

Office of Sponsored Programs (“OSP”)

Federal Subrecipient Agreement Procedures

Purpose

To establish guidelines for the issuance, control and administration of subrecipient agreements required under sponsored research grants and contracts at Carnegie Mellon University.

Applicability

These procedures apply to all sponsored research projects supported by federal organizations and agencies that require a subrecipient agreement to another entity to accomplish project goals. They have been updated to align with the Uniform Guidance (the “UG”) (dated December 26, 2014), including use of those definitions applicable to the procedural subject matter as it appears here.

Definitions

As defined in the Uniform Guidance, “subaward” shall mean an award provided by a pass through entity to a subrecipient for the subrecipient to carry out part of an award received by the pass through entity. A subaward may be provided through any form of legal agreement, including subcontracts, subgrants, or cooperative agreements, to participating organizations for the procurement of research collaboration and/or technical services under sponsored research projects, including the FDP subawards. It does not apply to the procurement of supplies and

are submitted, they must include the following:

1. A detailed description of the research and/or technical services (Statement of Work) to be provided.
2. A detailed cost estimate budget of the subrecipient agreement from the subrecipient organization.

specifically section §200.319) and contract provisions of Subpart B –D, Appendix II to Part 200 and any and all other applicable sections of the Uniform Guidance.

Subrecipient Agreement Procedures

If the proposal is funded:

1. Determination of Role and Award type. An analysis will be performed to determine whether the organization to receive the federal funds under the project should be classified as subrecipient or contractor, using project details and the UG as needed.

- Certification and Disclosure Regarding Payments to Influence Certain Federal Transactions, in accordance with FAR 52.203-
- Obtain a Clean Air and Water Certification, in accordance with FAR 52.203 Appendix II to Part 200 of the Uniform Guidance

That are over \$50,000

- Obtain a Small Business Subco

4. In accordance with the provisions of Uniform Guidance Subpart F Audit Requirements, the university will request a copy of the subrecipient's most recent indirect cost and fringe benefit rate negotiation agreement, if available, their taxpayer's identification number (Form 990) and a copy of the subrecipient's most recent audit report/financial statement report is not sufficient.

5. In addition to the above, a Subaward Request Form (see Attachment B) must be filled out by the cognizant departmental or school staff in conjunction with their principal investigator.

Certain responsibilities for these monitoring tasks are assumed by the Sponsored Program Accounting Office in conjunction with the principal investigators with input and support from the departmental administrators.

Competitive Subrecipient Selection Process

Guiding factors for the selection process are based upon and include:

- Price,
 - Past or prior experience in same or similar circumstances
 - Review of programmatic and performance records
 - Verification of prior audits and assessment of any deficiencies
 - Results of monitoring by federal agency
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Early Termination by the Federal Government

1. In the event a principal investigator receives notification that the prime award to Carnegie Mellon is terminated for convenience or cause by the Prime Sponsor, the appropriate university offices should be notified both OSP and SPA. If the offices identified above receive the notification directly from the government, they should immediately notify any subrecipients, the departmental business manager and the principal investigator.

2. Any subrecipient agreements under the prime award should be terminated in accordance with the terms and conditions of the applicable award. The subrecipient will then provide Carnegie Mellon all reports and closeout documents that would otherwise be required if the subrecipient agreement had not been early terminated. The principal investigator at Carnegie Mellon will ascertain if the scope of work has been satisfactorily completed. The subrecipient will be reimbursed for their allowable costs and non-cancelable commitments up to the date of termination. Any payment of final invoice is contingent upon satisfactory completion of scope of work.

Financial Record Retention and Audit Requirements

1. Each subrecipient agreement shall contain Carnegie Mellon standard audit provisions requiring the subrecipient to maintain books, records, documents, and other evidence pertaining to the costs and expenses of the subrecipient agreement and subrecipient shall make such records available at all reasonable times to an authorized representative of Carnegie Mellon or the sponsor.

2. If the subrecipient is state, local government, or nonprofit organization, the subrecipient agreement shall contain provisions incorporating the appropriate requirements of

In accordance with the terms of the applicable subaward agreement governed by the prime award and in accordance with the Uniform Guidance, the responsible SPA staff will request and obtain the following documents from the subrecipient, as required under the prime award,:

- a. Subrecipient's signed Release Form
- b. Subrecipient's Assignment of Refunds, Rebates, Credits and Other Amounts.
- c. Inventory of Property acquired under this award.
- d. Report of Inventions and Subcontracts.
- e. Final Technical Report or Research Results.
- f. Final Report of Expenditures/Invoice

(Items a-f. may be required under government contracts. Items c-f. may be required under government grants or cooperative agreements.)

2. Prior to final payment, the responsible SPA staff will conduct a desk audit of the subrecipient's financial cost for the project. If there appears to be a questionable or cost unusual circumstances, the Sponsored Projects Accounting Office will request an explanation from the subrecipient. If no resolution is found to the university's concerns, the Sponsored Projects Accounting Office will request audit assistance from a cognizant audit agency through the appropriate contract administrative office.

3. For all for-profit subrecipient agreements under a federal contract, the Sponsored Projects Accounting Office will request audit assistance from the contracting office of a cognizant audit agency in accordance with a directive from our DCAA office.