Outgoing Subaward Guide and F-A-Qs

1. **What is a subaward?**

A research subaward is issued by the Office or Research and Sponsored Programs (ORSP) and is involved in financial assistance activities to perform a substantive portion of the Prime Award, and a contractor/consultant/vendor is involved in the procurement of goods and services.

*Note: A subaward should never be issued to an individual.*

In brief, this is determined by the following:

- Subaward Agreements differ from procurement contracts used to acquire goods or services from vendors.
- Subaward Agreements are issued under Sponsored Projects, including grants, contracts, and cooperative agreements funded by extramural sources.

Rutgers follows the requirements found in [OMB Circular A-133](https://www.whitehouse.gov/presidential-actions/omb-circular-a-133), Section B.210 to distinguish subawards from other procurement actions, as follows:

Rutgers will issue a subaward when:

1. Sponsor determines who is eligible to receive the subaward;
2. the Subrecipient has its performance measured against whether the objectives of the sponsored program are met;
3. the Subrecipient has responsibility for programmatic decision-making;
4. the Subrecipient assumes responsibility for adherence to applicable sponsor program compliance requirements; and
5. the Subrecipient uses sponsor funds to carry out a program (Statement of Work) as compared to providing goods or services.

Other issues that might indicate the need for a subaward are:
1. the Subrecipient’s Statement of Work (SOW) could result in intellectual property; or
2. the Subrecipient will have publishable results or will prepare joint or sole publications relating to work on the project; or
3. the Subrecipient must obtain compliance approvals (e.g., approval to use human subjects (IRB) or animal subjects (IACUC).

Rutgers will use other procurement actions when the vendor:
1. provides the goods and services within its normal business operations;
2. provides similar goods or services to many different purchasers;
3. operates in a competitive environment; provides goods or services ancillary to the operation of Rutgers’ sponsored project;

2. After an award is made to Rutgers, how is a subaward established?
A Subaward Checklist (http://orsp.rutgers.edu/content/subcontractmodification-checklist) is completed by the Principal Investigator (PI) and forwarded to RU_SUBAWARDS@grants.rutgers.edu

NOTE: Principal investigator signature is required on the checklist. Noncompliance can delay the execution of the subaward.

Additionally, the following documents must be included:
- **Subrecipient’s Statement of Work (SOW),** including a clear description of the work to be performed, the proposed timelines and deliverables, and other information such as biosketches of subrecipient key personnel if necessary.
- **Subrecipient’s Budget and Budget Justification,** including the subrecipient’s direct and indirect costs, calculated using the subrecipient’s approved facilities and administrative (F&A) and fringe benefit rates, and verifying any committed cost sharing.
- **IRB/IACUC documents** if necessary.

*other:*
- Copy of the legacy UMDNJ prime award and novated Rutgers prime award if appropriate. If the legacy UMDNJ prime award has not been novated, only a letter of intent can be issued at this time. Once the prime award has been novated and assigned a new index number, the following documents can be submitted:

  **NEW Subaward Checklist** found at the following link:
  http://orsp.rutgers.edu/content/subcontractmodification-checklist

Please send the **new checklist** **even if this is a modification.** The modification checklist does not capture enough information, such as the subrecipient’s contact information. If this is a modification, please enter “This is modification #” in the comment section. Once ORSP has a **new** subaward checklist on file, then a modification checklist can be submitted in the future.
3. What is the outgoing subaward process?

**RUTGERS OUTGOING SUBAWARD PROCESS**

- Principal Investigator and/or Dept. submits Subaward Checklist or Modification Checklist to ORSP along with Scope of Work and Budget

- Grant Specialist (GS) logs relevant information into Coeus, completes a subrecipient risk assessment, and prepares subaward using appropriate template.

- GS conducts review of documents against Prime Award File, noting any special clauses, flowdown, or unusual requirements **

- Subrecipient and GS negotiate terms and conditions.

- GS reviews returned partially executed subcontract for completeness. Confirms appropriate documents such as FFATA form, IRB approval and Conflict of Interest documentation are received.

- Subcontract is submitted to Director/Assistant Director-ORSP for authorized signature.

- GS prepares purchase order (PO) in RIAS for invoicing purposes.

- GS distributes approved, signed agreement to Subrecipient, Rutgers PI/Department, DGCA, and updates Coeus database

**GS verifies:**
- SOW includes measurables, deliverables and represents a significant portion of the programmatic effort of the overall project
- Subaward dates fall within current funded project
- Verify budget and assignment of accounting (natural account codes)
- OMB and/or FAR applicability
- Intellectual Property concerns
- HIPAA / ARRA regulations
- Publication Rights
- Certifications and other regulations
- Flow-down requirements
- Audit requirements
- Reporting requirements
- FFATA compliance
- Conflict of interest compliance
- Animal and/or human subjects approval
- Clinical trial concerns
- Subaward Risk Assessment
4. How can a subaward be changed/amended?

The PI determines when a subaward is to be amended. Common reasons for amending a subaward include providing additional funding, extending the period of performance, or modifying the reporting schedule. It is important to note that some changes, such as scope of work changes, change in the subaward recipient's principal investigator or transferring the subaward from one recipient to another, may require the prior approval of the prime sponsor.

If an amendment is needed, then a Subaward Modification Checklist (http://orsp.rutgers.edu/content/subcontractmodification-checklist) is completed by the Principal Investigator (PI) and forwarded to RU_SUBAWARDS@grants.rutgers.edu

5. How did the integration affect legacy UMDNJ prime awards and their respective subawards?

The majority of legacy UMDNJ prime awards are undergoing the process of novation (refers to the process where the prime sponsor assigns legacy UMDNJ’s role to Rutgers). This process holds true to most federally funded awards. Foundation or other sponsored awards may not need to undergo this process and may only need a modification.

Please contact the appropriate grant office to clarify your award status: http://orsp.rutgers.edu/sites/orsp.rutgers.edu/files/GrantNovationEscalationCB.pdf

NOTE: Once the prime award is novated, the current legacy UMDNJ index number will be closed and a new index number will be assigned. This will affect the purchase orders in place; see Question 6 for more details. A prime award that only needed a modification and did not have to undergo the novation process may be able to keep current index numbers and current purchase orders active.

6. How will legacy UMDNJ novated awards affect current purchase orders?

Once the prime award has been novated, the current legacy UMDNJ index number will be closed and a new index number assigned. Therefore, a new purchase order reflecting the new index number will be issued to each subrecipient.

If the prime award did not have to go through the novation process, it is possible that current index numbers and current purchase orders will remain active. Please contact your grant specialist for your prime award status.

7. While the prime award is undergoing novation efforts, what can we do for our subrecipients who need an extension and/or additional funds?

Until the prime award is officially novated to Rutgers and assigned a new index number, letters of intent to subrecipients can be issued. Please contact Michael Toleno at mtoleno@grants.rutgers.edu for more information.
8. Are subaward documents that have been signed or partially signed prior to the integration date of July 1, 2013 valid?

This depends on the status of the prime award at the time of signature. If at the time of signature the prime award was still under legacy UMDNJ and not Rutgers, then a modification will have to be issued or reissued (if partially executed) which can include the following main concerns or more:

- Officially transfer subaward agreement to Rutgers
- Reassign invoices to appropriate accounts payable office
- Reassign Division of Grant and Contract Accounting as the financial contact
- Extend period of performance and add funding (even if dates are prior to 7/1/2013)
- Assign a new index number and new purchase order
- Other issues to be discussed with subaward specialist

NOTE: ORSP is in the process of receiving subaward documents from legacy UMDNJ’s legal office. However, to assure ORSP has the most up to date documents on file, please be prepared to send a copy of the grant file.

9. What is the legacy UMDNJ Purchase Order process?

Until further notice, the legacy UMDNJ purchase order process remains the same. Departments should continue to submit purchase order requisitions to procurement. Purchase order requisitions should be accompanied with a copy of the fully executed subaward agreement related to the requisition. In addition, the requisition should also be accompanied with a copy of the novated prime award.

If the prime award has not been novated, no purchase order requisitions should be submitted as the current index numbers will no longer be valid.

NOTE: The grant specialist must be supplied a copy of the purchase order.