Outgoing Subaward Basics - Subawards Issued by UCLA under Extramurally Funded Grants/Cooperative Agreements

PREVIEW: Master Training (Mary Haskins, OCGA Subaward Officer)
When: Wednesday, April 18, 2018 from 9:30 am-11:00 am
Where: UCLA Wilshire Glendon, 10889 Wilshire Blvd., Conf. Room 820-20
Who: OCGA Outgoing Subaward Team
http://ora.research.ucla.edu/OCGA/Pages/Training-Resources/training-calendar.aspx
Description

The Master Training session will discuss the OCGA Outgoing Subaward process:

- Key concepts and terminology, such as:
  - Distinguishing between different types of third parties
  - Uniform Guidance (UG) determination, evaluation and monitoring
- The life cycle of a Subaward
- Review of applicable forms

This session is appropriate for anyone with responsibility for proposing/requesting outgoing subawards, especially those new to the process.
Types of Third Party Agreements

- **Subaward [aka Subgrant/Consortium Agreement] (Subrecipient)**
  - Terms used when Sponsor’s award is a *grant or cooperative agreement* (Intent of funding is to *assist* in project)

- **Subcontract Agreement (Subcontractor)**
  - Usually terms used when Sponsor’s award is a *prime contract* (Intent of funding is to *procure* goods, services, or outcome)

- **Contract Agreement (Contractor, previously Vendor)**
- **Consultant Agreement (Consultant)**
- **Professional Services Agreement (Independent Contractor)**

* UC Multi-Campus Award (MCA): at proposal stage treated similar to third party agreement (except UCLA IDC); however, technically not a “third party” since all UC campuses part of the same legal system (UC Participating Campus).
Uniform Guidance (UG)

- Required by the §200.330

UNIFORM GUIDANCE (UG)

- Why is it important to **document** how the correct “Type” of third party was **determined**?

- Under the Uniform Guidance, we are required to document whether a third party receiving federal (assistance) funds from UCLA qualifies as a: “Subrecipient” via a Subaward (carrying out an intellectually significant portion of the federal award) **OR** “contractor” (previously vendor) via a contract (obtaining goods and services, creating a procurement relationship).

- UCLA must make a case by case determination whether each agreement it makes for the disbursement of funds casts the third party in the role of a **Subrecipient or a contractor**.

- **Subrecipient vs Contractor “Determination” Form**
Additional Uniform Guidance (UG)

- Required by the §200.331 (b) UNIFORM GUIDANCE (UG)

- “Evaluate each subrecipient’s risk of noncompliance with Federal statutes, regulations, and the terms and conditions of the subaward for purposes of determining the appropriate Subrecipient monitoring.”
Additional Uniform Guidance (UG) con’t

- The OCGA Subaward Team “Evaluate[s] each subrecipient’s risk of noncompliance …” prior to Subaward issuance:
  - If risk is identified, “addition requirements” (ex. reporting, prior approvals, monitoring, etc.) are noted in the Subaward.
  - Ex. Foreign Subrecipients often present risk, therefore, the Subaward often requires monthly invoices.

- It is up to the UCLA PI/department to ensure they are “monitoring “ as laid out in the Subaward agreement:
  - “Financial and programmatic reports [as identified in the Subaward] are being reviewed.” [200.331 (d)(1)]
  - Subrecipient is adhering to “any additional requirements” as identified in the Subaward that UCLA imposes due to evaluation of identified risk [200.331 (a)(3)]]
Additional Uniform Guidance (UG) con’t

SAMPLES - The level of risk: low, medium, or high [200.207 (b)-(c); 200.338]:

**Low Risk Subrecipient Monitoring Requirements:** When OCGA has categorized a Subrecipient as “low-risk” the subawards are monitored through standard requirements to review technical performance and financial reports (i.e. the Subaward follows prime deliverable requirements as applicable. No additional terms are added to the Subaward.

**Medium Risk Subrecipient Monitoring Requirements:** When OCGA has categorized a Subrecipient as “medium-risk,” in addition to standard monitoring requirements identified above for “low-risk” Subrecipients, OCGA may modify the subaward agreement to include additional terms and conditions or conduct heightened reviews and approvals. Such measures may include:

1. Requiring financial reports/invoices more frequently [200.207 (b)(3)];
2. Reiterate authority to require expenditure details as supporting documentation for all invoices and evaluating documentation received for sufficiency [200.207 (b)(3)];
3. Smaller increments of funding [200.207 (b)(2)];
4. Heightened/additional prior approvals (ex. carry forward; rebudgeting; restricted line items such as equipment, subawards, etc.; effort; etc. [200.207(b)(6)]);
5. Initiating more frequent communication with the Subrecipient to verify progress [200.207(b)(2) and 200.207(4)];
6. Heightened termination [200.207(b)(6)]; and/or
7. Adding terms that are specific to deficiency [200.207(b)].

**High Risk Subrecipient Monitoring Requirements:** When OCGA has categorized a Subrecipient as “high-risk,” in addition to standard monitoring requirements identified for “low-risk” & "medium risk” Subrecipients, OCGA may contact the PI to ascertain whether or not a subaward should be issued to the Subrecipient. If it is determined it should, OCGA may modify the subaward agreement to include additional terms and conditions or conduct heightened reviews and approvals. Such measures may include:

1. Requiring monthly invoices with expenditure detail as supporting documentation [200.207(b)(3)]
2. Ensuring regular communication between UCLA and the Subrecipient and documenting communications [200.207(b)(2) and 200.207(4)]
3. Maintaining regular contact with PI to ensure the Subrecipient is meeting programmatic expectations [200.207(b)(2) and 200.207(4)]
4. Exercising the option to audit; consider performing a desk review or site visit [200.207(b)(4)-(5)]
5. Withholding future funding and/or payments to Subrecipient if deemed necessary [200.207(b)(2)]
6. Issuing cost reimbursement only; no advanced payments [200.207(b)(1)]
7. Taking prompt action if an instance of non-compliance is identified [200.207(b)(4)-(5)]
Subaward Cycle

The Life Cycle of a Subaward

- Subaward proposal prepared and incorporated into UCLA’s proposal
- UCLA’s award received and set-up
- Subaward agreement established and Subaward set-up
- Subrecipient performs work and submits invoices to UCLA
- UCLA monitors Subrecipient progress, reviews and approves invoices
- Accounts Payable processes invoices
- UCLA obtains close-out reports from Subrecipient
Required Forms (Handouts)

Proposal (Pre-Award) Stage
- Subrecipient vs. Contractor Determination Checklist (UCLA)
- UCLA Letter of Intent for FDP Expanded Clearinghouse members (Sub) [or]
  MCA Commitment (Site) [or]
- Subrecipient Commitment Form (Sub). Commitment may trigger:
  - PHS Financial Disclosure Form (Sub)
  - Fair and Reasonable Cost Analysis Form (UCLA)
  - Certificate of Compliance - Audit (Sub)
  - Financial Audit Management Questionnaire, formerly A133 Mini Audit (Sub)

Award
- OCGA Subaward Checklist (UCLA) [or] MCA Checklist (UCLA)
- Subaward Invoice Certification (UCLA)
- UCLA OCGA Subaward Final Close-Out Certification (UCLA)
Proposal Development: UCLA PI/Department – Letter of Intent

- When working with an FDP Expanded Clearinghouse Participant Institution, request the short UCLA Letter of Intent instead of a full Subrecipient Commitment Form.

The UCLA Letter of Intent (LOI) provides project specific information and eliminates institutional information, including “trigger” documents. Ex: UCLA Commitment = 5 pages vs. UCLA LOI = 1 page

Who:

A list of the 180+ Clearinghouse Participants is at: http://sites.nationalacademies.org/cs/groups/pgasite/documents/webpage/pga_173303.pdf.

**NOTE:** If an institution is not listed as a Clearinghouse participant institution, there is no change to our current process (i.e. requiring the full Subrecipient Commitment Form, plus “triggers” as applicable).
For pre-award questions:
For questions related to the proposal stage, contact the
Department DRA or OCGA Grant Representative who will be
handling submission of the UCLA Proposal.

For post-award questions:
For questions regarding specific subawards, contact the
OCGA Subaward Team member named in the agreement.

Or send an email to ocgasubawards@research.ucla.edu
(or if about an MCA: outgoingMCA@research.ucla.edu). It
will be forwarded to the Subaward Team member assigned
to that Subaward (or MCA).
Hope to see you at the Master Training:

Wednesday, April 18, 2018 from 9:30 am-11:00 am
UCLA Wilshire Glendon, 10889 Wilshire Blvd.,
ConfRoom 820-20
OCGA Outgoing Subaward Team

OCGA Subaward Team:

- Sharon Lam, Assistant Director of Subawards
  - Mary Haskins, Subaward Officer
  - Katy Sonnenleiter, Subaward Analyst
  - Patrick Busto, Subaward Specialist
- New! Veronika Barsegyan, Senior Subaward Analyst

http://ora.research.ucla.edu/OCGA/Pages/Outgoing-Subawards/outgoing-subawards-home.aspx