Planning and Issuing Subawards

Participant Guide

9-17-12

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Office of Human Resources
University of Minnesota
PLANNING AND ISSUING SUBAWARDS

Participant Guide

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Learning Objectives

Understand:

- Elements of a subaward
- Policies and procedures related to subawards
- Compliance considerations that may affect the planning and issuing of subawards
- What occurs during the proposal and award issuance phases
- Roles and responsibilities involved
PROPOSAL
PI/Department
• Requests proposal package from proposed subrecipient.
• Evaluates subrecipient.
• Prepares proposal.

SPA
• Reviews and submits proposal.

AWARD
PI/Department
• Provides additional information required for subaward issuance.

SPA
• Negotiates with sponsor and accepts prime award.
• Requests additional info from PI/department.
• Assesses risk levels.
• Prepares, negotiates, issues, and distributes subaward agreement.
• Activates subaward funds in the financial system.
<table>
<thead>
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<th>MONITOR</th>
<th>PI/Department</th>
<th>SPA</th>
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<tr>
<td></td>
<td>• Verifies subrecipient’s compliance.</td>
<td>• Assists PI/department in monitoring subrecipients.</td>
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<td>• Reviews and signs invoices and sends them to SPA.</td>
<td>• Requests and reviews annual audit reports.</td>
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<td>• Reviews expenditure statements.</td>
<td>• Verifies corrective action plans are implemented.</td>
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<td></td>
<td>• Monitors subrecipient’s adherence to terms and</td>
<td>• Reviews risk levels and, if necessary, modifies</td>
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<td>technical progress.</td>
<td>subaward agreement.</td>
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<tr>
<td></td>
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<td>• Processes invoices with PI approval.</td>
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<td>MODIFY/AMEND</td>
<td>PI/Department</td>
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<td></td>
<td>• Assesses need to modify statement of work/budget.</td>
<td>• Prepares, negotiates, issues, and distributes</td>
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<tr>
<td></td>
<td></td>
<td>amendments.</td>
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<tr>
<td></td>
<td></td>
<td>• Modifies subawards encumbrances in the financial</td>
</tr>
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<td></td>
<td></td>
<td>system.</td>
</tr>
<tr>
<td>CLOSEOUT</td>
<td>PI/Department</td>
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<tr>
<td></td>
<td>• Plans for timely closeout: request final report,</td>
<td>• Processes final invoice and closes encumbrances in the</td>
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<tr>
<td></td>
<td>invoice, etc.</td>
<td>financial system.</td>
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What is a Subaward?

- Binding legal agreement
- Defined portion of the University of Minnesota work statement's intellectually significant activity that is assigned to another entity (the subrecipient) to fulfill

A subaward is also known as a subgrant, subcontract, or subagreement, but the umbrella term is subaward.
Pre-Award: The University of Minnesota incorporates the University of Wisconsin’s subaward proposal into the proposal sent to the sponsor.

Post-Award: The sponsor gives the University of Minnesota the awarded money and U of M distributes it according to the defined portion of the subaward.
More Terminology

- **Pass-through Entity**
- **Subrecipient**
- **Tier**

<table>
<thead>
<tr>
<th>Sponsor</th>
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<td>Subrecipient</td>
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**Pass-Through Entity**  Non-federal entity that provides a portion of an award it has received to a subrecipient to carry out a specific program.

**Subrecipient**  Non-federal entity that expends federal awards received from a pass-through entity to carry out a federal program, but does not include an individual that is a beneficiary of such a program. A subrecipient may also be a recipient of other federal awards directly from a federal awarding agency.

**Tier**  One of a series of rows placed one above another, it defines the relationship when awards have subawards in their respective budgets.
Financial Conflict of Interest

For PHS funded research:

- Responsibility of pass-through entity:
- Before submission collect form stating:
  - Subrecipient has own FCOI (Form 1)
  - Or will follow University of Minnesota’s policy (Form 2)

Financial Conflict of Interest (FCOI)

A Financial Conflict of Interest exists when the Institution, through its designated official(s), reasonably determines that an Investigator’s Significant Financial Interest is related to a Public Health Service (PHS)-funded research project and could directly and significantly affect the design, conduct or reporting of the PHS-funded research.

Appendix U: Form 1  Documentation of Subrecipient Financial Conflict of Interest

Appendix V: Form 2  Financial Disclosure Requirements for Subrecipient Investigators
Other Purchasing Actions

- Commercially available supplies and expendable materials
- Expert consulting
- Non-University labor or services
- Equipment
- Parts for fabricated equipment

An individual cannot be a subaward because:

- Individuals are not legal entities.
- The federal government grants funds to an organization; it does not fund individuals.
- The knowledge of an individual is considered personal.
Characteristics of Subawards

- Carries out portion of the programmatic effort
- Programmatic decision making relative to their portion of the work
- Must adhere to sponsored compliance requirements
- Uses funds to carry out a program of the organization
- Does not provide generic goods or services

Compliance requirements include everything from rebudgeting restrictions to intellectual property rights to Office of Vice President for Research compliance (IACUC, IRB, IBC, and/or CS).

**OMB A-133 (SECTION B210, CITATION)**

(b) Federal award. Characteristics indicative of a federal award received by a subrecipient are when the organization:

(1) Determines who is eligible to receive what federal financial assistance;

(2) Has its performance measured against whether the objectives of the federal program are met;

(3) Has responsibility for programmatic decision making;

(4) Has responsibility for adherence to applicable federal program compliance requirements; and

(5) Uses the federal funds to carry out a program of the organization as compared to providing goods or services for a program of the pass-through entity.
A Subaward Is Not a Vendor Agreement

- Provides goods/services within normal business operations
- Provides similar goods/services to many different purchasers
- Operates in a competitive environment
- Provides goods or services that are ancillary to operation of sponsored program
- Is not subject to compliance requirements of the prime sponsor

VENDOR AGREEMENTS

- Provide services as an individual or sole proprietor. Individual or sole proprietors are rarely subrecipients.
- Include purchase orders or contracts for professional services.
- Pay particular attention to testing, processing, computer programming, editing, etc., functions that are outsourced. A contract for professional service probably should be used.

OMB A-133 (SECTION C210, CITATION)

(c) Payment for goods and services. Characteristics indicative of a payment for goods and services received by a vendor are when the organization:

(1) Provides the goods and services within normal business operations;
(2) Provides similar goods or services to many different purchasers;
(3) Operates in a competitive environment;
(4) Provides goods or services that are ancillary to the operation of the federal program; and
(5) Is not subject to compliance requirements of the federal program.
Subaward Decision Matrix

A subaward is likely appropriate if you can answer “yes” to any of the following questions:

• Does the entity’s SOW represent an intellectually significant portion of the programmatic effort of the overall project?
• Does the entity have responsibility for programmatic decision making?
• Could the entity’s work result in intellectual property developed or publishable results (including co-authorship)?
• Will the entity need animal and/or human subjects approval for its portion of the work?
Effective January 1, 2011, most of the subawards with Fairview Health Services will change. Laboratory services provided by the Collaborative Studies Clinical Laboratory will be provided by the Department of Laboratory Medicine and Pathology’s Advanced Research and Diagnostic Laboratory. A contract for professional services will be used in the future to procure personnel services of Fairview Health Services employees such as study coordinators, dieticians, etc. See appendix G on Fairview Subaward Changes for more information.
Impact of Wrong Classification

- Fraud: False Claims Act
- Facilities and administrative rates are calculated differently
- Subawards will be subject to OMB A-133 auditing and monitoring requirements
- Subawards flow down the terms and conditions of the prime award
- University credibility

There may be unusual circumstances or exceptions to the standard characteristics. In making the determination of whether a subaward or a contract for professional services (CPS) should be utilized, the substance of the relationship is more important than the form of the agreement. It is not expected that all of these characteristics will be present. Good judgment should be used in determining whether a subaward or CPS should be used. When reviewing these characteristics if you are still unsure please contact the grant administrator in the Sponsored Projects Administration that handles your project for additional guidance.

See appendix T for the Subaward/Subcontract vs. CPS document for more information.
Subaward or Vendor Agreement:  
Group Exercise #1

Review the following case studies and decide if they are subawards or vendor agreements. Consider:

- What additional information is needed?
- What is the implication of the decision?

CASE STUDY #1

Professor Anderson is submitting a proposal to the National Endowment of the Arts for a large project studying art in the middle school environment. She would like the University of Iowa to participate in the study specializing in the area of gifted students.

CASE STUDY #2

A principal investigator (PI) tells you he is preparing a proposal and one of the parts can be done by a survey center that does this kind of work for principal investigators all over the country. The survey center will gather data from 500 respondents using a telephone survey developed by your PI. The survey center charges $25.00 for each respondent. The data collected by the successful phone calls is delivered to the PI for further analysis.

CASE STUDY #3

Professor Ahmed is working with the Department of Energy to develop new generation of wind turbines. She is submitting the proposal and would like the Minnesota Wind Turbine company to build the new wind turbine on her specifications. The turbine will be given to the Department of Energy as a deliverable on her contract.
Roles and Responsibilities at Time of Planning and Submitting Proposal

- Principal Investigator (PI) and Department
- Sponsored Projects Administration (SPA)
- Compliance Offices
- Office of Management and Budget (OMB)
PI and Department

- Request proposal package from proposed subrecipient
- Evaluate subrecipient
- Verify subrecipient’s Financial Conflict of Interest
- Prepare proposal and send to Sponsored Projects Administration (SPA)
- Provide additional information required for subaward issuance (PI/department)

Pre-award Department Research Administrator (DRA) Assists and advises the PI in locating and applying for external funding. This may include searching for funding opportunities, advising PIs on funding strategy, preparing budgets, editing budgets, editing proposal narratives, and working with SPA prior to the award being made.

Post-award Department Research Administrator (DRA) Assists the PI in the award’s issuance process.

Co-investigator (Co-I) Shares responsibilities with the PI by conducting a part of the scientific portion of the project. This individual must meet the same criteria as that of a PI. Projects that have multiple projects within them, individuals may be considered a co-principal investigator with the primary responsibility for all aspects of his or her portion of the project.

Department Head / Administrator Academic leader with programmatic, managerial, and fiscal responsibilities for a designated area, such as a department, division, school, or center. The department/unit head oversees the sponsored projects management at the local level.

Dean Academic leader with programmatic, managerial, and fiscal responsibilities for a college or school. The dean’s office is responsible for overseeing the activities in the unit, and reports either to the executive vice president and provost, to the senior vice president for health sciences, or to the chancellor on a coordinate campus (Crookston, Morris, or Rochester).

See appendix S on Subawards Roles and Responsibilities for more information.
Sponsored Projects Administration

- Review and submit proposal
- Obtain additional documentation for subaward
- Verify subrecipient FCOI
- Negotiate with sponsor and accept prime award
- Review risk levels of subrecipient(s)
  - Modify subaward agreements
- Prepare, negotiate, issue, and distribute subaward agreement
- Collect and maintain FFATA data

Sponsored Projects Administration (SPA)

The only institutional unit legally authorized to submit proposals for sponsored projects and commit the University on behalf of the Board of Regents in the event an award is made. SPA also serves as a liaison between sponsors and investigators. The unit runs audit assessments on awards at time of issuance.

Grant Administrator (GA)

An individual who works in the SPA offices and is the administrative liaison between the sponsor and the department. The GA is responsible for reviewing proposals, communicating with the sponsor, and negotiating and finalizing awards and related subawards.

FFATA

Federal Funding Accountability and Transparency Act.
Compliance Offices

- Office of the Vice President of Research (OVPR)
- Human Research Protection Program (HRPP)
- Office of Animal Welfare (OAW)
- Inventory Services
- Research Education & Oversight (REO)
- Office of Institutional Compliance (OIC)

Office of the Vice President of Research (OVPR)

Oversees all aspects of research at the University's five campuses, providing guidance to individual researchers and managing the system wide research enterprise. OVPR is also responsible for policy and oversight related to the research process and education/training in the responsible conduct of research. The vice president for research reports directly to the president of the University.

Human Research Protection Program (HRPP)

A unit of the OVPR responsible for reviewing and monitoring research processes that involves the use of human subjects and potentially hazardous biological agents. HRPP is responsible for managing the administrative support and compliance functions of the Institutional Review Board (IRB) and the Institutional Biosafety Committee (IBC).

Office of Animal Welfare (OAW)

A unit of the OVPR responsible for managing the administrative support, inspection, and compliance functions for the Institutional Animal Care and Use Committee (IACUC). IACUC reviews all projects involving animals to ensure that they are justified by their benefits and to minimize any animal pain that might occur. This includes research, teaching, and display of University-owned animals. Resource to the grant administrator and PI with subrecipient issues.
Inventory Services: Part of the Controller’s Office. Maintains the Property Accounting Managements System (PAMS) of the University, affixes barcoded inventory tags to all new capital equipment items, and performs periodic equipment audits required by the federal government.

Research Education & Oversight (REO): Advises the vice president for research and provides independent oversight and monitoring of research compliance activities both internally and across the system. In the process, REO works to reinforce and enhance the research activities of university faculty and staff. Specific functions of REO include:

- Educating employees in policies and procedures related to research compliance
- Facilitating the development and enforcement of research policies
- Coordinating university-wide research integrity and compliance functions
- Maintaining a program that aligns with the strategic vision of university leadership

Office of Institutional Compliance (OIC): Provides independent and centralized oversight over the University’s compliance risk areas. They administer the University’s individual and institutional conflict of interest review processes.
Office of Management & Budget (OMB) A-133

- Annual audit of state and local governments and nonprofit organizations
  - Subawards are audited to ensure awards are in compliance with laws and regulations
  - Oversight responsibilities of subawards similar to federal agency monitoring prime recipients

When the University of Minnesota issues subawards, it must monitor the activities of its subrecipients to guarantee that laws, regulations, and provisions of the agreements are followed. Lack of monitoring could result in risk to the University. As the pass-through entity, the University is responsible for the oversight of subrecipients and is accountable for the overall conduct of their work.

A-133 requires that the award recipient has responsibility for programmatic decision making and for adherence to all the federal rules and regulations.

The audit objectives under A-133 require that the pass-through entity is tested for:

- Internal controls
  - Effectiveness, reliability, and compliance
  - Review of monitoring policies and procedures (scope, frequency, and timeliness of monitoring activities)

- Award documents
  - Properly identified information and flow-downs
  - Only allowable activities approved

- Monitoring activities

- Subrecipient audit documents
  - Complete and up-to-date
  - Management decisions issued on audit reports
  - Follow-up on any corrective action
Break Time & Knowledge Check

Try your hand at the puzzle on the next page.
Across

1. An external funding agency that enters into an agreement on a project with the University
5. a.k.a. Facilities and Administrative Costs
7. A non-federal entity that expends federal awards through a pass through entity to carry out a federal program
8. a.k.a. Intellectual Property
12. Detailed statement outlining estimated project costs to support work
13. To arrange for or bring about through conference, discussion, and compromise
14. a.k.a. Statement of Work
16. The provision of funds by a sponsor, based on an approved application and budget or progress report, to an organizational entity or an individual to carry out a project or activity
17. Defines the relationship when awards have subawards in their respective budgets

Down

1. The University system-wide office authorized to submit research proposals and receive awards from external sources on the behalf of the Board of Regents of the University of Minnesota
2. A defined portion of a university’s work statement that transfers a portion of the research or substantive effort of the prime award to another institution or organization
3. A part of a proposal that further identifies and supports costs found on a budget
4. Entity that provides a portion of an award it has received to a subrecipient to carry out a specific program
6. When an Investigator’s significant financial interest could directly and significantly affect the design, conduct, or reporting of the PHS-funded research
9. Project established to begin working on a project before the project start date
10. A set of documents containing a descriptive narrative of an idea and a budget to be submitted to a funding agency for sponsored support
11. Provides goods/services to purchasers that are ancillary to the operation of sponsored programs
15. a.k.a. Principal Investigator
PROPOSAL

PI/Department

- Requests proposal package from proposed subrecipient.
- Evaluates subrecipient.
- Prepares proposal.

SPA

- Reviews and submits proposal.
Proposal Preparation

- PI needs additional expertise
- Investigates possible sources
- Subrecipient selection process is decided
- PI assesses potential recipients based on evaluation criteria

SUBRECIPIENT SELECTION PROCESS

Subrecipient competitive bidding: A process whereby a potential subrecipient submits a bid to the PI, and the PI considers bids and makes decision based on the quality of the science, best price, and contract terms.

Sole source procurement: Where the PI’s documentation of selection criteria is used. Check the Sole Source Justification form.

EVALUATION CRITERIA

- Past scientific and financial performance
- Technical/financial resources
- Strength of the proposed scope of work
- Reasonableness of proposed costs

See appendices D and E for the Fair and Reasonable Cost Analysis forms for more information.
Who Is the Subrecipient and Who Is the Prime?

• This decision is made based on several factors:
  • The Statement of Work (SOW)
  • Programmatic decision making
  • Possible work results in publishable results and intellectual property development
Forms are found on the SPA website at www.ospa.umn.edu/subaward/forms.htm.

The information gathered on these forms will help document information that may be requested by auditors. These forms should be used as a tool when investigators are developing proposals and choosing subrecipient collaborators. The information gathered on these forms will help document information that may be requested by auditors. These forms do not need to be submitted to SPA, but should be kept in the department. The exception is that the Federal Contracts Form 2 should be submitted to SPA.

**Fair & Reasonable Subaward Cost Analysis Form 1**

Subawards under grants, cooperative agreements, and non-federal contracts (for department use only; may not be submitted to SPA).

**Fair & Reasonable Subaward Cost Analysis Form 2**

Subawards under federal contracts (departments should complete and submit to SPA).

**Federal Acquisition Regulation (FAR)**

Primary regulation for use by all federal agencies in their acquisition of supplies and services with appropriated funds. FAR was established to codify the uniform policies for the acquisition of supplies and services by executive agencies, normally applied to RFPs and federal contracts.

See appendices D and E for the Fair and Reasonable Cost Analysis forms for more information.
A Commitment Form (Letter of Intent) to Establish a Subaward Agreement or equivalent signed by a subrecipient institutional official is a tool. This form assists the PI in collecting the information used for the subaward in the proposal.

See appendix C for the Commitment Form for more information.
Financial Conflict of Interest

• An Institution applying for or receiving Public Health Services funding from a grant or cooperative agreement must be in compliance with all of the revised regulatory requirements by August 24, 2012.

• The Federal Regulations that monitor FCOI are Title 42 Code of Federal Regulations (CFR) Part 50 Subpart F for grants and cooperative agreements.

The Purpose of this regulation for the Institution and the Investigator:

The 2011 revised Financial Conflict of Interest (FCOI) regulation created objective standards that provide a reasonable expectation that the design, conduct, and reporting of research performed under PHS grants or cooperative agreements will be free from bias resulting from Investigator financial conflicts of interest.

The Responsibility for Oversight lies with all PHS Participants:

Investigator
• Disclosure (REPA, ROC)
• Compliance (PRF)

Institution
• Development and maintenance of Institutional Policy
• Implementation
• Identification of FCOI
• Management of Policy

Public Health Agencies (PHS)
• Oversight
• Education and Outreach

Subrecipient
• Disclosure
• Compliance
Checking Sub’s Compliance

Federal Demonstration Partnership Clearinghouse

http://sites.nationalacademies.org/PGA/fdp/PGA_070596
Option A: The name appears in the Clearinghouse; you only need complete #14 on the PRF. Add the phrase (on FDP FCOI Compliant List) after the name of the subaward.

**Institution Name** Partial name is allowed.

**Institution** Click the link in this column for Institutional information.
Subrecipient not on FDP Clearinghouse?

Option B: New forms to assist you in acquiring the information you need to be in compliant:

- Form 1: Documentation of PHS Subrecipient Financial Conflict of Interest (FCOI) Policy
- Form 2: Subrecipient Disclosure of Significant Financial Interests

Option B path when the subrecipient is not on the FDP Clearinghouse, Forms 1 and 2 are part of the submission packet.
Form 1

Provides documentation that subrecipient has current COI policy in compliance with PHS regulations or will use the University of Minnesota policy.

Complete the first section to assist your subrecipient in completing the document. Sections B-D are completed by the subrecipient organization.
If (and only if) the authorized organizational official has checked Box C.2. of Form 1 indicating the University of Minnesota’s conflict of interest policy will be followed, then EACH subrecipient investigator must also complete, sign, and return a Form 2 to the University of Minnesota.

Option B path when the subrecipient is not on the FDP Clearinghouse, Forms 1 and 2 are part of the submission packet. Option B on the PRF is designated by adding the phrase “(Forms 1 and 2 are attached)” after the name of the subaward.
Can’t make proposal deadline?

Subaward is either:

- Reclassified as TBN
- Removed from proposal

University of Minnesota cannot submit a proposal without FCOI information in place for all PHS proposals.

Information on financial conflict of interest can be found on the SPA website at www.ospa.umn.edu/PHSFCOIT.html.
Data Retention (Audit Preparation)

- How the subrecipient was selected
- Information from subrecipient
- Data used in developing the proposal
- Budget details

The original documentation that was used in developing the proposal estimate should be maintained in the department. This information will be required to substantiate how proposal pricing and collaborator choice was derived.
Proposal Package from the Subrecipient Includes:

- Statement of Work (SOW)
- Budget and budget justifications
- FCOI Verification
- Signed commitment letter/form
- Biosketches and other information as required by sponsor
- Additional documentation based on sponsor requirements

Check with sponsor requirements to see if other documentation might be needed at submission time. An example of an additional piece of data that might be requested from a sponsor is the NSF Nondiscrimination Certification. (See www.ospa.umn.edu/subawards/forms.htm.)

The PI should consider these four criteria when reviewing the budget:

- Allowability
- Allocability
- Reasonableness
- Consistency

See appendix L for the NSF Nondiscrimination Certification Form for more information.
Elements of a Subaward Scope of Work

- Responsibilities of the subrecipient
- Set list of deliverables or research outcomes
- Projected specific aims/task list
- Description and timing of deliverables (a.k.a. milestones)
- Payment schedule (fixed price only)
- Ownership of work product
- Reporting time frame

Common elements of a successful scope of work for a subaward will vary based on the project. A well written scope of work is crucial to the project in dealing with possible obstacles or issues during the project.

Research effort is based on a mutual understanding of the project scope of work.

It is understood that the subaward development proceeds in a structured manner; each step is predicated on the approval of previous steps and subject to project budget and scope modifications.
• Subawards appear as a Line Item on PI’s Budget
• F&A costs on subawards follow University of Minnesota policy
• F&A applies to first $25,000 on each subaward for federal proposals
• F&A applies to awards that have a total reduced indirect cost
• Check sponsor guidelines for assistance

The University will apply its federally approved F&A rate or the sponsor-allowed F&A rate on the first $25,000 of a subaward during a competitive segment (e.g., project period). For subawards under non-federal prime sponsors, the F&A rate will vary.

A subrecipient is expected to apply its own federally negotiated F&A rates and bases when preparing its subaward budgets unless a lower rate or base has been agreed to by the subrecipient’s institutional official. If the subrecipient does not have an approved F&A rate, it must either negotiate a rate with the University of Minnesota or elect not to recover F&A.

Subrecipients should submit their rate proposal and supporting documentation to SPA at least one month before the proposal is due to the sponsor. The University of Minnesota applies the OMB A-21 “life of the award” policy with respect to its subawards and will use the approved F&A rates authorized at the time of issuance of the subaward.
The subrecipient provides the PI with an endorsed budget. The University of Minnesota incorporates the subrecipient budget as a line item. Never mix the subrecipient proposed costs with the University’s budget.
Period of Performance for a Subaward

- Cannot be outside the University’s period of performance
  - including any requested extensions
- May be issued for shorter periods than University's period of performance

Normally, if the University receives annual incremental funding from a sponsor, any subawards will also be funded on a year-by-year basis.
Department Review at Time of Proposal

• Are all elements required by sponsor included?
• Are proposed costs reasonable and accurate?
• Does SOW match requested items?
• Are required certifications and assurances (e.g., human subjects) complete?
• FCOI verified?
• Is there an institutional signature from subrecipient?
• Has the cost been appropriately transferred to University’s budget?

When cost share is required by the sponsor, ensure the subaward has identified cost share in the budget and the terms.
SPA Review at Time of Submission

- Reviews the proposal and verifies classification as a subaward
- Reviews the proposal documents for completeness and compliance
- Checks for debarment
- Submits the proposal

SPA also ensures that:
- All necessary items requested match the scope of work.
- All costs are well justified by the subrecipient.

The grant administrator verifies that:
- The subrecipient is not debarred or suspended.
- CFR Part 29, Section 97.35 requirements
- Search of excluded parties list can be found at System for Award Management www.sam.gov
- Collected sole source documentation is included, if necessary.
Proposal Analysis: Group Exercise #2

- Review following proposal materials.
- Determine what’s wrong or missing.
  - Amounts are reflected accurately in multiple places
  - Dates will allow the project to work
  - Signatures
  - Rationale
**COVER SHEET FOR PROPOSAL TO THE NATIONAL SCIENCE FOUNDATION**

**NSF 00-2**

FOR CONSIDERATION BY NSF ORGANIZATION UNIT(S) (Indicate the most specific unit known, i.e. program, division, etc.)

**Animal Science**

**DATE RECEIVED**

**NUMBER OF COPIES**

**DIVISION ASSIGNED**

**FUND CODE**

**DUNS #** (Data Universal Numbering System)

**FILE LOCATION**

**EMPLOYER IDENTIFICATION NUMBER (EIN) OR TAXPAYER IDENTIFICATION NUMBER (TIN)**

41-6007513

**NAME OF ORGANIZATION TO WHICH AWARD SHOULD BE MADE**

Regents of the University of Minnesota

**AWARDEE ORGANIZATION CODE (IF KNOWN)**

0023879000

**NAME OF PERFORMING ORGANIZATION IF DIFFERENT ABOVE**

**PERFORMING ORGANIZATION CODE (IF KNOWN)**

**IS Awardee ORGANIZATION (Check All That Apply)**

- See GPG 1.D.1 For Definitions
- FOR-PROFIT ORGANIZATION
- SMALL BUSINESS
- MINORITY BUSINESS
- WOMAN-OWNED BUSINESS

**TITLE OF PROPOSED PROJECT**

The study of subawards on the health of the Gopher population

**REQUESTED AMOUNT**

$333,606

**PROPOSED DURATION (1-60 MONTHS)**

24 months

**REQUESTED STARTING DATE**

01/01/20XX

**SHOW RELATED PREPROPOSAL NO. IF APPLICABLE**

**CHECK APPROPRIATE BOX(ES) IF THIS PROPOSAL INCLUDES ANY OF THE ITEMS LISTED BELOW**

- BEGINNING INVESTIGATOR (GPG I.D.3)
- DISCLOSURE OF LOBBYING ACTIVITIES (GPG I.D.1)
- PROPRIETARY & PRIVILEGED INFORMATION (GPG I.B.8, I.D.7)
- NATIONAL ENVIRONMENTAL POLICY ACT (GPG I.D.10)
- HISTORIC PLACES (GPG I.D.10)
- SMALL GRANT FOR EXPLORATORY RESEARCH (SGER) (GPG I.D.12)
- GROUP PROPOSAL (GPG I.D.12)
- VERTEBRATE ANIMALS (GPG I.D.12) IACUC App. Date
- HUMAN SUBJECTS (GPG I.D.12) Exemption Subsection of IRB App. Date
- INTERNATIONAL COOPERATIVE ACTIVITIES: COUNTRY/COUNTRIES
- FACILITATION FOR SCIENTISTS/ENGINEERS WITH DISABILITIES (GPG V.O.)
- RESEARCH OPPORTUNITY AWARD (GPG V.H)

**PI/PD DEPARTMENT**

Sponsored Projects Admin

**PI/PD POSTAL ADDRESS**

McNamara Alumni Center
Minneapolis, MN 55455

**PI/PD FAX NUMBER**

**NAMES (TYPED)**

- Gopher, Goldy

- Ph.D.

- 1977

- 612-725-5555
goldygopher@umn.edu

**PAGE 1 OF 2**
# CERTIFICATION PAGE

**Certification for Principal Investigators and Co-Principal Investigators**

I certify to the best of my knowledge that:

1. The statements herein (excluding scientific hypotheses and scientific opinions) are true and complete, and
2. The text and graphics herein as well as any accompanying publications or other documents, unless otherwise indicated, are the original work of the signatory or individual working under their supervision. I agree to accept responsibility for the scientific conduct of the project and to provide the required progress reports if an award is made as a result of this application.

I understand that the willful provision of false information or concealing a material fact in this proposal or any other communication submitted to NSF is a criminal offense (U.S. Code, Title 18, Section 1001).

<table>
<thead>
<tr>
<th>Name (Typed)</th>
<th>Signature</th>
<th>Social Security No.*</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gopher, Goldy</td>
<td>K.R. Gopher</td>
<td>5-20-XX</td>
<td></td>
</tr>
</tbody>
</table>

**Certification for Authorized Organizations Representative or Individual Applicant**

By signing and submitting this proposal, the individual applicant or the authorized official of the applicant institution is: (1) certifying that statements made herein are true and complete to the best of his/her knowledge; and (2) agreeing to accept the obligation to comply with NSF award terms and conditions if an award is made as a result of this application. Further, the applicant is hereby providing certifications regarding Federal debt status, debarment and suspension, drug-free workplace, and lobbying activities (see below), as set forth in the Grant Proposal Guide (GPG), NSF 00-2. Willful provision of false information in this application and its supporting documents or in reports required under an ensuing award is a criminal offense (U.S. Code, Title 18, Section 1001).

In addition, if the applicant institution employs more than fifty persons, the authorized official of the applicant institution is certifying that the institution has implemented a written and enforced conflict of interest policy that is consistent with the provisions of Grant Policy Manual Section 910, that to the best of his/her knowledge, all financial disclosures required by that conflict of interest policy have been made; and that all identified conflicts of interest will have been satisfactorily managed, reduced or eliminated prior to the institution’s expenditure of any funds under the award, in accordance with the institution’s conflict of interest policy. Conflicts which cannot be satisfactorily managed, reduced or eliminated must be disclosed to NSF.

**Debt and Debarment Certifications**

If answer “yes” to either, please provide explanation.

<table>
<thead>
<tr>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Is the organization delinquent on any Federal debt?  
Is the organization or its principals presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any Federal Department or agency?  

**Certification Regarding Lobbying**

This certification is required for an award of a Federal contract, grant or cooperative agreement exceeding $100,000 and for an award of a Federal loan or a commitment providing for the United States to insure or guarantee a loan exceeding $150,000.

**Certification for Contracts, Grants, Loans and Cooperative Agreements**

The undersigned certifies, to the best of his or her knowledge and belief, that:

1. No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.

2. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LL, "Disclosure of Lobbying Activities," in accordance with its instructions.

3. The undersigned shall require that the language of this certification be included in the award documents for all subawards at all levels including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements and that all subcontractors shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by section 122, Title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than $10,000 and not more than $100,000 for each such failure.

**AUTHORIZED ORGANIZATIONAL REPRESENTATIVE**

<table>
<thead>
<tr>
<th>NAME/TITLE (TYPED)</th>
<th>SIGNATURE</th>
<th>DATE</th>
</tr>
</thead>
<tbody>
<tr>
<td>K.McCoskey/J.Krzyszek/D.Hagen</td>
<td></td>
<td>5-20-XX</td>
</tr>
</tbody>
</table>

**TELEPHONE NUMBER**

(612) 624-5599

**ELECTRONIC MAIL ADDRESS**

awards@umn.edu

**FAX NUMBER**

(612) 624-4843

*Submission of Social Security is voluntary and will not affect the organization's eligibility for an award. However, they are an integral part of NSF System and assist in processing the proposal. NSF solicited under NSF Act of 1950, as amended.*

---

Page 2 of 2
## SUMMARY PROPOSAL BUDGET

**FOR NSF USE ONLY**

**ORGANIZATION**
Regents of the University of Minnesota

**PRINCIPAL INVESTIGATOR/PROJECT DIRECTOR**
Gopher, Goldy

### NSF-funded Person-months and Funds Requested by Proposer

<table>
<thead>
<tr>
<th>Category</th>
<th>NSF-funded Person-months</th>
<th>Funds Requested by Proposer</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gopher, Goldy</td>
<td>5.304</td>
<td></td>
</tr>
</tbody>
</table>

### TOTAL SENIOR PERSONNEL (1-6)

<table>
<thead>
<tr>
<th>Category</th>
<th>NSF-funded Person-months</th>
<th>Funds Requested by Proposer</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. OTHER PERSONNEL (SHOW NUMBERS IN BRACKETS)</td>
<td>5.304</td>
<td></td>
</tr>
</tbody>
</table>

### POST DOCTORAL ASSOCIATES

<table>
<thead>
<tr>
<th>Category</th>
<th>NSF-funded Person-months</th>
<th>Funds Requested by Proposer</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. OTHER PROFESSIONALS (TECHNICIAN, PROGRAMMER, ETC.)</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>2. GRADUATE STUDENTS</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>3. UNDERGRADUATE STUDENTS</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>4. SECRETARIAL - CLERICAL IF CHARGED DIRECTLY</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>5. OTHER</td>
<td>0</td>
<td></td>
</tr>
</tbody>
</table>

### TOTAL SALARIES AND WAGES (A+B)

<table>
<thead>
<tr>
<th>Category</th>
<th>NSF-funded Person-months</th>
<th>Funds Requested by Proposer</th>
</tr>
</thead>
<tbody>
<tr>
<td>6. OTHER SALARIES AND WAGES</td>
<td>5.304</td>
<td></td>
</tr>
</tbody>
</table>

### FRINGE BENEFITS (IF CHARGED AS DIRECT COSTS)

<table>
<thead>
<tr>
<th>Category</th>
<th>NSF-funded Person-months</th>
<th>Funds Requested by Proposer</th>
</tr>
</thead>
<tbody>
<tr>
<td>7. OTHER FRINGE BENEFITS</td>
<td>1.786</td>
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</table>

### TOTAL SALARIES, WAGES AND FRINGE BENEFITS (A+B+C)

<table>
<thead>
<tr>
<th>Category</th>
<th>NSF-funded Person-months</th>
<th>Funds Requested by Proposer</th>
</tr>
</thead>
<tbody>
<tr>
<td>8. TOTAL SALARIES, WAGES, AND FRINGE BENEFITS</td>
<td>7.070</td>
<td></td>
</tr>
</tbody>
</table>

### EQUIPMENT (LIST ITEM AND DOLLAR AMOUNT FOR EACH ITEM EXCEEDING $5,000)

<table>
<thead>
<tr>
<th>Category</th>
<th>NSF-funded Person-months</th>
<th>Funds Requested by Proposer</th>
</tr>
</thead>
<tbody>
<tr>
<td>9. TOTAL EQUIPMENT</td>
<td>0</td>
<td></td>
</tr>
</tbody>
</table>

### TRAVEL

<table>
<thead>
<tr>
<th>Category</th>
<th>NSF-funded Person-months</th>
<th>Funds Requested by Proposer</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. DOMESTIC (NCLU, CANADA, MEXICO, AND U.S. POSSESSIONS)</td>
<td>1.000</td>
<td></td>
</tr>
<tr>
<td>2. FOREIGN</td>
<td>0</td>
<td></td>
</tr>
</tbody>
</table>

### PARTICIPANT SUPPORT

<table>
<thead>
<tr>
<th>Category</th>
<th>NSF-funded Person-months</th>
<th>Funds Requested by Proposer</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. STIPENDS</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. TRAVEL</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3. SUBSISTENCE</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4. OTHER</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### TOTAL NUMBER OF PARTICIPANTS (0)

<table>
<thead>
<tr>
<th>Category</th>
<th>NSF-funded Person-months</th>
<th>Funds Requested by Proposer</th>
</tr>
</thead>
<tbody>
<tr>
<td>5. TOTAL PARTICIPANT COSTS</td>
<td>0</td>
<td></td>
</tr>
</tbody>
</table>

### OTHER DIRECT COSTS

<table>
<thead>
<tr>
<th>Category</th>
<th>NSF-funded Person-months</th>
<th>Funds Requested by Proposer</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. MATERIALS AND SUPPLIES</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>2. PUBLICATION COSTS/DOCUMENTATION/DISSEMINATION</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>3. CONSULTANT SERVICES</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>4. COMPUTER SERVICES</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>5. SUBAWARDS</td>
<td>148,000</td>
<td></td>
</tr>
<tr>
<td>6. OTHER</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>7. TOTAL OTHER DIRECT COSTS</td>
<td>148,000</td>
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</table>

### TOTAL DIRECT COSTS (A THROUGH G)

<table>
<thead>
<tr>
<th>Category</th>
<th>NSF-funded Person-months</th>
<th>Funds Requested by Proposer</th>
</tr>
</thead>
<tbody>
<tr>
<td>8. TOTAL DIRECT COSTS (A THROUGH G)</td>
<td>156,070</td>
<td></td>
</tr>
</tbody>
</table>

### INDIRECT COSTS (F&A) (SPECIFY RATE AND BASE)

<table>
<thead>
<tr>
<th>Category</th>
<th>NSF-funded Person-months</th>
<th>Funds Requested by Proposer</th>
</tr>
</thead>
<tbody>
<tr>
<td>9. INDIRECT COSTS</td>
<td>17,196</td>
<td></td>
</tr>
<tr>
<td>10. TOTAL DIRECT AND INDIRECT COSTS</td>
<td>173,266</td>
<td></td>
</tr>
</tbody>
</table>

### AMOUNT OF THIS REQUEST (J) OR (J - MINUS K)

<table>
<thead>
<tr>
<th>Category</th>
<th>NSF-funded Person-months</th>
<th>Funds Requested by Proposer</th>
</tr>
</thead>
<tbody>
<tr>
<td>11. AMOUNT OF THIS REQUEST (J) OR (J - MINUS K)</td>
<td>$173,266</td>
<td></td>
</tr>
</tbody>
</table>

### M. COST SHARING

<table>
<thead>
<tr>
<th>Category</th>
<th>NSF-funded Person-months</th>
<th>Funds Requested by Proposer</th>
</tr>
</thead>
<tbody>
<tr>
<td>12. AGREED LEVEL IF DIFFERENT</td>
<td>0</td>
<td></td>
</tr>
</tbody>
</table>

### NSF Form 1033 (10/99) Supersedes All Previous Editions

*SIGNATURES REQUIRED ONLY FOR REVISED BUDGET (GPM III.C)*
<table>
<thead>
<tr>
<th><strong>SUMMARY PROPOSAL BUDGET</strong></th>
<th>2 of 2 01/01/20XX to 12/31/20XX (2nd Year)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>FOR NSF USE ONLY</strong></td>
<td></td>
</tr>
<tr>
<td><strong>REGENTS OF THE UNIVERSITY OF MINNESOTA</strong></td>
<td></td>
</tr>
<tr>
<td><strong>PRINCIPAL INVESTIGATOR/PROJECT DIRECTOR</strong></td>
<td>Gopher, Goldy</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>A. SENIOR PERSONNEL: PI(PD), Co-PI’s, FACULTY and Other Senior Associates</strong></th>
<th><strong>NSF-Funded Person-months</strong></th>
<th><strong>Funds Requested/Proposed</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>List each separately with title. (A.7. show number in brackets)</td>
<td>CAL</td>
<td>ACD</td>
</tr>
<tr>
<td>1. Gopher, Goldy</td>
<td>0.6</td>
<td>0</td>
</tr>
<tr>
<td>2.</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>3.</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>4.</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>5.</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>6. Others (list independently on budget explanation page)</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>7. Total senior personnel (I-6)</td>
<td>0.6</td>
<td>0</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>B. OTHER PERSONNEL (SHOW NUMBERS IN BRACKETS)</strong></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Post Doctoral Associates</td>
<td>0</td>
</tr>
<tr>
<td>2. Other professionals (Technician, programmer, etc.)</td>
<td>0</td>
</tr>
<tr>
<td>3. Graduate students</td>
<td>0</td>
</tr>
<tr>
<td>4. Undergraduate students</td>
<td>0</td>
</tr>
<tr>
<td>5. Secretarial - Clerical (if charged directly)</td>
<td>0</td>
</tr>
<tr>
<td>6. Other</td>
<td>0</td>
</tr>
<tr>
<td><strong>TOTAL SALARIES AND WAGES (A+B)</strong></td>
<td>5,516</td>
</tr>
<tr>
<td><strong>C. FRINGE BENEFITS (IF CHARGED AS DIRECT COSTS)</strong></td>
<td>1,836</td>
</tr>
<tr>
<td><strong>TOTAL SALARIES, WAGES, AND FRINGE BENEFITS (A+B+C)</strong></td>
<td>7,352</td>
</tr>
<tr>
<td>**D. EQUIPMENT (LIST ITEM AND DOLLAR AMOUNT FOR EACH ITEM EXCEEDING $5,000.)</td>
<td></td>
</tr>
</tbody>
</table>

| **TOTAL EQUIPMENT**                                                          | 0                                         |

| **E. TRAVEL**                                                                |                                           |
| 1. Domestic (incl. Canada, Mexico, and U.S. Possessions)                     | 1,040                                     |
| 2. Foreign                                                                   | 0                                         |

| **F. PARTICIPANT SUPPORT**                                                   |                                           |
| 1. Stipends                                                                 |                                           |
| 2. Travel                                                                   |                                           |
| 3. Subsistence                                                              |                                           |
| 4. Other                                                                    |                                           |
| **TOTAL NUMBER OF PARTICIPANTS (0)**                                        | **TOTAL PARTICIPANT COSTS**               |
| 0                                                                           | 0                                         |

| **G. OTHER DIRECT COSTS**                                                   |                                           |
| 1. Materials and supplies                                                   | 0                                         |
| 2. Publication costs/dissemination                                          | 0                                         |
| 3. Consultant services                                                      | 0                                         |
| 4. Computer services                                                        | 0                                         |
| 5. Subawards                                                                | 148,000                                   |
| 6. Other                                                                    | 0                                         |
| **TOTAL OTHER DIRECT COSTS**                                                | 148,000                                   |
| **H. TOTAL DIRECT COSTS (A THROUGH G)**                                    | 156,392                                   |

| **I. INDIRECT COSTS (F&A) (SPECIFY RATE AND BASIS)**                        |                                           |
| 52.00% IDC on direct costs minus grad. asst., fringe, equip., part. suppl., subawards, space rental and some shop costs. (156,392 - 148,000) * 52.00% | 4,364                                     |
| **TOTAL INDIRECT COSTS**                                                    | 160,756                                   |
| **J. TOTAL DIRECT AND INDIRECT COSTS (H+I)**                               | 160,756                                   |

| **K. RESIDUAL FUNDS (IF FOR FURTHER SUPPORT OF CURRENT PROJECT SEE GPG 220.7)** |                                           |
| **L. AMOUNT OF THIS REQUEST (J) OR (J MINUS K)**                            | **$160,756**                              |

| **M. COST SHARING: PROPOSED LEVEL $0**                                      | **AGREED LEVEL IF DIFFERENT**             |
| **PI(PD) TYPED NAME & SIGNATURE**                                         | **DATE**                                  |
| **ORG. REP. TYPED NAME & SIGNATURE**                                       | **DATE**                                  |

| **NSF Form 1039 (10/99) Supersedes All Previous Editions** |

*SIGNATURES REQUIRED ONLY FOR REVISED BUDGET (GP# III(c))
ADDITIONAL BUDGET INFORMATION

***** BUDGET NUMBER JUSTIFICATIONS *****
Year 1:  $33,070 x 52% = 17,196
Year 2:  $8,392 x 52% = 4,384
Justification - why not
Total To Apply F&A Rate = Total Direct Costs - Total Backed Out Costs
41,462 = 312,462 - 271,000
Total F&A Costs = 21,560
Total Costs = Total Direct Costs + Total F&A Costs
334,022 = 312,462 + 21,560
Future years recurring costs have been calculated using a % inflation rate, unless noted otherwise in the item justification.

Base salaries listed are for the current University appointment. Calculation of the amount of salary requested in each budget period includes inflation effective July 1 of each fiscal year, prorated to the budget period, and adjusted if appointment is less than 100%. If this award is reduced, effort obligations and proposed cost sharing (matching or in-kind) will be reduced proportionately.

FISCAL YEAR | ACADEMIC | CIVIL SERVICE
---|---|---
2012 | 36.00% | 41.30%
2013 | 34.90% | 39.60%

GRADUATE/PROFESSIONAL TRAINING STUDENTS FRINGE RATES:
Fringe varies by individual based on percent of time appointed and the number of credits.

*************** BUDGET SETUP JUSTIFICATION(S) ***************
Future years recurring costs have been calculated using a 4% inflation rate, unless noted otherwise in the item justification.

Justification - why not

*************** TRAVEL COSTS JUSTIFICATION(S) ***************
Travel to Madison, WI
- to work with subaward

*************** CONTRACTOR COSTS JUSTIFICATION(S) ***************
University of Wisconsin
Period 1: Direct Costs $100,000  Indirect Costs $48,000
Period 2: Direct Costs $100,000  Indirect Costs $48,000
- Blah
The University of Minnesota proposal will study the effects of subawards on the health of the gopher population of the central portion of the state. This is a key area of study for the people of Minnesota who live in this region. It is believed the data will prove that effective management of subawards is elementary to the purpose of life. Without such purpose how can a gopher survive?

To prove the effects of the subaward data will be collected and analyzed by the lab of Bucky Badger at the University of Wisconsin. Bucky is a secret gopher fan and his assistance in analyzing the data collected is key to the successful understanding of the effect of subawards.
The University of Wisconsin will manage the data created by the University of Minnesota. This management includes both the collection and interpretation portions of the research.
COVER SHEET FOR PROPOSAL TO THE NATIONAL SCIENCE FOUNDATION

PROGRAM ANNOUNCEMENT/SOLICITATION NO.: NSF-00-2
FOR CONSIDERATION BY NSF ORGANIZATION UNIT(S): Animal Group

REQUESTED AMOUNT: £ 324,426
PROPOSED DURATION (1-60 MONTHS): 24 months
REQUESTED STARTING DATE: 02/01/20XX

TITLE OF PROPOSED PROJECT:
Bucky Badger's subaward budget

High Degree

Yr of Degree

Telephone Number

Electronic Mail Address

Badger, Bucky
Ph.D.
1977
608-263-2400
buckybadger@uwmad.wisc.edu
Letter of Support/Cover Page

CERTIFICATION PAGE

Certification for Principal Investigators and Co-Principal Investigators

I certify to the best of my knowledge that:
(1) the statements herein (excluding scientific hypotheses and scientific opinions) are true and complete, and
(2) the text and graphics herein as well as any accompanying publications or other documents, unless otherwise indicated, are the original work of the signatories or individuals working under their supervision. I agree to accept responsibility for the scientific conduct of the project and to provide the required progress reports if an award is made as a result of this application.

I understand that the willful provision of false information or concealing a material fact in this proposal or any other communication submitted to NSF is a criminal offense (U.S. Code, Title 18, Section 1001).

Name (Typed)  Signature  Social Security No.*  Date

PI/PIF/D  Badger, Bucky  Bucky R. Badger  5-IA-XX

Co-PI/PIF/D

Co-PI/PIF/D

Co-PI/PIF/D

Certification for Authorized Organizations Representative or Individual Applicant

By signing and submitting this proposal, the individual applicant or the authorized official of the applicant institution to: (1) certifying that statements made herein are true and complete to the best of his/her knowledge; and (2) agreeing to accept the obligation to comply with NSF award terms and conditions if an award is made as a result of this application. Further, the applicant is hereby providing certifications regarding Federal debt status, department suspension, false information, and lobbying activities (see below), as set forth in the Grant Proposal Guide (GPG). NSF 12-2. Willful provision of false information in this application and its supporting documents or in reports required under an ensuing award is a criminal offense (U.S. Code, Title 18, Section 1001).

In addition, if the applicant institution employs more than fifty persons, the authorized official of the applicant institution is certifying that the Institution has implemented a written and enforced conflict of interest policy that is consistent with the provisions of Grant Policy Manual Section 510; that to the best of his/her knowledge, all financial disclosures required by that conflict of interest policy have been made; and that all identified conflicts of interest will have been satisfactorily managed, reduced or eliminated prior to the institution's expenditure of any funds under the award, in accordance with the Institution's conflict of interest policy. Conflicts which cannot be satisfactorily managed, reduced or eliminated must be disclosed to NSF.

Debt and Debtorship Certifications  (If answer "yes" to either, please provide explanation.)

Yes No

Is the organization delinquent on any Federal debt?

Yes No

Is the organization or its principal presently debarred, suspended, or voluntarily excluded from covered transactions by any Federal Department or agency?

Certification Regarding Lobbying

This certification is required for an award of a Federal contract, grant or cooperative agreement exceeding $100,000 and for an award of a Federal loan or a commitment providing for the United States to insure or guarantee a loan exceeding $100,000.

Certification for Contracts, Grants, Loans and Cooperative Agreements

The undersigned certifies, to the best of his or her knowledge and belief, that:

(1) No Federal appropriated funds have been or will be paid, or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.

(2) If any funds other than Federal appropriated funds have been or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, "Disclosure of Lobbying Activities," in accordance with its instructions.

(3) The undersigned shall require that the language of this certification be included in the award documents for all subawards at all tiers including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements and that all subrecipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by Section 1552, Title 21, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than $10,000 and not more than $100,000 for each such failure.

AUTHORIZED ORGANIZATIONAL REPRESENTATIVE  SIGNATURE  DATE

NAME/TITLE (TYPED)  Bertha Badger

TELEPHONE NUMBER  (608) 624-5999  ELECTRONIC MAIL ADDRESS  awards@uw. edu

FAX NUMBER  (608) 624-4843

*SUBMISSION OF SOCIAL SECURITY IS VOLUNTARY AND WILL NOT AFFECT THE ORGANIZATION'S ELIGIBILITY FOR AN AWARD. HOWEVER, THEY ARE AN INTEGRAL PART OF NSF SYSTEM AND ARE IN PROCESSING THE PROPOSAL. 538 SOLICITED UNDER NSF ACT OF 1950, AS AMENDED.

page 2 of 2
### SUMMARY PROPOSAL BUDGET

**ORGANIZATION**
University of Wisconsin

**PRINCIPAL INVESTIGATOR/PROJECT DIRECTOR**
Badger, Bucky

**AWARD NO.**

<table>
<thead>
<tr>
<th>A. SENIOR PERSONNEL: PRPI, Co-PIs, FACULTY and Other Senior Associates</th>
</tr>
</thead>
<tbody>
<tr>
<td>List each separately with title. (A.7. show number in brackets)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>1.</th>
<th>Badger, Bucky</th>
</tr>
</thead>
<tbody>
<tr>
<td>CAL</td>
<td>0.6</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>B. OTHER PERSONNEL (SHOW NUMBERS IN BRACKETS)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
</tr>
<tr>
<td>---</td>
</tr>
<tr>
<td>TOTAL SENIOR PERSONNEL (1-G)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>C. FRINGE BENEFITS (IF CHARGED AS DIRECT COSTS)</th>
</tr>
</thead>
<tbody>
<tr>
<td>TOTAL SALARIES, WAGES AND FRINGE BENEFITS</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>D. EQUIPMENT (LIST ITEM AND DOLLAR AMOUNT FOR EACH ITEM EXCEEDING $5,000)</th>
</tr>
</thead>
<tbody>
<tr>
<td>TOTAL EQUIPMENT</td>
</tr>
<tr>
<td>E. TRAVEL</td>
</tr>
<tr>
<td>1. DOMESTIC (INCL. CANADA, MEXICO, AND U.S. POSSESSIONS)</td>
</tr>
<tr>
<td>2. FOREIGN</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>F. PARTICIPANT SUPPORT</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. STIPENDS</td>
</tr>
<tr>
<td>2. TRAVEL</td>
</tr>
<tr>
<td>3. SUBSISTENCE</td>
</tr>
<tr>
<td>4. OTHER</td>
</tr>
</tbody>
</table>

| TOTAL NUMBER OF PARTICIPANTS (G.) |
| TOTAL PARTICIPANT COSTS |

<table>
<thead>
<tr>
<th>G. OTHER DIRECT COSTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. MATERIALS AND SUPPLIES</td>
</tr>
<tr>
<td>2. PUBLICATION COSTS/DOCUMENTATION/DISSEMINATION</td>
</tr>
<tr>
<td>3. CONSULTANT SERVICES</td>
</tr>
<tr>
<td>4. COMPUTER SERVICES</td>
</tr>
<tr>
<td>5. SUBAWARDS</td>
</tr>
<tr>
<td>6. OTHER</td>
</tr>
</tbody>
</table>

| TOTAL OTHER DIRECT COSTS |
| 100,000 |

| H. TOTAL DIRECT COSTS (A THROUGH G) |
| 107,093 |

<table>
<thead>
<tr>
<th>I. INDIRECT COSTS (F&amp;A) [SPECIFY RATE AND BASE]</th>
</tr>
</thead>
<tbody>
<tr>
<td>48.50% IDC on direct costs minus grad. assit. fringe, equip., part. supp., subawards, space rental and some shop costs. (107,093 - 0) * 48.50%</td>
</tr>
</tbody>
</table>

| TOTAL INDIRECT COSTS |
| 51,940 |

| J. TOTAL DIRECT AND INDIRECT COSTS (H+I) |
| 159,033 |

<table>
<thead>
<tr>
<th>K. RESIDUAL FUNDS [IF FURTHER SUPPORT OF CURRENT PROJECT SEE GPG 3.5.7.]</th>
</tr>
</thead>
<tbody>
<tr>
<td>AMOUNT OF THIS REQUEST (A) OR (F) MINUS (K)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>L. AGREED LEVEL IF DIFFERENT</th>
</tr>
</thead>
<tbody>
<tr>
<td>NSF Proposed Level: 0</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>NSF Form 1030 (10/99) Supersedes All Previous Editions</th>
</tr>
</thead>
<tbody>
<tr>
<td>SIGNATURES REQUIRED ONLY FOR REVISED BUDGET (GPM BLC)</td>
</tr>
</tbody>
</table>

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Planning and Issuing Subawards — Participant Guide

Training Services, Organizational Effectiveness | 9-17-12
<table>
<thead>
<tr>
<th>A. SENIOR PERSONNEL: PIPD, Co-PI's, FACULTY and Other Senior Associates</th>
<th>NSF-Funded Person-months</th>
<th>Funds Requested By Proposal</th>
<th>Grants (IFD)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Badger, Bucky</td>
<td>0.6 0 0</td>
<td>5,534</td>
<td></td>
</tr>
<tr>
<td>2.</td>
<td></td>
<td></td>
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<tr>
<td>3.</td>
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<tr>
<td>4.</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>5.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6. ( ) OTHERS (LIST INDIVIDUALLY ON BUDGET EXPLANATION PAGE)</td>
<td>0.6 0 0</td>
<td>5,534</td>
<td></td>
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<tr>
<td>7. ( ) TOTAL SENIOR PERSONNEL (1-6)</td>
<td>0.6 0 0</td>
<td>5,534</td>
<td></td>
</tr>
<tr>
<td>B. OTHER PERSONNEL (SHOW NUMBERS IN BRACKETS)</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>1. ( ) POST DOCTORAL ASSOCIATES</td>
<td>0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. ( ) OTHER PROFESSIONALS (TECHNICIAN, PROGRAMMER, ETC.)</td>
<td>0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3. ( ) GRADUATE STUDENTS</td>
<td>0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4. ( ) UNDERGRADUATE STUDENTS</td>
<td>0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>5. ( ) SECRETARIAL - CLERICAL (IF CHARGED DIRECTLY)</td>
<td>0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>6. ( ) OTHER</td>
<td>0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>TOTAL SALARIES AND WAGES (A+B)</td>
<td>0</td>
<td>5,534</td>
<td></td>
</tr>
<tr>
<td>C. FRINGE BENEFITS (IF CHARGED AS DIRECT COSTS)</td>
<td>1,842</td>
<td></td>
<td></td>
</tr>
<tr>
<td>TOTAL SALARIES, WAGES AND FRINGE BENEFITS (A+B+C)</td>
<td>7,376</td>
<td></td>
<td></td>
</tr>
<tr>
<td>D. EQUIPMENT (LIST ITEM AND DOLLAR AMOUNT FOR EACH ITEM EXCEEDING $5,000)</td>
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</tr>
<tr>
<td>TOTAL EQUIPMENT</td>
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<td></td>
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<tr>
<td>E. TRAVEL</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1. DOMESTIC (INCL. CANADA, MEXICO, AND U.S. POSSESSIONS)</td>
<td>0</td>
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<td></td>
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<tr>
<td>2. FOREIGN</td>
<td>0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>F. PARTICIPANT SUPPORT</td>
<td></td>
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<tr>
<td>1. STIPENDS</td>
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<tr>
<td>3. SUBSISTENCE</td>
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<tr>
<td>4. OTHER</td>
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<tr>
<td>TOTAL NUMBER OF PARTICIPANTS (0)</td>
<td></td>
<td>TOTAL PARTICIPANT COSTS 0</td>
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</tr>
<tr>
<td>G. OTHER DIRECT COSTS</td>
<td>0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1. MATERIALS AND SUPPLIES</td>
<td>0</td>
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<td></td>
</tr>
<tr>
<td>2. PUBLICATION COSTS/DOCUMENTATION/DISSEMINATION</td>
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<td></td>
<td></td>
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<tr>
<td>3. CONSULTANT SERVICES</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>4. COMPUTER SERVICES</td>
<td>0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>5. SUBAWARDS</td>
<td></td>
<td>104,000</td>
<td></td>
</tr>
<tr>
<td>6. OTHER</td>
<td>0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>TOTAL OTHER DIRECT COSTS</td>
<td>0</td>
<td>104,000</td>
<td></td>
</tr>
<tr>
<td>H. TOTAL DIRECT COSTS (A THROUGH G)</td>
<td></td>
<td>111,376</td>
<td></td>
</tr>
<tr>
<td>I. INDIRECT COSTS (FAA/SPECIFIC RATE AND BASE)</td>
<td>48.50% IDC on direct costs minus grad. asst. fringe, equip., part. supp., subawards, space rental and some shop costs. (111,376 - 0) * 48.50%</td>
<td>54,017</td>
<td></td>
</tr>
<tr>
<td>TOTAL INDIRECT COSTS</td>
<td></td>
<td>165,393</td>
<td></td>
</tr>
<tr>
<td>J. TOTAL DIRECT AND INDIRECT COSTS (H+I)</td>
<td>165,393</td>
<td></td>
<td></td>
</tr>
<tr>
<td>K. RESIDUAL FUNDS (IF FOR FURTHER SUPPORT OF CURRENT PROJECT SEE GPC 110.7.)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>L. AMOUNT OF THIS REQUEST (A) OR (J - MINUS K)</td>
<td></td>
<td>165,393</td>
<td></td>
</tr>
</tbody>
</table>

M. COST SHARING: PROPOSED LEVEL $ 0 AGREED LEVEL IF DIFFERENT $

PIPD TYPED NAME & SIGNATURE*

ORG. REP. TYPED NAME & SIGNATURE*

DATE FOR NSF USE ONLY

INDIRECT COST RATE VERIFICATION

NSF Form 1030 (10/99) Supersedes All Previous Editions

*SIGNATURES REQUIRED ONLY FOR REVISED BUDGET (GPM III.C)
ADDITIONAL BUDGET INFORMATION

***** BUDGET NUMBER JUSTIFICATIONS *****
Year 1: $107,093 x 48.5% = 51,940
Year 2: $111,376 x 48.5% = 54,017
Justification - Wisconsin has a lower rate
Total To Apply F&A Rate = Total Direct Costs - Total Backed Out Costs
   218,469 = 218,469 - 0
Total F&A Costs = 105,957
Total Costs = Total Direct Costs + Total F&A Costs
   324,426 = 218,469 + 105,957
Future years recurring costs have been calculated using a % inflation rate, unless noted otherwise in the item justification.

Base salaries listed are for the current University appointment. Calculation of the amount of salary requested in each budget period includes inflation effective July 1 of each fiscal year, prorated to the budget period, and adjusted if appointment is less than 100%. If this award is reduced, effort obligations and proposed cost sharing (matching or in-kind) will be reduced proportionately.

<table>
<thead>
<tr>
<th>FISCAL YEAR</th>
<th>ACADEMIC</th>
<th>CIVIL SERVICE</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>33.30%</td>
<td>40.10%</td>
</tr>
<tr>
<td>2012</td>
<td>33.30%</td>
<td>40.10%</td>
</tr>
<tr>
<td>2013</td>
<td>33.30%</td>
<td>40.10%</td>
</tr>
</tbody>
</table>

GRADUATE/PROFESSIONAL TRAINING STUDENTS FRINGE RATES:
Fringe varies by individual based on percent of time appointed and the number of credits.

*************** BUDGET SETUP JUSTIFICATION(S) **************
Future years recurring costs have been calculated using a 4% inflation rate, unless noted otherwise in the item justification.

Justification - Wisconsin has a lower rate

*************** OTHER EXPENSES JUSTIFICATION(S) ***************
Service Contracts
- -
What’s Next?

• Sponsor reviews the proposal for funding.
• If additional information is requested, SPA negotiates with the sponsor and, if needed, the subrecipient.
• Sponsor issues award to the University of Minnesota (including subrecipient information if negotiations impact them).
AWARD

PI/Department  • Provides additional information required for subaward issuance.

SPA  • Negotiates with sponsor and accepts prime award.
    • Requests additional info from PI/department.
    • Assesses risk levels.
    • Prepares, negotiates, issues, and distributes subaward agreement.
    • Activates subaward funds in the financial system.
Award Is Received by SPA

- Award comes as electronic or paper format.
- Any awards sent to PI’s must be re-directed to SPA.
- Award documentation given to grant administrator (GA).
- Includes original proposal.

If the sponsor cuts the budget more than 25 percent, SPA will request a new budget from the department so the PI may decide where the funding changes will occur.

If terms from the prime are nonstandard, the GA will contact the subrecipient at the time of award.
Award Acceptance by SPA

GA reviews (and notes change from proposal):
- Notice of Grant Award (NOGA)
- Subaward budget
- Subaward scope of work
- FCOI compliance

As part of this process, if there are animals or human-subject protocols that were in pending status at point of submission, they must now be approved for the funding to begin.
Model of a Solid Subaward

<table>
<thead>
<tr>
<th>Department has influence on</th>
<th>SPA determines</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Statement of Work</td>
<td>• Intellectual property</td>
</tr>
<tr>
<td>• Key personnel defined</td>
<td>• Equipment terms</td>
</tr>
<tr>
<td>• Period of performance</td>
<td>• Indemnification</td>
</tr>
<tr>
<td>• Budget</td>
<td>• HIPAA/ARRA regulations</td>
</tr>
<tr>
<td>• Payment terms</td>
<td>• Publication rights</td>
</tr>
<tr>
<td>• Cost sharing</td>
<td>• Cost principles</td>
</tr>
<tr>
<td>• Reporting requirements</td>
<td>• Cost principles</td>
</tr>
</tbody>
</table>

HIPAA is the Health Insurance Portability and Accountability Act.
ARRA is the American Recovery and Reinvestment Act.
See appendix M for the Request for Subaward Information email sent by SPA.
### Compliance Also Includes

Programmatic and financial aspects:

- HIPAA compliance
- ARRA regulations
- Reports (technical and financial)
- Human and animal subjects
- Disclosure of intellectual property
- Terms and conditions found in OMB circulars A-21 and A-110
- FFATA compliance
- FCOI

### HIPAA

The HIPAA Privacy Rule provides federal protections for personal health information held by covered entities and gives patients an array of rights with respect to that information. The Privacy Rule is balanced so that it permits the disclosure of personal health information needed for patient care and other important purposes.

### The Security Rule

Specifies a series of administrative, physical, and technical safeguards for covered entities to use to ensure the confidentiality, integrity, and availability of electronic protected health information. The Department of Health and Human Services website has more details at [www.hhs.gov](http://www.hhs.gov).

### ARRA

Universities are bound to reporting rules set out by the legislation. For more information on the act and the regulations check out the American Recovery and Reinvestment Act website at [www.recovery.gov/Pages/home.aspx](http://www.recovery.gov/Pages/home.aspx).

### FFATA

Brings transparency to government spending via a website where citizens can view all contracts and grants awarded by different government agencies. The website is located at [www.ffata.org/ffata](http://www.ffata.org/ffata).

In response to FFATA compliance, these are the data points that your Grant Administrator collects.
OMB A-21
This circular establishes principles for determining costs applicable to grants, contracts, and other agreements with educational institutions. The principles deal with the subject of cost determination and make no attempt to identify the circumstances or dictate the extent of agency and institutional participation in the financing of a particular project.

OMB A-110
This circular sets forth standards for obtaining consistency and uniformity among federal agencies in the administration of grants to and agreements with institutions of higher education, hospitals, and other nonprofit organizations.

Financial Conflict of Interest (FCOI)
A Financial Conflict of Interest exists when the Institution, through its designated official(s), reasonably determines that an Investigator’s Significant Financial Interest is related to a PHS-funded research project and could directly and significantly affect the design, conduct, or reporting of the PHS-funded research.
SPA Will Contact PI/Dept & Request Information for Subaward Issuance

- Period of performance
- Statement of Work
- Budget (including cost share if applicable)*
- Payment terms
- Technical reporting requirements
- Verification that subrecipient is compliant with IRB and IACUC approvals (if applicable)
- Subrecipient’s contact information
- Other information as needed (Fair and Reasonable Cost Analysis Form II)

The IRB is the Institutional Review Board.

The IACUC is the Institutional Animal Care and Use Committee.

* If cost share is required by the prime, then the model to be used is to distribute the pain equally.
**Fiscal Decisions with Subrecipients: Group Exercise #3**

Review the scenarios and answer the questions.

---

**SCENARIO #1**

You receive an award of $294,209 per year for three years from the National Science Foundation (NSF). The award includes a subaward to the University of Wisconsin. Each year’s funding is based on the progress and availability of funds.

* What are our next steps?
* What is their performance period?

**SCENARIO #2**

You have received a five-year award from a federal agency that includes a subaward to a small business entity that is creating software to be used in the research. The amount of the subaward is $10,000 per year. The subrecipient has requested the entire amount be made to them up front because they do not have the financial reserves to incur the cost while waiting for the reimbursement from the University.

* Should you accept their request?
* What are the financial repercussions?
Federal audit clearinghouse for audits can be found at http://harvester.census.gov/sac. Their role is to:

- Share audit information with federal agencies and the public.
- Help the Office of Management and Budget (OMB) oversee and assess federal award audit requirements.
- Assist federal cognizant and oversight agencies in obtaining OMB circular A-133 data and reporting packages.
- Help auditors and auditees minimize the reporting burden of complying with circular A-133 audit requirements.

SPA maintains a subaward database of A-133 reports for all active subawards in compliance with A-133 regulations.
A-133, section 525, requires a risk analysis to evaluate the likelihood that a subrecipient will fail to comply with the requirements of the subaward. The criteria used in evaluating risk can include the subrecipient’s audit experience, the prior oversight and monitoring the subrecipient has received, the nature and complexity of the proposed research project, and the fiscal maturity of the subrecipient.
What Constitutes Risk Factors?

SPA considers a number of factors when completing the risk analysis process.

Items SPA considers when completing a risk analysis:

- Where will the subrecipient be performing the work?
- Will the place of performance be outside the United States?
- State, local governments, and nonprofits spending more than $500,000 annually in federal funding are required to have an A-133 audit.
- Have there been negative experiences working with the subrecipient?
- Is the work subject to export control laws?
- Is it a mature organization:
  - Is the organization an established corporation?
  - Research institute or nonprofit?
  - Startup company with limited operating history, newly created, and in a phase of development and research markets?
- Government-owned and contractor-operated entities require specific terms and conditions in subawards, and often include terms that are generally not accepted by the University.
- If you are issuing a subaward with a known conflict of interest, ask if deliverables to the University are required for success and if more than a final report is required.
- Is the entity a small business, veteran-owned business, hub-zone small business, small disadvantaged business, or woman-owned small business?
• The University is required to perform audit review and risk analysis to evaluate the likelihood that a subrecipient will fail to comply with the requirements of the subaward.

• If issues are found, they must be addressed before issuance of the subaward.

• See appendix N for the Risk Analysis Form for more information.
Risk Analysis: Group Exercise #4

Try your hand at being SPA and evaluate the four different subawardees risk level.

See appendix N for the Risk Analysis Form for more information.
### Risk Analysis Exercise

<table>
<thead>
<tr>
<th>Subrecipient Name</th>
<th>University of Research</th>
<th>Universidad de España</th>
<th>Start-Me-Up Company</th>
<th>3M</th>
</tr>
</thead>
<tbody>
<tr>
<td>Subrecipient Audit Status</td>
<td>A-133</td>
<td>Has annual third party audit</td>
<td>Has never had a financial audit</td>
<td>Has annual third-party audit</td>
</tr>
<tr>
<td><strong>Research Summary</strong></td>
<td>Established U.S. institution bringing in &gt;$75 million research dollars per year. Long-time collaborator of your PI will work with her on the structure and function of mitochondria. Your organization has had numerous subawards with this university, with no issues. Deliverables include annual and final technical reports.</td>
<td>Established research-intensive foreign University. Newly established collaboration with your PI based on overlapping research interested discovered at a recent scientific meeting. Deliverables include annual and final technical reports.</td>
<td>Small two-person start-up company located in Cleveland, OH, interested in creating new nano-structured materials for novel applications. Phase One of the study will involve development of material at the company. Phase Two of the study will incorporate the developed material into addressing the specific aims of the research program.</td>
<td>Large U.S. corporation founded in 1902 will start a new collaboration with your PI and your institution to research other applications for the adhesive materials on Post-Its. Deliverables include materials required for analysis at your institution, together with annual and final technical reports.</td>
</tr>
<tr>
<td><strong>Prime Award</strong></td>
<td>NIH R01 Grant</td>
<td>NSF Grant</td>
<td>Army Contract</td>
<td>The Sticky Foundation Contract</td>
</tr>
<tr>
<td><strong>Award Details</strong></td>
<td>The prime award is $200,000 per year for five years. The subrecipient will receive $45,000 per year annually.</td>
<td>The prime award is $150,000 per year for three years. The subrecipient will receive $70,000 per year annually.</td>
<td>The prime award is $2 million per year for four years. The subrecipient will receive $750,000 per year annually.</td>
<td>The prime award is $750,000 per year for two years. The subrecipient will receive $300,000 annually.</td>
</tr>
</tbody>
</table>
### Risk Analysis Exercise #4

Instructions: Assign a Score (0=low, 1=med, 2=high) for each Criteria listed below. Add up each scores to calculate the Total Score.

<table>
<thead>
<tr>
<th>Criteria</th>
<th>Lower Risk</th>
<th>Higher Risk</th>
<th>University of Research</th>
<th>Universidad de Espana</th>
<th>Start-Me-Up Company</th>
<th>3M</th>
</tr>
</thead>
<tbody>
<tr>
<td>Foreign or Domestic</td>
<td>Domestic</td>
<td>Foreign</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Maturity of Subrecipient’s Organization</td>
<td>Mature</td>
<td>Start-up</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Organization Type</td>
<td>University or Non-profit</td>
<td>Industry</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Prime Award Type</td>
<td>Grant</td>
<td>Contract</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Amount of Subaward</td>
<td>Total Cost is &lt;$499,999</td>
<td>Total cost is &gt;$500,000</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Percentage of Award Subawarded</td>
<td>Total Cost is &lt;48.9%</td>
<td>Total cost is &gt;49%</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Audit Report</td>
<td>A-133</td>
<td>No Audit Report</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Prior Experience Working with your Institution</td>
<td>Previous Positive Experience</td>
<td>New Subrecipient or Previous Negative Experience</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sponsor Type</td>
<td>Private or Foundation</td>
<td>Government</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SOW &amp; Deliverables</td>
<td>Report Only</td>
<td>Tangible Items; Pivotal to Success of Project</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**TOTAL SCORE**

Total Score 0-8 = Low risk;  Total Score 9-15 = Medium Risk;  Total Score 16-20 = High Risk.
Circumstances dictate the type of subaward contractual agreement.

**COST REIMBURSABLE**

**When to Use**

When the work to be performed cannot be described or estimated precisely. It is the most appropriate type for research and development work performed by educational and nonprofit organizations. This type of agreement is selected because the proposal for the work may be weighted to protect against the risk of underestimating the level of effort required to successfully complete the work.

**Characteristics**

A cost-reimbursable-type subaward provides for payment to the subrecipient of reasonable costs incurred in connection with the performance of work, not to exceed the amount set forth in the subaward. Reimbursement is based on invoices, usually monthly, of allowable direct costs and, if applicable, the associated F&A. Subrecipient must maintain sufficient accounting records or all direct and F&A costs claimed under the subaward to support costs if audited.
FIXED PRICE

When to Use
Particularly suitable for the purchase of commercial or modified commercial items and goods or services for which sound prices (fair and reasonable) can be developed at the outset. For example, when:

- Price competition results in realistic pricing.
- Price comparisons can be made with prior purchases of the same or similar items.
- Cost or pricing details are available that permit the development of realistic estimates of the probable costs of performance.
- Uncertainties involved in the performance can be identified in advance, reasonable estimates of the probable impact on the costs can be made in advance, and the subrecipient is willing to accept the risks.
- Commonly used for international subaward agreements.

Characteristics
Provides a cost for the project that is not subject to adjustment unless there are changes to the original work scope. Maximum risk is placed on the subrecipient because it assumes full responsibility for all costs under or over the fixed price amount. Imposes minimum administrative burden on both the subrecipient and the prime awardee because detailed accounts of expenditures are not normally required for reimbursement.

FIXED FEE

When to Use
Suitable for projects with multiple sites performing identical tasks. For example, participant accrual, completing a questionnaire/form. Used primarily on clinical trials.
Federal Demonstration Partnership

- FDP membership allows use of standardized templates for subawards
  - See Appendix
- SPA can create customized agreements
  - For specialized subawards

SPA uses standard templates for most awards.

See appendix O for the Subaward Agreement Template for more information.
Drafting the Final Subaward

- Inform subrecipient of prime award number and requirements of the award
- Clearly specify performance, approval, property issues, and invoice requirements
- Clarify notification obligations
- Include required certifications and regulations, terms and conditions

Remember that subawards:

- Are legally binding agreements between the University and the subrecipient.
- Protect the sponsor’s and the University’s interest and flow down the requirements of the prime award.
- Should not include terms conflicting with the prime nor add undue administrative burden to a subrecipient.
A hierarchy of policies and rules provides standards for handling financial transactions for federal contracts and grants. Base your decisions on the guidance provided as referenced above. It is helpful to consider these as layers, each of which should be examined and considered when determining whether a particular contract or grant transaction is appropriate.

Starting with the individual award terms and conditions, work up through each layer of regulation to determine what the applicable rules are. Federal grant terms and conditions cannot be more restrictive than administrative regulations, but they can modify elements of the regulations. Some agencies may add terms and conditions that go beyond the requirements laid out in their agency implementations of A-110. Therefore, it is very important to read and understand all terms and conditions.

*University policies and procedures must be followed in all transactions!* Many University policies were developed based on the framework set by the federal government in its financial systems and cost principals.

The rules are complex and detailed. Always check the exact text of the rule or policy rather than relying on your general recollection.

Terms and conditions take precedence over all. When the University accepts the terms and conditions of an award, we are bound regardless of whether they conflict with University policy.
In this case, each pass-through entity has a relationship only with the tier directly above and below it; this relationship is called *privity of contract*. In this example, if University of Wisconsin needs to request a change in the statement of work, it would contact and request the change from the University of Minnesota. The University of Minnesota would then go to the National Aeronautics and Space Administration (NASA) and request a change in the Statement of Work for the University of Wisconsin portion of the Statement of Work. The University of Wisconsin would not go directly to NASA.

Some examples of terms and conditions subawards may include:

- Issues based on University policy
- Prime award individual terms and conditions
- Agency policy guidelines
  - National Science Foundation (NSF) GC-1
  - NSF Grants Policy Manual
  - National Institutes of Health (NIH) Grants Policy Statement
  - NASA Grant and Cooperative Agreement Handbook

Federal requirements include:

- A-21 (Federal Grants & Contracts)
- A-110 (Federal Grants)
- FAR (Federal Contracts)
- A-133
Hierarchy of Regulations: Group Exercise #5

Hierarchy of Regulations:

Nesting Boxes:

How can this all come together?
Special Circumstances

Initiating an Unanticipated Subaward After Proposal Is Submitted

• Prior approval from sponsor may be required.
• PI is responsible for initiating requests for sponsor approval.
• Submit required elements for subaward to SPA.
• SPA signs and submits the request.
• Subawards may not be issued until all necessary sponsor approvals are obtained.
Special Circumstances

Subrecipient was not included in the original proposal

• Prior approval from the sponsor is likely to be needed.
• Will still need all documentation.
Special Circumstances

Requesting a subaward after an award has been accepted

- What is the basis of the subaward selection?
- If sole source, why no competition?
- Traditional documentation and approvals must be put in place as with a normal subaward
Special Circumstances

Foreign subawards

- Must consider exchange rates
- Subrecipient must agree to terms of the sponsor/prime
- Consider a fixed price arrangement

Some examples of terms that will not apply to foreign subawards include:

- Clean Air and Water Act
- OMB A-133
Special Circumstances

Approvals required for subawards under contract

May require:

- Written approval or notification
- Detailed written cost analysis of sub’s proposal
- Certification of cost and pricing data
- Small business subcontracting plan
- Sole source justification
Parting Words on Subawards

- Protect sponsor’s interests as well as the University of Minnesota’s
- Flow-down requirements of the prime award
- Process legally binding agreements between PI/department and SPA, sponsor in a timely fashion
- Do not include conflicting terms and conditions with prime or that add undue administrative burden to a recipient
**MONITOR**

**PI/Department**
- Verifies subrecipient’s compliance.
- Reviews and signs invoices and sends them to SPA.
- Reviews expenditure statements.
- Monitors subrecipient’s adherence to terms and technical progress.

**SPA**
- Assists PI/department in monitoring subrecipients.
- Requests and reviews annual audit reports.
- Verifies corrective action plans are implemented.
- Reviews risk levels and, if necessary, modifies subaward agreement.
- Processes invoices with PI approval.

**MODIFY/AMEND**

**PI/Department**
- Assesses need to modify statement of work/budget.

**SPA**
- Prepares, negotiates, issues, and distributes amendments.
- Modifies subawards encumbrances in the financial system.

**CLOSEOUT**

**PI/Department**
- Plans for timely closeout: request final report, invoice, etc.

**SPA**
- Processes final invoice and closes encumbrances in the financial system.
The subaward web page

www.ospa.umn.edu/subaward/index.htm

UNIVERSITY RESOURCES

- The subaward section of the SPA website.
- Your grant administrator. If unsure who this is, call 612-624-5599.
- Your department and dean’s offices.

SUBAWARD RESOURCES ON THE WEB

- A-133, subpart B
  www.whitehouse.gov/omb/rewrite/circulars/a133/a133.html

- A-110, subpart A
  www.whitehouse.gov/omb/circulars/a110/a110.html

- Federal Demonstration Partnership
  http://sites.nationalacademies.org/PGA/dfd

- Federal Audit Clearinghouse
  http://harvester.census.gov/sac

- FFATA
  www.usaspending.gov
## Subawards Terminology

<table>
<thead>
<tr>
<th>Term</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Allocable Costs</td>
<td>Costs that are applicable to subaward work; benefit both the subaward and other work and can be distributed in reasonable proportion to the benefits received; and are necessary to the overall operation of the business.</td>
</tr>
<tr>
<td>Allowable Costs</td>
<td>Costs that the sponsor will reimburse under the subaward (i.e., subcontract, subagreement, subrecipient agreement, subgrant) to which they are charged. In general, a cost is allowable if it is reasonable, allocable, applicable to subaward work, in conformity with the requirements and limitations of the subaward, and in conformity with generally accepted sound business practices. A cost that requires the sponsor’s prior consent is not an allowable cost until that consent has been obtained.</td>
</tr>
<tr>
<td>American Recovery and Reinvestment Act (ARRA)</td>
<td>Passed in February 2009 as an economic stimulus package. The money set aside by this program is intended to create jobs and provide many other economic benefits. The legislation includes reporting requirements that apply to subawards.</td>
</tr>
<tr>
<td>Animal and/or Human Subject Approval</td>
<td>University approval obtained by a PI to conduct research that involves experiments on or treatment of animal or human subjects. If animals are involved, approval is obtained from the IACUC committee. If humans are involved, approval is obtained from the IRB committee.</td>
</tr>
<tr>
<td>Award Amount</td>
<td>Funds that have been obligated by a funding agency for a particular project. This term is used both for original award and supplements; it can mean monies or equipment.</td>
</tr>
<tr>
<td>Award Notification</td>
<td>Prepared by SPA, summarizes the essential terms of the grant or contract, including the period of performance, the amount of funding and method of payment, the F&amp;A rate, and the dates on which any technical and financial reports are due.</td>
</tr>
<tr>
<td>Bilateral Agreement</td>
<td>An agreement undertaken by both sides (subrecipient and the University) that each party must sign and that binds both parties to the terms of the agreement.</td>
</tr>
<tr>
<td>Budget</td>
<td>Detailed statement outlining estimated project costs to support work under a grant or contract.</td>
</tr>
<tr>
<td>Co-investigator (Co-I or Co-PI)</td>
<td>Individual that shares responsibilities with the PI by conducting a part of the scientific portion of the project. This individual must meet the same criteria as that of a PI. On projects that have multiple projects within them, the individual may be may be considered a co-principal</td>
</tr>
</tbody>
</table>
Subawards Terminology (cont.)

- investigator with the primary responsibility for all aspects of all aspects of his or her portion of the project.

**Contract (Procurement)**

Appropriate agreement to be used in a relationship between the federal government and a recipient whenever the principal purpose of the relationship is to acquire, by purchase, lease, or barter, property or services for the direct benefit or use of the federal government; or an executive agency determines in a specific instance that the use of a type of procurement contract is appropriate.

**Contract for Professional Services (CPS)**

Customized services consisting of specialized intellectual or creative expertise based on personal skills or ideas of an individual(s) that are provided for a fee, which may be determined individually with each customer for each service contract.

**Cost Analysis**

Review, evaluation, and analysis of each of the elements of the subawardee’s cost proposal, including lower-tier subawards/subcontracts, and purchase orders proposed.

**Cost Reimbursement (CR)**

A type of agreement whereby payments are based on actual allowable costs incurred in performance of the work.

**Dean**

An academic leader with programmatic, managerial, and fiscal responsibilities for a college or school. The dean’s office is responsible for overseeing the activities in the unit, and reports either to the executive vice president and provost, to the senior vice president for health sciences, or to the chancellor on a coordinate campus (Crookston, Morris, or Rochester).

**Department/Unit Head**

Academic leader with programmatic, managerial, and fiscal responsibilities for a designated area, such as a department, division, school, or center. The department/unit head oversees the sponsored projects management at the local level.

**Facilities and Administrative Costs (F&A or Indirect Costs)**

Actual costs incurred during the normal business activities of an organization that cannot be readily identified with or directly charged to a specific project or activity. Included are instruction and departmental research, library services, public service, and other institutional activities. F&A costs are real, auditable costs incurred by the University each time it accepts an award for a sponsored project. If the University does not collect full reimbursement for these costs, other University resources must be used to subsidize them.
Subawards Terminology (cont.)

**F&A Cost Rate (or Indirect Cost Rate)**
Composite rate applied to sponsored projects as a percentage of the sponsored project’s direct costs for the purpose of charging the sponsored project its share of the University’s indirect/F&A costs. The federally negotiated Indirect/F&A Cost Rates for research and other sponsored activities are developed by the University in accordance with OMB Circular A-21 and negotiated with the Department of Health and Human Services (DHHS), the University’s federal cognizant agency. Example: “The indirect costs for a project are computed by multiplying the direct costs by the indirect cost rate.” The University uses the term *F&A cost rate* on its forms.

**Federal Acquisition Regulations (FAR)**
Established to codify the uniform policies for the acquisition of supplies and services by executive agencies, normally applied to RFPs and federal contracts.

**Federal Demonstration Partnership (FDP)**
A cooperative initiative among federal agencies and institutional recipients of federal funds. It was established to increase research productivity by streamlining the administrative process and minimizing the administrative burden on PIs while maintaining effective stewardship of federal funds. Under the FDP, a researcher, as a recipient of federal grants, has management flexibility that includes ninety-day pre-spending authority, institutionally approved no-cost extensions up to one additional year, and automatic carryover of unobligated funds from one budget period to the next.

**Federal Funding Accountability and Transparency Act (FFATA)**
Requires information on federal awards (federal financial assistance and expenditures) be made available to the public via a single, searchable website. Federal awards include grants, subgrants, loans, awards, cooperative agreements, and other forms of financial assistance, as well as contracts, subcontracts, purchase orders, task orders, and delivery orders.

**Financial Conflict of Interest (FCOI)**
A Financial Conflict of Interest exists when the Institution, through its designated official(s), reasonably determines that an Investigator’s Significant Financial Interest is related to a PHS-funded research project and could directly and significantly affect the design, conduct or reporting of the PHS-funded research.

**Fixed Price**
PI agrees to accomplish project objectives within a specific time frame for a set dollar amount. If the deliverables are not completed within the award period, the contract must be extended. The award amount also remains constant, even if actual costs for the project are above or below it. Any overexpenditures are the responsibility of the department, and unspent funds do not revert to the sponsor.
### Subawards Terminology (cont.)

<table>
<thead>
<tr>
<th>Term</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Grant Administrator (GA)</strong></td>
<td>An individual who works in the Office of Sponsored Projects Administration (SPA) and is the administrative liaison between the sponsor and the department. The GA is responsible for reviewing proposals, communicating with the sponsor, negotiating and finalizing awards and related subawards, and assisting in the management of the sponsored project.</td>
</tr>
<tr>
<td><strong>Grant/Contract Officer</strong></td>
<td>Sponsor’s employee who is officially responsible for the project’s business management.</td>
</tr>
<tr>
<td><strong>Health Insurance Portability and Accountability Act (HIPAA)</strong></td>
<td>Subrecipient acknowledges that it may receive protected health information (PHI), as defined by HIPAA regulations, regarding subjects involved in the study. Subrecipient agrees that such information: will be used only for purposes of conducting the study consistent with both the protocol and the subject consent form signed by study subjects; may be disclosed to the U.S. F.D.A. and/or other regulatory agencies to gain regulatory approval; and will not be disclosed or utilized for any other purpose. Subrecipient will use appropriate safeguards to ensure conformance with these obligations and will promptly inform prime recipient of any inappropriate use or disclosure of such information.</td>
</tr>
<tr>
<td><strong>Human Research Protection Program (HRPP)</strong></td>
<td>A unit of the OVPR responsible for reviewing and monitoring research processes that involves the use of human subjects and potentially hazardous biological agents. HRPP is responsible for managing the administrative support and compliance functions of the Institutional Review Board (IRB) and the Institutional Biosafety Committee (IBC).</td>
</tr>
<tr>
<td><strong>Institutional Biosafety Committee (IBC)</strong></td>
<td>Consists of faculty, staff, and community representatives and is charged under federal regulations and Regents’ policy with the oversight of all teaching and research activities involving recombinant DNA, artificial gene transfer, infectious agents, and biologically derived toxins.</td>
</tr>
<tr>
<td><strong>Institutional Review Board (IRB)</strong></td>
<td>Reviews research projects that involve human subjects to ensure that two broad standards are upheld: first, that subjects are not placed at undue risk; second, that they give uncoerced, informed consent to their participation.</td>
</tr>
</tbody>
</table>
Subawards Terminology (cont.)

**Intellectual Property (IP)**
Results of research conducted by the University that have potential value for practical applications or other uses by the public. Examples of intellectual property are inventions, computer software, biological materials, and original writings. When is it in the interest of the University or otherwise necessary, a patent or copyright is obtained to protect intellectual property rights.

**Key Personnel**
Personnel considered to be of primary importance to the successful conduct of a research project. The term usually applies to the senior members of the project staff.

**Letter of Commitment**
Indicates commitment to a Statement of Work. Must be signed by an authorized official of the subrecipient (usually not the PI). Assures:

- Reasonableness and accuracy of proposed costs.
- All required representations, certifications, and assurances (e.g., human subjects) are complete.
- Agreement to negotiate a subaward if proposal is awarded.

**Modification**
Any change made to an existing sponsored agreement.

**Modified Total Direct Cost (MTDC)**
Base upon which the federally negotiated F&A rates are applied. MTDC is derived by excluding certain costs from the direct cost total. Exclusions include: equipment, patient care, alterations and renovations, space rental, tuition remission, subawards to other UC campuses, and in all other subawards, any amount beyond the first $25,000.

**Notice of Grant Award (NOGA)**
Issued by SPA based on sponsor’s award announcement. Provides the award’s important terms and conditions. Should be referred to by PIs and departments to offer guidance in managing the project.

**Office of Institutional Compliance (OIC)**
Provides independent and centralized oversight over the University’s compliance risk areas. They administer the University’s individual and institutional conflict of interest review processes.

**Office of Management and Budget (OMB)**
Agency of the federal government that evaluates, formulates, and coordinates management procedures and program objectives within and among departments and agencies of the Executive Branch. It also controls the administration of the federal budget, while routinely providing the president of the United States with recommendations regarding budget proposals and relevant legislative enactments.
Subawards Terminology (cont.)

OMB Circulars

OMB circulars give instructions to the federal agencies that they are required to implement. The effect is to provide guidance regarding the maximum requirements for government agencies and the minimum standards for institutions.

- **OMB Circular A-21: Cost Principles for Educational Institutions.** Outlines allowable costs and also prescribes the manner in which universities must determine their indirect cost charges.

- **OMB Circular A-110: Uniform Administrative Requirements for Grants and Other Agreements with Institutions of Higher Education, Hospitals, and Other Non-Profit Organizations.** Sets forth administrative procedures, such as financial reporting, the handling of program income, payment requirements, standards for financial management, federal requirements for cost sharing, rebudgeting, and prior approval.

- **OMB Circular A-133: Audits of Institutions of Higher Education and Other Nonprofit Institutions.** Outlines audit requirements for universities and other nonprofit institutions which receive federal funds.

Office of Animal Welfare

A unit of the OVPR responsible for managing the administrative support, inspection, and compliance functions for the Institutional Animal Care and Use Committee (IACUC). IACUC reviews all projects involving animals to ensure that they are justified by their benefits and to minimize any animal pain that might occur. This includes research, teaching, and display of University of Minnesota–owned animals. Resource to the grant administrator and PI with subrecipient issues.

Office of the Vice President of Research (OVPR)

Oversees all aspects of research at the University’s five campuses, providing guidance to individual researchers and managing the system-wide research enterprise. OVPR is also responsible for policy and oversight related to the research policy and oversight related to the research process and education/training in the responsible conduct of research. The vice president for research reports directly to the president of the University.

Pass-Through Entity

Nonfederal entity that provides a portion of an award it has received to a subrecipient to carry out a specific program.
<table>
<thead>
<tr>
<th><strong>Subawards Terminology (cont.)</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Post-award Department Administrator</strong></td>
</tr>
<tr>
<td><strong>Pre-award Department Research Administrator</strong></td>
</tr>
<tr>
<td><strong>Price Analysis</strong></td>
</tr>
<tr>
<td><strong>Principal Investigator (PI)</strong></td>
</tr>
<tr>
<td><strong>Privity of Contract</strong></td>
</tr>
<tr>
<td><strong>Progress Report</strong></td>
</tr>
<tr>
<td><strong>Proposal</strong></td>
</tr>
<tr>
<td><strong>Proposal Routing Form (PRF)</strong></td>
</tr>
<tr>
<td><strong>Reasonable Costs</strong></td>
</tr>
</tbody>
</table>
### Subawards Terminology (cont.)

<table>
<thead>
<tr>
<th><strong>Research Education and Oversight (REO)</strong></th>
<th>Advises the vice president for research and provides independent oversight and monitoring of research compliance activities both internally and across the system. In the process, REO works to reinforce and enhance the research activities of University faculty and staff. Specific functions of REO include:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>- Educating employees in policies and procedures related to research compliance</td>
</tr>
<tr>
<td></td>
<td>- Facilitating the development and enforcement of research policies</td>
</tr>
<tr>
<td></td>
<td>- Coordinating University-wide research integrity and compliance functions</td>
</tr>
<tr>
<td></td>
<td>- Maintaining a program that aligns with the strategic vision of university leadership</td>
</tr>
</tbody>
</table>

| **Sponsored Financial Reporting** | Institutional unit reporting to the Controller’s Office that is responsible for submitting financial reports and invoices to sponsors to fulfill award requirements. SFR staff accountants prepare sponsor-required financial invoices and reports with assistance from principal investigators and department administrators. Invoices and reports are prepared based on the frequency and due-date requirements established by the sponsor and written in the award documents. |

| **Sponsored Projects Administration (SPA)** | The University system-wide office authorized to submit research proposals and receive awards from external sources on behalf of the Board of Regents of the University of Minnesota. SPA is also the fiduciary for the University on grant-related matters. The unit runs audit assessments on awards at time of issuance. |

| **Sponsor** | An external funding agency that enters into an agreement with the University to support research, instruction, public service, or other sponsored activities. Sponsors include private businesses, corporations, foundations, and other not-for-profit organizations, other universities, and federal, state, and local governments. |

| **Sponsored Research** | Funding for research, training, or public service programs provided by federal or private sources outside the University, usually requiring formal acceptance of terms and conditions by the University related to the performance of the research. |

| **Statement of Work (SOW)** | Formal mechanism for obtaining concurrence to issue the subaward agreement. |
Subawards Terminology (cont.)

<table>
<thead>
<tr>
<th>Term</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Subaward (Subcontract, Subgrant, or Subagreement)</td>
<td>A binding legal agreement. A defined portion of the University work statement's intellectually significant activity is assigned to another entity (the subrecipient) to fulfill. A complete subaward includes a statement of work, letter of intent, budget, and other documentation as required by the sponsor.</td>
</tr>
<tr>
<td>Subrecipient</td>
<td>OMB Circular No A-133 Subpart A 105 defines a subrecipient as follows: A non-federal entity that expends federal awards received from a pass-through entity to carry out a federal program, but does not include an individual that is a beneficiary of such a program. A subrecipient may also be a recipient of other federal awards directly from a federal awarding agency to conduct a portion of the work.</td>
</tr>
<tr>
<td>Supplemental (Rebudgeting or Modification) Proposal</td>
<td>A request to the sponsor for additional funds for an ongoing project during an already approved performance period. A supplemental proposal may result from increased costs, modifications in design, or a desire to add a closely related component to the ongoing project.</td>
</tr>
<tr>
<td>Terms and Conditions</td>
<td>Includes issues based on University policy or sponsor guidelines.</td>
</tr>
<tr>
<td>Terms of Award</td>
<td>All legal requirements imposed on a recipient by the sponsor, whether by statute, regulation(s), or terms in the award document. The terms of an agreement may include both standard and special provisions that are considered necessary to protect the sponsor's interests.</td>
</tr>
<tr>
<td>Tier</td>
<td>One of a series of rows placed one above another, it defines the relationship when awards have subawards their respective budgets.</td>
</tr>
<tr>
<td>Total Direct Cost (TDC)</td>
<td>Total of all direct costs of a project.</td>
</tr>
<tr>
<td>Vendor Agreement</td>
<td>Provides goods/services within normal business operations to many different purchasers that are ancillary to operation of sponsored program. Operates in a competitive environment. Is not subject to compliance requirements of the prime sponsor.</td>
</tr>
</tbody>
</table>
Audit Certification and Financial Questionnaire
University of Minnesota – Office of Sponsored Projects Administration

Please complete and return to
Office of Sponsored Projects Administration
450 McNamara Alumni Center
200 Oak Street SE
Minneapolis, MN 55455-2070
Fax # 612.624.4843, Phone # 612.624.5599

For (Organization/Company Name): ______________________________________________________

Subaward # __________________________________________________

Audit Certification for Your Organization's/Company's Most Recently Completed Fiscal Year (Respond to A or B, below, as applicable):

A. External independent audits of my organization/company have been completed for Fiscal Year 200___
   (state organization's/company's fiscal year: from MM/DD/YYYY:_______________ to MM/DD/YYYY:_______________).
   A true, complete and correct copy of the audit report is attached or available at the following website
   ___________________________________________ and hereby provided to University of Minnesota.

OR

B. My organization/company has not been audited by a U.S. Government audit agency or by an independent
   CPA firm for the most recently completed Fiscal Year (state organization's/
   company's fiscal year: from MM/DD/YYYY:_________________ to MM/DD/YYYY:_________________).
   True and correct information concerning my organization's finances is provided in the attached Financial Status
   Questionnaire.

Signature of Authorized Official:

Signature ______________________ Date __________

Name (printed) _______________________ Title ______________________

Organization/Company Name and EIN _______________________________

Address _______________________________________________________

Phone __________________ Fax __________________ Email ___________________

Source: www.ospa.umn.edu/subaward/forms.htm
# Appendix A: Audit Certification & Financial Questionnaire (cont.)

<table>
<thead>
<tr>
<th>Financial Status Questionnaire For: _________________________________</th>
<th>Organization/Company Name</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>General Information</strong></td>
<td></td>
</tr>
<tr>
<td>Y N 1. Does your organization have its financial statements reviewed by an independent public accounting firm?</td>
<td></td>
</tr>
<tr>
<td>(Please enclose a copy the most recent financial statements for your organization, audited or unaudited.)</td>
<td></td>
</tr>
<tr>
<td>Y N 2. Are duties separated so that no one individual has complete authority over an entire financial transaction?</td>
<td></td>
</tr>
<tr>
<td>Y N 3. Does your organization have controls to prevent expenditure of funds in excess of approved, budgeted amounts?</td>
<td></td>
</tr>
<tr>
<td>Y N 4. Other than financial statements, has any aspect of your organization’s activities been audited within the last two years by a governmental agency or independent public accountant? Explain. (Please provide a copy of any recent external audit report.)</td>
<td></td>
</tr>
</tbody>
</table>

| **Cash Management**                                              |                             |
| Y N 1. Are all disbursements properly documented with evidence of receipt of goods or performance of services? |                             |
| Y N 2. Are all bank accounts reconciled monthly?                 |                             |

| **Payroll**                                                      |                             |
| Y N 1. Are payroll charges checked against program budgets?      |                             |
| 2. What system does your organization use to control paid time, especially time charged to sponsored agreements? |                             |

Source: www.ospa.umn.edu/subaward/forms.htm
### Audit Certification and Financial Questionnaire

#### Procurement

<table>
<thead>
<tr>
<th>Y/N</th>
<th>Question</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1. Are there procedures to ensure procurement at competitive prices?</td>
</tr>
<tr>
<td>Y N</td>
<td>2. Is there an effective system of authorization and approval of:</td>
</tr>
<tr>
<td></td>
<td>a) capital equipment expenditures?</td>
</tr>
<tr>
<td>Y N</td>
<td>b) travel expenditures?</td>
</tr>
</tbody>
</table>

#### Property Management

<table>
<thead>
<tr>
<th>Y/N</th>
<th>Question</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1. Are detailed records of individual capital assets kept and periodically balanced with the general ledger accounts?</td>
</tr>
<tr>
<td>Y N</td>
<td>2. Are there effective procedures for authorizing and accounting for the disposal of property and equipment?</td>
</tr>
<tr>
<td>Y N</td>
<td>3. Are detailed property records periodically checked by physical inventory?</td>
</tr>
<tr>
<td></td>
<td>4. Briefly describe the organization’s policies concerning capitalization and depreciation.</td>
</tr>
</tbody>
</table>

________________________________________________________________________
________________________________________________________________________
___________________________________ ______________________________________
________________________________________________________________________
________________________________________________________________________

#### Cost Transfers

1. How does the organization ensure that all cost transfers are legitimate and appropriate?

________________________________________________________________________
________________________________________________________________________
________________________________________________________________________
________________________________________________________________________

#### Indirect Costs

<table>
<thead>
<tr>
<th>Y/N</th>
<th>Question</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1. Does the organization have an indirect cost allocation plan or a negotiated indirect cost rate? Explain. (Please provide a copy of any negotiated indirect cost rate agreement.)</td>
</tr>
</tbody>
</table>

Source: www ospa umn edu/subaward/forms htm
Appendix A: Audit Certification & Financial Questionnaire (cont.)

Indirect Costs (Continued)

Y  N  2. Does the organization have procedures which provide assurance that consistent treatment is applied in the distribution of charges to all grants, contracts and cooperative agreements? Explain.

_____________________________________________________________________________________
_____________________________________________________________________________________
_____________________________________________________________________________________

Cost Sharing

1. How does the organization determine that it has met cost sharing goals?

_____________________________________________________________________________________
_____________________________________________________________________________________
_____________________________________________________________________________________
_____________________________________________________________________________________

Compliance

Y  N  1. Does your organization have a formal policy of nondiscrimination and a formal system for complying with Federal civil rights requirements?

Y  N  2. Does your organization have a cash forecasting process which will minimize the time elapsed between the drawing down of funds and the disbursement of those funds?

Y  N  3. Please provide a list of recent grants, contracts or cooperative agreements your organization has received from the University of Minnesota.

_____________________________________________________________________________________
_____________________________________________________________________________________
_____________________________________________________________________________________
_____________________________________________________________________________________

Attachments

Y  N  Recent Financial Statements External Review or Audit Report
Y  N  Financial Statements, Audited or Unaudited
Y  N  Indirect Cost Rate Agreement
Y  N  List of Awards from the University of Minnesota

Source: www.ospa.umn.edu/subaward/forms.htm
CERTIFICATE OF CURRENT COST OR PRICING DATA (FAR 15.406-2)

(When cost or pricing data are required in accordance with FAR 15.406-2, the Contracting Officer will request that the offeror complete, execute, and submit to the Contracting Officer a certification in the format shown in the following Certificate of Current Cost or Pricing Data. The certification shall be submitted only at the time negotiations are concluded. Offerors should complete the certificate and return it when requested by the Contracting Officer.)

This is to certify that, to the best of my knowledge and belief, the cost or pricing data (as defined in section 15.401 of the Federal Acquisition Regulation (FAR) and required under FAR subsection 15.403-4) submitted, either actually or by specific identification in writing, to the Contracting Officer or to the Contracting Officer’s representative in support of ____________________________ * are accurate, complete, and current as of ____________________________ **.

This certification includes the cost or pricing data supporting any advance agreements and forward pricing rate agreements between the offeror and the Government that are part of the proposal.

Firm ________________________________________________

Signature ____________________________________________

Name ________________________________________________

Title ________________________________________________

Date of execution*** ___________________________________

* Identify the proposal, request for price adjustment, or other submission involved, giving the appropriate identifying number (e.g., RFP No.)

** Insert the day, month, and year when price negotiations were concluded and price agreement was reached, or, if applicable, an earlier date agreed upon between the parties that is as close as practicable to the date of agreement on price.

*** Insert the day, month, and year of signing, which should be as close as practicable to the date when the price negotiations were concluded and the contract price was agreed to.

(End of Certificate)

Appendix C: Commitment Form

Commitment Form (Letter of Intent) to Establish a Subaward Agreement
University of Minnesota – Office of Sponsored Projects Administration

DATE:

PRIME SPONSOR:

PRIME INSTITUTION: Regents of the University of Minnesota

PRINCIPAL INVESTIGATOR:

SUBRECIPIENT INSTITUTION:

SUBRECIPIENT INSTITUTION PRINCIPAL INVESTIGATOR:

TITLE:

PROPOSED AMOUNT:

PROPOSED PROJECT PERIOD:

CERTIFICATIONS:

1. Facilities & Administration Rates included in this proposal have been calculated based on:
   - [ ] Our federally-negotiated F&A Rates for this type of work, or a reduced F&A rate that we hereby agree to accept.
   - [ ] Other rates (please specify the basis on which the rate has been calculated in “notes section” below).
   - [ ] Not applicable (no indirect cost request for the subrecipient).

2. Fringe Benefit Rates included in this proposal:
   - [ ] Are consistent with or lower than our federally-negotiated rate agreement.
   - [ ] Are based on other rates (please specify the basis on which the rate has been calculated in “notes section” below).

Source: www.ospa.umn.edu/subaward/forms.htm
### CERTIFICATIONS (continued):

**3. Human Subjects**
- ☐ Yes
- ☐ No
- ☐ Exempt

If “Yes,”
- ☐ Copies of the IRB approval and approved “Informed Consent” form are attached.
- ☐ Copies of IRB approval and “Informed Consent” will be forwarded to the Office of Sponsored Projects Administration as soon as they become available.

**3a. Human Research Participants Protection Training**
- # of applicable personnel: ______

- ☐ Certification of education on the protection of human research participants for all individuals indentified as Senior/Key Personnel attached.
- ☐ Certification will be provided at time of award.

**4. Animal Subjects**
- ☐ Yes
- ☐ No

If “Yes,”
- ☐ Copy of the IACUC approval is attached.
- ☐ Copy of IACUC will be forwarded to the Office of Sponsored Projects Administration as soon as they become available, but no later than time of award.

**5. Biosafety Committee**
- ☐ Yes
- ☐ No

If “Yes,”
- ☐ A copy of the Biosafety Committee approval form is attached.
- ☐ A copy of the Biosafety Committee approval will be forwarded to the Office of Sponsored Projects Administration as soon as it becomes available.

**6. Conflict of Interest** (applicable PHS, NIH, NSF, DHHS or any other program requiring federal financial disclosure)

- ☐ Subrecipient Organization/Institution hereby certifies that it has an active and enforced conflict of interest policy that is consistent with the provision of 42 CFR Part 50, Subpart F “Responsibility of Applicants for Promoting Objectivity in Research.”
- Subrecipient also certifies that, to the best of Institution’s knowledge, 1) all financial disclosures have been made related to the activities that may be funded by or through a resulting agreement, and required by its conflict of interest policy; and 2) all identified conflicts of interest have or will have been satisfactorily managed, reduced or eliminated in accordance with subrecipient’s conflict of interest policy prior to the expenditures of any funds under resultant agreement.
- ☐ Not applicable because project is not being funded by PHS, NIH, NSF or DHHS

**7. Cost Sharing/Matching**
- ☐ Yes
- ☐ No

**In-Kind**
- ☐ Yes
- ☐ No

Cost sharing, Matching and/or In-Kind amounts and justification should be included in the subrecipient’s budget.

---

*Source: [www.ospa.umn.edu/subaward/forms.htm](http://www.ospa.umn.edu/subaward/forms.htm)*
Appendix C: Commitment Form (cont.)

CERTIFICATIONS (continued):

8. Certification Regarding Debarment & Suspension  ■ Yes  ■ No
   Subrecipient certifies that neither it nor the principals are presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from participation in any Federal department or Agency. Subawards to any entity or individual included in the Federal Excluded Parties are prohibited.

The appropriate programmatic and administrative personnel involved in this application are prepared to establish and administer the necessary inter-institutional agreement(s) consistent with prime sponsor policies.

Subrecipient Institutional Official

By: _____

Name: _____

Title: _____

Date: _____

Please return this form to the University of Minnesota’s principal investigator or department administrator (_____ ) with the approved budget and statement of work.

Office of Sponsored Projects Administration,
450 McNamara Alumni Center,
200 Oak Street SE, Minneapolis, MN 55455-2070, 612.624.5599

Notes (use to explain use of other F&A rate, Fringe Benefit rate or pertinent information necessary to this agreement you wish to share):

Justification:

Source: www.ospa.umn.edu/subaward/forms.htm
Appendix D: Fair and Reasonable Cost Analysis Form 1

Fair & Reasonable Cost Analysis Form
Subawards Under Grants, Cooperative Agreements, and Nonfederal Contracts
University of Minnesota – Office of Sponsored Projects Administration

When proposing a subaward for a sponsored research project to be funded under a grant (federal/nonfederal), cooperative agreement (federal/nonfederal), or nonfederal contract, the University of Minnesota requires a cost/price analysis and related matters. Please comply with these requirements by completing the following and retain in department file.

Background/Purpose

Subaward proposed to (name of subrecipient):
Research effort entitled:
Research sponsored by:
PRF #: __________________ University of Minnesota PI:
University of Minnesota proposal dated: ______________ Proposed Subaward Total: $ ______________
Subaward Period of Performance: From: ______________ To: ______________
Project # (if known): __________________

When Was Subrecipient Selected? (Check the appropriate box):

☐ Subrecipient entity was selected based upon its fiscal responsibility, potential ability to perform the Subaward successfully, technical expertise, and accessibility to technical and other necessary resources.

☐ Subrecipient's proposal was included in University of Minnesota's proposal package and was evaluated by the sponsor along with University of Minnesota as part of the overall selection process conducted pursuant to the sponsor's award under the prime award. At that time, the technical aspects of the Subrecipient's proposal were acceptable to the sponsor, and therefore, this Subrecipient is the logical choice for this award.

☐ This Subrecipient was not included in University of Minnesota's proposal package. This subrecipient is unique because (attach additional pages if necessary):

The reasons (other than cost) that this subrecipient was selected over others are (attach additional pages if necessary):

Cost/Price Reasonableness

☐ All costs proposed by Subrecipient under this Subaward were reviewed and approved by the University of Minnesota PI as reasonable and necessary for the proposed scope of work.

Items to be reviewed when applicable include the following:
- Salaries, type of personnel, and level of effort have been reviewed and appear reasonable for the proposed scope of work.
- Specific equipment items and/or of supplies are separately listed and are appropriately based on standard or catalog prices, or vendor quotes.
- The travel appears to be necessary, and trips are priced separately and correctly, based on both technical review and review of published air fares, hotel rates and per diem rates.
- All other significant costs are separately itemized and are reasonable.

Department Verification

All costs proposed by Subrecipient under this Subaward were reviewed and approved by the individual completing this form:

Signature: __________________________ Date: __________________________
Printed Name / Title: __________________________}

Source: www.ospa.umn.edu/subaward/forms.htm
Appendix E: Fair and Reasonable Cost Analysis Form 2

Fair & Reasonable Cost Analysis Form - Subawards Under Federal Contracts
University of Minnesota – Office of Sponsored Projects Administration

When proposing a subaward for a sponsored research project to be funded under a federal contract, University of Minnesota requires that a cost/price analysis be performed. Please comply with this requirement by completing the following and submitting it along with documentation to SPA.

The University of Minnesota is required to comply with the instructions for proposal submissions, which might include certified cost and pricing data or other than certified cost and pricing data. Original documentation should be maintained that was used in developing the proposal estimate since this information will be required to substantiate how proposal pricing was derived under some types of federal contracts. Contact SPA if additional information is needed.

Background/Purpose

Subaward proposed to (name of subrecipient): ________________________________

Research effort title: _____________________________________________________

Research sponsored by (name of federal agency): _____________________________

University of Minnesota PI is: _____________________________________________

PRF #: _____________  Project # (if known): _________________________________

Subrecipient PI: ______________________________  Proposed Subaward Total: $ _____________

Subaward Period of Performance: From: ________________________________ To: ________________________________

Acceptance of Costs: Cost/Price Reasonableness

All costs proposed by Subrecipient under this Subaward were reviewed and approved by the University of Minnesota PI as evidenced by the Cost/Price Reasonableness Checklist below.

If the listed item of cost is included in the Subrecipient’s budget, the University of Minnesota PI must complete the cost/price verification and/or analysis. Please check the appropriate responses. If PI has any additional comments to the questions below, please provide remarks in the comments section below. If awarded, documentation must be provided to show how each response was derived for each applicable area.

1. Personnel:

   Are the level of effort and percentage of effort of the personnel listed appropriate for the project?
   
   □ Yes  □ No  □ N/A

   Has the subrecipient provided the basis for salary/wage costs (i.e. copies of payroll forms or reports)?
   
   □ Yes  □ No  □ N/A

2. Standard Equipment and Supply Items: Are items of equipment or type of supplies based on standard or catalog prices?

   □ Yes  □ No  □ N/A

Source: www.ospa.umn.edu/subaward/forms.htm
Appendix E: Fair and Reasonable Cost Analysis Form 2 (cont.)

4. **Travel**: Does the travel appear to be necessary?
   - [ ] Yes
   - [ ] No
   - [ ] N/A

5. **Travel**: Are the trips separately itemized and priced correctly?
   - [ ] Yes
   - [ ] No
   - [ ] N/A

6. **Other Costs**: Are all other costs separately itemized and priced correctly?
   - [ ] Yes
   - [ ] No
   - [ ] N/A

**COMMENTS** (please attach additional pages if necessary):

---

**Sole Source Justification**

1. This subrecipient is unique because:

2. The reasons (other than cost) that this subrecipient was selected over others are:

---

**Principal Investigator Verification**

All costs proposed by Subrecipient under this Subaward were reviewed and approved by the undersigned Principal Investigator.

Signature (PI Name and Title): ____________________________ Date: __________________

---

**PLEASE FORWARD THIS COMPLETED FORM WITH BACKUP DOCUMENTATION TO**

Office of Sponsored Projects Administration, 450 McNamara Alumni Center, 200 Oak Street SE, Minneapolis, MN 55455-2070, Fax # 612.624.4843, Phone # 612.624.5599, awards@umn.edu

---

Source: www.ospa.umn.edu/subaward/forms.htm
Appendix F: Fairview Subaward Changes

Effective January 1, 2011, most of the sub-awards with Fairview Health Services will change. Laboratory services provided by the Collaborative Studies Clinical Laboratory will be provided by the Department of Laboratory Medicine and Pathology’s Advanced Research and Diagnostic Laboratory as described below. A contract for professional services will be used in the future to procure personnel services of Fairview Health Services employees such as study coordinators, dieticians, etc., as described below.

**Fairview Collaborative Studies Clinical Laboratory Becomes a Medical School Laboratory**

The Department of Laboratory Medicine and Pathology has initiated a plan to move the Collaborative Studies Clinical (CSCL), which to date has been providing laboratory testing services to many of our sponsored projects via a subawards between the University of Minnesota and Fairview Health Services, back to a University-owned and operated laboratory effective January 1, 2011. With this move, laboratory services that were previously provided by Fairview Health Services CSCL under a subcontract will be provided after January 1, 2011, by a laboratory unit in the University's Department of Laboratory Medicine and Pathology using an internal service organization (ISO) mechanism. Essentially, all of the personnel presently involved in Fairview Health Services laboratory, the laboratory equipment, and physical space will be available to the new unit to provide the same services to our project. We fully expect the same high scientific quality from the new unit as before. Because of this change, the Fairview subcontract will no longer be needed for laboratory services for sponsored projects. Sponsored Projects Administration has recently notified Fairview Health Services that its subawards will be terminated effective December 31, 2010.

Sponsored projects’ budgets will be kept budget neutral with regard to the difference in costs for Fairview’s indirect cost rate and the University’s indirect cost rate. A new project will be established to accommodate the use of different indirect cost rate for these ISO charges.

For future grant applications with budget periods starting January 1, 2011 and beyond, the costs of laboratory services that would have been provided by Fairview Health Services that will now be provided by the Department of Laboratory Medicine and Pathology’s Advanced Research and Diagnostic Laboratory should be entered in the Other Category in budgets with a budget justification as is normally provided. Jean Bucksa (273-3391) in the CSCL will assist you to determine costs for laboratory services for your proposal budgets.

**Contracts for Professional Services Will Replace Fairview Subawards**

Sponsored Projects Administration has reviewed all existing sub-awards with Fairview Health Services to determine if any of these activities meet the definition of a subaward. We have found that most do not, but rather represent procurement of specific skilled professional services provided by personnel of Fairview Health Services. The University frequently procures professional services from external organizations by means of a contract for professional services. We plan to change all existing subawards issued to Fairview Health
Appendix F: Fairview Subaward Changes (cont.)

Services to contracts for professional services with the exception of laboratory services provide by Fairview's Collaborative Studies Clinical Laboratory. These will be provided by a Medical School ISO. Pamela Webb discussed this change with Medical School Dean Mark Paller who agreed that we should proceed to change the business mechanism used to procure professional services from Fairview Health Services.

As a result of this determination, Fairview subawards will no longer be used on sponsored projects unless the collaboration meets the definition of a true subaward activity. A special contract for professional services (CPS) approved by both the University of Minnesota and Fairview Health Services will be used to procure the same services used previously on these projects. SPA has notified Fairview Health Services of our plan to make this transition by January 1, 2011. SPA issued termination notices to Fairview Health Services effective December 31, 2010 for the affected subawards.

Budgets will be kept neutral due to the difference in Fairview's indirect cost rate and the University's indirect cost rate. A new project will be established to accommodate the use of different indirect cost rates for these consulting charges.

In future grant applications, the costs for professional services that would have been provided by Fairview Health Services will be shown as consulting costs rather than subcontracting or consortium costs. Pricing for personnel services provided by Fairview should be obtained in TACS. Fairview will continue to provide services to our sponsored projects but we will use the new CPS to obtain these services. Departmental staff will be able to find this template contract in the Office of General Counsel's contract library (Form OGC-SC517). The EFS procedures for the purchase of professional services should be followed but rather than providing the vendor the standard CPS, departments should substitute a completed OGC-SC517.

Purchases of specific laboratory tests from Fairview Health Services that not offered by the Medical School's Laboratory, or investigational drug dispensing fees, or X-rays, etc. should be obtained by a purchase order.

Sponsored Projects Administration grant administrators will work with principal investigators to obtain budgetary approval from sponsors when necessary.
GA TO FFATA DELEGATE

Subject Line: FFATA, <CON #>
Example: FFATA, CON-4926

Dear Erin,

The attached Federal award is subject to FFATA, and there are XX subawards budgeted.

Here is the information you need regarding the Subaward(s).

Subaward 1:
   a. Number of subawards/subcontracts (If there are no subawards/subcontracts, then the following data elements are not required.)
   b. Prime Award#/Contract #
   c. UMN Award#/Contract #
   d. Subaward#/Subcontract # (Note: you will need to assign the subaward/subcontract number when the Prime Award/Contract is received from Central Files. Do not wait to assign until it’s time to issue the subaward/subcontract.)
   e. GA Name
   f. Subaward/Subcontract PI
   g. Prime Award/Contract start date
   h. Subrecipient Name
   i. Subrecipient Info (e-mail, phone)
   j. Subrecipient DUNS
   k. Subrecipient contact info (name and e-mail, or phone number if no e-mail)

Also, include a copy of the Prime Award/Contract as an attachment file to this e-mail.

Subaward 2:
   a. Number of subawards/subcontracts. (If there are no subawards/subcontracts, then the following data elements are not required.)
   b. Prime Award#/Contract #
   c. UMN Award#/Contract #
   d. Subaward#/Subcontract # (Note: you will need to assign the subaward/subcontract number when the Prime Award/Contract is received from Central Files. Do not wait to assign until it’s time to issue the subaward/subcontract.)
   e. GA Name
   f. Subaward/Subcontract PI
   g. Prime Award/Contract start date
   h. Subrecipient Name
   i. Subrecipient Info (e-mail, phone)
   j. Subrecipient DUNS
   k. Subrecipient contact info (name and e-mail, or phone number if no e-mail)

Also, include a copy of the Prime Award/Contact as an attachment file to this e-mail.

Please let me know when you have the FFATA information collected so I may issue the subaward.

Thank you,
GA
Appendix H: Frequently Asked Questions

Frequently Asked Questions - Subawards
University of Minnesota – Office of Sponsored Projects Administration

1. How do I tell if it is a Subaward or Other Procurement (CPS)?

Subaward/Subcontract vs. Contract for Professional Services document.

2. What information is needed at time of proposal?

• Subrecipient statement of work
• Subrecipient budget and budget justification
• "Commitment Form (Letter of Intent) to Establish a Subaward Agreement" or equivalent signed by subrecipient institutional official
• Any other documents required by U of M or Sponsor (for example: NSF Nondiscrimination Certification, http://www.ospa.umn.edu/subaward/forms.htm)

3. Do I need to provide an original signed copy of the commitment form and budget, or can I email as attachments to the GA?

Unless the sponsor requires it, we do not need an original. An email or fax is sufficient.

4. How should the selection of a subrecipient be documented?

Original documentation should be maintained in the department that was used in developing the proposal estimate. This information will be required to substantiate how proposal pricing and collaborator choice was derived. The forms below should be used as a tool when investigators are developing proposals and choosing subrecipient collaborators. The information gathered on these forms will help document information that may be requested by auditors. These forms do not need to be submitted to SPA, but should be kept in the department. The exception is that for Federal Contracts Form 2 should be submitted to SPA.

Fair & Reasonable Subaward Cost Analysis Form 1 - Subawards under Grants, Cooperative Agreements, and Nonfederal Contracts
Fair & Reasonable Subaward Cost Analysis Form 2 - Subawards under Federal Contracts

5. What F&A rate do I apply to a subaward?

There are two types of F&A costs on subawards - those earned by the subrecipient, and those earned by the U of M. A subrecipient is expected to apply its own federally negotiated F&A rates and bases when preparing its subaward budgets, unless a lower rate or base has been agreed to by the subrecipient's institutional official or specified by prime sponsor. If a subrecipient does not have an approved F&A rate, it must either negotiate a rate with the U of M or elect not to recover F&A. Subrecipients should submit their rate proposal and supporting documentation to SPA at least one month before the proposal is due to the sponsor. U of M applies the OMB A-21 'life-of-the-award' policy with respect to its subawards and will use the approved F&A rates authorized at the time of issuance of the subaward throughout the competitive segment of the subaward. The U of M will apply its federally approved F&A rate or the sponsor-allowed F&A rate to any subaward issued. Specifically, this means that the U of M will charge its F&A on the first $25,000 of a subaward during a competitive segment (e.g. project period). For subawards under non-federal prime sponsors, the F&A rate will vary. Please consult your GA if you are unsure of the rate type to apply.

Source: www.ospa.umn.edu/subaward/FAQ.htm
Appendix H: Frequently Asked Questions (cont.)

6. What should be the period of performance on my subaward?

The period of performance on a subaward (including any requested extensions) may not be outside the U of M's period of performance. Subawards may, however, be issued for shorter periods of time than the U of M's full period of performance. Normally, if the University receives annual incremental funding from a sponsor, any subawards will also be funded on a year-by-year basis.

7. How can I tell if the subrecipient's invoice has been paid?

See our Job Aid Finding Vouchers and Pay Dates

8. How do I modify a subaward?

Send the SPA GA the necessary information for the change needed (workscope, budget, performance period, deliverables, additional terms, etc.). Modifications may require prior sponsor approval.

9. What is FFATA and how does it affect me?

The Federal Funding Accountability and Transparency Act passed 9/2006. It requires a searchable website for public funding by data elements by 1/1/2008 for awards and by 1/1/2009 for subawards. SPA will be collecting and sending in this information to the Federal Government. SPA won't pay invoices under a subaward until the FFATA form is returned by the subrecipient. Any questions/issues regarding FFATA should be forwarded to SPA.

10. What is Risk Analysis?

A-133, section 525 requires a risk analysis to evaluate the likelihood that a subrecipient will fail to comply with the requirements of the subaward. This will be done by SPA during the issuance process and monitored during the life of the subaward. The criteria used in evaluating risk can include the subrecipient's audit experience, the prior oversight and monitoring the subrecipient has received, the size, nature, and complexity of the proposed research project, and the fiscal maturity of the subrecipient.

For further information please contact Sponsored Project Administration, Phone # 612.624.5599, awards@umn.edu, http://www.ospa.umn.edu/subaward/index.htm

Source: www.ospa.umn.edu/subaward/FAQ.htm
Federal Grants

FFATA requires grant recipients with an award date on or after October 1, 2010 to report subawards over $25,000 in the FFATA Subaward Reporting System (FSRS) (2 CFR 170). Recipients of grants with an earlier start date are not subject to these FFATA reporting requirements even if future amendments or incremental funding actions occur after October 1, 2010.

- The FFATA requirements apply whether or not FFATA is directly mentioned in the grant award.
- Under prime grants, the term “subawards” means legal instruments that provide support to third party entities for the performance of any portion of the substantive project or program. FFATA does not apply to vendor agreements issued under grants.
- Prime grants subject to the ARRA federal reporting requirements are not subject to FFATA.
- OMB has issued interim final guidance to federal agencies concerning grants subject to FFATA. (See http://edocket.access.gpo.gov/2010/2010-22705.htm)

Federal Contracts

- FFATA reporting requirements will ultimately apply to all subcontracts/vendor agreements of $25,000 or more, and are being implemented on a tiered schedule:
  - until September 30, 2010, FFATA reporting requirements apply if the prime contract is newly awarded in an amount of $20,000,000 or more;
  - from October 1, 2010 until February 28, 2011, FFATA reporting requirements apply if the prime contract is newly awarded in an amount of $550,000 or more;
  - after March 1, 2011 FFATA reporting requirements apply if the prime contract is newly awarded in an amount of $25,000 or more.
- Federal agencies will include a FAR clause specifically requiring FFATA reporting in all new prime contracts.
- Federal Contracting Officers have the option of amending existing contracts to include the FFATA reporting requirements in accordance with the tiered schedule listed above.
- FFATA reporting requirements apply to both subcontracts and vendor agreements issued under prime contracts.
- First-tier subcontracts/vendor agreements under contracts subject to FFATA and ARRA must be reported in both FFATA and ARRA reporting systems.
- Federal agencies (Department of Defense, General Services Administration, and National Aeronautics and Space Administration) have implemented FFATA via Interim Rules amending the procurement regulations. (48 CFR 4, 12, 42, and 52. See http://edocket.access.gpo.gov/2010/2010-16691.htm).

FAR 52.204.10 (July 2010)
### International Subawards Checklist 1 Pre-Preaward:
Considerations before initiating proposal development
Handout at NCURA Meeting - Fall 2008

<table>
<thead>
<tr>
<th></th>
<th></th>
<th>N/A</th>
</tr>
</thead>
<tbody>
<tr>
<td>☐</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Is the project within the institution’s mission?</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
In the event things go wrong with this project, does the institution have an international emergency management team to respond to emergencies? |
| ☐ | ☐ | ☐   |
|   |   |   |
| Is the project short-term and specific, or a long-term program? |
Who needs to review the proposal? |
| ☐ | ☐ | ☐   |
|   |   |   |
| Sponsored Programs |
Technology Transfer |
| ☐ | ☐ | ☐   |
|   |   |   |
| Research Compliance (Export and Sanctions) |
Research Compliance (IRB and/or IACUC) |
| ☐ | ☐ | ☐   |
|   |   |   |
| Research Compliance (Environmental Health/Safety) |
Controller |
| ☐ | ☐ | ☐   |
|   |   |   |
| Legal Counsel |
Risk Management |
| ☐ | ☐ | ☐   |
|   |   |   |
| International Affairs |
Academic Affairs/Student Affairs |
| ☐ | ☐ | ☐   |
|   |   |   |
| Are there any U.S. Government restrictions on conducting activities in this country? |
Are there any insurmountable ethical, social, or cultural issues associated with the project abroad? |
| ☐ | ☐ | ☐   |
|   |   |   |
| For each site, |
Does my institution need to have a registered legal presence in the host country before starting the project? |
| ☐ | ☐ | ☐   |
|   |   |   |
| What are the ramifications of “registering” in a foreign country? |
Is there a local legal entity with which I can contract? |
| ☐ | ☐ | ☐   |
|   |   |   |
| Can I legally do business with this entity and its principal officers? |
Is this entity reliable? |
| ☐ | ☐ | ☐   |
|   |   |   |
| For each individual collaborator, consultant, vendor, or subrecipient, |
Can I legally do business with this person or entity? |
| ☐ | ☐ | ☐   |
|   |   |   |
| Will a new local legal entity be formed? |
Will it be a collaborative entity? |
| ☐ | ☐ | ☐   |
|   |   |   |
| Under whose laws? |
Who would be the officers and directors of the local entity? |
| ☐ | ☐ | ☐   |
|   |   |   |
| Are there encumbrances on the collaboration (e.g., Buy America, Gov’t IP rights)? |
| ☐ | ☐ | ☐   |
|   |   |   |
| If the proposal is for an instructional/academic program, are academic issues such as accreditation and tuition equity being dealt with? |
Is there a need for an MOU/MOA with a local entity or a foreign government agency? |

Source: www.ospa.umn.edu/subaward/forms.htm
## Appendix J: International Subawards Checklist 1 (cont.)

<table>
<thead>
<tr>
<th>Question</th>
<th>Y</th>
<th>N</th>
<th>N/A</th>
</tr>
</thead>
<tbody>
<tr>
<td>May I obtain critical in-country privileges or exemptions (e.g., tax</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>exemptions, liability protections, local regulatory assistance, etc.)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>through an MOU with a foreign government agency?</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Are foreign national/regional/local government approvals or licenses</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>needed?</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Will institution personnel perform the project in a non-U.S. country?</td>
<td></td>
<td></td>
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<tr>
<td>Does the institution’s health/medical and worker’s compensation insurance</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>cover its expatriate employees?</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Does the institution’s liability insurance cover the proposed activities?</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Who (institution, sponsor, individual) will pay for additional insurance</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>such as emergency evacuation insurance?</td>
<td></td>
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<td></td>
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<tr>
<td>Will the activities require the hiring of local nationals?</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>What employer registration and labor law requirements are applicable?</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(e.g., local tax withholding, retirement, social security, benefits)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Does the project involve shipment of instruments, materials and/or data</td>
<td></td>
<td></td>
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<tr>
<td>between the foreign site and the U.S.?</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Will the institution be paid in U.S. dollars?</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>If no, is the risk of fluctuating exchange rates acceptable?</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: www.ospa.umn.edu/subaward/forms.htm
Appendix K: International Subawards Checklist 2

International Subawards Checklist 2 Preaward:
Considerations during proposal preparation and project design
Handout at NCURA Meeting - Fall 2008

PROPOSAL COMPILATION ISSUES

Y N N/A
Does the proposed foreign subrecipient have a DUNS number (required for Federal proposals)?
☐ ☐ ☐ Have you obtained letters or agreements of commitment from each foreign consultant and/or subrecipient to document their agreement to participate in the proposal?

BUDGET ISSUES

☐ ☐ ☐ Will the sponsor cover all direct project costs?
☐ ☐ ☐ If no, is cost sharing approved?
Will the sponsor allow indirect costs:
☐ ☐ ☐ For your institution?
☐ ☐ ☐ For foreign subrecipients?
☐ ☐ ☐ Are administrative costs allowable as direct costs for this project?
☐ ☐ ☐ If payment from the sponsor will not be in U.S. dollars, have exchange fees been accounted for?
☐ ☐ ☐ Are there costs that are specifically unallowable for foreign subrecipients due to sponsor restrictions?

Have you considered the following budget line items for your project?
☐ ☐ ☐ Travel
☐ ☐ ☐ Relocation costs for expatriates
☐ ☐ ☐ Shipping and customs
☐ ☐ ☐ Security
☐ ☐ ☐ Insurance
☐ ☐ ☐ Special premiums or benefits for expatriates, e.g. hardship allowance
☐ ☐ ☐ Housing for expatriates
☐ ☐ ☐ Office space in country
☐ ☐ ☐ Field/Office equipment and supplies
☐ ☐ ☐ Translation services
☐ ☐ ☐ Audit

PROJECT PERFORMANCE ISSUES

Does the project timeline allow for time-consuming necessities such as visas, licenses and leases?
☐ ☐ ☐ What is the plan for sites to communicate with each other, with the U.S. institution, with the sponsor?
☐ ☐ ☐ How will work at the foreign site be monitored?
☐ ☐ ☐ How will quality assurance among project sites be monitored?

Source: www.ospa.umn.edu/subaward/forms.htm
Appendix K: International Subawards Checklist 2 (cont.)

<table>
<thead>
<tr>
<th>Question</th>
<th>Options</th>
</tr>
</thead>
<tbody>
<tr>
<td>What is the likelihood of natural disaster or political upheaval at the</td>
<td>□□□□ N/A</td>
</tr>
<tr>
<td>foreign site, and what would be the consequence to the proposed project?</td>
<td></td>
</tr>
<tr>
<td>Does the subrecipient meet compliance requirements for performance of</td>
<td>□□□□ □□□□</td>
</tr>
<tr>
<td>human subject or animal research (when applicable)?</td>
<td></td>
</tr>
<tr>
<td>Is security clearance or Federal agency approval required for any project</td>
<td>□□□□ □□□□</td>
</tr>
<tr>
<td>personnel?</td>
<td></td>
</tr>
<tr>
<td>How will you exchange currency?</td>
<td>□□□□ □□□□</td>
</tr>
<tr>
<td>Official market</td>
<td></td>
</tr>
<tr>
<td>&quot;Street&quot; market (if applicable)</td>
<td></td>
</tr>
</tbody>
</table>

Source: www.ospa.umn.edu/subaward/forms.htm
Appendix L: NSF Nondiscrimination Certification Form

National Science Foundation Nondiscrimination Certification Form

Certification of Compliance with National Science Foundation Nondiscrimination Regulations and Policies

By signing the proposal, the Authorized Organizational Representative hereby certifies that the organization will comply with Title VI of the Civil Rights Act of 1964 (42 USC § 2000d), Title IX of the Education Amendments of 1972 (20 USC §§ 1681 et seq.), the Rehabilitation Act of 1973 (29 USC § 794), the Age Discrimination Act of 1975 (42 USC §§ 6101 et seq.) and all regulations and policies issued by NSF pursuant to these statutes.

To that end, in accordance with the above-referenced nondiscrimination statutes, and NSF’s implementing regulations and policies, no person in the United States shall, on the ground of race, color, national origin, sex, disability, or age, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under any program or activity for which the Proposer receives Federal financial assistance from the Foundation; and HEREBY CERTIFIES THAT it will immediately take any measures necessary to effectuate this agreement.

If any real property or structure thereon is provided or improved with the aid of Federal financial assistance extended to the Proposer by the Foundation, this Certification shall obligate the Proposer, or in the case of any transfer of such property, the transferee, for the period during which the real property or structure is used for a purpose for which the Federal financial assistance is extended or for another purpose involving the provision of similar services or benefits. If any personal property is so provided, this Certification shall obligate the Proposer for the period during which it retains ownership or possession of the property. In all other cases, this Certification shall obligate the Proposer for the period during which the Federal financial assistance is extended to it by the Foundation.

THIS CERTIFICATION is given in consideration of and for the purpose of obtaining any and all Federal grants, cooperative agreements, loans, contracts, property, discounts or other Federal financial assistance extended after the date hereof to the Proposer by the Foundation, including installment payments after such date on account of applications for Federal financial assistance which were approved before such date. The Proposer recognizes and agrees that such Federal financial assistance will be extended in reliance on the representations and agreements made in this Certification, and that the United States shall have the right to seek judicial enforcement of this Certification. This Certification is binding on the Proposer, its successors, transferees, and assignees.

By: __________________________
Name: _________________________
Title: ___________________________
(Institutional Official)
Date: ___________________________

Office of Sponsored Projects Administration,
450 McNamara Alumni Center,
200 Oak Street SE, Minneapolis, MN 55455-2070, 612.624.5599

Source: www.ospa.umn.edu/subaward/forms.htm
Appendix M: Request for Subaward Information Email

Request for Subaward Information Memorandum

To: Name, Department
From: Name, Sponsored Projects Administration (SPA)
Date:
Re: Subaward Write-up, Account number and project title

Please be advised that during the set-up of the above-referenced account issued by Name of prime sponsor on your behalf for the period of to , it was noted that a subaward is to be established with Name(s) of collaborator(s).

As you are aware, the SPA staff will initiate the required paperwork between the two parties. However, assistance is required from you. Please provide the following information to allow SPA to proceed with the required paper work for the subaward.

1.) Workscope narrative (to be included in subaward)
2.) Technical/financial reports (including payment instructions and due dates)
3.) Approved budget (if different than proposal)
4.) Name/address, phone and e-mail of Collaborator’s PI (Project Director) and administrative contact (Sponsored Projects office.)
5.) Subaward performance period (if different than prime award)
6.) Your prime award allows for automatic carry forward of unspent funds from one budget period to the next; do you want to provide this same process for the Collaborator?

Upon receipt of the information above we will initiate the formal award document and upon acceptance by the collaborating institution, SPA will create a formal purchase. Should you have any questions, do not hesitate to contact me at Phone number.

Source: This email is sent by SPA.
### Subrecipient Risk Analysis and Compliance Record

<table>
<thead>
<tr>
<th>Criteria</th>
<th>Wt. Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>Is the entity located outside the U.S.?</td>
<td>Y ☑ N ☑</td>
</tr>
<tr>
<td>Will work be done outside the U.S.?</td>
<td>Y ☑ N ☑</td>
</tr>
<tr>
<td>Is entity non-profit or government?</td>
<td>Y ☑ N ☑</td>
</tr>
<tr>
<td>Is prime award a contract or subcontract (rather than grant)?</td>
<td>Y ☑ N ☑</td>
</tr>
<tr>
<td>Is amount of Subgrant/Subcontract more than 500k?</td>
<td>Y ☑ N ☑</td>
</tr>
<tr>
<td>Is amount of subaward 50% or more of total award?</td>
<td>Y ☑ N ☑</td>
</tr>
<tr>
<td>Are accounting systems established?</td>
<td>Y ☑ N ☑</td>
</tr>
<tr>
<td>Do audit results indicate weaknesses in the entity's procurement system?</td>
<td>Y ☑ N ☑</td>
</tr>
<tr>
<td>Does entity have a negotiated indirect cost rate agreement?</td>
<td>Y ☑ N ☑</td>
</tr>
<tr>
<td>Is entity subject to A-133?</td>
<td>Y ☑ N ☑</td>
</tr>
<tr>
<td>Any prior negative experience with entity?</td>
<td>Y ☑ N ☑</td>
</tr>
<tr>
<td>Is there ITAR/EAR type of work?</td>
<td>Y ☑ N ☑</td>
</tr>
<tr>
<td>Is the entity using humans, animals, DNA, stem cells, etc. (compliance)?</td>
<td>Y ☑ N ☑</td>
</tr>
<tr>
<td>Is entity mature?</td>
<td>Y ☑ N ☑</td>
</tr>
<tr>
<td>Is prime sponsor government owned &amp; contractor operated?</td>
<td>Y ☑ N ☑</td>
</tr>
<tr>
<td>Is there potential for COI regarding relationship of subrecipient and PI?</td>
<td>Y ☑ N ☑</td>
</tr>
<tr>
<td>Are deliverables tangible products or pivotal to success?</td>
<td>Y ☑ N ☑</td>
</tr>
<tr>
<td>Is &quot;Advantaged&quot; status claimed?</td>
<td>Y ☑ N ☑</td>
</tr>
<tr>
<td>Special Considerations? (provide details in notes)</td>
<td>Y ☑ N ☑</td>
</tr>
<tr>
<td>Total Risk Score (2 than 15 is high and should be escalated)</td>
<td>0</td>
</tr>
<tr>
<td>Escalated to PGA?</td>
<td>Y ☑ N ☑</td>
</tr>
</tbody>
</table>

**Completed by:** 
**Date:**

### Analysis Matrix

Instructions: Mark yes or no.

<table>
<thead>
<tr>
<th>Criteria</th>
<th>Wt. Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>Is the entity located outside the U.S.?</td>
<td>Y ☑ N ☑</td>
</tr>
<tr>
<td>Will work be done outside the U.S.?</td>
<td>Y ☑ N ☑</td>
</tr>
<tr>
<td>Is entity non-profit or government?</td>
<td>Y ☑ N ☑</td>
</tr>
<tr>
<td>Is prime award a contract or subcontract (rather than grant)?</td>
<td>Y ☑ N ☑</td>
</tr>
<tr>
<td>Is amount of Subgrant/Subcontract more than 500k?</td>
<td>Y ☑ N ☑</td>
</tr>
<tr>
<td>Is amount of subaward 50% or more of total award?</td>
<td>Y ☑ N ☑</td>
</tr>
<tr>
<td>Are accounting systems established?</td>
<td>Y ☑ N ☑</td>
</tr>
<tr>
<td>Do audit results indicate weaknesses in the entity's procurement system?</td>
<td>Y ☑ N ☑</td>
</tr>
<tr>
<td>Does entity have a negotiated indirect cost rate agreement?</td>
<td>Y ☑ N ☑</td>
</tr>
<tr>
<td>Is entity subject to A-133?</td>
<td>Y ☑ N ☑</td>
</tr>
<tr>
<td>Any prior negative experience with entity?</td>
<td>Y ☑ N ☑</td>
</tr>
<tr>
<td>Is there ITAR/EAR type of work?</td>
<td>Y ☑ N ☑</td>
</tr>
<tr>
<td>Is the entity using humans, animals, DNA, stem cells, etc. (compliance)?</td>
<td>Y ☑ N ☑</td>
</tr>
<tr>
<td>Is entity mature?</td>
<td>Y ☑ N ☑</td>
</tr>
<tr>
<td>Is prime sponsor government owned &amp; contractor operated?</td>
<td>Y ☑ N ☑</td>
</tr>
<tr>
<td>Is there potential for COI regarding relationship of subrecipient and PI?</td>
<td>Y ☑ N ☑</td>
</tr>
<tr>
<td>Are deliverables tangible products or pivotal to success?</td>
<td>Y ☑ N ☑</td>
</tr>
<tr>
<td>Is &quot;Advantaged&quot; status claimed?</td>
<td>Y ☑ N ☑</td>
</tr>
<tr>
<td>Special Considerations? (provide details in notes)</td>
<td>Y ☑ N ☑</td>
</tr>
<tr>
<td>Total Risk Score (2 than 15 is high and should be escalated)</td>
<td>0</td>
</tr>
<tr>
<td>Escalated to PGA?</td>
<td>Y ☑ N ☑</td>
</tr>
</tbody>
</table>

**Completed by:** 
**Date:**

---

Source: www.ospa.umn.edu/subaward/forms.htm
# Appendix O: Subaward Agreement Template

<table>
<thead>
<tr>
<th>Subaward Agreement</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Institution/Organization (“University”)</strong></td>
</tr>
<tr>
<td><strong>Institution/Organization (“Collaborator”)</strong></td>
</tr>
<tr>
<td><strong>Prime Award No.</strong></td>
</tr>
<tr>
<td><strong>Awarding Agency</strong></td>
</tr>
<tr>
<td><strong>Subaward Period of Performance</strong></td>
</tr>
<tr>
<td><strong>Project Title</strong></td>
</tr>
<tr>
<td><strong>EIN No.</strong></td>
</tr>
</tbody>
</table>

**Reporting Requirements:** [check here if applicable] see Attachment 4

**Terms and Conditions**

1) University hereby awards a cost reimbursable subaward, as described above, to Collaborator. The statement of work and Budget for this subaward are (check one) [ ] as specified in Collaborator’s proposal dated [ ] ; or [ ] as shown in Attachment 5. In its performance of subaward work, Collaborator shall be an independent entity and not an employee or agent or the University.

2) University shall reimburse Collaborator not more often than monthly for allowable costs. All invoices shall be submitted using Collaborator’s standard invoice, but at a minimum shall include current and cumulative costs (including cost sharing), subaward number, and certification as to truth and accuracy of invoice. Invoices that do not reference University’s subaward number shall be returned to Collaborator. Invoices and questions concerning invoice receipt or payments should be directed to the appropriate party’s Financial Contact identified in Attachment 3.

3) A final statement of cumulative costs incurred, including cost sharing, marked “FINAL,” must be submitted to University’s Financial Contact NOT LATER THAN [ ] days after subaward end date. The final statement of costs shall constitute Collaborator’s final financial report.

4) All payments shall be considered provisional and subject to adjustment within the total estimated cost in the event such adjustment is necessary as a result of an adverse audit finding against the Collaborator.

5) Matters concerning the technical performance of this subaward should be directed to the appropriate party’s Project Director identified in Attachment 3. Technical reports are required as shown above, “Reporting Requirements.”

6) Matters concerning the request or negotiation of any changes in the terms, conditions, or amounts cited in this subaward agreement, and any changes requiring prior approval, should be directed to the appropriate party’s Administrative Contact identified in Attachment 3. Any such changes made to this subaward agreement require the written approval of each party’s Authorized Official.

7) Each party shall be responsible for its negligent acts or omissions and the negligent acts or omissions of its employees, officers, or directors, to the extent allowed by law.

8) Either party may terminate this agreement with thirty days written notice to the appropriate party’s Administrative Contact identified in Attachment 3. University shall pay Collaborator for termination costs as allowable under OMB Circular A-21 or A-122, as applicable.

9) No-cost extensions require the approval of the University. Any requests for a no-cost extension should be addressed to and received by the Administrative Contact identified in Attachment 3 not less than thirty days prior to the desired effective date of the requested change.

10) The Subaward is subject to the terms and conditions of the Prime Award and other special terms and conditions, as identified in the Attachments.

11) Any inconsistency in this subaward shall be resolved by giving precedence in the following order: 1) Subaward terms and conditions; 2) Prime Award terms and conditions; and 3) other documents, exhibits, and attachments.

**Agreed by Authorized Official of University**

<table>
<thead>
<tr>
<th>Name</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>J. Krzyzek, E.F. Wink, K. Mc Koskey, D. Hagen</td>
<td></td>
</tr>
<tr>
<td>Title</td>
<td></td>
</tr>
<tr>
<td>Grants Mgr., Assoc. V.P., Asst. Dir.</td>
<td></td>
</tr>
</tbody>
</table>

**Agreed by Authorized Official of Collaborator**

<table>
<thead>
<tr>
<th>Name</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Source:** www.ospa.umn.edu/subaward/forms.htm
Attachment 1
Subaward Agreement
DOC

By signing the Subaward Agreement, the authorized official of Collaborator certifies, to the best of his/her knowledge and belief, that:

**Certification Regarding Lobbying**

1) No Federal appropriated funds have been paid or will be paid, by or on behalf of the Collaborator, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.

2) If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or intending to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the Collaborator shall complete and submit Standard Form -LLL, [http://www.whitehouse.gov/omb/grants/grants_forms.html](http://www.whitehouse.gov/omb/grants/grants_forms.html) "Disclosure Form to Report Lobbying," to the University.

3) The Collaborator shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U. S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less that $10,000 and not more that $100,000 for each such failure.

**Debarment, Suspension, and Other Responsibility Matters**

Collaborator certifies by signing this Subaward Agreement that neither it nor its principals are presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any federal department or agency.

**OMB Circular A-133 Assurance**

Collaborator assures University that it complies with A-133 and that it will notify University of completion of required audits and of any adverse findings which impact this subaward.

Source: [www.ospa.umn.edu/subaward/forms.htm](http://www.ospa.umn.edu/subaward/forms.htm)
Certifications/Assurances

1. By signing the face page of this Subaward, Collaborator certifies that it will comply with all applicable federal, state, and local laws, executive orders, rules and regulations and insert CFR here, as applicable to its performance under this agreement, including but not limited to: 1) Human Subjects; 2) Vertebrate Animals (Animal Welfare Act P.L. 89-544 as amended); 3) Drug Free Workplace; 4) Non-Delinquency on Federal Debt (28 U.S.C. 3201 (e)); 5) Research Misconduct; 6) Civil Rights (Title VI of the Civil Rights Act of 1964); 7) Handicapped Individuals (Section 504 of the Rehabilitation Act of 1973); 8) Sex Discrimination (Title IX of the Education Amendments of 1972); 9) Age Discrimination (Age Discrimination Act of 1975); 10) Financial Conflict of Interest.

General terms and conditions:

1. Expanded authorities: ☐ Yes ☐ No
2. Rebudgeting restrictions: Insert rebudgeting restrictions here
3. Prior approval is required for the following: No cost extensions, carry forward of unobligated balances, change in workscope, change of Key Personnel, reduction of Key Personnel effort by 25% or more or absence of Key Personnel for more than 3 months. Prior approval requests should be submitted to the University’s Project Director identified in Attachment 3.
4. Collaborator shall abide by terms cited in OMB Circular A-110 and A-21 or A-122 as applicable.
5. The restrictions on the expenditure of federal funds in appropriations acts are applicable to this Subaward to the extent those restrictions are pertinent.
6. Insert CFR here, as applicable.
7. Insert policy statement here
8. Title to equipment costing $ or more that is purchased or fabricated with research funds or Collaborator cost sharing funds, as direct costs of the project or program, shall vest in the Collaborator upon acquisition. However, the University retains the right, as specified in Insert policy statement here, to require the transfer of equipment, including title, to the federal government or an eligible nonfederal party.
9. All costs incurred under this agreement will be subject to audit by the Collaborator’s Cognizant Federal Audit Agency. Substantiating documents shall be retained and the Collaborator is expected to keep an accurate accounting of all costs incurred in the performance of this agreement. The Collaborator shall provide Cognizant Government auditors and/or University financial representatives access to records to support costs relating to this agreement.
10. Collaborator shall retain all pertinent records, substantiating documents, and books of accounts related to this agreement for a period of 3 years after payment of the final invoice. Records relating to any litigation or claim arising out of the performance of this agreement, or expenses to which exception has been taken as a result of audit and/or inspection, shall be retained by Collaborator until such litigation, claim or exception has been resolved. Any costs which are found to be unallowable will be reduced from future claims for reimbursement or shall be refunded if the Subaward agreement has expired.
11. Collaborator is accountable to the University for any grant related income generated by activities performed under this agreement. The treatment and calculation of program income shall be as outlined in: Insert CFR here for institutions of higher education, nonprofit organizations and hospitals; or Insert CFR here for state and local governments and federally recognized Indian tribes.
12. Any requests for changes to the agreement shall be submitted to the University’s Administrative Contact identified in Attachment 3.

Source: www.ospa.umn.edu/subaward/forms.htm
Special terms and conditions:

1. Prime award issued under expanded authorities:  Yes  No
2. Automatic carry forward:  Yes  No
   (If no, carry forward requests must be sent to the University’s Project Director, as shown in Attachment 3.)
3. Copyrights – Collaborator grants to University an irrevocable, royalty-free, non-transferable, nonexclusive right and license to use, reproduce, make derivative works, display and perform publicly any copyrights or copyrighted material (including any computer software and its documentation and/or databases) first developed and delivered under this Subaward Agreement solely for the purpose of and only to the extent required to meet University’s obligations to the Federal Government under its Prime Award.
4. Data Rights – Collaborator grants to University the right to use data created in the performance of this Subaward Agreement solely for the purpose of and only to the extent required to meet University’s obligations to the Federal Government under its Prime Award.
5. Collaborator will comply with all Health Insurance Portability and Accountability Act (HIPAA) Regulations as applicable.
6. Acknowledgement – In signing, the collaborator certifies under Penalties of perjury (see Section 6109 of the IRS Code for further penalties) that (1) the employer tax I.D. number (EIN) or (2) taxpayer I.D. number (TIN) provided to the University is correct (3) that it is not subject to backup withholding because (a) it is exempt from such withholding, (b) it has not been notified by the IRS that it is subject to backup withholding as a failure to report all interest or dividends, or (c) the IRS has notified it that it is no longer subject to backup withholding (4) it is a U.S. person (including a U.S. resident alien) and (5) it has full authority to execute this agreement and perform its obligation under this agreement. Collaborator must notify the University in writing to the attention of the Administrative Contact (Attachment 3), if Collaborator has been notified by the IRS that it is currently subject to backup withholdings.

Source: www.ospa.umn.edu/subaward/forms.htm
### Attachment 3

**FDP Subaward Agreement**

<table>
<thead>
<tr>
<th>University Contacts</th>
<th>Collaborator Contacts</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Administrative Contact</strong></td>
<td><strong>Administrative Contact</strong></td>
</tr>
<tr>
<td>Name:</td>
<td>Name:</td>
</tr>
<tr>
<td>Address: University of Minnesota Sponsored Projects Administration Suite 450, 200 Oak Street SE Minneapolis, MN 55455</td>
<td>Address:</td>
</tr>
<tr>
<td>Telephone:</td>
<td>Telephone:</td>
</tr>
<tr>
<td>Fax: 612-624-4843</td>
<td>Fax:</td>
</tr>
<tr>
<td>Email:</td>
<td>Email:</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Project Director</strong></th>
<th><strong>Project Director</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Name:</td>
<td>Name:</td>
</tr>
<tr>
<td>Address:</td>
<td>Address:</td>
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<tr>
<td>Telephone:</td>
<td>Telephone:</td>
</tr>
<tr>
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<td>Fax:</td>
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<tr>
<td>Email:</td>
<td>Email:</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Financial Contact</strong></th>
<th><strong>Financial Contact</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Name:</td>
<td>Name:</td>
</tr>
<tr>
<td>Address: University of Minnesota Sponsored Projects Administration Suite 450, 200 Oak Street SE Minneapolis, MN 55455</td>
<td>Address:</td>
</tr>
<tr>
<td>Telephone:</td>
<td>Telephone:</td>
</tr>
<tr>
<td>Fax: 612-624-4843</td>
<td>Fax:</td>
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<tr>
<td>Email:</td>
<td>Email:</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Authorized Official</strong></th>
<th><strong>Authorized Official</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Name: Judy Krzyzek, Edward F. Wink Kevin McKoskey, David Hagen</td>
<td>Name:</td>
</tr>
<tr>
<td>Address: University of Minnesota Sponsored Projects Administration Suite 450, 200 Oak Street SE Minneapolis, MN 55455</td>
<td>Address:</td>
</tr>
<tr>
<td>Telephone: 612-624-5599</td>
<td>Telephone:</td>
</tr>
<tr>
<td>Fax: 612-624-4843</td>
<td>Fax:</td>
</tr>
<tr>
<td>Email: <a href="mailto:awards@umn.edu">awards@umn.edu</a></td>
<td>Email:</td>
</tr>
</tbody>
</table>

**Source:** [www.ospa.umn.edu/subaward/forms.htm](http://www.ospa.umn.edu/subaward/forms.htm)
Appendix O: Subaward Agreement Template (cont.)

Attachment 4
Subaward Agreement
DOC

Reporting Requirements

1. Invoices shall reference the subaward number as shown on the face page of this agreement and be submitted in triplicate, as follows:
   a. Two copies to University’s Project Director (see Attachment 3) who will review and send a copy to SPA for processing.
   b. One (1) informational copy to University’s Administrative Contact (see Attachment 3).

2. Technical Reports
   Collaborator shall submit progress reports as requested by the University’s project Director identified in Attachment 3.

3. Publications
   Publications of project results shall be in conformance with guidelines and shall acknowledge support from the Prime Award, as shown on the face page, awarded to the University of Minnesota by . One copy of any publication resulting from work performed under this agreement, in whole or part, shall be submitted to the University's Project Director identified in Attachment 3. Publications must also include a disclaimer stating, "These contents of this publication do not necessarily reflect the position or policy of the Federal Government."

4. Inventions
   In accordance with 37 CFR 401.14, Collaborator shall notify University’s Administrative Contact identified in Attachment 3 within two months after Subawardee's inventor discloses invention(s) in writing to Subawardee personnel responsible for patent matters. With respect to any subject invention in which Collaborator retains title, the Federal Government shall have a nonexclusive, nontransferable, irrevocable, paid-up license to practice or have practiced for or on behalf of the United States the subject invention throughout the world.

Source: www.ospa.umn.edu/subaward/forms.htm
Reporting Requirements (Continued...)
Attachment 5
Subaward Agreement

Workscope
(See Attached)

Budget
(See Attached)

Source: www.ospa.umn.edu/subaward/forms.htm
## Appendix P: Subaward PO Numbering Schema

### N647677505

- **# of sub on the project (1-69)**
- **Last 7 digits of the Project ID**

### Team Monitor Code:
- Team 1 (Lorrie): N
- Team 2 (Jason): P
- Team 3 (Amy): A
- Team 4 (Annie): H
- Team 5 (Laura): W
- Duluth: D
- Morris: M

### Budget by individual subaward:
- *Existing subs will stay in current accounts*
- *New subs will use SPA schema*
- *Up to 9 subs per project, more than 9? Use a second project*

*Source: www.ospa.umn.edu/subaward/forms.htm*
Appendix Q: Subaward Processing Checklist

Subaward Processing Checklist– Departments/PIs
University of Minnesota – Office of Sponsored Projects Administration

PROPOSAL PROCESSING
PI requests proposal package from proposed subrecipient, to include:
☐ Statement of Work
☐ Budget and Justification
☐ Any other documents required by UMN or Sponsor (example: NSF Nondiscrimination cert.)
☐ Signed Subrecipient Commitment Form (Letter of Intent)

PI evaluates subrecipient
☐ Assess technical expertise and financial viability of subrecipient organization and key personnel
☐ Fair and Reasonable Cost Analysis (Form I or II)

PI prepares proposal
☐ Integrate the subrecipient’s statement of work and budget into UMN’s proposal
☐ Include other forms (budget, biosketches, other support) as required by sponsor
☐ Forward completed UMN proposal to SPA for review, including subrecipient proposal package

SUBAWARD ISSUANCE:
PI/Dept. provide information requested by SPA for subaward issuance
☐ Collaborator and contact information
☐ Statement of work
☐ Budget (including cost share if applicable)
☐ Technical/financial reporting requirements
☐ Payment terms and schedule
☐ Subaward performance period
☐ Verification that subrecipient is compliant with IRB, IACUC approvals (if applicable)
☐ Fair and Reasonable Cost Analysis (Form I or II)
☐ Other information as needed

SUBAWARD PROBLEMS?
Subrecipient not submitting timely or accurate invoices?
Subrecipient not complying with the terms of the agreement or its budget?
Subrecipient isn’t performing?
Contact your SPA Grant Administrator early! We’ll work with you and subrecipient to resolve.

SUBAWARD MONITORING:

ARRA – Reporting/Monitoring Instructions
☐ PI/Department ensures full and timely compliance with all restrictions and obligations

PI monitors subrecipient technical progress
☐ Communicate regularly with subrecipient PI to monitor progress on the project
☐ Monitor receipt of technical reports for timeliness and content
☐ Communicate with SPA if changes need to be made to statement of work, reporting requirements, budgeting

☐ PI/Dept. monitor subrecipient’s adherence to terms

☐ PI/Dept. verify compliance approvals remain current for subrecipient’s portion of statement of work (human subjects, animal subjects, biosafety)

PI/Dept. review, monitor receipt of invoices
☐ Are they arriving on schedule?
☐ Do they contain the right level of detail to allow adequate review?

PI reviews and signs invoices (see checklist for PIs)
☐ Ensure all costs are allowable, allocable, and reasonable
☐ Ensure all costs were incurred within the period of performance of the subaward
☐ Confirm that expenses are aligned with technical progress
☐ Cost sharing is appropriately reflected, if required
☐ If acceptable, PI signs and dates invoice

☐ PI/Dept. send approved invoice to SPA for processing or returns to subrecipient for more detail

SUBAWARD AMENDMENT ISSUANCE:
PI assesses need to modify statement of work, budget, period of performance
☐ Notify SPA in a timely manner to request amendment
☐ Provide information to SPA (budgets, dates, reporting requirements, etc.)
☐ Assist SPA in negotiating changes, if needed

SUBAWARD CLOSE-OUT
PI/Dept. plan for timely closeout
☐ Check status with subrecipient 90 days before end date
☐ Follows up on late or missing reports or deliverables
☐ Obtain final invoice (marked FINAL) from subrecipient
☐ Send final invoice to SPA
☐ Subaward Release Form

Source: www.ospa.umn.edu/subaward/forms.htm
Appendix R: Subaward Release Form

Subaward Release Form
University of Minnesota – Office of Sponsored Projects Administration

Subaward #: _______________________

Subrecipient Name: _______________________

Section I – Financial Information

The total amount of $ __________________ has been received under this subaward.

☐ There are NO outstanding claims against this subcontract. The University of Minnesota is not obligated to honor claims made after this block is checked and this form signed and returned.

☐ Only the amount included in the Final Claims Voucher/Invoice estimated to be $ __________________ is due. When the Final Claims Voucher/Invoice is paid by University of Minnesota, there will be no further claims against this subcontract.

Section II – Patents

☐ There are no inventions to be reported under this award.

☐ Listed below are all inventions required to be reported under this award.

Name of Inventor: _______________________

Site(s) of Invention: _______________________

Please note that if an invention has resulted from this project, a complete invention disclosure must accompany this form, if one has not been previously provided.

Section III – Federal Government Equipment

Was any equipment provided by the Federal Government, or was any equipment purchased with federal funds provided under this subagreement?

☐ No  ☐ Yes (Please see FAR 52.245-1 (j) (4) Submission requirements and (j) (8) Disposition Instructions)

☐ All equipment either provided, or purchased with funds, under this subagreement has been delivered to the US Government or is awaiting disposition instruction

Date: _______________________

Signature (Authorized Signatory): _______________________

Printed Name: _______________________

Title: _______________________

Complete all sections, check boxes as appropriate, and return to:
Office of Sponsored Project Administration, 450 McNamara Alumni Center,
200 Oak Street SE, Minneapolis, MN 55455-2070,
Fax #612.624.4843, Phone #612.624.5599, awards@umn.edu

Source: www.ospa.umn.edu/subaward/forms.htm
# Appendix S: Subaward Roles and Responsibilities

## Subaward Roles and Responsibilities

**University of Minnesota – Office of Sponsored Projects Administration**

<table>
<thead>
<tr>
<th>Departments/PIs</th>
<th>Sponsored Projects Administration</th>
</tr>
</thead>
<tbody>
<tr>
<td>✓ PI requests proposal package from proposed subrecipient</td>
<td>✓ SPA reviews and submits proposal</td>
</tr>
<tr>
<td>✓ PI evaluates subrecipient</td>
<td>✓ SPA negotiates with sponsor and accepts prime award</td>
</tr>
<tr>
<td>✓ PI prepares proposal and sends to SPA</td>
<td>✓ SPA follows-up with PI/Dept to obtain any additional required documentation/data required for subaward</td>
</tr>
<tr>
<td>✓ PI/Dept. provide additional information required for subaward issuance</td>
<td>✓ SPA reviews risk levels and, if necessary, modifies subaward agreements</td>
</tr>
<tr>
<td>✓ PI monitors subrecipient technical progress</td>
<td>✓ SPA prepares, negotiates, issues and distributes subaward agreement</td>
</tr>
<tr>
<td>✓ PI/Dept. monitor subrecipient’s adherence to terms</td>
<td>✓ SPA collects and maintains FFATA data</td>
</tr>
<tr>
<td>✓ PI/Dept. verify compliance approvals are current for subrecipient’s portion of statement of work (human subjects, animal subjects, biosafety)</td>
<td>✓ SPA activates/encumbers subaward funds in financial system</td>
</tr>
<tr>
<td>✓ PI/Dept. review, monitor receipt of invoices</td>
<td>✓ SPA assists PIs and departments with monitoring subawards</td>
</tr>
<tr>
<td>✓ PI reviews and signs invoices</td>
<td>✓ SPA requests and reviews annual audit reports</td>
</tr>
<tr>
<td>✓ PI/Dept. send approved invoice to SPA for processing or returns to subrecipient for more detail or documentation</td>
<td>✓ SPA verifies corrective action plans are implemented (if necessary)</td>
</tr>
<tr>
<td>✓ PI/Dept. review expenditure statements and ensure cost sharing commitments are met</td>
<td>✓ SPA notifies department administrators if the invoices are incorrect</td>
</tr>
<tr>
<td>✓ PI assesses need to modify statement of work or budget</td>
<td>✓ SPA processes invoices with PI approval</td>
</tr>
<tr>
<td>✓ PI/Dept. plan for timely closeout and obtain prime no cost extension if needed (follow up on missing reports, receipt of final invoice)</td>
<td>✓ SPA prepares, negotiates, issues, and distributes amendments</td>
</tr>
<tr>
<td>✓ PI promptly alerts SPA when problems arise (inability to obtain satisfactory invoice, non-performance)</td>
<td>✓ SPA modifies subaward encumbrances in the financial system</td>
</tr>
<tr>
<td></td>
<td>✓ SPA completes closeout</td>
</tr>
<tr>
<td></td>
<td>✓ SPA resolves problems that arise during performance</td>
</tr>
</tbody>
</table>

*Source: www.ospa.umn.edu/subaward/forms.htm*
Appendix T: Subaward/Subcontract vs. CPS

HOW AND WHY IT IS IMPORTANT TO MAKE THE DETERMINATION/DISTINCTION

- Subaward F&A and fringe benefits calculations will impact the University’s total award.
- Subaward/contracts may be subject to OMB A133 auditing and monitoring if prime funding source is from a federal agency.
- Subaward/contract flow down the terms and conditions of the prime award, while a CPS vendor is not subject to the proceeding regulations or terms and conditions.

CHARACTERISTICS OF SUBAWARD/SUBCONTRACT

- Performance measured against whether the objectives of the sponsored program are met (carrying out a portion of the programmatic effort of the project).
- The subrecipient is responsible for programmatic decision making relative for their portion of the work.
- The subrecipient must adhere to sponsored compliance requirements (IRB, IACUC, rebudgeting restrictions, publication, IP rights).
- The subrecipient uses the sponsored funds to carry out a program of the organization as compared to providing goods or services.

CHARACTERISTICS FOR USE OF CPS FOR VENDORS

- Provides goods/services within normal business operations.
- Provides similar goods/services to many different purchasers.
- Operates in a competitive environment.
- Provides goods or services that are ancillary to operation of sponsored program.
- Is not subject to compliance requirements of the prime sponsor.
- Provides services as an individual or sole proprietor.
- Pay particular attention to testing, processing, computer programming, editing, etc. functions that are outsourced. A CPS probably should be used.

There may be unusual circumstances or exceptions to the above listed characteristics. In making the determination of whether a subaward/contract or a CPS should be utilized, the substance of the relationship is more important than the form of the agreement. It is not expected that all of these characteristics will be present and good judgment should be used in determining whether a subaward/contract or CPS should be used. After reviewing these characteristics if you are still unsure, please contact for additional guidance the grant administrator in SPA who handles your project.
Dear Potential Subrecipient:

You are receiving this letter and the attached forms because you are a proposed subrecipient on a proposal that the University of Minnesota intends to submit for funding from one of the PHS agencies listed below. The PHS Conflict of Interest regulations require us to collect certain information from you at time of proposal, and during the life of the award. Step 1 is required for all proposals. Step 2 and 3 are required only if Box C.2. of Form 1 is checked.

Step 1. **Subrecipient Authorized Organizational Official:** Please complete, sign and return the attached Form 1 along with the approved proposal to the University of Minnesota. This form must be on file before the University of Minnesota can submit a proposal containing your proposed subaward.

Step 2. If (and only if) the authorized organizational official has checked Box C.2. of Form 1 indicating the University of Minnesota’s conflict of interest policy will be followed (because your organization does not have its own FCOI policy), then EACH subrecipient investigator (defined as a person responsible for the design, conduct or reporting of the research proposed under the subaward) must also complete, sign, and return a Form 2 to the University of Minnesota. All “Form 2’s” must be on file before the University of Minnesota can submit a proposal containing your proposed subaward. Please return the completed forms with your proposal.

Step 3. Every investigator who completes a Form 2 must also take the University of Minnesota training in Financial Conflict of Interest before any PHS funds are expended (before any subaward can be issued) and again once every 4 years. Training information can be found on instructions for Form 2.

List of Public Health Service Agencies

- National Institutes of Health (NIH)
- Food and Drug Administration (FDA)
- Centers for Disease Control (CDC)
- Agency for Healthcare Research and Quality (AHRQ)
- Agency for Toxic Substances and Disease Registry (ATSDR)
- Health Resources and Services Administration (HRSA)
- Indian Health Services (IHS)
- Substance Abuse and Mental Health Services Admin (SAMHSA)

Further information regarding the PHS regulations may be found at:

6/26/2012
# Appendix U: Form 1 Documentation of Subrecipient Financial Conflict of Interest (cont.)

## Form 1

### Documentation of PHS Subrecipient Financial Conflict of Interest (FCOI) Policy

University of Minnesota – Office of Sponsored Projects Administration

Required when proposing a subaward for a sponsored research project to be funded under a PHS award.

#### A. Proposal Information

<table>
<thead>
<tr>
<th>University of Minnesota PI:</th>
<th>UMN PRF #:</th>
</tr>
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<tbody>
<tr>
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<td>(If known)</td>
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<table>
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<tr>
<th>Prime Sponsor:</th>
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<table>
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<tr>
<th>Proposal/Project Title:</th>
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<table>
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<tr>
<th>Subaward Period of Performance: From:</th>
<th>To:</th>
</tr>
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</table>

<table>
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<tr>
<th>Proposed Subaward Total: $</th>
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Return Form To: (Email)

#### B. Subrecipient Information

<table>
<thead>
<tr>
<th>Subrecipient Organization Legal Name:</th>
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</table>

<table>
<thead>
<tr>
<th>Organization’s Address: (Include ZIP Code/Postal Code)</th>
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</table>

<table>
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<tr>
<th>DUNS #:</th>
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#### C. Subrecipient FCOI Policy Statement

- [ ] (1) I will follow the Conflict of Interest policy established and enforced by [Subrecipient Organization Name] (Subrecipient Organization Name)

- [ ] (2) I will follow the Conflict of Interest policy established and enforced by the University of Minnesota.

Names of individuals working on this project who are responsible for design, conduct, or reporting of the research are shown below (Attach Form 2 for each)

<table>
<thead>
<tr>
<th>Subrecipient PI:</th>
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<table>
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<tr>
<th>Investigator/Key Personnel:</th>
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<th>Investigator/Key Personnel:</th>
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Form 2 Attached? To be completed by U of M SPA Disclosure (N/P) Date

(Attach additional pages if needed.)

#### D. Approval

I certify that the information listed above is true, complete and accurate to the best of my knowledge, and that I am an Authorized Organizational Official for my institution. The appropriate programmatic and administrative personnel involved in this disclosure are aware of agency policy in regard to subawards and are prepared to establish the necessary inter-institutional agreements and/or FCOI management plans consistent with those policies.

<table>
<thead>
<tr>
<th>Signature:</th>
<th>Date:</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Printed Name:</th>
<th>Title:</th>
</tr>
</thead>
</table>

6/26/2012

Please return completed form to "Return Form to" email in section A above or Sponsored Projects Administration, 200 Oak Street SE, 450 McNamara Alumni Center, Minneapolis, Minnesota 55455
Disclosure Requirement: You have been identified as a subrecipient investigator subject to the University of Minnesota’s Individual Conflicts of Interest policy. Under the Public Health Service’s (PHS) Financial Conflict of Interest (FCOI) regulation (42 CFR Part 50 Subpart F), you must disclose your significant financial interests (SFI) on the attached Form 2, to include those of your spouse and dependent children, that are directly related to the research you are conducting in collaboration with the University of Minnesota. Disclosures must be made:

- No later than at the time of application for PHS funded research;
- Within 30 days of discovering or acquiring (e.g., through purchase, marriage, or inheritance) a new SFI. This includes any disclosures that arise between the time the proposal is submitted and an award is made; The obligation to update your disclosure within 30 days of acquiring the new SFI also applies to any new reimbursed or sponsored travel (see question 4 on the form); and
- At least annually, in accordance with University of Minnesota policy, during the period of award.

Training Requirement: You also are required to complete the University of Minnesota’s Conflict of Interest Training module titled “Conflicts of Interest: Balancing Risks and Opportunities” before engaging in research related to this PHS-funded award and once every four years thereafter. This online training will take about 20 minutes to complete, and you will be able to electronically notify the University of Minnesota that you have completed the training at the end of the module.

In the training, you will see reference to the term “Report of External Professional Activities” or REPA. This is the name of the University of Minnesota’s financial disclosure form. You are required to complete the abbreviated version of this form attached here as Form 2.

To take this training click here: [http://z.umn.edu/coiext](http://z.umn.edu/coiext)
FORM 2

Subrecipient Disclosure of Significant Financial Interests

University of Minnesota PHS supported project title: 
Name of Subrecipient Entity: 
Name of Subrecipient Researcher Completing this Form: 

Definitions:
Remuneration includes salary and any payment for services not otherwise identified as salary (e.g., consulting fees, honoraria, paid authorship).
Equity interest includes any stock, stock options, or other ownership interest as determined through reference to public prices or other reasonable measures of market value.

1. Do you (and your spouse and dependent children) have a significant financial interest in a publicly traded entity that when aggregated exceeds $5,000? When determining your response to this question, please add the value of any equity interest as of the date of this disclosure to any remuneration received from the entity in the twelve months preceding this disclosure.
   - No
   - Yes (if yes, provide name of business entity):

2. Do you (or your spouse and dependent children) have the following significant financial interests in a non-publicly traded entity?
   a. Remuneration that when aggregated exceeds $5,000.
      - No
      - Yes (if yes, provide name of business entity):
   b. Any equity interest.
      - No
      - Yes (if yes, provide name of business entity):

3. Have you (and your spouse and dependent children) received income in excess of $5,000 during the twelve months preceding this disclosure that is related to intellectual property rights and interests (e.g., patents, copyrights)?
   - No
   - Yes (if yes, provide name of business entity):

4. Has any organization sponsored or reimbursed you for any travel you have taken that is related to your work for the University of Minnesota? Note: You are not required to disclose to travel that is reimbursed or sponsored by a Federal, state, or local government agency, an Institution of higher education as defined at 20 U.S.C. 1001(a), an academic teaching hospital, a medical center, or a research institute that is affiliated with an Institution of higher education.
   - No
   - Yes
   If yes, report the name of sponsor/organizer, purpose, destination, and duration of trip:

5. Additional details about reported financial interests:

Investigator Certification
I certify, to the best of my knowledge, that the information reported herein is complete and accurate.

______________________________            ____________
Signature of Investigator                                                           Date

8/01/2012