

## PI's Responsibilities:

- Develops proposal in accordance with sponsor and UPR-RP guidelines.
- Identifies collaborators to assist with scope of work (SOW).
- Understand terms and conditions of subaward agreement.
- Serve as primary point of contact for the sub-recipient.
- Verify compliance approvals are current for sub-recipient's portion of statement of work (e.g., human subjects, animal subjects, biosafety) Initiate modifications to subaward when necessary.
- Assesses if any special reporting, billing, intellectual properties or work related terms and conditions are needed.
- Requests issuance of a subaward from Legal Advisor Office.
- Receives copy of subaward and reviews terms and conditions to prepare for monitoring role.
- Monitor scientific progress.
- Verify that the sub-recipient is meeting "cost sharing" commitments.
- PI's approve and sign invoices for payment after conducting the following:
  - Ensure all costs are allowable, allocable, and reasonable.
  - Ensure all costs are incurred within the period of performance.
  - Confirm that expenses are aligned with technical progress.
  - Request corrections, additional documentation, or revised invoice when is necessary.
- Submits progress/interim financial reports to Sponsor.

- Requests Issuance of subaward extension/modification; incorporates any special PI instructions/terms.
- Submits final prime project/financial reports to Sponsor.
- Completes Closeout

## Web Resources:

- Circular A-110, Subpart A.2 (ff) (subaward definition):
  - [http://www.whitehouse.gov/omb/circulars\\_a110](http://www.whitehouse.gov/omb/circulars_a110)
- Circular A-133, Subpart B.210 (sub-recipient and vendor determinations):
  - [http://www.whitehouse.gov/sites/default/files/omb/assets/a133/a133\\_revised\\_2007.pdf](http://www.whitehouse.gov/sites/default/files/omb/assets/a133/a133_revised_2007.pdf)
- Federal Audit Clearinghouse
  - [Harvester.census.gov/sac](http://Harvester.census.gov/sac)
- Federal Funding Accountability and Transparency Act.
  - <http://www.ffata.org/ffata/>

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# SUB-AWARD OR CONTRACT FOR SERVICES?



**It might be difficult sometimes to tell the difference between a subaward and a contract for services but your budget and statement of work will provide the answer...**

### **Introduction:**

A subaward is a formal written agreement made between the University of Puerto Rico-Río Piedras Campus, (“UPR-RP”), and another legal entity (sub-recipient) **to perform substantive programmatic activity under one of the University’s sponsored projects.**

The increase in subawards in recent years, reflecting the increase of collaboration in research, has resulted in heightened compliance scrutiny by the federal government and other sponsors. The Office of Sponsored Program, (“OSP”), is committed to working with researchers and departments to assist in the effective management of subawards. It is important for principal investigators (PIs) and department administrators to understand their roles and responsibilities in managing subawards, and to work with us to minimize risk and ensure successful collaboration and compliance.

### **Definition:**

A subcontract is a contractual agreement between UPR-RP and a third party organization to perform a portion of a University sponsored project. Similar terms that are commonly used are: subaward, sub-grant, sub-agreement, and pass through. Although these can have slight nuances of meaning, they are all contractual relationships between UPR-RP and another institution/organization/corporation.

Typical subaward situations include agreements in which two or more qualifying institutions work collaboratively on sponsored projects. **Each institution has its own principal investigator (PI); however, one of the collaborating institutions functions as the prime awardees and is the legal contract with the sponsor.**

It is the PI’s best interest identified correctly the subaward characteristics in the proposal at submission time, because adding them after grant is awarded will require agency’s prior approval and do have an impact in the indirect cost calculations and the budget.

### **Characteristics of a Subaward:**

*It is not expected that all of the characteristics will be present in every case.*

- A defined portion if a sponsored project is designed and consulted by another entity.
- Sub-recipient personnel might be a legitimate author or co-author of a paper written about the project.
- An invention might arise from the work performed by the sub-recipient.
- Subawardee technical lead is usually a scientific collaborator, or even a co-PI on the UPR-RP project.
- The sub-recipient assumes full responsibility; including intellectual leadership, for completing the assigned work.
- Work is generally performed by sub-recipient’s personnel (including graduate students) using their resources, usually at their site.
- The sub-recipient must comply with the terms and conditions if the subaward agreement, including terms from the University’s sponsor.
- The sub-recipient will need to obtain approvals from their IRB or IACUC if human or animal subjects are used in their portion if the work.
- Subawardee services are uniquely designed in response to each project, and no provided commercially.
- Subawardee retains right to intellectual property.
- Subawardee participates in development and execution of statement of work.
- Subawardee results are likely to publish in the scientific literature and/or Subawardee is likely to be co-author on a UPR-RP publication.

### **Other Procurement actions should be used to purchase goods or services when the vendor:**

- Provides commercially available supplies and expendable materials.
- Provide expert consulting.
- Provides equipment or component parts for fabricated equipment.
- Regularly sells the goods and services as part of its routine business operations.
- Provides similar goods and services than others.
- Operates in a competitive environment.
- Vendor retains no rights to intellectual property.
- Provides goods and services that are ancillary to the sponsored project.
- Vendor retains no right to publish.
- Is not subject to the compliance requirements of the University’s sponsor.

### **Information to be included in the University’s proposal:**

Proposals that include subawards should integrate the sub-recipient’s statement of work and budget into the University’s proposal, in accordance with the sponsor’s guidelines. The University’s proposal must flow the standard routing and approval process and should include the following items related to each subaward:

- Statement of Work
- Budget and Justification
- Signed commitment to establish a subaward from the proposed sub-recipient’s authorized representative
- Payment terms and schedule.
- Subaward period of performance.
- Verification that sub-recipient is compliant with IRB or IACUC approvals. (If applicable)
- Sub-recipient data required under the Federal Funding Accountability and Transparency Act.
- Other applicable requested information.