



VCU

Establishment of Sponsored Project Subcontracts and Subawards

Policy Type: Administrative

Responsible Office: Office of Sponsored Programs

Initial Policy Approved: 01/07/2013

Current Revision Approved: 11/23/2015

Policy Statement and Purpose

This policy is to establish appropriate policies for the development of subcontracts and subawards awarded by the university under prime awards made to the university.

Subcontracts

All sponsored contracts received that require the university to acquire or procure sponsored project services from a third party must have a subcontract document prepared to formalize the contractual relationship between the university and the third party. All such subcontracts must be requested through the Office of Sponsored Programs (OSP).

Subawards

All sponsored grant and cooperative agreement awards that require collaborative sponsored project effort from a third party must have a subaward document prepared to formalize the collaborative relationship between the university and the third party. All such subawards must be requested through the Office of Sponsored Programs.

This policy will use the term “subagreement” when referring to both subcontracts and subawards and the term “subrecipient” when referring to both subcontractors and subawardees.

OSP is solely responsible for all formal negotiations with the subrecipient during the development or performance of the subagreement. OSP will ensure that the subagreement complies with federal and state regulations, VCU policies and procedures, the applicable sponsor regulations, and the terms and conditions of the prime award.

VCU’s Principal Investigator/Project Director (PI) is responsible for defining the subagreement statement of work and evaluating the reasonableness of the subrecipient’s budget to ensure the fulfillment of VCU obligations under the sponsored contract, grant, or cooperative agreement.

Noncompliance with this policy may result in disciplinary action up to and including termination. VCU does not tolerate any form of retaliation against an employee who brings forth a good faith concern, asks a clarifying question, or participates in an investigation.

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Who Should Know This Policy

All individuals involved in sponsored programs are responsible for knowing this policy and familiarizing themselves with its contents and provisions.

Definitions

Contract

A written agreement with specific obligations for both the sponsor and recipient. Each contract document contains a statement of work or services to be performed (statement of work) and represents a legal obligation by the contractor. Since a contract is a purchase or procurement, there will always be a deliverable. Contracts received by the institution are more detailed than grants or cooperative agreements in the technical requirements and sometimes in the accountability for the use of funds. Contracts issued for procurement under a sponsored program need careful review for adequacy of the statement of work and objectivity of the statement of deliverables.

Cooperative Agreement

A federal award similar to a grant and subject to grant regulations, but in which the sponsor's staff may be actively involved in proposal preparation, and anticipates having substantial involvement in research and financial activities once the award has been made.

Grant

A type of financial assistance awarded to an organization for the conduct of research or other program as specified in an approved proposal. A federal grant, as opposed to a federal cooperative agreement, is

used whenever the awarding office anticipates no substantial programmatic involvement with the recipient during the performance of the activities. The PI of a research grant has significantly greater flexibility in making changes to the research plan than the PI of a research contract. As with any agreement, a grant has terms and conditions which must be followed.

Sponsor

The organization providing funding as a result of the award of a specified program to the institution.

Statement of Work

The description of the work to be performed and completed on a research project or sponsored activity. A good statement of work is action oriented.

Subcontract/Subaward/Subagreement

The document written under the authority of, and consistent with the terms and conditions of grant, contract or cooperative agreement that transfers a portion of the research or substantive effort of the prime award to another institution or organization.

Subcontractor/Subawardee/Subrecipient

The third party performing substantive sponsored project services under a Subcontract/Subaward/Subagreement.

Contacts

The Office of Sponsored Programs officially interprets this policy. The Office of Sponsored Programs is responsible for obtaining approval for any revisions as required by the policy *Creating and Maintaining Policies and Procedures* through the appropriate governance structures. Please direct policy questions to the Office of Sponsored Programs.

Procedures

The process for establishing subcontracts/subawards/subagreements is identical. These procedures will use the term "subagreement" to refer to subcontracts and subawards, and subagreements

1. It is the responsibility of the PI or his/her designee, to initiate the process.
2. For the initial establishment of a subagreement, prepare a Subaward Request Form, which is available on the Office of Sponsored Programs' website. For modifications to existing subagreements, prepare the Subaward Modification Request Form, also available on the OSP website. You must have a Banner index number for your subagreement to complete the form. Subagreements cannot be encumbered on the home account. Both the principal investigator and fiscal administrator must sign the Subaward Request Form.
3. Five (5) documents should be attached to the Subaward Request Form if they have changed since original proposal submission:
 - a) Signed Consortium Letter or Face Page bearing Subagreement Authorized Official's signature
 - b) Subrecipient statement of work

- c) Subrecipient budget
 - d) Subrecipient indirect cost rate agreement if the collaborating institution intends to invoice for indirect costs
 - e) Subrecipient PI biosketch
4. Submit the Subaward Request Form and its attachments to OSPAWARD@VCU.EDU. Questions regarding your request can be sent to the same e-mail address.
 5. OSP will draft the subagreement document, submit to the sponsor for review (if required), forward to the subrecipient, negotiate any terms and conditions, and execute the finalized subagreement.
 6. OSP will encumber the funds for the subagreement in Banner and distribute the finalized subagreement and Direct Pay/General Encumbrance Form to the principal investigator and fiscal administrator.
 7. The Department should work with Grants and Contracts Accounting to move the funds to the correct index.

Forms

1. Subaward Request Form <<http://www.research.vcu.edu/forms/SubawardRequestForm.pdf>>
2. Direct Pay/General Encumbrance Form
<http://www.vcu.edu/procurement/travel/pdf_docs/Direct_Pay_General_Encumbrance.pdf>
3. Subaward Modification Request Form
<<http://www.research.vcu.edu/forms/SubawardAmendmentRequestForm.pdf>>

Related Documents

Related documents are critical to the development of corresponding policies and procedures. Related documents include federal regulations, state regulations, state policies, and VCU policies, procedures and guidelines.

1. [Subrecipient Monitoring](#)

Revision History

This policy supersedes the following archived policies:

January 7, 2013

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FAQs

1. What should be included in the subrecipient statement of work?

The subrecipient statement of work should be as detailed as possible so that expectations are clearly defined and measurable, in terms of both deliverables and costs.