Training Credit

• Effective August 2017, employees must use k@te to submit training credit forms
• hr.tennessee.edu/training
• Choose: Register, then login, Learning, View Your Transcript, Options, Add External Training
• An EOD staff member will approve trainings weekly
SUBRECIPIENT DEFINITION

Uniform Guidance (UG) 200.330-332

- Subrecipient means a non-Federal entity that expends Federal awards received from a pass-through entity to carry out a Federal program
  - Does NOT include an individual that is a beneficiary of such a program
  - A subrecipient may also be a recipient of other Federal awards directly from a Federal awarding agency
TERMINOLOGY

These are sometimes used interchangeably:

- Subcontracts
- Subawards
- Subgrants
- Subrecipients

Pass-through entity

- A non-Federal entity that provides a Federal award to a subrecipient to carry out a Federal program (UGC 200.330-332)
REGULATORY GUIDANCE

UG 200.330-332
UT Fiscal Policy FI0230
Sponsor regulations
  • Usually on their website in policy / procedure document
The non-Federal entity may concurrently receive Federal awards as a recipient, a subrecipient, and a contractor, depending on the substance of its agreements with Federal awarding agencies and pass-through entities. Therefore, a pass-through entity must make case-by-case determinations whether each agreement it makes for the disbursement of Federal program funds casts the party receiving the funds in the role of a subrecipient or a contractor. The Federal awarding agency may supply and require recipients to comply with additional guidance to support these determinations provided such guidance does not conflict with this section.

(a) Subrecipients. A subaward is for the purpose of carrying out a portion of a Federal award and creates a Federal assistance relationship with the subrecipient. See § 200.92 Subaward. Characteristics which support the classification of the non-Federal entity as a subrecipient include when the non-Federal entity:

(1) Determines who is eligible to receive what Federal assistance;

(2) Has its performance measured in relation to whether objectives of a Federal program were met;

(3) Has responsibility for programmatic decision making;

(4) Is responsible for adherence to applicable Federal program requirements specified in the Federal award; and

(5) In accordance with its agreement, uses the Federal funds to carry out a program for a public purpose specified in authorizing statute, as opposed to providing goods or services for the benefit of the pass-through entity.

(b) Contractors. A contract is for the purpose of obtaining goods and services for the non-Federal entity’s own use and creates a procurement relationship with the contractor. See § 200.22 Contract. Characteristics indicative of a procurement relationship between the non-Federal entity and a contractor are when the non-Federal entity receiving the Federal funds:

(1) Provides the goods and services within normal business operations;

(2) Provides similar goods or services to many different purchasers;

(3) Normally operates in a competitive environment;

(4) Provides goods or services that are ancillary to the operation of the Federal program; and

(5) Is not subject to compliance requirements of the Federal program as a result of the agreement, though similar requirements may apply for other reasons.

(c) Use of judgment in making determination. In determining whether an agreement between a pass-through entity and another non-Federal entity casts the latter as a subrecipient or a contractor, the substance of the relationship is more important than the form of the agreement. All of the characteristics listed above may not be present in all cases, and the pass-through entity must use judgment in classifying each agreement as a subaward or a procurement contract.
UT Fiscal Policy FI0230
https://universitytennessee.policetech.com/dotNet/documents/?docid=53&public=true
- Fiscal Policy and Uniform Guidance are same
- Policy covers all aspects of subrecipient monitoring
- Determination Guide

Responsibility for compliance tasks
- PI
- Campus / unit research office
- Departmental accounting staff
- Other campus / unit departments
- Controller’s Office
DETERMINATION

Defining Characteristics are most important.
- Subrecipients will be integral to the project
- Contractors will supply goods or services to the University
- External Consultants provide specialized services

Subs provide programmatic expertise
Contractors can provide goods/services to any entity
External Consultants can work with any entity and it is temporary
### Exhibit 01 - Determination Guide for Agreements with External Entities/Individuals

| **Subrecipient**  
(aka subaward/ subcontract) | **Contractor/Vendor** | **External Consultant** |
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>An entity that has agreed to work in collaboration with the UT PI to perform a substantive portion of the programmatic effort on a sponsored project.</td>
<td>An individual or entity that supplies products or services to the University.</td>
<td>An individual or entity whose expertise is required to perform University project. Services are temporary and special or highly technical.</td>
</tr>
</tbody>
</table>

**DEFINING CHARACTERISTIC:**

- Has authority to make administrative and programmatic decisions and control the method and results of work
- Uses funds to carry out a program rather than provide a good or a service
- Has responsibility for a portion of the end results of the overall research/sponsored project effort
- Has performance measured against meeting the program objectives
- Has responsibility to meet all applicable sponsor requirements
- The entity's PI works collaboratively with the UT PI at the entity's location

**OTHER CHARACTERISTICS:**

- Does not make program decisions or take actions that impact a program's overall success or failure
- Is not responsible for results of the overall project
- Goods and services provided by the contractor/vendor are ancillary to the program
- Sponsor compliance regulations are not incorporated into agreement
- UT specifies the goods or services it requires in support of the project
- UT defines scope of work; Consultant determines how to accomplish the service being provided
- May provide recommendations, but is not responsible for designing, developing, or reporting results or progress of the overall project
- Is not responsible for the overall outcome of the project
- Is not essential to the shape, direction, and completion of the project
- Sponsor compliance regulations are not incorporated into agreement

Below are a range of characteristics that may aid in distinguishing among the types of external entities/individuals that perform work for the University. The Defining Characteristic should be given the most weight in the decision-making process. The Other Characteristics can lend further support to the decision. Not all of the other characteristics will be present or identifiable in any given situation.
PREPARING A PROPOSAL WITH SUBAWARDS

Should this entity be a subaward?

- Use the determination guide in Fiscal Policy
  - 1st Bolded characteristic is most important in determining type of external relationship
  - If not a subrecipient will they be a vendor/consultant?
PI PRE-AWARD TASKS

Request and review the following documents from potential subrecipient:

- Statement of Work, Budget and Budget Justification and any other documents required by sponsor

Include proposed subaward in UT’s proposal to sponsor
Confirm receipt of accurate documentation from potential subrecipient

Use the determination guide to confirm the appropriateness to propose a subaward.

Reviews documentation to ensure conformance with administrative requirements

Any Use of Human or Animal Subjects

Any potential conflict of interest

Cost Sharing Commitments from subrecipients for proposal budgets

For all subrecipients, we also any include documentation required by the sponsor (e.g. biosketch, current & pending form, facilities statement, etc.). Those documents are never required to be provided by the subrecipient’s Office of Sponsored Programs, can be provided by Subrecipient PI
Website open to public for ensuring the efficacy and efficiency of using online organization Profiles in lieu of subrecipient commitment forms to obtain information needed by pass-through entities when they are issuing subawards or monitoring their subrecipient entities.

Information on audits, F&A, fringe benefits, suspension and debarment among other items
For members, their Office of Sponsored Programs can submit the following information via email:

- Statement of work
- Budget
- Budget justification
- Subrecipient PI name:
- Performance location:
- Subaward amount:
- Amount of cost share contributed
- If human subjects are involved (Yes / No)
- If animal subjects are involved (Yes / No)
- Office of Sponsored Programs contact
  o Name:
  o Email:
  o Phone:

Contact any proposal coordinator for a template of this email. It is important to start this process as early as possible and not wait until the proposal arrives in OSP.
For non-members, their Office of Sponsored Programs will need to send a:
1. Statement of work
2. Budget
3. Budget justification
4. Subrecipient Commitment Form (with Appendix A if sponsor follow PHS FCOI regulations)

https://osp.utk.edu/forms-osp/

Contact any proposal coordinator for a template of this email. It is important to start this process as early as possible and not wait until the proposal arrives in OSP.
UT TASKS & COMPLIANCE

The University is tasked with monitoring and ensuring that Subawards are compliant with Federal rules and regulations.

The Office of Sponsored Programs will help with ensuring the subrecipient is a low risk entity.

It is up to the PI and Department to monitor invoices and progress reports.
RESEARCH OFFICE TASKS POST AWARD

Ensure authority to issue subaward per award requirements
Confirm subrecipient's inclusion in FDP clearinghouse
Complete a Risk Assessment for Subrecipient, if not a clearinghouse member
  • Send questionnaire to sponsored programs office for completion
Review subrecipient budget & statement of work for reasonableness
Ensure that subcontract includes all Federal regs that flow-down
Ensure sub recipient has not been debarred-SAM.GOV
Include subrecipient financial terms that are compatible with prime sponsor’s financial terms
Decide & document if subrecipient is to be granted Expanded Authorities
COMPLETE A RISK ASSESSMENT FOR SUBRECIPIENT

Office of sponsored programs will do 1 of 2 things when completing the questionnaire.

Send the questionnaire to the subaward recipient for them to complete if not in FDP expanded clearinghouse

If part of the FDP program for the expanded clearinghouse, we review the information and complete an excel Risk Assessment Form

All Subawards have a risk assessment completed to determine risk

- Will be either High or Low risk
For all Subawards to be issued

- Review sam.gov to ensure the subaward is not debarred or suspended by the federal government
- Also make sure they have an active sam.gov registration, will need to be active for federal awards.
  - To ensure consistency in all awards we review sam.gov for all subaward recipients-federal or non-federal.
NOTIFICATION OF SUBAWARD

Award Coordinator will review proposal and award document for approval of subrecipients.

The Award Coordinator notifies Subaward Coordinator via internal notification system that there is a subaward on the award.

The Subaward Coordinator will email the department business manager and PI that there is a subaward to confirm issuance of subaward and all data is correct to issue the subaward:

- Subrecipient Entity
- Statement or Work
- Budget and Budget Justification

There are certain flow down requirements for Subawards that we may have to call out to the subrecipient:

- NASA: Chinese funding activates with China or Chinese based companies
- Automatic Carryforward
- Foreign Travel
COST ELEMENTS

Subcontractor
- Cost elements 481100 and 482100
- Has a contract for services
- Integral part of project providing collaborative effort
SUBRECIPIENT MODIFIER

Cost element 481100
- Subcontracts up to $25,000
- Does incur F&A costs

Cost element 482100
- Subcontracts greater than $25,000
- Does NOT incur F&A costs for MTDC base
OTHER COST ELEMENTS

Contractual services
- Cost element 446000
- Has a contract for services
- Not a collaborative relationship
- Provides services available in market
  - Such as testing samples, etc.

Legal & professional fees
- Cost element 437500
- Has a contract for services
- All costs incurred for legal and professional services rendered under contract to the University.
  Examples: Lawyer's for handling specific cases, auditing services of outside Certified Public Accountants, contracted medical services, royalties, honorariums, etc.
NEW CONTRACT SYSTEM

Subawards are now added in ESM contract system

ESM is the contracting system used by all University campuses for contracting purposes.

The Subawards are much quicker to finalize through this system
- NCJs are not needed if the subaward is listed in the approved award.
PI POST-AWARD TASKS

Review subrecipient invoices
- Compare invoice with technical work done
- Monitor spending as compared to proposal budget
- Disallow unallowable charges
- Sign invoices as approval for payment
- Withhold final payment until all obligations have been fulfilled, including all deliverables & technical reports
DEPARTMENTAL ACCOUNTING STAFF TASKS

Assist PI with Post award compliance tasks

Ensure proper cost element coding on invoices

Ensure that all Federal financial requirements in prime sponsor award (that flow down to subcontractors) are followed by subrecipients
  - Checklist available for tracking departmental requirements
DEPARTMENTAL ACCOUNTING STAFF TASKS

Departmental accounting staff should review subcontractor invoices for the following:

- Invoice period falls within the subcontract dates
- Cumulative invoice payments are less than or equal to the subcontract award amount
- Invoice line items add up correctly to the total due
- Verify F&A calculation and that F&A rate (and fringe benefit rate, if applicable) matches proposal
- Disallow unallowable costs
- Compare invoiced costs to proposal budget
  - Most Federal sponsors allow line-item rebudgeting of up to 10% of the award amount
- Review costs to determine if they are correctly classified as direct vs F&A costs
- Request additional information and backup documents from subcontractor as needed
INVOICE APPROVAL

Subrecipient invoices should not be approved if technical performance is unsatisfactory.

Subrecipient invoices should not be paid if there are outstanding questions about costs.

Subrecipient invoices may be “short-paid” after subtracting unallowable costs:
- Can also request a revised budget (invoice) to reflect acceptable costs.

UG 200.305 (b)(3) requires subrecipient invoices to be paid within 30 days.
- If the invoice is accepted.
- If not accepted, note that you have questions for the sub and once an acceptable invoice is received you have 30 days to pay.
CONTROLLER’S OFFICE TASKS

Obtain Title VI surveys and Single audit reports on an annual basis from subcontractors

Office also maintains list of High/Low Risk subrecipients
2006 law that requires Pass Through Entities to report on actions that obligate $25,000 or more cumulatively on grants

$30,000 cumulatively on contracts

Must report by the end of the month following the full execution date

Applies to 1st tier Subawards only.

- Example: if we receive funding from DOE and issue a subaward to Tennessee Tech we would report this in FFATA.

- Example 2: if we receive funding from Tennessee Tech on their DOE award and issue a subaward to the University of Memphis we would not report in FFATA
The Office of Sponsored Programs completes the FFATA reporting on all outgoing Subawards

Important to note that our office should receive all fully executed agreements as soon as possible in order to fulfill this requirement.

- Especially Foreign subawards or subawards that your office receives fully executed and OSP is not copied
QUESTIONS?
CONTACT INFORMATION
CONTACTS

Stacey Wade, CRA
Sponsored Programs Administrator
swade@utk.edu
865-974-4808

Terri Bokros Hollis, CRA
Coordinator
Office of Sponsored Programs
tbokros@utk.edu
Ph-865-974-1804