



SUBAWARDEES, CONSULTANTS, AND VENDORS ON SPONSORED PROGRAMS

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Page(s): Page 1 of 5

I. Purpose

This policy aims to ensure that the use of subawardees, consultants, and vendors on externally funded projects is consistent with applicable regulations and sound business practices.

II. Definitions

Subawardee (subrecipient or subcontractor)

An entity receiving funds from a sponsored award is considered a subawardee, subrecipient, or subcontractor if it:

- works collaboratively with the prime award recipient to carry out the scope of work. A subawardee has programmatic involvement in, and responsibility for, the project as identified by a separate scope of work, a separate budget, and separate organizational approval;
- has a director of the subaward, who is considered the PI for the subaward, and may be considered a co-PI on the sponsored project with the PI at the lead institution;
- has its performance measured against the objectives set for it;
- has responsibility for programmatic decision-making;
- has responsibility for adhering to applicable program compliance requirements, including deliverables and reports;
- uses the sponsored funds to carry out the project at another institution, not providing goods or services for a fee at GSU;
- has the right to publish project results or serve as a co-author; and
- may develop patentable technology and share in IP resulting from the project.

Consultant

Individuals or companies receiving funds from a sponsored award are considered consultants if they:

- act as an expert advisor;
- are (generally) paid for time spent on a fixed hourly / daily basis. The rate may include travel expenses, supplies, or overhead or such costs may be reimbursed separately;
- are using their own equipment and materials, not equipment or materials from their institutions, for work on the project;

- are (generally) hired on a short-term or periodic basis;
- are paid a *fee for service* on work and IP that belong to the university;
- pay their own taxes on earnings from the project;
- are not employed by the university in any other capacity; and
- are not involved in programmatic work on the project, including such project deliverables as reports.

Vendor

Individuals or companies receiving funds from a sponsored award are considered vendors if they:

- provide goods and/or services ancillary to the project;
- are paid a flat fee;
- provide similar goods or services to other customers; and
- are not involved in programmatic work on the project, including such project deliverables as reports.

III. Policy Statement

From time to time, a sponsored project requires the services of an external source or sources. The Principal Investigator (PI) and the Office of Research Services and Sponsored Programs are responsible for ensuring that proposed arrangements comply with applicable federal, state, and university laws, regulations, and statutes. As a steward of sponsored funds, the university must ensure that the sponsor receives required services from a qualified source at a fair and reasonable price.

Working with the PI, ORSSP must be involved in all formal negotiations with subawardees and consultants to establish contractual relationships under sponsored projects. The university's Procurement and Contract Services department handles relationships with vendors.

As much as possible, all subawardee/consultant/vendor contracts must assure that the procurement:

1. provides open and free competition or a justifiable sole-source selection;
2. presents no conflict of interest;
3. complies with all federal, state, and university statutes, regulations, and policies;
4. provides the best value to the sponsor; and
5. is properly documented.

Once the award or contract is fully executed, monitoring is done collaboratively between ORSSP, the PI, and the Office of Research Accounting.

IV. Exclusions – none

V. Procedures

In accordance with 2 CFR 200, the "Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, Georgia Southern University has developed this procedure for monitoring subawards issued under federal assistance agreements. This document outlines the pre- and post-award requirements for subrecipient monitoring.

Pre-Award Procedures

During the Proposal Development/Pre-Submission Phase:

Before Georgia Southern University Research and Service Foundation, Inc. (GSURSF) submits a proposal for funding involving one or more subrecipients, the GSURSF must obtain verification from the subrecipient, as evidenced by the completion of the Subrecipient Commitment Form and related documentation that the proposed subrecipient is committed to participating in the project and is generally eligible to receive federal funds. This form also confirms the Subrecipient has the basic policies and procedures in place to manage federal funds. In addition to the Commitment Form, the subrecipient must also provide to GSURSF a statement of work, budget, and other necessary documentation, such as a copy of its federally negotiated F&A rate agreement, if applicable. These documents should inform the overall content of the funding proposal and will form the basis for the subaward agreement if the grant is awarded.

During the Award Negotiation Phase:

After the federal agency has issued a notice of award to Georgia Southern University Research and Service Foundation, Inc., the GSURSF is responsible for initiating subaward agreement(s) with the proposed subrecipient(s). Before sending the subaward agreement, however, GSURSF needs to conduct a risk assessment of the subrecipient's compliance processes and eligibility to receive federal funds. This includes review of the following databases and other materials:

- The online System for Award Management (SAM), to confirm the subrecipient's registration is current and that neither it nor its PIs/PDs are debarred, suspended, or otherwise ineligible to receive federal funds;
- (If the subrecipient expends \$750,000 or more in federal funds each year,) the Federal Audit Clearinghouse's Website, to confirm past years' reports have been submitted and to determine whether there were any material weaknesses or deficiencies reported related to their grant program(s);
- The subrecipient's most recent federal compliance audit, which must be provided to GSURSF for review prior to award in paper, e-mail, or online (Web link) format.

Post-Award Procedures

Initiating the Subaward Agreement:

After the subrecipient agency's materials have been reviewed, the agency has been assessed for risk, and potential concerns have been adequately addressed, GSURSF may issue the subaward agreement. For federal awards, GSURSF uses the Federal Demonstration Partnership's (FDP's) subaward agreement forms. The FDP forms contain all of the information—or references thereto—required by the OMB's audit compliance supplement, including federal award identification information, general and agency/award-specific terms and conditions, standard certifications and assurances, the statement of work, and the project budget.

The subaward agreement must be accepted and signed by individuals at GSURSF and at the subrecipient agency who have the authority to enter into sponsored agreements on behalf of each institution.

Although the following information is contained within the terms and conditions of the subaward agreement, the subrecipient agency should be made particularly aware of the following items during the award initiation phase of the project:

- Records retention requirements (generally 3 years after project closeout, unless otherwise specified);
- Access to records by GSURSF, the federal awarding agency, and/or their authorized representatives;
- Due dates for financial, technical, and/or performance reports; and
- General format for and content of invoices.

Depending on the scope and nature of the subaward, other items which may need review or address during the award initiation process include, but are not limited to: 1) confirmation of Institutional Review Board (IRB) or Institutional Animal Care and Use Committee (IACUC) approvals; 2) existence and enforcement of a Responsible Conduct of Research policy and procedure (NSF, NIH, and USDA proposals only); and/or 3) cost sharing commitments and reporting.

Monitoring:

The Office of Research Services and Sponsored Programs (ORSSP), Research Accounting (RA), and the Principal Investigator/Project Director are jointly responsible for regular monitoring of the subaward throughout the life of the award. The purpose of monitoring is to 1) ensure federal funds are spent in compliance with the applicable laws, regulations and provisions, and 2) ensure performance goals are met.

The level of monitoring engaged in by each office should correlate directly with the risk associated with the subrecipient and the project. Large projects involving subawards of \$100,000 or more and/or projects with subrecipients that have limited experience with successfully managing grants should be monitored closely throughout the life of the project.

The ORSSP and RA are responsible for macro- (institutional) level monitoring processes while the Principal Investigator/Project Director is responsible for micro- (project) level monitoring. Macro-level monitoring processes are outlined in the checklists provided at the end of this document, and they should include advising the subrecipient of requirements imposed on them by federal laws, regulations, and the provisions of the subaward agreement and conducting periodic spot checks of reports to ensure the award is being carried out according to the terms and conditions of the agreement. These offices should also be aware of the subrecipient’s audit findings related to the award and review management decisions and corrective actions taken on said findings.

Micro-level monitoring, conducted by the Principal Investigator/Project Director (PI/PD), involves regular (as often as daily, but no less than monthly) communication between the PI and the subrecipient organization to ensure the project is being carried out as proposed and according to schedule. Minor variations are allowable, but major variations—change of project scope, omission/addition of major activities, and/or re-budgeting between line-item categories that exceeds the federal or sponsor guideline for rebudgeting the total annual budget—should be addressed as soon as possible. If changes need to be made to the budget, reporting deadlines, and/or performance goals as indicated in the agreement, the PI/PD must notify the ORSSP/RA as soon as possible to confirm the allowability of the revisions and to issue a revised subaward agreement, if necessary.

In addition to maintaining regular communications, micro-level monitoring by the PI/PD should include the following activities:

- Review and approval (or request for revision/additional information) of periodic technical/performance reports;

- Review and approval (or request for revision/supporting documentation) of subrecipient invoices; and
- Monitor general rate of expenditures and implementation of activities—if the project appears to be significantly behind or ahead of schedule, follow up with the subrecipient to review the project requirements and progress.

Finally, if the PI/PD feels overwhelmed by or has any questions regarding the subaward monitoring process, he/she should contact the ORSSP/RA at his/her earliest convenience to obtain support and assistance throughout the process.

Continuation Awards:

Follow the same procedures as for the initiation of the subaward, but issue an amendment to the agreement rather than a whole new agreement. Additionally, review the subrecipient's audit from the previous year and address any concerns, weaknesses, and/or deficiencies noted in relation to the project.