

POLICY

Establishing Subawards and Subcontracts

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Purpose: A subaward or subcontract is needed when the Boyce Thompson Institute for Plant Research (BTI) is awarded a sponsored research agreement in which a material portion of the work will be accomplished by another institution or organization. This policy provides guidance for the use of subawards and subcontracts on sponsored awards. "Subrecipient (s)" is used to designate the recipient of a subaward and/or subcontract.

Pre-Award

Policy:

1. When BTI principal investigators (PIs) partner with another institution to carry out a portion of a project awarded to BTI, the Business Office will issue a subaward or subcontract agreement to allocate a portion of the work to be carried out at the other institution.
2. If the sponsored research agreement is an award, a subaward agreement will be issued. If the sponsored research agreement is a contract, a subcontract is created.
3. During the award proposal stage, BTI PIs will submit proposed subrecipients to the Business Office. This includes providing the subrecipient's contact information, scope of work, and budget.
4. The Business Office will then perform a subaward risk assessment and approve, disapprove, or approve with conditions the allowability to use the identified subawardee (see Evaluating and Managing Subrecipient Risk for more details).
5. When the subrecipient proposal is incorporated into the primary proposal, a list of the subrecipient's total costs should be included in the subcontract category of the budget.
 - The technical section of the proposal should include a statement explaining the need for a subaward/subcontract and the method(s) used to select the subrecipient.
 - Many sponsors require the subrecipient's budget be appended to the proposal.

Post-Award

6. If the need for a subrecipient is identified after the sponsored project is awarded, sponsor approval is often required before initiation of the subaward / subcontract. The Business Office will need to perform a risk assessment on the proposed subrecipient before any request for approval is sent to the sponsor.
 - When the subcontractor's work is part of the proposal no further approval is needed.

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7. With sponsor approval, either through the proposal or subsequent approval, the Business Office will issue a subaward / subcontract that will include a scope of work budget and incorporate the appropriate terms and conditions of the prime grant or contract.
 - If prime sponsor prior approval is required, copies of the subaward / subcontract are sent simultaneously to the sponsor for such prior approval and to the subcontractor for acceptance.
 - The cover letter that is sent with the subaward / subcontract should state that documents were sent simultaneously thereby requesting an expeditious approval from the sponsor, and alerting the subcontractor that changes may need to be negotiated as a result of prime sponsor approval and that BTI cannot sign the agreement until receipt of the approval.
 - Upon receipt of the fully executed subaward / subcontract the Business Office will mail one original document to the subcontractor, and retain the original for filing with the prime agreement file.
 - All supporting file material that generated the subaward / subcontract is also filed in the Business Office.
8. The subrecipient may invoice BTI upon receipt of a fully executed subcontract.
 - BTI does not offer advance funds to a subrecipient.
 - Invoices are to be sent to the Business Office by the subcontractor for review.
 - The business office will forward the invoice to the PI for their approval.
 - Prior to approval the invoice should be reviewed to determine that the amount being requested for payment is consistent with the amount of effort performed during the billing period.
 - The PI will forward the invoice to the Accounts Payable department. Invoices will be paid 30 days upon receipt.
9. When the purpose of the project is to support collaboration with a particular PI at another institution, a proposal from a sole source should be considered.
 - When a single source selection cannot be justified the principal investigator should prepare a Request for Proposal (RFP) for prospective subcontractors.

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10. As prime award recipient, the principal investigator, and ultimately BTI, assume the responsibility for the conduct and completion of the project (see SAAM 5.70.01 Subaward Administration Policy).
 - Subrecipient progress reports should be reviewed thoroughly by the principal investigator
 - The subcontractor's progress report will usually be incorporated into the progress report submitted to the sponsor by the principal investigator / project leader.
11. Subrecipient PI(s) will be responsible for the design, conduct and reporting of the research. The organization must have the appropriate facilities to be able to carry out the work, and the organization's policies and procedures must be sufficient to ensure the responsible use of sponsored funds. See SAAM 5.70.03 Subrecipient Responsibilities.