Department is responsible for submitting the Rebudget Request Form in order to update R3.

This is necessary in order to complete your MONTHLY reconciliation.

http://research.som.duke.edu/research-administration/grant-administration/forms
The FCOI Certification

- The prime recipient must take reasonable steps to ensure that subrecipient Investigators comply with the sponsor’s FCOI requirements.
- Subrecipient must make a written assurance that their FCOI policy complies with sponsor’s regulations.
- In the case of PHS funded projects, if the subrecipient cannot certify they have an FCOI policy that is consistent with PHS regulations, they will be subject to the prime recipient’s FCOI policy.

http://research.som.duke.edu/sites/research.som.duke.edu/files/documents/SUBRECIPIENT%20FCOI%20CERTIFICATION%20FORM%20PROPOSAL.pdf

SPS – Sponsored Projects System

Subrecipient data needs to be captured in SPS
SPS Entry

Entries should include the following:
1) Performance Site(s)
2) Performance Effort (feeds online travel system)
3) Budget Information
4) Internal Documents – Signed PHS 398 face page or sponsor equivalent attached

Consider the Submission Process When Gathering Documents
- Know your sponsor requirements
- Non-modular grant submissions to NIH must include R&R Subaward Budget Form Attachment(s) for each subrecipient for submission via grants.duke.

Proposal Submission  Award Acceptance & Subaward Set Up  Award Management and Subrecipient Monitoring  CloseOut
What You Will Need @
Time of Initial Award:

- Project MUST be Awarded in SPS
- FCOI Disclosure (for PHS and PHS+ agencies)
- SIR - Subrecipient Initiation Request (ORA)
- Fund Code for each subrecipient
- IRB/IACUC Approvals
- Special Terms & Conditions Desired - specific to each agreement and different from the flow-down terms of prime (i.e. invoice location, carryforward)

What You Will Need From the Sub
@ Time of Initial Award:

- A statement of work
- A budget with justification that matches award
- Checklist or F&A Rate Agreement
- A signed commitment from authorized official of the subrecipient institution
- Sponsor Specific Documentation such as valid DUNS #, FWA#, FCOI Assurance, etc.
- Wire Information (Foreign Sites Only)
Financial Conflict of Interest (FCOI) Disclosure

Written agreements with subrecipient must establish whether the FCOI policy of the prime recipient awardee institution or the subrecipient will apply. In the case of NIH funded projects the awardee institution is responsible for reporting all identified FCOIs for subrecipient investigators to NIH through eRA Commons.

http://research.som.duke.edu/sites/research.som.duke.edu/files/documents/SUBRECIPIENT%20FCOI%20DISCLOSURE%20AWARD.pdf
### Duke University Symposium for Research Administrators

**Duke Office of Research Administration**

**Duke University School of Medicine**

To initiate an outgoing subaward or subcontract for an award, please complete this subaward/subcontract initiation request. Grant Manager Name: [Insert Name]

Please enter the Duke Department of Contract for this subaward initiation.

Grant Manager E-mail Address: [Insert E-mail]

Please enter the e-mail address of the Duke Department representative.

Duke Principal Investigator Name: [Insert Name]

Duke Principal Investigator E-mail Address: [Insert E-mail]

Please enter the active SP5 record number for this award.

Prime Sponsor Name: [Insert Name]

Please enter the name of the funding sponsor for this award.

Prime Award Number: [Insert Number]

Please enter the sponsor assigned to the award.

Parent VIESE: [Insert Number]

Please enter the parent VIESE for the project.

**Action Types:**

- New
- Amendment

Is this a new subaward request or a request to amend an existing subaward?

- Yes
- No

Is this a non-competing renewal? If yes, complete the subaward progress report on next page.

---

### Duke University Symposium for Research Administrators

**Duke University Symposium for Research Administrators**

**Duke Office of Research Administration**

**Duke University School of Medicine**

To initiate an outgoing subaward or subcontract for an award, please complete this subaward/subcontract initiation request. Grant Manager Name: [Insert Name]

Please enter the Duke Department of Contract for this subaward initiation.

Grant Manager E-mail Address: [Insert E-mail]

Please enter the e-mail address of the Duke Department representative.

Duke Principal Investigator Name: [Insert Name]

Duke Principal Investigator E-mail Address: [Insert E-mail]

Please enter the active SP5 record number for this award.

Prime Sponsor Name: [Insert Name]

Please enter the name of the funding sponsor for this award.

Prime Award Number: [Insert Number]

Please enter the sponsor assigned to the award.

Parent VIESE: [Insert Number]

Please enter the parent VIESE for the project.

**Action Types:**

- New
- Amendment

Is this a new subaward request or a request to amend an existing subaward?

- Yes
- No

Is this a non-competing renewal? If yes, complete the subaward progress report on next page.

---

### Duke University Symposium for Research Administrators

**Duke University Symposium for Research Administrators**

**Duke Office of Research Administration**

**Duke University School of Medicine**

To initiate an outgoing subaward or subcontract for an award, please complete this subaward/subcontract initiation request. Grant Manager Name: [Insert Name]

Please enter the Duke Department of Contract for this subaward initiation.

Grant Manager E-mail Address: [Insert E-mail]

Please enter the e-mail address of the Duke Department representative.

Duke Principal Investigator Name: [Insert Name]

Duke Principal Investigator E-mail Address: [Insert E-mail]

Please enter the active SP5 record number for this award.

Prime Sponsor Name: [Insert Name]

Please enter the name of the funding sponsor for this award.

Prime Award Number: [Insert Number]

Please enter the sponsor assigned to the award.

Parent VIESE: [Insert Number]

Please enter the parent VIESE for the project.

**Action Types:**

- New
- Amendment

Is this a new subaward request or a request to amend an existing subaward?

- Yes
- No

Is this a non-competing renewal? If yes, complete the subaward progress report on next page.
ORA Subaward Process Timeline
45 – 60 day turn around

SIR Review and Processing
Average: (within 15 business days)

SM Review and Drafting of Subaward
Average: (within 30 business days)

Execution of Subaward
Average: (within 15 days)
Subcontract Agreement
And
Modification
ORS Review

Before a subaward can be issued...

For New Subawards, ORS Needs the Following
Subrecipient Documents and Information:

• A signed commitment from authorized official of the subrecipient institution
• A statement of work
• A budget with justification that matches award
• Sponsor-Specific Documentation such as DUNS #, FWA, FCOI Form, etc.
  – FCOI required for all PHS-funded projects (NIH, SAMHSA, CDC, etc.).
    • At a minimum, “Form A” must be completed
    • AND, if subrecipient DOES NOT have a PHS-compliant FCOI policy, a “Conflict of Interest Disclosure Form” for all non-Duke collaborators
  – An active FWA is required for all subawards with human subjects (request to provide generally waived for domestic universities)
• Wire Information (Foreign Sites Only)
• Current IRB approval (if human subjects)
  – Request to provide generally waived for domestic universities
Before a subaward amendment can be issued...

For Continuing Subawards, ORS Needs the Following Subrecipient Documents and Information:

- Subrecipient Progress Report signed by Duke PI
- Updated documents, if needed
  - Budget (with justification), if it has changed or budget for period not previously provided
  - Statement of Work, if it has changed or previous SOW did not cover the current period
- FCOI documentation for all PHS-funded projects
  - At a minimum, an updated Form B
  - AND, if subrecipient **DOES NOT** have a PHS-compliant FCOI policy, updated “Conflict of Interest Disclosure Forms” for all non-Duke collaborators
- Current IRB approval (if human subjects)
  - IRB must maintain an active FWA number
  - Request to provide IRB documentation and FWA generally waived for domestic universities

ORS Subaward Timeline

- Prime award notice (new award or noncompeting renewal) is received by ORS
- Within 1 business day, ORS enters subaward(s) in its project queue
  - If out-years were awarded in advance, ORS will queue subaward renewals ~6 weeks ahead of budget period start date
  - If new subaward is added to existing prime award, ORS will queue it as soon as it is approved (internally and, if required, by sponsor)
- Within 2 business days, ORS issues award notice to PI and SPOC and requests materials that are still needed to issue subaward
- If all materials are in order, subaward document should be sent out within 4-6 weeks
- Response time dependent upon subawardee
  - Negotiation of terms may be required, particularly with complex agreements
- With 2 business days of receiving partially executed agreement, ORS returns fully executed document to subawardee, with copies to PI, SPOC, and OSP
How Agreements are Governed

- Sponsor Terms and Conditions (incorporates applicable authority and regulatory requirements above)
- Legislation (Federal and State Laws)
- Duke University Policies and Procedures
- Program & Administrative Regulations (including OMB Circulars, Federal Acquisition Regulations, and Specific Policy Manuals)

Where to Find Sponsor Guidance and Requirements

- Federal Grants
  - SF 424 or PHS 398
  - NSF GPG
  - CDMRP
  - OMB Circulars
  - Agency-Specific Regulations
- Federal Contracts
  - Request for Proposals – Cost Pricing Proposal
  - Federal Acquisition Regulations
- Other/Industry
  - Clinical Trials Research Agreements
  - Commercial and Non-Profit terms and conditions
The Basic Elements of an Agreement

- Budget/Project period and Level of Funding for Scope of Work Assigned
- Reporting Requirements – technical and fiscal
- Billing instructions and disposition of carryover from one budget period to another
- Incorporation by reference the terms of prime sponsor

Why was my SIR rejected or returned for additional information?

Rejection criteria:

- SPS has not been AWARDED.
- No WBSE was provided for the Sub.
- Invalid/Inactive WBSE provided.
- Discrepancies between the SIR and the supporting documentation.
  - Budget period does not fall within the Prime Award budget period.
- No supporting documentation – Revised/New (when applicable). (Face page, SOW, Budget, justification, checklist)
Why was my SIR returned for additional information?

Return for additional information:

- Minor discrepancies that are obvious.
  - WBSE number was transposed.
  - Typos
  - Budget start and end dates do not concur with NOA (i.e. 2012 when it should be 2013)
  - NCE w/ additional funding (questionable)
- When you receive notification that additional information is needed in order to complete your SIR, you will have 3 business days to comply or it will be moved to rejected status and you will need to submit a NEW SIR.
- Why? In order to maintain our commitment to you that we will process your request within 45 – 60 business days it will require us effort from both sides.

Why are Subrecipient Award Agreements Delayed?

- No SIR (ORA) or applicable documentation
- Budget changes
  - Revised budgets
  - Revised budget justifications
  - Revised scope of work
- Budget errors
- Foreign site restrictions
- IRB renewals for higher-risk subrecipients
- Negotiations on terms and conditions, i.e. flow through OCR (generally the cause of major delays)
- Other Sponsor required forms (i.e. Assurances, certifications, FWA, DUNS # AND FCOI disclosure)
Subrecipient Award Modifications

What delays installments on existing awards?

- No SIR (ORA) or applicable documentation
- Change in budget
- No outlying budget from original submission
- No Subrecipient Progress Report
- No statement of work for current funding period
- IRB renewals
- Other Sponsor required forms (i.e. Assurances, certifications, FWA, DUNS # AND FCOI)
Sponsored Program’s Responsibilities

- Setup of Subrecipient Record
- Compliance Review
- Paying Invoices/Compliance Monitoring
- Financial Reporting to Sponsors

Subrecipient Record Set-up

- A separate WBSE is required for each subrecipient on a sponsored project.
  - Allows for individual management of the funds awarded to each subrecipient.
  - Segregates subrecipient funds from Duke funds.
  - If OSP identifies subrecipients that have not been assigned a separate WBSE, we will be requesting that this to be done before completing set-up.
Subrecipient Record Set-up

- Agreement is reviewed for completeness noting sponsor terms, invoicing requirements, deliverables, F&A rate, FFATA requirements, and other special terms.
- Billing record created for use by OSP
- Compliance requirements are determined

Compliance Review – Federal Prime

- At set-up, if award is federal prime, OSP sends a financial compliance letter to the subrecipient institution informing them of the federal policies governing the award.
- The referenced documents address issues such as allowable/unallowable costs, costing consistency, administrative costs, allocating costs and effort reporting.
Compliance Review – Non-federal

- If agreement is governed by a non-federal prime, special terms and conditions are noted on the OSP billing record.

The Invoice Cycle

- Invoice received
- Fund Code?
  - Yes: AP Check Request Prepared
  - No: Processed and Compliance Review Compliant?
  - Yes: Placed in queue First In/First Out
  - No: Issues must be resolved before proceeding – dept. or sponsor notified for resolution
- Submission to AP for payment
- Payment issued
Paying Invoices

- OSP is responsible for paying all subrecipient invoices for expenses incurred on Duke’s sponsored projects
- OSP reviews the invoices for accuracy and compliance with terms of award
- Copies of the AP Check Request and invoice are available in R3 once processed.

Compliance Monitoring

- Compliance issues reviewed specifically at time of invoice processing include:
  - Expenses are allowable
  - Expenses are within budget thresholds (i.e. sponsor rebudgeting limits, etc.)
  - Correct F&A is being applied
  - Mandatory cost-sharing is being reported (dept. responsible for monitoring)
  - Invoice is certified by the subrecipient
Final Invoices

- OSP reviews all compliance issues once more before final payment is made and any necessary adjustments may be deducted from final payment.

Final Invoice Exceptions

- When invoices are marked final, but we have an amendment extending the period of performance, they do not require approval (unless there is no automatic carryforward).
- When an invoice expends the full $ value of the award, but is not marked final, OSP will treat it as a final and require approvals.
Departmental Responsibility

• If pre-approval is required invoices should go directly to the department.
• If a subrecipient is having performance issues and payments should be stopped or modified as a result, you must notify OSP and your pre-award office.
• If during monthly reconciliations you do not see payments to the subrecipient, someone should be contacting the subrecipient and OSP to see if there are any problems.

What can stop an invoice from being paid?

• No certified signature (from site)
• No detail/documentation if required
• Invoice dates are beyond/prior to period of performance
• Incorrect F&A rate applied
• Unallowable expenses
• No PI/Department approval if required
• No PI Certification if Final
• No agreement/modification
What can stop an invoice from being paid?

- If foreign – missing/incomplete wire information
- If foreign – missing financial report or other

Milestone/Deliverable Based Projects

Payments are NOT automatic. Department must notify OSP that the deliverable has been met and that the next scheduled payment is ready to be submitted.

*NOTE: If the deliverable is a financial report, OSP must receive a copy.*
Subrecipient Monitoring

• In order to comply with OMB Circular A-133, OSP is required to maintain and review a Subrecipient’s audit report (each subrecipient, not each project).
• If audit report identifies findings that may affect the subaward, OSP is required to follow-up on the action taken by the Subrecipient to correct the finding.
• Failure of the Subrecipient to comply may jeopardize future subrecipient relationships with Duke.

Subrecipient Monitoring

• Subrecipients that are excluded from OMB Circular A-133 audits require monitoring beyond normal business practices and are handled case by case.

Examples:
- Foreign Institutions
- Non-educational Institutions
Basic Monitoring Expectations

- Expectation by Duke the Departmental Administrators and PI’s monitor progress and activities of subrecipients.
- Reviewing invoice expenditures is only one non-scientific tool available to monitor progress and compliance.
- High Risk and/or Foreign Subrecipients require a higher degree of departmental monitoring and involvement than those governed by the OMB Circular A-133.
Final Reporting to Prime Sponsor
OSP will....

– Verify receipt of final invoice during closeout process.
– Ensure that the subrecipient’s final invoice is included in the final report/invoice submitted to the sponsor.

Note: Late submissions of final invoices can delay final reports submitted to the sponsor.

To Our Symposium Panel

ORA: Charlyne Shivers; ORS: Susan Lasley; Department: Darlene McCain and the Office of Sponsored Programs
Resources

- [http://research.som.duke.edu/](http://research.som.duke.edu/)
- [https://ors.duke.edu/](https://ors.duke.edu/)
- [http://www.fic.nih.gov/Pages/Default.aspx](http://www.fic.nih.gov/Pages/Default.aspx)

Who’s Who? In Duke Central Office’s

**ORA:**
Charlyne Shivers, Research Admin. Manager  
Outgoing Subawards (From Duke)  
Charlyne.shivers@duke.edu  
919-668-6334

Jim Lux, Research Admin. Manager  
Incoming Subawards (To Duke)  
james.lux@duke.edu  
919-668-2104

Shelley Adderley, Research Administrator  
DCRI Subawards  
Shelley.adderley@duke.edu  
919-684-9735

**ORS:**
Kenneth Macdonald  
Assistant Director  
kmac@duke.edu  
919-681-5988

Susan Lasley  
Associate Director  
slasley@duke.edu  
919-681-4684

**OSP:**
Tara Whitted  
Subaward Payments  
tara.whitted@duke.edu  
919-681-721
Questions?