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 has developed the following standards for monitoring both federally funded Subcontracts and non-federally funded Subcontracts:

- Advising 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
- Receiving and reviewing technical performance reports
- Reviewing expenses relative to budget and expenses relative to technical performance
- Facilitating and tracking payments made to Subrecipients
- Periodically performing on-site visits, or contacting Subrecipient, if necessary
- Performing audits if necessary and/or desired
- Reviewing Subrecipient’s single audit reports and audit findings
- Reviewing corrective actions cited by Subrecipients in response to their audit findings
- Considering enforcement actions on Subrecipients in cases of continued inability or unwillingness to have required audits or to correct non-compliance

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

PI responsibilities include:

- Selecting the Subrecipient
- Reviewing and approving the Subrecipient SOW and budget materials (detailed budget and justification)
- Endorsing the formal request to OSR to issue a Subcontract to the Subrecipient
- Ensuring 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. Ensuring that the Subrecipient’s performance of work is occurring as planned

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• Ensuring Subrecipient’s costs are appropriate and in accordance with the approved budget (as well as technical progress), and approving Subrecipient invoices
• Ensuring that the Subrecipient’s technical performance reports are received, reviewed and evaluated as stated in the Subcontract.
• Providing required certifications of Subrecipient invoices and performance
• Engaging 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:
• Providing day-to-day direct research administration management to the PI
• Gathering and reviewing Subrecipient materials for proposal submission
• Assisting the PI by preparing formal request and materials needed for OSR to issue a Subcontract
• Reviewing Subrecipient invoices for accuracy prior to submitting for PI approval and required certifications by the PI; and communicating with Subrecipients to request additional documentation as appropriate
• Monitoring 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
• Assisting ASRSP in facilitating payment processes and tracking payment to Subrecipients
• Coordinating Subrecipient communications and meetings on behalf of the PI
• Maintaining communications with Subrecipients to facilitate progress reporting and timely financial reports
• Facilitating other questions and requests for additional information from Subrecipients
• Participating in audits and other Subrecipient Monitoring activities

Office for Sponsored Research

OSR responsibilities include:
• Reviewing and evaluating Subrecipient proposal materials and verifying compliance with Originating Sponsor requirements
• Working with the Purchasing and Payment Services office and the PI to draft and submit to the sponsor a Small Business Subcontracting Plan at award stage required for federal contracts over $750,000
• Communicating with Local Administration and the PI regarding compliance issues that may impact issuance of the Subcontract agreement
• Conducting risk assessment of Subrecipients, and documenting results, including verification of Subrecipient’s completed single audit, as applicable, through Federal Audit Clearinghouse or FDP Expanded Clearinghouse
• Referring any single audit or financial questionnaire findings to ASRSP for determination on management decision letters that should be issued to the Subrecipient and/or recommended additional conditions to be incorporated into the subcontract agreement
• Drafting, issuing, negotiating, and executing Subcontracts
• Ensuring 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
• Communicating with Northwestern’s IACUC, IRB, NUCCI, OECC and technology transfer (INVO) offices, as necessary
• Communicating 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**

ASRSP responsibilities include:
• Reviewing and sending Subrecipient invoices for review by Local Administration and approval by the PI, including required certifications by the PI
• Verifying required certifications by the appropriate Subrecipient officials are included in invoices and closeout materials
• Authorizing payment of PI approved Subrecipient invoices
• Verifying annually that the Subrecipient has completed its single audit, as applicable, through Federal Audit Clearinghouse or FDP Expanded Clearinghouse
• Reviewing Single Audit for Subrecipients with material findings related to Northwestern
• Communicating to OSR when Subrecipient has material audit findings that may affect Northwestern
• Auditing Subrecipients on as needed basis, and overseeing other Subrecipient monitoring activities
• Reporting 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, monitoring Subrecipient spending patterns to ensure they are appropriate and commensurate with
subcontract budget plan; and verifying unobligated balances when carryover requests are required per the subcontract agreement terms

**Subrecipient**

Subrecipient responsibilities include:

- Complying 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
- Performing work in accordance with the approved SOW and budget
- Obtaining necessary approval from Subrecipient’s IRB or IACUC, as applicable
- Requesting approval from Pass-through Entity when prior approval(s) is/are required
- Certifying that Subrecipient has a COI policy conforming to applicable requirements of the Originating Sponsor, or certifying that Subrecipient agrees to abide by Northwestern’s COI policy