

Subcontracting on Sponsored Programs: Roles and Responsibilities

Purpose:

The purpose of this document is to provide the standards of Northwestern University and the roles and responsibilities of the parties involved in subcontracting on sponsored projects.

The federal regulations (principally OMB Uniform Guidance, 2 CFR Part 200) describe requirements for Pass-through Entities, including Subrecipient Monitoring. Consistent with the guidance, Northwestern's policy is to execute the following tasks as part of its Subrecipient risk assessment procedures and monitoring procedures:

- Ensure every subaward is clearly identified to the Subrecipient as a subaward and advise Subrecipients of requirements imposed on them by federal laws and regulations, and appropriate Originating Sponsor flow-down provisions from the prime award, as well as any supplemental requirements imposed by Northwestern
- Receive and review technical performance reports
- Review expenses relative to budget and expenses relative to technical performance
- Facilitate and track payments made to Subrecipients
- Periodically perform on-site visits, or contact Subrecipient if necessary
- Perform audits if necessary and/or desired
- Review Subrecipient's single audit reports and audit findings
- Review corrective actions cited by Subrecipients in response to their audit findings
- Consider enforcement actions on Subrecipients in cases of continued inability or unwillingness to have required audits or to correct non-compliance
- Require each subrecipient to provide information as required under the Federal Funding Accountability and Transparency Act (FFATA) so that Northwestern can meet its reporting obligations

Different parties and processes comprise the Subcontract control environment at Northwestern, including Subrecipient Monitoring. Outlined herein are the roles and responsibilities of the parties:

Principal Investigator responsibilities include:

- Select the Subrecipient
- Review and approve of the Subrecipient's SOW and budget materials
- Endorse the formal request to SR to issue a Subcontract to the Subrecipient
- Ensure that small business Subrecipient spending occurs as communicated to the sponsor in any Small Business Subcontracting Plan required for federal contract awards over \$750,000.

- Ensure that the Subrecipient's performance of work is occurring as planned
- Ensure Subrecipient's costs are appropriate and in accordance with the approved budget (as well as technical progress), and approve Subrecipient invoices
- Ensure that the Subrecipient's technical performance reports are received, reviewed, and evaluated as stated in the Subcontract.
- Provide required certifications of Subrecipient invoices and performance
- Engage in programmatic audits and other Subrecipient Monitoring activities, including but not limited to monitoring Subrecipient overall spending rate to ensure it is appropriate and commensurate with subcontract SOW and budget plan, and review and approval of carryover requests that are required per the subcontract agreement terms

School, center, or departmental staff (which may include research administrators, business administrators, directors of research administration, financial assistants, and program assistants), (collectively "Local Administration") Local Administration responsibilities include:

- Provide day-to-day direct research administration management to the PI
- Gather and review Subrecipient materials for proposal submission Use the Checklist to Determine Subrecipient or Contractor Involvement, as necessary to facilitate determination of the relationship with an entity
- Assist the PI by preparing formal request and materials needed for OSR to issue a Subcontract
- Review Subrecipient invoices for accuracy prior to submitting for PI approval and required certifications by the PI; and communicate with Subrecipients to request additional documentation as appropriate
- Monitor Subrecipient overall spending rate to ensure it is appropriate and commensurate with subcontract SOW and budget plan, and review carryover requests that are required per the subcontract agreement terms
- Assist ASRSP in facilitating payment processes and tracking payment to Subrecipients
- Coordinate Subrecipient communications and meetings on behalf of the PI
- Maintain communications with Subrecipients to facilitate progress reporting and timely financial reports
- Facilitate other questions and requests for additional information from Subrecipients
- Participate in audits and other Subrecipient Monitoring activities

Sponsored Research (SR) responsibilities include:

- Review and evaluate Subrecipient proposal materials and verify compliance with Originating Sponsor requirements

- Coordinate with the Purchasing: Procurement and Payment Services office and the PI to draft and submit Small Business Subcontracting Plan at award stage when required for federal contracts over \$750,000
- Communicate with Local Administration and the PI regarding compliance issues that may impact issuance and/or execution of the Subcontract agreement
- Conduct risk assessment of Subrecipients, and document results, including verification of Subrecipient's completed single audit, as applicable, through Federal Audit Clearinghouse or FDP Expanded Clearinghouse
- Refer single audit or financial questionnaire findings to ASRSP for determination on ASRSP issuance of management decision letters to the Subrecipient and/or recommended additional conditions to be incorporated into the subcontract agreement
- Draft, issue, negotiate, and execute Subcontracts
- Ensure that Subcontracts contain the appropriate required flow-down terms of the originating award's terms and conditions, required certifications, and additional terms or restrictions as needed, based on the results of the risk assessment
- Communicate with Northwestern's IACUC, IRB, NUCOI, OECC and technology transfer (INVO) offices, as necessary
- Communicate with ASRSP and participating in audit and other Subrecipient Monitoring activities as appropriate
- FFATA subcontract reporting, as applicable

Accounting Services for Research and Sponsored Programs responsibilities include:

- Review and send Subrecipient invoices for review by Local Administration and approval by the PI, including required certifications by the PI
- Verify inclusion of required certifications by the appropriate Subrecipient officials in invoices and closeout materials
- Process payment of PI approved Subrecipient invoices
- Verify annually that the Subrecipient has completed its single audit, as applicable, through Federal Audit Clearinghouse or FDP Expanded Clearinghouse
- Review Single Audit for Subrecipients with material findings related to Northwestern
- Issue management decision letters to Subrecipients
- Communicate to SR when Subrecipient has material audit findings that may affect Northwestern
- Audit Subrecipients on as needed basis, and oversee other Subrecipient monitoring activities
- Report all small business Subrecipient spending on a bi-annual basis for all federal contract awards over \$750,000 where Small Business Subcontracting Plans have been submitted
- In collaboration with PI and Local Administration, monitor Subrecipient spending patterns to ensure they are appropriate and commensurate with

subcontract budget plan including verifying unobligated balances when carryover requests are required per the subcontract agreement terms

Subrecipient responsibilities include:

- Compliance with the terms and conditions of the Subcontract, including flow down terms from the Originating Award to Pass-through Entity, required certifications by appropriate officials of Subrecipient and invoicing terms
- Perform work in accordance with the approved SOW and budget
- Obtain necessary approval from Subrecipient's IRB or IACUC, as applicable
- Request approval from Pass-through Entity when prior approval(s) is/are required
- Certify that Subrecipient has a COI policy conforming to applicable requirements of the Originating Sponsor, or certify that Subrecipient agrees to abide by Northwestern's COI policy
- Provide information as required under the Federal Funding Accountability and Transparency Act (FFATA) so that Northwestern can meet its reporting obligations