COMPLIANCE WITH SUBRECIPIENT STANDARDS OF OMB UNIFORM GUIDANCE

Effective: 5/20/2015
Revised: 5/20/2015
Reviewed: 5/20/2015
Responsible Office: Office of Research
Approval:

Purpose:
To establish responsibility for compliance with the Office of Management and Uniform Guidance 2 C.F.R. Part 200.330–337 (as it relates to the University’s responsibilities in making awards to subrecipients).

Definition:
Subrecipients subject to OMB Uniform Guidance are defined as for-profit and those non-profit organizations not meeting the annual federal expenditure threshold defined by 2 C.F.R Part 200.501, as well as all foreign institutions or organizations.

Policy:
1. Prior to submitting a University proposal to a Federal sponsor that includes subrecipients subject to Parts 200.330–337, the Office of Research will ensure that the Subrecipient has supplied the University with a Subrecipient Commitment Form certified by an authorized institutional official or, in the case of proposals to federal sponsors that utilize the Grants.gov portal for submission, a completed and signed SF424 cover page, scope of work, budget, and F&A Cost Rate Agreement if applicable. If no F&A Cost Rate Agreement exists, a de minimus rate of 10% will be used for the budget.

2. The Office of Research is responsible for administering Federal funds granted to subrecipients. The subaward agreement will include the following information, including items detailed in Part 200.331 a2–6:
   a. Subrecipient name and DUNS Number
   b. Federal Award Identification Number (FAIN)
   c. Federal award date
   d. Subaward period of performance start and end date
   e. Amount of federal funds obligated by the action
   f. Total amount of federal funds obligated to the subrecipient
   g. Federal award project description as required to be responsive to FFATA
   h. Name of federal awarding agency, pass-through entity, and contact information for awarding official
   i. CFDA number and name
   j. Identification as to whether the award is R&D
   k. Indirect cost for the award
   l. Scope of Work and budget
   m. Confirmation of compliant PHS FCOI Policy or agreement to abide by the University’s own policy on Conflict of Interest

If all of this information is not available, the Office of Research will provide the best information available to describe the federal award.
3. The Office of Research will advise subrecipients of requirements imposed on them by federal laws, regulations and the provisions of contracts, grants or collaborative agreements as well as any supplemental requirements imposed by the University.

4. If the subrecipient has an approved federally negotiated indirect cost rate, the University will use that rate for the subrecipient work unless the federal agency issuing the Prime Award has imposed a lower indirect cost for the Award, in which case the University will use that imposed rate for the subaward. In the event that a subrecipient does not have an approved federally negotiated indirect cost rate, the University may accept an alternate rate after reviewing the basis on which the rate has been calculated. Should the alternate rate exceed the de minimus cost rate as defined in 2 C.F.R. Part 200.414 (currently 10%), documentation supporting the alternate rate will be reviewed and negotiated between DU and the Subrecipient entity.

5. The Principal Investigator is responsible for monitoring the activities of subrecipients, as necessary, to ensure that Federal awards are being used for their authorized purpose and that performance goals are achieved. In doing so, the principal investigator is required to review and approve all technical and financial reports (including invoices). Principal investigator concerns regarding the contents of any required report(s) must be brought to the immediate attention of the Office of Research.

6. Principal Investigators and Business Administrators must utilize the Office of Research web-based subaward database to request both an initial subaward agreement and all subsequent modifications to that agreement. The Principal Investigator is required to sign all subaward and subaward modification requests, verifying that the information on the request form is accurate and that a current subrecipient is performing according to the provisions of the subaward agreement. Approvals by the PI in the Coeus routing act as electronic signature.

7. Each Federal subaward is to include a clause incorporating the requirements of OMB Uniform Guidance Subpart F, where applicable, calling for the subrecipient to have an audit conducted in accordance with the Circular and to submit a copy of its most recent OMB Uniform Guidance Part 200.512 reporting package to the University annually in all instances where the audit discloses findings related to the Federal award(s) provided by the University. In the event that no findings are reported, the subrecipient will provide written notification that an audit was conducted in accordance with the provisions of the Uniform Guidance, the schedule of findings and questioned costs disclosed no audit findings related the Federal awards provided by the University, and the summary schedule of prior audit findings did not report on the status of any audit findings relating to the Federal award(s) provided by the University.

8. The Office of Research will generate a list of subrecipients once each year and will request each subrecipient to submit the appropriate correspondence as detailed in Item 6 above. If a subrecipient fails to submit its correspondence in a timely fashion, the Office of Research will take such action as necessary to obtain the report, including withholding of payment to the subrecipient. The Office of Research is responsible for reviewing submissions from subrecipients to identify those with findings related to Federal awards provided by the University.

9. For new subawards where the University has no current Uniform Guidance Audit information for the potential subrecipient, the University will request such information as per Item 6 above and will determine if the subaward document requires any supplemental University terms and conditions to be included in response to subrecipient audit findings related to the Federal award to be provided by the University. The University will review the subrecipient’s Audit reporting
package and render it’s decision on any specific University terms and conditions within (6) six months of DU having received audit report.

10. For ongoing subawards, in those instances where audit findings relate to and impact the University, the Office of Research will discuss the findings with appropriate parties to determine an appropriate plan of action, which may include adjustment of the University’s records, demand for repayment from the subrecipient, or other remedial action.

11. Subrecipients without a current Uniform Guidance Audit report are subject to the same review using third party audited financial statements.

12. The Office of Research will ensure that subawards contain language permitting the University and/or its auditor’s access to the subrecipient’s records and financial statements as necessary for the University to comply with OMB Uniform Guidance.

ROLES AND RESPONSIBILITIES

Office of Research & Research Accounting Services
- Ensures appropriate documentation from subrecipient organization is received.
- Evaluates subrecipient’s A-133 audit report to determine suitability for proper stewardship of federal funds.
- Checks for debarment/suspension.
- Generate subaward agreement containing information as required for subcontracts under federal awards and send to subrecipient.
- For PHS FCOI non-compliant subrecipients, ensure subrecipients understand and agree to abide by Drexel’s policy.
- Notifying Business Administrator when subaward is fully executed.
- Monitor financial activities of subrecipients.
- Through audits and other means, ensure subrecipient takes timely and appropriate action on all deficiencies detected by Drexel.

Principal Investigator
- Consider best practices related to entering into a subaward agreement with each specific subawardee
- Monitor the activities of subrecipients
- Review and approve invoices submitted by subrecipients
- Determining additional funding based on progress
- Requesting reports as needed

Department Administrator
- Collecting institutional approvals from subawardee, including a certified Subrecipient Commitment Forms
- Reviewing invoices to ensure funds are available prior to approving payment within authorized budget