

THE COLLEGE OF WOOSTER

POLICY FOR INSTITUTIONAL SUBAWARDS (INITIATION, EXECUTION, MONITORING, AND CLOSEOUT)

Purpose

The College of Wooster (College) will consider issuing a subaward to a grant subrecipient, when necessary to augment the College's core capabilities related to institutional grants in excess of \$2 million, and when the sponsoring entity has approved the subaward and subrecipient. Due to the increased risk and administrative time caused by any subaward, the Provost, VP for Finance and VP for Advancement must agree on this decision, before any grant with a subaward component is pursued.

The College is ultimately responsible for a subrecipient's use of federal and other grantor funds. Federal regulations require that the College establish a system of internal controls to ensure that a subrecipient uses federal funds in accordance with laws, regulations, and provisions of contract/grant agreements. Specific monitoring requirements for federal award subrecipients are contained in [Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards](#). This document presents the College's policy and procedures to implement necessary controls and ensure compliance with federal regulations, grantor policies, and internal College policies with regard to sponsored activities in the pre-award and post-award phases.

Scope

These policies and procedures apply to all College departments, offices, faculty, administrative personnel, and staff personnel who are involved in the conduct or oversight of sponsored activities, wherein a portion of the activity will be conducted through a subaward.

Responsibility

The Principal Investigator (PI), Advancement Office, Business Office, Office of Academic Affairs, and Subrecipient each share in the responsibility to successfully manage subawards. These policies and procedures are intended to delineate the role of each party in that process.

Initiation

Eligibility

To be considered for a subaward from the College, the potential Subrecipient must meet the eligibility requirements of the prime grantor and must be either a domestic institution of higher education or a research foundation closely associated with a domestic institution of higher education.

Required Forms

If a College PI/PPD plans to include a subaward to another institution in an upcoming proposal, a number of documents must be obtained from the intended Subrecipient in advance of the submission. The

Advancement Office will be responsible for obtaining these documents, which include but are not limited to:

- A statement of work
- A detailed budget and budget justification
- The facilities and administrative cost rate agreement
- Evidence of commitment to participate in the project and abide by all the associated terms and conditions

Inclusion of costs in proposal budget

When a budget is prepared for a proposal that includes an outgoing subaward, the total of the subrecipient's direct and indirect costs will be included in Wooster's budget, either as grant-funded costs or as matching costs.

Risk Assessment

It is the College's policy to mitigate risk by pre-qualifying a potential Subrecipient so that a variety of financial and organizational information is known about the Subrecipient early in the process.

As part of the risk assessment, in addition to requesting the above-mentioned required documents, the Advancement Office will obtain a completed *Subrecipient Commitment Form* from the intended Subrecipient to learn more about the financial and nonfinancial compliance processes and internal controls of the other institution. The Advancement Office will also review the Federal Audit Clearinghouse to ascertain the results of the intended Subrecipient's most recent A-133 audit and will search public records for debarment.

The Advancement Office will pass results of the inquiries along to the Controller or the Senior Grants Accountant. If the Vice President for Finance and Business, the Controller or the Senior Grants Accountant determines there are minimal risks based on the information received, the Office of Academic Affairs will move forward with the proposal and include the subaward. If it is determined that disclosed noncompliance or material weakness pose significant risks, The College of Wooster will not include the subaward in the grant proposal.

College of Wooster PIs are encouraged to provide information to the Advancement Office and the Business Office about a potential subaward early in the process of planning for a grant. Should there be a determination that it is too risky for the College to contract with the potential Subrecipient, Wooster PIs will then have enough time to find alternate ways to work on grants with the other institutions. Wooster PIs are also encouraged, whenever possible, to submit collaborative grants proposals instead of proposals with subawards as collaborative grants involve less risk and cost for the College to administer than grants with subawards.

Execution of Awarded Grants

Process

When the Office of Academic Affairs receives a fully executed award from the prime sponsor with a budget that includes a subaward, the Advancement Office will prepare a subaward agreement, have the designated Authorized Individual review the agreement, and then send it to the intended Subrecipient. Once negotiations are complete and the signed subaward agreement is returned, the College's Authorized Individual will execute it on behalf of the College and the Advancement Office will return a copy of the complete Agreement to the Subrecipient.

Standard Terms in a Subaward Agreement

A subaward agreement will generally include terms and conditions that address the following as appropriate:

- Implementation of any appropriate and necessary risk mitigation strategies
- Mandatory flow-down provisions from the award to Wooster, such as the requirements of certain laws, regulations, and grantor conditions, as applicable
- Non-financial reporting requirements
- Period of performance and termination
- Financial terms and conditions including but not limited to: fixed price or cost reimbursement, billing requirements, and payment terms
- Ownership of intellectual property and data
- College and appropriate external audit agency access to the records and financial statements when deemed appropriate by the College and/or its sponsor
- Certification of invoices that the costs conform to the conditions of allowability and support the performance of the work identified in the agreement

Subawards issued under a federal prime award will also include the following information as required by Uniform Guidance:

- Catalog of Federal Domestic Assistance (CFDA) title and number
- Award (project title, sponsor number, and year)
- Type of award (e.g. Research & Development)
- Name of federal agency sponsoring the award
- Compliance with OMB Uniform Guidance requirements regarding the reporting of any problem related to the subaward identified in their annual audits and to submit corrective action plans for review by the College

Subaward Renewal

The College will issue a subaward modification, amending the original subaward to extend the period of performance and provide additional funding in accordance with the sponsor's requirements.

The Advancement Office will be responsible for preparing and issuing the subaward modification, which must be approved by the Authorized Official prior to issuance.

Other Subaward Modifications/Amendments

Any other subaward modification/amendment that is required, including but not limited to funding increases and decreases, date extensions, and early terminations must be handled by official modifications to the agreement issued by the College.

Subawards after the Prime Award is Established

If it becomes necessary to issue a subaward not outlined in the originally-funded proposal, the PI/PD must prepare in writing a letter to the prime sponsor that addresses the necessity of the subaward and the reason for selecting the particular Subrecipient to complete the work. This letter must be signed by the Provost prior to submission to the prime sponsor. Written permission must then be obtained from the prime sponsor before the College will issue any such subaward not outlined in the originally-funded proposal.

Monitoring

The Advancement Office has ultimate responsibility for determining the activities that will be undertaken to evaluate subrecipient organizations annually, as well as to communicate changes in the subrecipient risk profile to determine what corrective actions should be taken. The Advancement Office will regularly gather updated information and documentation on the subrecipient institution, financial stability, and financial processes and controls including but not limited to:

- Annual audited financial statements
- Annual audit reports and/or Uniform Guidance audit certification letters
- Certification that institutional management letters do not indicate any control weaknesses

Additionally, the following approaches may be used to learn more about the subrecipient and confirm risk profile:

- Desk audits of a sample of sub-invoices
- Site visits to review processes, systems, and controls
- Other procedures as deemed appropriate

Progress Monitoring, Programmatic Reports, and Deliverables

The PI/PD is responsible for determining whether the subrecipient scope of work is on schedule, using a variety of means to make this determination. These can include but are not limited to:

- Reviewing and evaluating the progress of programmatic reports or other deliverables through phone conversations, email communication, or face-to-face discussions to make periodic determinations about the overall progress
- Collecting, reviewing, and evaluating programmatic reports in a timely manner
- Identifying unusual or unforeseen items outlined in or omitted from the programmatic reports and reporting them to the Advancement Office

All programmatic reports should be stored on the computer in a shared drive accessible by the Advancement Office, the Business Office, and the Office of Academic Affairs.

Financial Reports / Invoices

The PI/PD and Senior Grants Accountant will work together to review invoices from the Subrecipient to ensure that all are consistent with the established scope of work. The Senior Grants Accountant will receive the invoice from the Subrecipient and review it to ensure it meets the standard format and is calculated accurately. The invoice will be forwarded to the PI/PD to ensure that charges are as expected and do not represent a significant over-expenditure, or under-expenditure, against the budget.

If, after review, an issue or concern is identified, the Business Office may request detailed justification including, but not limited to:

- Payroll records/data
- Time and effort certifications
- Copies of paid invoices
- Description of services rendered by consultants
- Details of incurred travel charges

Closeout

The Advancement Office is responsible for obtaining all required deliverables, including programmatic reports and any other necessary documentation., Final verification of technical/programmatic completion of the project by the subrecipient is indicated by the PI's approval on the final invoice. Payment for the final invoice will not be made to the Subrecipient until all required deliverables have been received by the College.

Award Closeout

A subaward may not be formally closed until all applicable closeout requirements are received. They may include but are not limited to:

- Final technical/programmatic report
- Final financial report/invoice
- Final audit notification

The Advancement Office and Senior Grants Accountant will strive to begin subaward closeout review prior to the conclusion of the subaward period of performance to allow adequate time for the PI to make any budgetary actions or requests for extension to the sponsor. Everything (except perhaps the final audit notification) should be received within a period that allows for completion of all reviews well before due dates for the final reports associated with the prime award.

Exceptions

The Controller must approve any exceptions to this policy in writing.