



The University of Vermont

Responsible Official: Vice President
for Research

Effective Date: April 1, 2014

University Operating Procedure

Issuing and Monitoring Subawards on Sponsored Agreements

Overview

As the recipient of federal funds through grants, contracts, and cooperative agreements, the University of Vermont sometimes transfers a portion of the sponsored work to another institution or organization through a subaward. The subrecipient is responsible for its scope of work and must comply with all applicable federal, sponsor, award-specific, and other associated terms and conditions. As the prime recipient, the University must issue subawards and monitor its subrecipients in compliance with Office of Management and Budget (OMB) regulations.

This University operating procedure provides guidance and procedures relating to the issuance and monitoring of subawards on sponsored agreements. While it is consistent with OMB guidance, this operating procedure applies to both federal and non-federal sponsored agreements.

Procedures

The University of Vermont issues and monitors subaward agreements following the requirements outlined in Uniform Guidance: Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards. Under this federal guidance and as a recipient of federal funds, UVM must determine subrecipient eligibility to receive federal assistance in the form of a subaward. Applicable federal guidance will provide federal award and related compliance information to subrecipients; and monitor subrecipient use of federal funds.

Subrecipient Eligibility

Applicable federal guidance requires institutions of higher education that receive grants or other federal funding to comply with the guidelines on government-wide suspension and debarment (nonprocurement). These guidelines prohibit the issuance of a subaward to parties that are debarred, suspended, or otherwise excluded from or ineligible for participation in federal assistance programs or activities. The guidance further requires recipients of federal funds to determine the subrecipient's ability to meet specific criteria required by the program.

In confirming a subrecipient's eligibility to receive federal awards, the University will expect the subrecipient to:

1. Complete and submit a form with demographic information and compliance assurances. The form requires the following data elements, among others:
 - a. A Dun and Bradstreet Data Universal Number System (DUNS) number, which affirms the organization's compliance with federal registration requirements; and
 - b. A certification by an authorized signatory of the subrecipient organization that neither it nor its principals are suspended, debarred, or otherwise ineligible to receive federal assistance.
2. Submit a detailed budget and scope of work.

The University's Sponsored Project Administration (SPA) reviews the application materials to determine that all of the programmatic and administrative requirements outlined in the sponsor's request for proposals, program guidelines, and applicable federal, sponsor-specific, and University guidelines can be met.

Following receipt of a prime award document, but before entering into a subaward agreement, SPA obtains up-to-date information from the subrecipient organization and confirms that the subrecipient remains eligible to receive federal assistance and able to comply with the applicable sponsor-specific requirements. Additionally, SPA confirms the subrecipient's status in the federal System for Award Management (SAM) database.

Award Identification

Within each subaward agreement, UVM provides the following pieces of information to emphasize for subrecipients their obligation to follow all applicable federal and sponsor regulations:

1. Federal awarding agency if applicable;
2. Federal award name and number if applicable;
3. Catalog of Federal Domestic Assistance (CFDA) title and number if applicable;
4. Characterization of the award as "research and development" if applicable;
5. Applicable terms from the prime award that the subrecipient must also follow;
6. Additional compliance requirements; and
7. Additional information as required.

Before the subrecipient begins the work associated with the subaward agreement or invoices UVM, its duly authorized official signs the subaward agreement to confirm compliance with the terms and conditions, certifications, and assurances it contains. The subaward then binds the subrecipient to its obligations.

Subrecipient Monitoring

Guidance requires that a prime recipient of federal funds monitor its subrecipients to provide reasonable assurance that federal awards are administered in compliance with laws, regulations, and the provisions of contracts or grant agreements, and that relevant performance goals are achieved.

UVM takes a risk-based approach to monitoring its subrecipients to include terms and conditions in each agreement that are commensurate with the level of risk. When designating subrecipient risk level, SPA may consider UVM's history with the subrecipient; subrecipient audit history; subrecipient entity type; program complexity; or percentage of prime award or amount of funds passed through to the subrecipient.

Those subrecipients designated with a risk level higher than "low" may have more restrictive terms and conditions in their subaward agreements, and UVM may conduct more rigorous and direct monitoring of those entities.

All UVM subrecipients are monitored with the following standard methods, regardless of designated risk level:

1. The Principal Investigator (PI) tracks, reviews, and approves performance reports.
2. Before payment issuance, the PI of the prime award reviews and approves subrecipient invoices, financial reports, and documentation of required cost share for compliance with subaward terms and reasonableness relative to the work performance.
3. Before payment issuance, SPA reviews and approves subrecipient invoices, financial reports, and documentation of required cost share for compliance with subaward terms.
4. Before the issuance of a new or continuing subaward agreement, SPA confirms that the subrecipient has been audited in compliance with the applicable federal requirements, if applicable. If so, SPA reviews relevant findings identified in the subrecipient's most recent federal single audit or other independently audited financial statements, issues management decisions, and informs the subrecipient of needed corrective actions or precautions.

Definitions

Prime Award: In the context of subaward agreements, the prime award is the award made directly from the sponsor to the University.

Principal Investigator or PI: For the purposes of this UOP, "principal investigator" refers to the project director of the prime award.

Subaward: An agreement, written under the authority of and consistent with the terms and conditions of a prime award, that transfers a portion of the sponsored work to another institution or organization. A subaward is not the procurement of goods and services.

Subrecipient: The legal entity to which a subaward is made and which is accountable to the recipient for the use of the funds provided.

Contacts/Responsible Official

Questions related to the daily operational interpretation of this procedure should be directed to:

Sponsored Project Administration
(802) 656-3360
spa@uvm.edu

The Vice President for Research is the official responsible for the interpretation and administration of this procedure.

Forms

None

Related Documents/Policies

Procurement or Lease of Goods and Services and Contract Approval and Signatory Authority for Procurement or Lease of Goods and Services

<https://www.uvm.edu/policies/procure/procurement.pdf>

Uniform Guidance: Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards:

<http://www.ecfr.gov/cgi-bin/text-idx?SID=704835d27377ef5213a51c149de40cab&node=2:1.1.2.2.1&rgn=div5>

Effective Date

Approved by the Vice President for Research April 1, 2014