PURPOSE

The purpose of this operating procedure is to clarify and define the roles of the Principal Investigator (PI), Department Administrator (DA), and the Research Administrator (RA), with regard to monitoring and managing external subawards on sponsored projects.

VCU School of Medicine expenses on sponsored projects must comply with federal regulations, which are codified in a single guidance document known as the “Uniform Guidance” or 2 CFR 200 that must be used by all federal agencies. The Uniform Guidance (UG) provides standards to determine whether costs can be charged to federal grants and how those costs should be distributed between direct costs and facilities and administration (F&A) costs. These principles are rigorously applied to all federal grants and generally adhered to in administering non-federal awards. Each federal agency has or will issue more detailed guidelines as to how UG applies to its grants and cooperative agreements.

The standards established in the UG require that all sponsored project expenses must be (1) reasonable, (2) allocable to the project, (3) given consistent treatment, and (4) conform to any limitations or exclusions set forth in the UG or the award requirements.

INTRODUCTION

Grants and contracts for sponsored projects represent a contractual obligation between the grantor and the University for the performance of a specific activity through which the grantor, or sponsor, is entitled to receive some consideration or benefit. The contractual obligation is normally documented by a proposal and award combination, contract, or a written memorandum of agreement. The University assumes full legal responsibility for complying with all requirements imposed by the grantor or sponsor upon acceptance of grants and contracts for sponsored projects, including a requirement for a report of expenditures or a provision for an audit (refer to VCU’s policy Sponsored Programs Award Review, Negotiation, Acceptance and Notification). In turn, the School of Medicine must ensure its investigators and personnel are in compliance with all VCU and sponsor requirements for the administration of subaward agreements on sponsored projects.

Per Office of Sponsored Programs’ (OSP) website, “Sponsored projects awarded to VCU are generally conducted within the physical boundaries of the University and work is performed by University faculty and staff. Occasionally, however, a portion of the project scope may need to be provided by an external collaborator. The external collaborator is made responsible for a discrete portion of the project, providing the resources necessary to conduct that portion of the work. Costs associated with this work may include personnel costs, supplies, equipment, travel, and overhead. Such an arrangement is carried out through the issuance of a Subrecipient Agreement (also called either a subaward or a subcontract).” See VCU’s policy Establishment of Sponsored Project Subcontracts and Subawards for more details.

PROCEDURE

At the Time of Award

1. The RA and PI review the primary Notice of Award to see what has been awarded and if the budget has been reduced from proposed.
2. If there are any Just-in-Time requests from the sponsor prior to award, the RA and PI consider:
   - If human subjects or animal work is being done at the subaward site, do we have confirmation that all required approvals are in place?
   - Do we need updated NIH or Department of Defense “Other Support” documents from subaward PIs?

3. Once the award has been fully executed and accepted at VCU and you have received your “home” Banner index for the award, OSP will issue a subaward agreement to the subrecipient. The RA will follow the steps below:
   - Complete a Banner Advance Index Request Form and send to Grants & Contracts to receive an index for the external subaward.
   - Finalize the budget with the subawardee – there may have been budget cuts to the originally proposed budget, so request a new one from the subawardee if necessary.
   - Complete a New Subrecipient action in RAMS-SPOT:
     - Execute the "New Subrecipient" activity in the Award workspace for each subaward that you want to issue (this will auto-generate the Subrecipient (SA) record).
     - In the SA record, enter subrecipient info, dates/amounts to be authorized, and upload relevant documentation.
     - From the SA workspace, have the PI execute the "Submit Subrecipient Agreement Request" activity (this will route the request to the Fiscal Administrator for approval).
     - From the SA workspace, have the Fiscal Administrator execute the "Fiscal Administrator Certification" activity (this is route the request to OSP for processing).

   NOTE: Anyone with access to the FAU in RAMS-SPOT (including the RA) and execute the "Fiscal Administrator Certification" activity once the PI submits the SA for review.

   - OSP will create the subaward agreement and send it to the subawardee for review and partial execution.
   - The RA and PI will receive a notice from RAMS-SPOT when the subaward agreement has been fully executed.

Throughout the Project

1. The department will receive invoices from the subawardee on a regular basis (either monthly or quarterly is best). It is helpful to provide the subawardee’s sponsored programs office with the department’s address for sending invoices, with a note to give attention on the envelope to the RA.

   The following items will be carried out by the RA unless otherwise noted:

2. Review the invoices for the following before having the PI review and sign:
   - Invoices have been submitted based on payment terms in agreement (i.e. if terms were cost reimbursable, or per patient)
   - All costs charged are allowable, allocable, and necessary
   - Expenses are within the performance period of the subaward agreement
   - Costs align with project progress (i.e. rate of spending is appropriate)

3. Maintain a subaward reconciliation or tracking spreadsheet that documents each invoice received, the amount, and whether or not it has been paid.

4. Complete the Direct Pay form provided by OSP at the time the subaward agreement was executed and have the PI review the invoice and sign the Direct Pay form as approver.
5. Save copies of the signed Direct Pay form and invoice in the electronic grant file and submit the paperwork to Accounts Payable for payment.

6. Verify all invoices sent to Accounts Payable have been paid by checking expenses on the sponsored project in the PI Dashboard.

7. Prepare all necessary subaward amendments in a reasonable time frame. Possible reasons why subaward agreement amendments are needed:
   - Extend the end date of the subawardee’s performance period
   - Award additional funds to the subawardee
   - Reduce total funding amount awarded to subawardee
   - Modify the terms and conditions of the agreement to ensure project goals are met

8. To request an amendment to a subaward agreement:
   - Edit the Subaward Amendment Request Form through RAMS-SPOT.
   - OSP will draw up the amendment and send to the subawardee for execution.
   - The department will receive notification via RAMS-SPOT when the amendment has been fully executed.

At Project Closeout

1. 90 days prior to end date:
   - Request subaward submit a final invoice within 60 days of the project period end date
   - Confirm with PI that the subawardee has completed their scope of work
   - If necessary request a no-cost extension from the prime sponsor and amend the end date on the subaward agreement.

2. Within 30 days after end date:
   - Verify that subawardee has submitted their final invoice and send a copy to OSPAWARD as well as Accounts Payable.
   - Verify with PI that subawardee has provided a final technical report.
   - If Federal, collect Patent and Invention Disclosure documents from subawardee.
   - If any funds remain after final invoice is paid, alert OSPAWARD to have commitment removed from the subaward index and G&C to have unspent funds returned to the project “home” index as appropriate

RESPONSIBILITY

Principal Investigator (PI) The PI is primarily responsible for:

- Ensuring subawardees meet all technical milestones for the project and provide regular reporting on progress
- Reviewing and approving payment of all invoices received from the subawardee
- Letting RA know if subawardees are not performing

Research Administrator (RA) The RA is primarily responsible for:

- Completing internal paperwork to initiate subaward agreement and all required amendments
- Reviewing and facilitating payment of all invoices
- Financial monitoring of the subaward
• Assisting with subaward closeout