Using Subcontractors – The Process at Proposal and Award Stages
PROPOSAL STAGE

Subrecipient vs. Contractor

Subrecipient is a non-Federal entity that receives a subaward from a pass-thru entity for the purpose of carrying out programmatic activities under a Federal award.

Contract is for the purpose of obtaining goods or services for the non-Federal entity's own use and creates a procurement relationship with the contractor.
Under 2 CFR 200.92, the Uniform Guidance, *Subaward* means an award provided by a pass-through entity to a subrecipient for the subrecipient to carry out part of an award.
PROPOSAL STAGE

Following are characteristics of a subaward. The subrecipient:

• has responsibility for programmatic decision making
• contributes to the scholarly/scientific conduct of the project as described in the statement of work for the prime award
• uses the funding to carry out a program for a public purpose specified in the authorizing statute, as compared to providing goods or services for the benefit of the pass-through entity
PROPOSAL STAGE

Following are characteristics of a subaward. The subrecipient: (continued)

• requires considerable discretionary judgment and the unique expertise of the subrecipient in the performance of the work
• investigator would be considered as a co-author of publications resulting from the work performed under the prime award
• performs work that involves human subjects or animal studies
PROPOSAL STAGE

RGC Protocol when a subcontractor is involved on a proposed research project:

- Facilitate contact with the subaward entity
- Request a subaward package of documents
  - Scope of Work
  - Detailed Budget
  - Budget Justification
  - Subrecipient Form
  - Commitment Letter
  - Cost Share Letter (if applicable)
  - Faculty Supporting Docs as per sponsor requirements (biosketch, etc)
PROPOSAL STAGE

Subaward docs are applied to the NKU proposal file, as needed, and uploaded to the internal GMS proposal file for future reference.
AWARD STAGE

Office of Management and Budget Uniform Guidance §200.514 (formerly Circular A-133)

- Requires NKU to monitor our subrecipients to make sure that they are compliant with Federal requirements.
AWARD STAGE

Subrecipient Monitoring

• Federal Demonstration Partnership (FDP) templates

• Quickly and effectively conveys critical information in standard format for all parties.

• The process for subrecipient monitoring uses the FDP templates.
AWARD STAGE

Subrecipient Contacts

• Additional financial and contact information about the subrecipient.
AWARD STAGE

Subrecipient Risk Assessment
Likelihood that the non-federal entity will fail to achieve the grant's intended purpose because of

• Financial instability
• Non-compliance with laws, regulations or policies
• Internal control and management issues
AWARD STAGE

Subrecipient Risk Assessment

• The subrecipient's prior experience with the same or similar subawards.

• The results of previous audits.

• Any changes to the subrecipient's personnel or new substantially changed systems.

• The extent and results of Federal awarding agency monitoring.
AWARD STAGE

Reporting Requirements

• PI's input on the timing of technical reports for the subaward

• Unless there are program guidelines dictating the reporting requirements.
AWARD STAGE

Statement of Work & Budget
• Confirmed with PI
Types of Subawards

- **Cost reimbursement (CR) agreements** are paid as costs are incurred and invoiced, typically monthly or quarterly.
  - Most Sponsored Research Projects

- **Fixed price (FP) agreements** have fixed payments based on a milestone payment schedule or the submission of deliverables.
  - Used by for-profit sponsors and foreign entities
AWARD STAGE

Subrecipient Agreement Packet

- RGC drafts *Subrecipient Agreement*, using FDP template

- Cost Reimbursable or Fixed Price Subrecipient Agreement Packet is sent electronically to the subrecipient contact person for signature.

- RGC fully executes the Packet and sends a copy to Comptroller's Office.
AWARD STAGE

Federal Funding Accountability and Transparency Act (FFATA)

• Makes the spending of Federal funds more transparent to the public.

• In compliance with FFATA, NKU registers all first-tier subawards over $30,000 with the Federal Subaward Reporting System (FSRS).
If you have any questions or need additional information about anything shared within this presentation, please contact the RGC office.

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