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Learning Objectives

Understand:
- Review Planning and Issuing Process
- Managing Subawards:
- Modifications
- Special circumstances
- Closeout Roles & Expectations
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.

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.
What Is a Subaward?

- A binding legal agreement
- Intellectually significant activity

Also known as a subgrant, subcontract, or subagreement, but the umbrella term is subaward.

Key subaward terms:

**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.

**Privity of Contract** - A doctrine of contract law that prevents any person from seeking the enforcement of a contract, or suing on its terms, unless they are a party to that contract. See the Subaward Processing Checklist in appendix S for more information.
Characteristics of a Subaward

The subrecipient:

- Makes programmatic decisions
- Must adhere to compliance requirements
- Uses sponsored funds to carry out portion of entire work scope

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.
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.

Decision Matrix

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

- Does the entity’s Statement of Work 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 subject’s approvals for its portion of the work?
SPECIAL CIRCUMSTANCES

Special circumstances would include Fairview. Check the SPA website for more information:

www.ospa.umn.edu/announcements/FairviewSubawardChanges.htm

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.

Resources

• Contractor’s Purchasing System Reviews (CPSR)

The objective of a CPSR is to evaluate the efficiency and effectiveness with which the contractor spends government funds and complies with government policy when subcontracting. The review provides the administrative contracting officer (ACO) a basis for granting, withholding, or withdrawing approval of the contractor’s purchasing system.
The PI has several evaluation criteria to help in the decision process. Some important criteria used in the decision process include:

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

The proposal package from the subrecipient includes:

- Statement of work
- Budget and associated budget justifications
- Signed commitment letter
- Biosketches, other support, and other associated information as required by the sponsor
- Other documentation as requested based on sponsor requirements

See the Subawards Toolkit at [www.ospa.umn.edu/subaward](http://www.ospa.umn.edu/subaward).

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

• Sole source procurement: The PI’s documentation of selection criteria is used.

See appendices for more information:

Fair and Reasonable Cost Analysis Form 1

Fair and Reasonable Cost Analysis Form 2
Let’s spend a few minutes on 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.
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.
Option B path when the subrecipient is not on the FDP Clearinghouse, Forms 1 and 2 are part of the submission packet.
Complete the first section to assist your subrecipient in completing the document. Sections B-D are completed by the subrecipient organization.
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.
Information on financial conflict of interest can be found on the SPA website at www.ospa.umn.edu/PHSFCOI.html.

Can’t make proposal deadline?

Subaward is either
- Reclassified as TBN
- Removed from proposal

*University of Minnesota can not submit a proposal without FCOI information in place for all PHS proposals.*
Roles and responsibilities document

This document is found in the Appendix & the SPA webpage:  Source: www.ospa.umn.edu/subaward/roles.htm
IRB stands for Institutional Review Board.

IACUC stands for Institutional Animal Care and Use Committee.

**Initiating a continuation or supplement subaward**

SPA will request from the PI (based on continuation or supplement proposal award) required elements for subaward and follow standard issuing subaward procedures.

See appendices for more information:

- Fair and Reasonable Cost Analysis Form 1
- Fair and Reasonable Cost Analysis Form 2
  Used as a tool to gather information to create a subaward (required).
- Request for Subaward Information email

### SPA Requests 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 in compliance
- Subrecipient’s contact information
- Other information as needed
Initiating an Unanticipated Subaward After Proposal Is Submitted

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

Risk analysis also includes:

- Finding copies of audit reports
- See appendix: Audit Certification and Financial Questionnaire Used to do risk analysis (SPA will check Harvester).
- Federal audit clearinghouse for A-133
- Non-A-133 entities
- For-profit entities

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

See appendix: Subrecipient Risk Analysis and Compliance Record for more information.
Typical Subaward Elements

- Prime award number
- Period of performance
- Approval requirements
- Property issues
- Invoice requirements
- Notification obligations
- Required certifications and regulations
- Terms and conditions

Subawards:

- Are legally binding agreements between the University and the subrecipient.
- Protect the sponsor's and the University's interests 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.

See appendix for the Subaward Agreement template for federal awards for more information.
Examples of federal regulation that would flow down:

- Federal Acquisition Regulations (FAR): Laws regulating federal contracting
- OMB A-21: Cost Principles for Educational Institutions
- OMB A-110: Uniform Administrative Requirements for Grants and Other Agreements with Institutions of Higher Education
- OMB A-133: Audits of States, Local Governments, and Non-Profit Organizations

Example of a University of Minnesota requirement that would flow down:

- Six-year retention record
FAR is broken into two sections that have a relationship: one instruction, one provision. The example above shows clause/provision 52.227-11 on patent rights–ownership by the contractor and its relationship to instruction 27.303 on contract clauses.

SPA helps interpret regulations, including specialty ones like FAR, when they apply.

See appendix for the Federal Acquisition Regulation example for more information.
Unscramble each of the clue words. Copy the letters in the numbered cells to other cells with the same number.
Roles and responsibilities in managing subawards intersect with several broad headings for the PI/department and SPA:

- Compliance
- Invoice payment and financial obligations
- Administration and closeout

See appendix for the Subawards Roles and Responsibilities document for more information.
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 and being a 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.
Establishing a Solid Partnership

Good avenues of communication are important between:

- PI and subrecipient
- PI and SPA
The PI is responsible for monitoring compliance with the terms of the subaward and the prime award. Any disclosures of financial interest or conflicts of interest might require that specific action be taken. PIs and departments should discuss such disclosures with SPA.
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.
Monitoring and managing subawards requires that the PI has base knowledge of sponsored guidelines.

**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. The principles are designed to provide that the federal government bear its fair share of total costs, determined in accordance with generally accepted accounting principles, except where restricted or prohibited by law. Agencies are not expected to place additional restrictions on individual items of cost. Provision for profit or other increment above cost is outside the scope of this circular.

**Federal Contracts Only**

The Federal Acquisition Regulation (FAR) is the principal set of rules in the Federal Acquisition Regulation System. The purpose of FAR is to provide uniform policies and procedures for acquisition. This system of 53 parts consists of sets of regulations issued by agencies of the federal government to govern what is called the “acquisition process,” which is the process through which the government purchases (acquires) goods and services. That process consists of three phases: (1) need recognition and acquisition planning, (2) contract formation, and (3) contract administration.
EFS Tools for Monitoring Invoice Payments

- SPA created a job aid to assist users in checking the balance of their individual subawards.
- EFS modifications to delineate up to nine subawards in PeopleSoft rolled out in 2010. At the request of the user, for new projects only, SPA will create the individual account lines for each subaward.

See appendices for more information:

- Find a Voucher and Pay Data job aid
- PO Balance by Project job aid
- Checklist for Principal Investigators Reviewing Subaward Invoices
Examples of unacceptable types of expenses are:

- Any costs normally treated as F&A or indirect costs, such as administrative salaries and wages, general office supplies, and routine postage.

- Any costs recovered through F&A rates, such as the University’s operations and maintenance costs, use of University space, and use of existing equipment, as well as any cost that cannot be quantified.

- An expense that does not directly assign a benefit to the activity and as such is not allocable to the sponsored project.

- An unallowable cost on an award, such as alcohol.
Subaward modifications begin with communication from the PI or department staff to SPA that changes will need to be processed. 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 prior approval from the prime sponsor. The closeout process of subawards can be initiated by one of two occurrences. The first is the receipt of a “final” invoice, and the second is following the conclusion of the project as determined by the period of performance.

See appendix for the Subaward Release Form for more information.
SPA: Administration Issues and Closeout

- Assist PIs and departments with monitoring subawards upon request
- Verify corrective action plans are implemented (if necessary)
- Prepare, negotiate, issue, and distribute amendments
- Resolve problems that arise during performance
- Complete closeout
1. Principles for determining costs applicable to grants, contracts, and other agreements with educational institutions.

2. Federal law that ensures public transparency to identify recipients of grant and subaward funding.

3. Prepares, negotiates, issues, and distributes subaward amendments.

4. Primary control point for allowability, allocability, and reasonableness of research expenses.

5. Reviews, approves, signs, and dates invoices for processing.
When the University 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.

OMB 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
This Circular applies to subawards made by State and local governments to organizations covered by this Circular.

A section of A-110 says the cost share agreement must meet the terms of the award, e.g., the date of the acquisition of a piece of equipment must fall under the award period.
HIPPA - 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.

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.

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.
Disclosure of Intellectual Property

Intellectual property (IP) ownership is dictated by the Bayh-Dole Act of 1980. This piece of legislation states that subrecipients retain rights to their own inventions. Pass-through entities get enough rights to allow inventions to be used for purposes of the project.

The Bayh-Dole Act allows for the transfer of exclusive control over many government funded inventions to universities and businesses for the purpose of further development and commercialization. Prior to this legislation, the federal government owned the title of the invention. The Bayh-Dole Act reversed the past policy.

Contracting universities and businesses are permitted to license the inventions to businesses capable of turning the inventions into products. The federal government retains rights to use the invention.

When a vendor agreement, not a subaward, is used as the vehicle, then ownership belongs to the University.

The University reserves the right to use IP to fulfill its obligations of the sponsored projects.
Government Purpose License Right

- Found as part of the code of Federal Acquisition Regulations in the Patents, Data and Copyrights section for Government Rights
- Where the government has the right to say I supported the creation of the invention, I get the right to use your invention for free for any government work, or I need access to perform my part of this federal project and you must give it to me

The government will obtain either Government Purpose Rights or Unlimited Rights, as defined in Federal Acquisition Regulations (FAR) 52.227-14 and applicable agency supplements, in items that are not developed solely at private expense.

This right flows down to subawards too.
The MTA defines the rights of the provider and the recipient with respect to the materials and any derivatives. Biological materials, such as reagents, cell lines, plasmids, and vectors are the most frequently transferred materials, but MTAs may also be used for other types of materials, such as chemical compounds and even some types of software.

Three types of MTAs are most common at academic institutions: transfer between academic or research institutions, transfer from academia to industry, and transfer from industry to academia. Each type calls for different terms and conditions.
This application lets principal investigators and their staffs follow up on the progress of Unfunded Research Agreements that have been submitted for processing to the Office of Sponsored Projects Administration.

- An Unfunded Research Agreement (UFRA) is an agreement that includes Material Transfer Agreements (MTAs), Confidentiality Agreements (CUAs), Research Collaboration agreements (RCAs), Data Use Agreements (DUAs), and Memorandums of Understanding (MOUs).
- The University of Minnesota has a database that assists faculty and staff in tracking their documents entitled UFRA. Check the UFRA database at http://apps.research.umn.edu/ufra/
eProtocol

Web-based technology replaces numerous compliance systems into a single, integrated solution:

- Institutional Animal Care and Use Committee (IACUC)
- Institutional Bio-safety Committee (IBC)
- Controlled Substances

**Coming attractions**

- Institutional Review Board (IRB)
Some sponsors require negative property reports (both contracts and grants could be affected). A negative property report informs the sponsor that no property was acquired on the subaward. The best way for departments to document equipment acquisitions is to accept only detailed invoices from the subrecipient.

Check the property clauses in the sponsor’s award to ensure all property regulations are followed.
Cost sharing means that a portion of the project or program costs are not borne by the sponsor. It is typically initiated at the proposal stage and is tracked throughout its life cycle.

If cost sharing is proposed, then it is mandatory upon award.
Case Study

Professor Smith has received his award on a proposal he submitted to HUD. The amount of the award is $2 million a year for five years. This award includes three subawards: one to the University of Wisconsin ($300,000/year), one to the University of Iowa ($75,000/year), and one to a for-profit survey company ($100,000/year). The for-profit survey company was included as a subaward because of its involvement with the programmatic decision making for their portion of the work. This HUD award carries a cost share requirement of equal to 15 percent of the amount requested from the agency. Reports on cost sharing must be included in the annual report filed with the agency. A cost share requirement was not required of the for profit survey company due to their status as a small minority vendor.

Group Exercise

Review the following case study and answer the questions.

1. Who is responsible for covering the annual amount of required cost share?

2. If some of the responsibility for the cost share is passed along to the University of Wisconsin and the University of Iowa, how is it documented?

3. How is cost share reported?

4. Who reports to the sponsor?
**ITAR** – Export: Disclosing technical data to a foreign national whether in the U.S. or abroad.

**EAR**: Release of technology subject to EAR to a foreign national in the U.S. is deemed to be an export to the home country or countries of the foreign national.

Fundamental research is basic and applied research in science and engineering where the resulting information is ordinarily published and shared broadly within the scientific community. See the National Security Decision Directives (NSDD) 189 (September 21, 1985) at [www.fas.org/irp/offdocs/nsdd/nsdd-189.htm](http://www.fas.org/irp/offdocs/nsdd/nsdd-189.htm). No restrictions may be placed on the conduct or reporting of federally funded fundamental research except national security classification or as provided in applicable U.S. statutes.

The two primary sets of export control laws are ITAR and EAR, which together govern the export of both defense-related and commercial products. Globalization, terrorism, and threats of proliferation have led to an increase in the enforcement of U.S. export control laws by the federal government. ITAR and EAR laws provide for severe civil and criminal penalties for the unauthorized disclosure of sensitive technology to foreign citizens.
Universities and companies of all sizes are increasingly finding themselves in violation of such laws due to, among other things, immigration, and widespread foreign travel, outsourcing, and even applying for foreign patent protection. Any transaction between regulated technology and a foreign national may invoke export control laws.

Compliance is the responsibility of the exporter. It is therefore necessary to be aware of the dangers of disclosing sensitive technology in order to avoid inadvertent violation, since some of the penalties are criminal in nature and lack of intent is not a defense. In export control parlance, export includes not only the shipment of products abroad, but also technical data that is deemed an export by its mere disclosure or transfer to a foreign national, even if within U.S. borders.

Foreign nationals are NOT:

- U.S. citizens
- Permanent resident aliens
- Granted asylum status

Resources

- See the OVPR website for information about export compliance at www.research.umn.edu/regulations/export_controls.html
The subaward document issued by SPA is a resource tool for the PI/department and is used during the life of the award.

Recipients are partners in the research enterprise so it is important to identify and establish good communication with the subrecipient’s representatives from the beginning. Communicate any concerns to the subrecipient’s PI in a timely manner.

Here are a number of questions that should be continuously asked during the life of a subaward:

- Is the subrecipient’s work progressing according to schedule?
- Are deliverables/reports being provided in a timely manner?
- Are compliance requirements up-to-date?
- Do invoices reflect allowable, allocable, and reasonable costs?
- Are funds being spent according to the budget and project timelines?

Expenditures must reflect scientific progress.

**PI/Department Receive the Executed Subaward Agreement**

During the life of the subaward:

- Monitor subrecipient’s adherence to financial terms and scientific progress toward milestones outlined in the agreement
- Modify agreement if needed
- Approve invoices for payments
The PO subaward number is a ten-digit identifier assigned by SPA. This number follows a prescribed numbering convention. The team monitoring code is the alpha code. The middle section of the PO subaward numbering sequence is taken from the last seven digits of the project number. The last two numbers represent the number of the subaward associated with this project.
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.
PI Invoice Approval

- Are costs allowable, allocable, and reasonable?
- Are costs incurred within the period of performance?
- Are expenses aligned with technical progress?
- Is subrecipient meeting cost-share commitments (if part of the agreement)?
- Are there deviations between invoice and award?

PIs must personally sign and date invoices.

Level of detail required is specified in the subaward for:

- Salaries
- Materials and supplies
- Travel
- Equipment
- Subawards
- Facilities and Administrative Costs (F&A or Indirect Costs)

PI must review, sign, and date expenditures with scientific progress in mind, to check if work is going according to the schedule specified in the subaward.
OMB A-133 requires oversight responsibilities that place the University in much the same position as if it were a federal agency dealing with its own primary recipients. The following controls assist the PI with issues they may encounter in managing their subawards:

- Department staff assure that any necessary sponsor approvals are received before establishing a subaward.

- PI reviews invoices from the subrecipient, including the monitoring of technical and programmatic activities and the assurance of allocability, allowability, and reasonableness of costs. Subaward invoices should be in enough detail to determine how the funds are being used.

- Departments should question costs that differ materially from the approved budget or that appear unusual or unallowable, and should withhold payment until a satisfactory explanation is received or an appropriate audit of unresolved issues can be performed.

- Department and SPA help ensure duplicate subrecipient invoices are not paid.

- Unless prior approvals are waived, the subrecipient must submit required approvals to the PI with a courtesy copy to SPA. Where required, the PI must obtain written approval from the sponsor before the subrecipient can take action.

- PI must approve and date all subrecipient invoices.

Potential Invoice Issues

- Incorrect invoices
- Performance dates that exceed subaward agreement
- Incomplete documentation
- Expenses that are not aligned with technical progress
- Delinquent technical or financial report
- Duplicate invoices

 Communicate with subrecipient in a timely fashion when issues are identified.
The PI or department staff should promptly contact SPA with any concerns about a subrecipient. Examples of situations that may require further inquiry by SPA include but are not limited to:

- Suspicion of subrecipient nonperformance (e.g., late progress reports).
- Fraud or noncompliance with federal regulations and laws.
- Any indication that the subrecipient is not fulfilling its obligations under the subaward.

SPA Invoice and Payment Assistance

- Assist PI with monitoring the subawards
- Review invoices and process payments
- Verify invoices are signed and dated by PI
- Ensure costs were incurred during the period of performance
- Verify invoice amount does not exceed subaward balance
- Verify costs are pursuant to terms of award
Group Exercise

The PI has given an invoice to you to look over and send to SPA to pay. There are eleven errors or questionable items that the department must identify and correct before agreeing to payment. What are they? Will the department have to go back to the University of Wisconsin to correct any issues?
University of Wisconsin
Accounting Services

Invoice to:
University of Minnesota
SPA
450 McNamara Alumni Center
200 Oak Street SE
Minneapolis, MN 55455

Date: 3/11/2010

Subaward/PO #:

Project title: The Study of Gophers on the Plains

<table>
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<tr>
<th>Invoice Period</th>
<th>Description</th>
<th>Approved Budget</th>
<th>Previously Billed Expenses</th>
<th>Current Expenses</th>
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<tr>
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<td></td>
<td>Animal charges</td>
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<td>1,000</td>
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</tr>
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<td>F&amp;A (10% TDC)</td>
<td>11900</td>
<td>10,650</td>
<td>2,075</td>
<td>12,225</td>
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<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>130,900</strong></td>
<td><strong>117,150</strong></td>
<td><strong>17,825</strong></td>
<td><strong>189,152</strong></td>
</tr>
</tbody>
</table>

Make check payable to:
The University of Wisconsin
Extramural Fund Accounting
Bucky Badger Way
Madison, WI 53706
TN#: 94-555555

Managing Subawards – Participant Guide
Restrictions may be lifted if the subrecipient is reporting correctly and in a timely manner.

A **modification** is a mechanism used to modify any aspect of an existing subaward agreement. It is used interchangeably with amendment.

Some modifications require prior approval from the prime sponsor. The grant administrator works with the PI/department to determine the next steps if a modification is necessary.

Contact SPA for assistance with any issues a PI/department may encounter with subawards.
Other Possibilities Leading to Modifications

Subrecipients who:
- Fail to perform the agreed-upon scope of work
- Fail to fulfill reporting obligations or provide deliverables
- Breach the terms of a subaward
- Fail to abide by compliance requirements

PIs should contact SPA to assist in the negotiation process regarding disputes between subrecipients and the University.
Incremental Funding

- When an award is incrementally funded, amendments to the subaward are issued when SPA receives the prime award.
- SPA verifies amounts with the PI/department prior to issuing incremental funding to the subrecipient.
Requesting a Special Modification

- May need sponsor approval
- Notify grant administrator (GA) of proposed modification
- Provide SPA with the following (if applicable):
  - Revised budget
  - New period of performance
  - Changes of work scope
  - Subrecipient PI change
Termination of a Subaward

A PI was notified by his subrecipient’s PI that she is leaving her University by the 15th of the following month.

How do you, as a Department Research Administrator assist the PI?

Discuss the questions:

1. What starts the process of this modification?

2. What factors does the PI/Department have to consider?

3. Who is involved in this change?
To Ensure a Timely Closeout: PI/Department

- 90 days prior to the end of the subaward, confers with the subrecipient to determine if the work will be finished on time
- By the due date stipulated in the subaward, obtains from the subrecipient the final invoice (marked “Final”); forwards to SPA

If it is uncertain whether the work can be completed on time, the PI may request a no-cost extension from the sponsor.
Other PI/Department Closeout Actions

- Ensure all closeout terms and conditions in the subaward are met, including final invoices and reports submitted in accordance with the terms and conditions in the subaward
- Settle any disallowed costs
- Ensure proper disposition of government-owned equipment
SPA follows up with subrecipient at closeout with an additional copy of the release form if it is not received with the final invoice. SPA will not pay the final invoice until the release form is submitted by the subrecipient.

SPA Closeout Actions

- GA reconciles subaward paperwork to ensure all required documents have been received
- Review and process payment of final approved invoice and release form
- Complete Subaward Release Form
- De-obligate commitment for subrecipient agreement in the financial system (if necessary)
- Follow up with PI/subrecipient regarding:
  - Technical reports
  - Inventory reports
  - Invention reports
- Resolve any outstanding issues

SPA follows up with subrecipient at closeout with an additional copy of the release form if it is not received with the final invoice. SPA will not pay the final invoice until the release form is submitted by the subrecipient.
SFR Closeout Actions

- Will not close out a subaward until word is received from SPA
- Verifies that subrecipient’s invoice does not include any open encumbrances (disputed costs)
SUBAWARD JEOPARDY
Parting Words on Managing Subawards

- Protect the sponsor’s interests as well as the University’s and the subrecipient’s
- Collective venture including the PI, the PI’s department, the subrecipient, and SPA
- Ensure a timely closeout by working with the subrecipient at least 90 days prior to award closing date; utilize University resources if problems occur
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
- The Policy Library

Subaward resources on the web

- FFATA - [www.usaspending.gov](http://www.usaspending.gov)
- A-133, subpart B - [www.whitehouse.gov/omb/rewrite/circulars/a133/a133.html](http://www.whitehouse.gov/omb/rewrite/circulars/a133/a133.html)
- Federal Audit Clearinghouse – [harvester.census.gov/sac](http://harvester.census.gov/sac)
Subawards Terminology

**Allocable Costs** - 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.

**Allowable Costs** - 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.

**Animal and/or Human Subject Approval** - University approval that is obtained by a PI to conduct research when there are 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.

**Award Amount** - 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.

**Award Notification** - 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&A rate, and the dates on which any technical and financial reports are due.

**Bilateral Agreement** - 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.

**Budget** - Detailed statement outlining estimated project costs to support work under a grant or contract.

**Co-investigator (Co-I or Co-PI)** - 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 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.

**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 over expenditures are the responsibility of the department, and unspent funds do not revert to the sponsor.

Grant Administrator (GA) - 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.

Grant/Contract Officer - Sponsor’s employee who is officially responsible for the project’s business management.

Health Insurance Portability and Accountability Act (HIPAA) - 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.

**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).

**Institutional Biosafety Committee (IBC)** - 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.

**Institutional Review Board (IRB)** - 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 un-coerced, informed consent to their participation.

**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 it is in the interest of the University or otherwise necessary, a patent or copyright is obtained to protect intellectual property rights.

**Key Personnel** - Personnel considered being 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) and 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.

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, and 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.

**Post-award Department Administrator** - Assists the PI in the award’s issuance process.

**Pre-award Department Research Administrator** - 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.

**Price Analysis** - Process of examining and evaluating a prospective price without performing cost analysis (that is, without evaluating the separate cost elements and profit of the subawardee included in the proposal).

**Principal Investigator (PI)** - Typically, a faculty member who submitted a proposal that was funded by an external sponsor may be referred to as the project director. The PI has primary responsibility for technical compliance, completion of programmatic work, and fiscal stewardship of sponsor funds.

**Privity of Contract** - A doctrine of contract law that prevents any person from seeking the enforcement of a contract, or suing on its terms, unless they are a party to that contract.

**Progress Report** - Periodic, scheduled reports required by the sponsor summarizing research progress to date. Technical, fiscal, and invention reports may be required.

**Proposal** - A set of documents containing a descriptive narrative of an idea and a budget to be submitted to a funding agency for sponsored support. Some agencies require that proposals be submitted on preprinted forms, whereas others have no specific format.
Proposal Routing Form (PRF) - Internal University document. Its function is to ensure that all necessary approval signatures are obtained prior to proposal submission and to facilitate the compliance process. SPA uses this document to assist with the proposal submission process and award setup.

Reasonable Costs - Cost that, in its nature and amount, does not exceed that which would be incurred by a prudent person in the conduct of competitive business.

Research Integrity and Oversight Programs (RIOP) - 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

Sponsored Financial Reporting (SFR)- 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.

Subaward (Subcontract, Subgrant, or Subagreement) - 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.

Subrecipient - 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.

Supplemental (Rebudgeting or Modification) Proposal - 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.

Terms and Conditions - Includes issues based on University policy or sponsor guidelines.

Terms of Award - 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.

Tier - One of a series of rows placed one above another, it defines the relationship when awards have subawards their respective budgets.

Total Direct Cost (TDC) - Total of all direct costs of a project.

Vendor Agreement - 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.
Appendix A: Audit Certification & Financial Questionnaire

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.)

Financial Status Questionnaire For: __________________________
Organization/Company Name

General Information

Y N 1. Does your organization have its financial statements reviewed by an independent public accounting firm? (Please enclose a copy of the most recent financial statements for your organization, audited or unaudited.)

Y N 2. Are duties separated so that no one individual has complete authority over an entire financial transaction?

Y N 3. Does your organization have controls to prevent expenditure of funds in excess of approved, budgeted amounts?

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.)

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?

   __________________________

   __________________________

   __________________________

   __________________________

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   __________________________
## Appendix A: Audit Certification & Financial Questionnaire (cont.)

### Procurement

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

### Property Management

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

### Cost Transfers

<p>| |</p>
<table>
<thead>
<tr>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1. How does the organization ensure that all cost transfers are legitimate and appropriate?</td>
</tr>
</tbody>
</table>

### Indirect Costs

<table>
<thead>
<tr>
<th></th>
<th>Y</th>
<th>N</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>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>
<td></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
Appendix B: Certificate of Current Cost or Pricing Data

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: Checklist for Principal Investigators

Checklist for Principal Investigators Reviewing Subaward Invoices
Handout at NCURA Meeting – Fall 2008 (Revised SPA 01/2014)

- Is the PRIME award fully executed?
  □ Yes □ No

- Is the sub-recipient award fully executed?
  □ Yes □ No

- Is the invoice (expenditures) within the period of performance of the agreement (must be incurred before the end date or after the start date)?
  □ Yes □ No

- Are expenses on a cost reimbursable sub-contract charged based on actual expenses or appear to be on allocation of the budget?
  □ Yes □ No

- Are the performance goals being met and does progress relate to expenditures?
  □ Yes □ No

- Are the performance goals being met and do the expenditures align with technical progress?
  □ Yes □ No

- Does the invoice contain the following statement:
  “I certify that all expenditures reported (or payment requested) are for appropriate purposes and in accordance with the provisions of the application and award documents.”
  □ Yes □ No

- Is the invoice signed by the sub-recipient?
  □ Yes □ No

- Is there cost share required?
  □ Yes □ No
  If yes, has cost share been met?
  □ Yes □ No

- Is subaward number indicated?
  □ Yes □ No
  If no, please indicate and circle

- Is Facilities & Administrative (F&A) cost calculated correctly on the invoice?
  □ Yes □ No

- Request was made to sub-recipient for a NEW/REVISED invoice on the following date:
  Comments:

- Is this a final invoice?
  □ Yes □ No

- If yes, please make sure of the following before payment can be made on the final invoice:
  Is the invoice marked final?
  □ Yes □ No

- If cost share, has cost share been met?
  □ Yes □ No
  Subcontractor Release Form □ Yes □ No

- Is PI the same individual at both Prime and Sub. Institution?
  □ Yes □ No
  If yes, invoice should be reviewed and approved by an alternate approver (Associate Dean for Research, Dept. Head)

Rev 2/24/14
Appendix C: Subaward Processing Checklist (cont.)

Subaward Processing Checklist – GAs
University of Minnesota – Office of Sponsored Projects Administration

PROPOSAL
Required Subrecipient Items:
- Commitment Letter/document
- Budget and Budget Justification
- Scope of Work
- Fair and Reasonable Cost Analysis Form II (Fed. Contracts only)
- Add subrecipient(s) under Resources in EFS (vendor name only)
  If vendor setup is required, route W9 form to Laura Geno

IF PHS:
- FDP
- Form 1 (and 2 if applicable)
- Add this information under Resources in EFS

AWARD
Required elements for all subawards (New or Amended):
- Risk Analysis:
  - A-133 or Financial Questionnaire (FQ)
  - Check EPS database
  - Check Harvester
  - Request A-133 or FQ from sub
  - Route copy of Harvester or reviewed FQ to Executive Assistant (Laura Geno)
- Check for Debarment
- Email PI/Dept template for sub information request
- Fill out Subaward Information Sheet
- Fill out Balance Sheet
- Send sub (not pre-signed) to subrecipient for signature
- Set up PO
- Print copy of PO for files
- Route copy of subaward to ImageNow staff (For coordinating campus send complete subaward file to Nancy Benson, SPA)
- File subaward

Subawards subject to FFATA:
- Send FFATA email request to ovprffata@umn.edu
- FFATA response received from FFATA delegate
- Send sub (NOT pre-signed) to subrecipient for signature
- Return fully executed copy to:
  - Subrecipient
  - FFATA delegate
  - PI
  - Dept

PHS Subawards:
- Verify dates on Form 1 (Good for life if subrecipient policy is indicated)
- If Form 2 annual renewal is necessary, work with COI to proceed if necessary (see PHS FCOI Form 2 requirements)

SUBAWARD CLOSE-OUT
Required for Subaward Close-Out:
- Subaward Release Form
- Link to close-out job aid
- Risk Analysis Record Step 5

Rev. 2/24/14
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 files.

**Background/Purpose**

Subaward proposed to (name of subrecipient):

Research effort entitled:

Research sponsored by:

PRF #: ____________________________ University of Minnesota PI is:

University of Minnesota proposal date: __________ Proposed Subaward Total: $

Subaward Period of Performance: From: __________ To: __________

Project #: (if known): ____________________________

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

☐ 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 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: $

Subward 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


**Appendix F: Federal Acquisition Regulation (FAR)**

**FAC 2005–21 DECEMBER 7, 2007**

**PART 27—PATENTS, DATA, AND COPYRIGHTS**

<table>
<thead>
<tr>
<th>Sec.</th>
<th>Title</th>
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<tbody>
<tr>
<td>27.300</td>
<td>Scope of part.</td>
</tr>
<tr>
<td>27.301</td>
<td>Definition.</td>
</tr>
<tr>
<td>27.302</td>
<td>Goals.</td>
</tr>
<tr>
<td>27.303</td>
<td>Administration by the Government.</td>
</tr>
<tr>
<td>27.304</td>
<td>Cooperation.</td>
</tr>
<tr>
<td>27.305</td>
<td>Administration of patent rights clauses.</td>
</tr>
<tr>
<td>27.305-1</td>
<td>Patent rights clauses.</td>
</tr>
<tr>
<td>27.305-2</td>
<td>Protection of invention disclosures.</td>
</tr>
<tr>
<td>27.305-3</td>
<td>Licensing background patent rights to third parties.</td>
</tr>
</tbody>
</table>

**Subpart 27.1—General**

- 27.101 Aplicability.
- 27.102 General guidance.

**Subpart 27.2—Patents and Copyrights**

- 27.200 Scope of subpart.
- 27.201 Patent and copyright infringement liability.
- 27.201-1 General.
- 27.201-2 Contract clauses.
- 27.202-1 Reporting of royalties.
- 27.202-3 Adjustment of royalties.
- 27.202-4 Refund of royalties.
- 27.203 Security requirements for patent applications containing classified subject matter.

**Subpart 27.3—Patent Rights under Government Contracts**

- 27.300 Scope of subpart.
- 27.301 Definitions.
- 27.302 Policy.
- 27.303 Contract clauses.
- 27.304 Procedures.
- 27.304-1 General.
- 27.304-2 Contracts placed by or for other Government agencies.
- 27.304-3 Subcontracts.
- 27.304-4 Appeals.

**Subpart 27.4—Rights in Data and Copyrights**

- 27.400 Scope of subpart.
- 27.400-1 Definitions.
- 27.400-2 Policy.
- 27.400-3 Data rights—General.
- 27.400-4 Basic rights in data clause.

**Subpart 27.5—Foreign License and Technical Assistance Agreements**

- 27.501 General.

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*Source: Excerpt from the Federal Acquisition Regulation book.*
Appendix F: Federal Acquisition Regulation (FAR) (cont.)

FAC 2005–21 DECEMBER 7, 2007

SUBPART 27.3—PATENT RIGHTS UNDER GOVERNMENT CONTRACTS

27.303

27.303 Contract clauses.

(1) Insert a patent rights clause in all solicitations or contracts for experimental, developmental, or research work as prescribed in this section.

(2) This section also applies to solicitations or contracts for construction work or architect-engineer services that include—

(i) Experimental, developmental, or research work;

(ii) Test and evaluation studies; or

(iii) The design of a Government facility that may involve novel structures, machines, products, materials, processes, or equipment (including construction equipment).

(3) The contracting officer shall not include a patent rights clause in solicitations or contracts for construction work or architect-engineer services that call for or can be expected to involve only “standard types of construction” “Standard types of construction” are those involving previously developed equipment, methods, and processes and in which the distinctive features include only—

(i) Variations in size, shape, or capacity of conventional structures;

(ii) Purely artistic or aesthetic (as distinguished from functionally significant) architectural configurations and designs of both structural and nonstructural members or groupings, whether or not they qualify for design patent protection.

(4) Unless an alternative patent rights clause is used in accordance with paragraph (a), (b), or (c) of this section, insert the clause at 52.227-16, Patent Rights—Ownership by the Contractor.

(2) To the extent the information is not required elsewhere in the contract, and unless otherwise specified by agency supplemental regulations, the contracting officer shall include in the contract the clause at 52.227-17 to require the contractor to disclose during the period covered by the report any invention required to be disclosed.

(i) Provide periodic (but not more frequently than annually) listings of all subject inventions required to be disclosed during the period covered by the report.

(ii) Provide a report prior to the closeout of the contract listing all subject inventions or stating that there were none.

(iii) Provide the filing date, serial number, title, patent number and issue date for any patent application filed on any subject invention in any country at any time, upon request, copies of any patent application so identified.

Source: Excerpt from the Federal Acquisition Regulation book.
Appendix F: Federal Acquisition Regulation (FAR) (cont.)

27.304

(iv) Furnish the Government an irrevocable power to inspect and make copies of the patent application file when a Government employee is a co-inventor.

(5) Use the clause with its Alternate I if the Government must grant a foreign government a sublicense in subject inventions pursuant to a specific treaty or executive agreement. The contracting officer may insert Alternate I if the agency head determines, at contract award, that it would be in the national interest to sublicense foreign governments or international organizations pursuant to any existing or future treaty or agreement. When necessary to effectuate a treaty or agreement, Alternate I may be appropriately modified.

(6) Use the clause with its Alternate II in contracts that may be affected by existing or future treaties or agreements.

(7) Use the clause with its Alternate II in contracts with nonprofit organizations for the operation of a Government-owned facility.

If the contract is for the operation of a Government-owned facility, the contracting officer may use the clause with its Alternate III.

If the contract is for the performance of services at a Government-owned and operated laboratory or at a Government-owned and contractor-operated laboratory directed by the Government to fulfill the Government's obligations under a Cooperative Research and Development Agreement (CRADA) authorized by 15 U.S.C. 3710, the contracting officer may use the clause with its Alternate V. Since this provision is considered an exercise of an agency's "exceptional circumstances" authority, the contracting officer must comply with 37 CFR 401.3(b) and 401.4.

(i) Insert a patent rights clause in accordance with the procedures at 37.304-3 if the solicitation or contract is being placed on behalf of another Government agency.

(ii) The contract must grant a foreign government a sublicense in subject inventions pursuant to treaty or executive agreement;

(iii) The contract must be for the operation of a Government-owned and operated laboratory or at a Government-owned and contractor-operated laboratory directed by the Government to fulfill the Government's obligations under a CRADA authorized by 15 U.S.C. 3710.

(iv) Furnish a copy of each subcontract containing a patent rights clause (but if a copy of a subcontract is furnished under another clause, a duplicate shall not be requested under the patent rights clause);

(v) Submit interim and final invention reports listing subject inventions and notifying the contracting officer of all sublicenses awarded for experimental, developmental, or research work;

(vi) Provide the filling data, serial number, title, patent number, and issue date for any patent application filed on any subject invention in any country or, upon request of the Government, copies of any patent application as identified.

(vii) Submit periodic reports on the utilization of a subject invention.

27.304-4 General.

(a) Status as small business concern or nonprofit organization. If an agency has reason to question the status of the prospective contractor, the agency may require the prospective contractor to furnish evidence of its

Source: Excerpt from the Federal Acquisition Regulation book.
Appendix F: Federal Acquisition Regulation (FAR) (cont.)

FEDERAL ACQUISITION REGULATION

52.225-11 Buy American Act—Construction Materials under Trade Agreements.
52.225-12 Notice of Buy American Act Requirement—Construction Materials under Trade Agreements.
52.225-13 Restrictions on Certain Foreign Purchases.
52.225-14 Inconsistency between English Version and Translation of Contract.
52.225-15 [Reserved]
52.225-16 [Reserved]
52.225-17 Evaluation of Foreign Currency Offers.
52.225-18 Place of Manufacture.
52.225-19 Contractor Personnel in a Designated Operational Area or Supporting a Diplomatic or Consular Mission Outside the United States.
52.226-1 Utilization of Indian Organizations and Indian-Owned Economic Enterprises.
52.226-2 Historically Black College or University and Minority Institution Representation.
52.226-3 Disaster or Emergency Area Representation.
52.226-4 Notice of Disaster or Emergency Area Set-Aside.
52.226-5 Restrictions on Subcontracting Outside Disaster or Emergency Area.
52.226-6 Promoting Excess Food Donation to Nonprofit Organizations.
52.227-1 Authorization and Consent.
52.227-2 Notice and Assistance Regarding Patent and Copyright Infringement.
52.227-3 Patent Indemnity.
52.227-4 Patent Indemnity—Construction Contracts.
52.227-5 Waiver of Indemnity.
52.227-6 Royalty Information.
52.227-7 Patents—Notice of Government Licensee.
52.227-8 [Reserved]
52.227-9 Refund of Royalties.
52.227-10 Filing of Patent Applications—Classified Subject Matter.
52.227-11 Patent Rights—Ownership by the Contractor.
52.227-12 [Reserved]
52.227-14 Rights in Data—General.
52.227-15 Representation of Limited Rights Data and Restricted Computer Software.
52.227-16 Additional Data Requirements.
52.227-17 Rights in Data—Special Works.
52.227-18 Rights in Data—Existing Works.
52.227-19 Commercial Computer Software License.
52.227-20 Rights in Data—SBIR Program.
52.227-21 Technical Data Deletion, Revision, and Withholding of Payment—Major Systems.
52.227-22 Major System—Minimum Rights.
52.227-23 Rights to Proposai Data (Technical).
52.228-1 Bid Guarantee.
52.228-2 Additional Bond Security.
52.228-3 Workers’ Compensation Insurance (Defense Base Act).
52.228-4 Workers’ Compensation and War-Hazard Insurance Overseas.
52.228-5 Insurance—Work on a Government Installation.
52.228-6 [Reserved]
52.228-7 Insurance—Liability to Third Persons.
52.228-8 Liability and Insurance—Leased Motor Vehicles.
52.228-9 Cargo Insurance.
52.228-10 Vehicular and General Public Liability Insurance.
52.228-11 Pledges of Assets.
52.228-12 Prospective Subcontractor Requests for Bonds.
52.228-13 Alternative Payment Protections.
52.228-14 Irrevocable Letter of Credit.
52.228-15 Performance and Payment Bonds—Construction.
52.228-16 Performance and Payment Bonds—Other Than Construction.
52.229-1 State and Local Taxes.
52.229-2 North Carolina State and Local Sales and Use Tax.
52.229-3 Federal, State, and Local Taxes.
52.229-4 Federal, State, and Local Taxes (State and Local Adjustments).
52.229-5 [Reserved]
52.229-6 Taxes—Foreign Fixed-Price Contracts.
52.229-7 Taxes—Fixed-Price Contracts with Foreign Governments.
52.229-8 Taxes—Foreign Cost-Reimbursement Contracts.
52.229-9 Taxes—Cost-Reimbursement Contracts with Foreign Governments.
52.229-10 State of New Mexico Gross Receipts and Compensating Tax.
52.230-1 Cost Accounting Standards Notices and Certification.
52.230-2 Cost Accounting Standards.
52.230-3 Disclosure and Consistency of Cost Accounting Practices.
52.230-4 Disclosure and Consistency of Cost Accounting Practices for Contracts Awarded to Foreign Concerns.

Source: Excerpt from the Federal Acquisition Regulation book.
Appendix F: Federal Acquisition Regulation (FAR) (cont.)

FAC 2005–21 DECEMBER 7, 2007

S2.227–11

FEDERAL ACQUISITION REGULATION

(c) Where the subject matter of this contract is classified for reasons of security, the Contractor shall not file, or cause to be filed, in any country other than in the United States as provided in paragraphs (a) and (b) of this clause, an application or registration for a patent containing any of the subject matter of this contract without first obtaining written approval of the Contracting Officer.

(d) When filing any patent application covering the scope of this clause, the Contractor shall observe all applicable security regulations covering the transmission of classified subject matter and shall promptly furnish to the Contracting Officer the serial number, filing date, and name and country of any such application. When transmitting the application to the United States Patent Office, the Contractor shall by separate letter identify by agency and number the contract or contracts that require security classification markings to be placed on the application.

(e) The Contractor shall include the substance of this clause, including this paragraph (e), in all subcontracts that cover or are likely to cover classified subject matter.

(End of clause)

S2.227–11  Patent Rights—Ownership by the Contractor

As prescribed in 27.303(b)(2), insert the following clause:

PATENT RIGHTS—OWNERSHIP BY THE CONTRACTOR

(DEC 2007)

(a) As used in this clause—

"Invention" means any invention or discovery that is or may be patentable or otherwise protectable under title 35 of the U.S. Code, or any variety of plant that is or may be protectable under the Plant Variety Protection Act (7 U.S.C. 2371, et seq.).

"Made" means—

(1) When used in relation to any invention other than a plant variety, the conception or first actual reduction to practice of the invention;

(2) When used in relation to a plant variety, that the Contractor has at least tentatively determined that the variety has been reproduced with recognized characteristics.

"Nonprofit organization" means a university or other institution of higher education or an organization of the type described in section 501(c)(3) of the Internal Revenue Code of 1986 (26 U.S.C. 501(c)) and exempt from taxation under section 501(a) of the Internal Revenue Code (26 U.S.C. 501(a)) or any nonprofit scientific or educational organization qualified under a State nonprofit organization statute.

"Practical application" means to manufacture, in the case of a composition of product, to practice, in the case of a process or method; or to operate, in the case of a machine or system, and, in each case, under such conditions as to establish that the invention is being utilized and that its benefits are, to the extent permitted by law or Government regulations, available to the public on reasonable terms.

(3) License. (i) The Contractor shall retain a nonexclusive royalty-free license throughout the world in each subject invention to which the Government obtains title, unless the Contractor fails to disclose the invention within the times specified in paragraph (c) of this clause. The Contractor's license extends to any domestic subsidiaries and affiliates within the corporate structure of which the Contractor is a part, and includes the right to grant sublicenses to the extent the Contractor was legally obligated to do so at contract award. The license is transferable only with the written approval of the agency, except when transferred to the successor of that part of the Contractor's business to which the invention pertains.

(ii) The Contractor's license may be revoked or modified by the agency to the extent necessary to achieve expeditious practical application of the subject invention in a particular country, in accordance with the procedures in FAR 27.303(c) and 27.304(c).

(c) Contractor's obligations. (1) The Contractor shall disclose in writing each subject invention to the Contracting Officer within 2 months after the inventor discloses it in writing to Contractor personnel responsible for patent matters. The disclosure shall identify the inventor(s) and this contract under which the subject invention was made. It shall be sufficiently complete in technical detail to convey a clear understanding of the subject invention. The disclosure shall also identify any publication, on sale (i.e., sale or offer for sale), or public use of the subject invention, or whether a manuscript describing the subject invention has been submitted for publication and, if so, whether it has been accepted for publication. In addition, after disclosure to the agency, the Contractor shall promptly notify the Contracting Officer of the acceptance of any manuscript describing the subject invention for publication and any on sale or public use.

(ii) The Contractor shall elect in writing whether or not to retain ownership of any subject invention by notifying the Contracting Officer within 2 years of disclosure to the agency. However, in any case where publication, on sale, or public use has initiated the 1-year statutory period during which valid patent protection can be obtained in the United States, the period for election of title may be shortened by the agency to a date that is no more than 60 days prior to the end of the statutory period.

(iii) The Contractor shall file either a provisional or a nonprovisional patent application or a Plant Variety Protection Application on an elected subject invention within 1 year.
Appendix F: Federal Acquisition Regulation (FAR) (cont.)

FAC 2005–21 DECEMBER 7, 2007

52.227-11

The Contractor shall require, by written agreement, its employees, other than clerical and non-technical employees, to disclose promptly in writing to personnel identified as responsible for the administration of patent matters and in the Contractor's format, each subject invention in order that the Contractor can comply with the disclosure provisions of paragraph (c) of this clause, and to execute all papers necessary to file patent applications on subject inventions and to establish the Government's rights in the subject inventions. The disclosure format should require, as a minimum, the information required by paragraph (a)(1) of this clause. The Contractor shall instruct such employees, through employee agreements or other suitable educational programs, as to the importance of reporting inventions in sufficient time to permit the filing of patent applications prior to U.S. or foreign statutory bars.

(3) The Contractor shall notify the Contracting Officer of any decisions not to file a nonprovisional patent application, continue the prosecution of a patent application, pay maintenance fees, or defend in a reexamination or opposition proceeding on a patent, in any country, not less than 30 days before the expiration of the response or filing period required by the relevant patent office.

(4) The Contractor shall include, within the specification of any United States nonprovisional patent or plant variety protection application and any patent or plant variety protection certificate issuing thereon covering a subject invention, the following statement, "This invention was made with Government support under (identify the contract) awarded by (identify the agency). The Government has certain rights in the invention."

(1) Reporting on utilization of subject inventions: The Contractor shall submit, on request, periodic reports no more frequently than annually on the utilization of a subject invention or on efforts at obtaining utilization of the subject invention that are being made by the Contractor or its licensees or assignees. The reports shall include information regarding the status of development, date of first commercial sale or use, gross royalties received by the Contractor, and other data and information as the agency may reasonably specify. The Contractor shall provide additional reports as may be requested by the agency in connection with any march-in proceeding undertaken by the agency in accordance with paragraph (b) of this clause. The Contractor shall also mark any utilization report as confidential/proprietary to help prevent inadvertent release outside the Government. As required by 35 U.S.C. 207(c)(5), the agency will not disclose that information to persons outside the Government without the Contractor's permission.

(g) Preference for United States industry: Notwithstanding any other provision of this clause, neither the Contractor nor any assignee shall grant to any person the exclusive right to use or sell any subject invention in the United States unless the person agrees that any products embodying the subject invention

Source: Excerpt from the Federal Acquisition Regulation book.
Appendix F: Federal Acquisition Regulation (FAR) (cont.)

FAC 2005–21 DECEMBER 7, 2007

Federal Acquisition Regulation

(i) Communications. [Complete according to agency instructions.]

(k) Subcontracts. (1) The Contractor shall include the substance of this clause, including this paragraph (k), in all subcontracts for experimental, developmental, or research work to be performed by a small business concern or nonprofit organization.

(2) The Contractor shall include in all other subcontracts for experimental, developmental, or research work the substance of the patent rights clause required by FAR Subpart 27.3.

(j) At all tiers, the patent rights clause must be modified to identify the parties as follows: references to the Government are not changed, and the subcontractor has all rights and obligations of the Contractor in the clause. The Contractor shall not, as part of the consideration for awarding the subcontract, obtain rights in the subcontractor's subject inventions.

(4) In subcontracts, at any tier, the agency, the subcontractor, and the Contractor agree that the mutual obligations of the parties created by this clause constitute a contract between the subcontractor and the agency with respect to the matters covered by the clause; provided, however, that nothing in this paragraph is intended to confer any jurisdiction under the Contract Disputes Act in connection with proceedings under paragraph (b) of this clause.

(End of clause)

Alternate I (Jun 1989). As prescribed in 27.306(b)(3), add the following sentence at the end of paragraph (b)(2) of the basic clause:

The license shall include the right of the Government to sublicense foreign governments, their nationals and international organizations pursuant to the following treaties or international agreements:

[Contracting Officer complete with the names of applicable existing treaties or international agreements. The above language is not intended to apply to treaties or agreements that are in effect on the date of the award but are not listed.]

Alternate II (Dec 2007). As prescribed in 27.306(b)(4), add the following sentence at the end of paragraph (b)(2) of the basic clause:

The agency reserves the right to unilaterally amend this contract to identify specific treaties or international agreements entered into by the Government before or after the effective date of the contract and effectuate those license or other rights that are necessary for the Government to meet its obligations to foreign governments, their nationals, and international organizations under the treaties or international agreements with respect to subject inventions made after the date of the amendment.

Alternate III (Jun 1989). As prescribed in 27.306(b)(5), substitute the following paragraph (b)(3) in place of paragraph (b)(3) of the basic clause:

Source: Excerpt from the Federal Acquisition Regulation book.
Appendix G: FFATA Information Email

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/Contract 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: Find a Voucher and Pay Date Job Aid

Find A Voucher and Pay Date

I. VOUCHERS

Navigate to Purchasing > Purchase Orders > Review PO Information > Document Status

In the Business Unit: field click the lookup icon and select UMN01. Did the PO exist prior to Conversion (07/01/2008)?

- If Yes enter PO# in the Purchase Order Reference: field
- If No enter PO# in the PO Number: field

Purchase Order Document Status

Enter any information you have and click Search. Leave fields blank for a list of all values.

Find an Existing Value

Business Unit: UMN01
PO Number: 0000000038
Purchase Order Date: beginning with
Origin: beginning with
Purchase Order Reference: beginning with 135416199101
Case Sensitive

Click the hyperlinked DOC ID of a voucher (the latest voucher will be the one with the highest DOC ID#).

PO Document Status

<table>
<thead>
<tr>
<th>Business Unit</th>
<th>PO ID</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>UMN01</td>
<td>0000000038</td>
<td>Dispatched</td>
</tr>
</tbody>
</table>

Document Date: 08/11/2007
Document Type: Purchase Order
Budget Status: Valid

Currency: USD
Amount: 108,827.90

Buyer: Andrea Marshall

Associated Document

Source: www.ospa.umn.edu/subaward/forms.htm
Appendix H: Find a Voucher and Pay Date Job Aid (cont.)

In the next screen scroll down. If the voucher is paid there will be a Payment Information column. Click the associated icon.

<table>
<thead>
<tr>
<th>Business Unit</th>
<th>Voucher ID</th>
<th>Invoice Number</th>
<th>Invoice Date</th>
<th>Vendor ID</th>
<th>Accounting Entries</th>
<th>Match Status</th>
<th>Payment Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>UMNO1</td>
<td>235</td>
<td>00372617</td>
<td>07/30/2008</td>
<td>00000002476</td>
<td>No Match</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Scroll down. The date the check was created and sent is under the Payment Date column.

<table>
<thead>
<tr>
<th>Business Unit</th>
<th>Voucher ID</th>
<th>Invoice Number</th>
<th>Invoice Date</th>
<th>Vendor ID</th>
<th>Accounting Entries</th>
<th>Match Status</th>
<th>Payment Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>UMNO1</td>
<td>235</td>
<td>00372617</td>
<td>07/30/2008</td>
<td>00000002476</td>
<td>No Match</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Note: Payment Amount here may be greater than Voucher Paid Amount if multiple vouchers were batched into one payment. Click Payment Reference ID link and click Payment Reference ID link again in the next screen for breakout of vouchers.

If, when clicking a DOC ID hyperlink on a voucher, you get this screen, this means the payment is scheduled for a date in the future. Click on the calendar icon.

<table>
<thead>
<tr>
<th>Business Unit</th>
<th>Voucher ID</th>
<th>Invoice Number</th>
<th>Invoice Date</th>
<th>Vendor ID</th>
<th>Accounting Entries</th>
<th>Match Status</th>
<th>Scheduled Payment</th>
</tr>
</thead>
<tbody>
<tr>
<td>UMNO1</td>
<td>235</td>
<td>00372617</td>
<td>07/30/2008</td>
<td>00000002476</td>
<td>No Match</td>
<td></td>
<td>10</td>
</tr>
</tbody>
</table>

Source: www.ospa.umn.edu/subaward/forms.htm
Appendix H: Find a Voucher and Pay Date Job Aid (cont.)

Scroll down. Payment is scheduled for the date under the Scheduled to Pay column.

II. PAYMENTS

Payments are also listed in the PO Document Status screen. Click on the DOC ID # link.

PO Document Status

<table>
<thead>
<tr>
<th>Business Unit</th>
<th>PO ID</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>UNM01</td>
<td>000009038</td>
<td>Dispatched</td>
</tr>
</tbody>
</table>

Document Date: 08/11/2007
Document Type: Purchase Order
Budget Status: Valid
Currency: USD
Amount: 106,827.89

Buyer: Andrea Marshall

Associated Document

<table>
<thead>
<tr>
<th>Set ID</th>
<th>Business Unit</th>
<th>DOC ID</th>
<th>Document Type</th>
<th>Status</th>
<th>Document Date</th>
<th>Vendor ID</th>
<th>Location</th>
</tr>
</thead>
<tbody>
<tr>
<td>UNM01</td>
<td>00072926</td>
<td>Voucher</td>
<td>Posted</td>
<td></td>
<td>10/14/2008</td>
<td>00000002476</td>
<td>FINANCIALS</td>
</tr>
<tr>
<td>UNM01</td>
<td>00072947</td>
<td>Voucher</td>
<td>Posted</td>
<td></td>
<td>07/30/2008</td>
<td>00000002476</td>
<td>FINANCIALS</td>
</tr>
<tr>
<td>UNM01</td>
<td>00072970</td>
<td>Voucher</td>
<td>Posted</td>
<td></td>
<td>01/29/2009</td>
<td>00000002476</td>
<td>FINANCIALS</td>
</tr>
<tr>
<td>UNFIN</td>
<td>0000011181</td>
<td>Payment</td>
<td>Posted</td>
<td></td>
<td>02/10/2009</td>
<td>00000002476</td>
<td>FINANCIALS</td>
</tr>
</tbody>
</table>

Scroll down. Click on the Payment Reference ID # link.

Scroll down. This screen gives a break out of vouchers included in the payment.

Source: www.ospa.umn.edu/subaward/forms.htm
Appendix I: Fixed Price Agreement Closeout Form

fixed price Agreement closeout form

Project Title:
PI Name:
CON #/Project#
Sponsor:
Project Period / / to / /

Routing Instructions: If there is a "significant balance" (see definition below), this form should be routed to the CON's SPA Grant Administrator. The request must include the justification for the balance, the PI's signature, and the Department Chair's signature. If the balance remaining is NOT significant, rout this form to the SFR Closeout Accountant.

Definition of Significant Balance
For revenue received of $25,000 or more: when the balance is greater than 25% of the total payments received.
For revenue received under $25,000: when the balance is $0,250 or greater.

PLEASE INDICATE BELOW THE STATUS OF THE ABOVE-REFERENCED PROJECT (CHECK ALL THAT APPLY):

☐ Patient enrollment is closed. No other patients will be entered in the study. Number of patients enrolled:
☐ All study participant visits have been completed.
☐ All project activities required by the sponsor are complete.
☐ All required sponsor reports and deliverables have been submitted. Number of deliverables completed:
☐ All project related expenses have posted to the project account.
☐ The final payment from the sponsor has been received.
☐ Please close account and transfer direct cost balance of $F&A Balance:
To Non-sponsored Chart String: ________________________________

Justification for Significant Balance – Space allows approx. 445 characters. If justification exceeds space, please attach.

The signature of the PI below indicates that the above information is accurate and that total direct and approved F&A costs have been properly charged to the above project(s).

Principal Investigator signature and date (may not be delegated)

Department Chair (Dean, if PI is department chair) and date (may not be delegated)

For internal SPA use only:
Fixed Price Closeout: ________________________________ SFR: ________________________________
☐ Paid in Full ☐ NOT Paid in Full Total award amt: $Balance: $
Direct Balance: $F & A Balance: $Significant Balance: [ ] yes [ ] no

Justified: [ ] yes [ ] no Approval: __________ Date: __________

Transfer to Non-sponsored Chart String: ________________________________
Appendix J: 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)
• If subrecipient is not set up as a vendor in EFS, a W9 form will be required

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.

Rev 2/25/14
Appendix J: 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 sign subaward or any amendments 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

Rev 2/25/14
Appendix K: Grant Administrator Reference Sheet

<table>
<thead>
<tr>
<th>Grant Administrator</th>
<th>NOGA eTool</th>
<th>Subaward Work</th>
<th>Issue Subaward</th>
<th>Sign and Send to FFATA Delegate</th>
</tr>
</thead>
<tbody>
<tr>
<td>GA gets award and sends e-mail (and copy of award) to FFATA Delegate</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>FFATA Delegate</td>
<td>Gather missing FFATA data and reconcile worklists in FSRS.gov.</td>
<td>Weekly follow-ups to subrecipients</td>
<td>Provide FFATA data</td>
<td>Report FFATA data to FSRS.gov within 30 days</td>
</tr>
</tbody>
</table>

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](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](http://edocket.access.gpo.gov/2010/2010-16691.htm)).
- FAR 52.204.10 (July 2010)
Appendix L: International Subawards Checklist 3

International Subawards Checklist 3:
Award Negotiation
Handout at NCURA Meeting - Fall 2008

Y  N  N/A
☐  ☐  ☐ Will translation services be needed for contract negotiation?
☐  ☐  ☐ What is the legal name of the organization?
☐  ☐  ☐ Who is authorized to negotiate for the other organization?
☐  ☐  ☐ Who is the authorized signatory for the other organization?
☐  ☐  ☐ Do the contract documents need to be authenticated?
☐  ☐  ☐ Are the agreement and all exhibits in English?
☐  ☐  ☐ Is a certified translator required?
☐  ☐  ☐ Where appropriate, has a Governing Language clause been included?
☐  ☐  ☐ Who will own any equipment or vehicle purchased with the sponsored funds (sponsor, institution or subrecipient)?
☐  ☐  ☐ How will equipment inventory and maintenance be monitored?
☐  ☐  ☐ Who will own data, reports and deliverables?
☐  ☐  ☐ Does the agreement address advance payments?
☐  ☐  ☐ Will payments be made on a fixed price (deliverable/milestone/progress) basis?
☐  ☐  ☐ If payments are made on a cost-reimbursement basis, are original receipts required?
☐  ☐  ☐ Will the proposed payment schedule minimize the institution's risk?
☐  ☐  ☐ How will payment be made?
☐  ☐  ☐ Invoice required
☐  ☐  ☐ Electronic funds transfer
☐  ☐  ☐ Check
☐  ☐  ☐ Is the organization a governmental entity with sovereign immunity?
☐  ☐  ☐ Does the agreement provide an adequate time frame for termination?
☐  ☐  ☐ Does the agreement address the rights of each party in the event of early termination?
☐  ☐  ☐ Does the agreement address final payment in the event of early termination?
☐  ☐  ☐ Does the agreement address disputes (mediation, arbitration)?
☐  ☐  ☐ Has the governing law for the agreement been determined?
☐  ☐  ☐ Has force majeure been addressed?
☐  ☐  ☐ Will the institution have tax liability in the foreign country?
☐  ☐  ☐ If yes, has the institution's tax liability in the foreign country been addressed in the agreement?
☐  ☐  ☐ Does the agreement address intellectual property issues?
☐  ☐  ☐ U.S. Government rights
☐  ☐  ☐ Background IP
☐  ☐  ☐ Applicable patent law
☐  ☐  ☐ Joint ownership of IP
☐  ☐  ☐ Would joint ownership of IP expose the institution to local taxes?

Source: www.ospa.umn.edu/subaward/forms.htm
Appendix L: International Subawards Checklist 3 (cont.)

Does the contract specifically allow publication of results by the institution?
☐ ☐ ☐ Has publicly about the project been addressed?

PASS-THROUGH OF PRIME AWARD TERMS

Y ☐ ☐ ☐ N ☐ ☐ ☐ N/A
☐ ☐ ☐ ☐ Does the provision apply to a foreign organization?
☐ ☐ ☐ ☐ Does the provision apply to the type of work being performed (research, services)?
☐ ☐ ☐ ☐ Does the provision apply to the type of contract being issued (fixed price or cost reimbursement)?
☐ ☐ ☐ ☐ Is each certification or assurance required from a foreign subrecipient?
☐ ☐ ☐ ☐ Is there a plan or strategy to monitor the subrecipient?
☐ ☐ ☐ ☐ Is an audit of the subrecipient required?

Source: www.ospa.umn.edu/subaward/forms.htm
Appendix M: International Subawards Checklist 4

International Subawards Checklist 4:
Footprint Issues and Project Performance
Handout at NCURA Meeting - Fall 2008

Y N N/A

☐ ☐ ☐ Is there an evacuation plan for institution’s project personnel visiting
and/or residing in the foreign country?
☐ ☐ ☐ Does a bank account need to be set up?
☐ ☐ ☐ Should the institution hire a local (in-country) attorney?
   Is the institution liable for taxes in the foreign country? (e.g., income
taxes, customs duties, local VAT taxes, property taxes)
☐ ☐ ☐ Are the institution’s expatriate employees liable for taxes in the foreign
country (and are they aware of this)?

☐ ☐ ☐ Are the institution’s project personnel (whether or not they will reside in-
country) oriented to relevant agreement terms and regulations?
   Are the institution’s project personnel who will visit or reside in the foreign
country oriented to local culture, travel and security issues, and
evacuation procedures?
☐ ☐ ☐ Who will be responsible for security of equipment, facilities, and personnel?
☐ ☐ ☐ Institution?
☐ ☐ ☐ International sponsor?
☐ ☐ ☐ Local, state, or national government?

☐ ☐ ☐ Would termination of the program or a gap in funding of the program
   have an impact on the people or other programs in the foreign country?
☐ ☐ ☐ Have institution’s project personnel been trained in relevant export and
   sanctions regulations and shipping procedures?
☐ ☐ ☐ Are institution’s project personnel aware of FCPA and anti-boycott laws?
☐ ☐ ☐ Is there a plan to monitor project performance at each foreign site?
   For Federally-funded projects, are OMB Circular A-133 requirements being
   met?

Source: www.ospa.umn.edu/subaward/forms.htm
Appendix N: 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 (32 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 Mc Namara Alumni Center,
200 Oak Street SE, Minneapolis, MN 55455-2070, 612.624.5599

Used by SPA. Source: internal.ovpr.umn.edu/units/SPA/internal_manual/subawardforms.html
Appendix O: PO Balances by Project Job Aid

PO Balances by Project

Navigation: Purchasing->Purchase Orders->Reports->Req and PO Budgetary Activity

1. Create Run Control (something like PO_BALANCE)

Req and PO Budgetary Activity

Find an Existing Value  Add a New Value

Run Control ID: [PO_BALANCE]

Add

Find an Existing Value  Add a New Value

Click yellow Add button

Source: www.ospa.umn.edu/subaward/forms.htm
Appendix O: PO Balances by Project Job Aid (cont.)

2. Enter report criteria

   Business Unit = UMN01
   Business Unit GL = should default as UMN01 after selecting Business Unit
   Budget Date From = enter Project Start Date
   Budget Date To = enter today’s date

   Under Chartfield Sort Options:
   Account defaults as first chartfield
   From Chartfield Value = $10300
   To Chartfield Value = $10450
   Add add’l line for ProjectID as second chartfield
   From Chartfield Value = ProjectID you are reporting for
   To Chartfield Value = ProjectID you are reporting for

   Run PO Budgetary Activity

   Run Control ID: PO_BALANCE
   Report Manager: Project Manager

   Report Request Parameters

   Business Unit: UM0011
   Remaining Amount: 0.001
   Budget Date From: 01/15/2004
   To: 10/15/2008
   UID

   Chartfield Sort Options
   Account = Project
   From.Chartfield Value = To.Chartfield Value

   Click yellow Run button

   Source: www.ospa.umn.edu/subaward/forms.htm
Appendix O: PO Balances by Project Job Aid (cont.)

3. Complete Process Scheduler information

Server Name = PSUNIX
Click Select checkbox next to Procurement Budgetary Activity (POS8001)
Verify that Type = Web
Verify that Format = PDF

![Process Scheduler Request](image)

Click yellow OK button

You will return to report criteria page

Click Process Monitor hyperlink

Verify that process instance completes:
Run Status = Success
Distribution Status = Posted

Source: www.ospa.umn.edu/subaward/forms.htm
4. Retrieve Report

There are two ways that the report can be retrieved.

**Report Manager**

When process is complete, click the Go back to Req and PO Budgetary Activity hyperlink at the bottom of the Process List page.

![Report Manager](image)

Click the Report Manager hyperlink at the top of the report criteria page.
Appendix O: PO Balances by Project Job Aid (cont.)

Select the Administration tab in Report Manager

Click on the Procurement Budgetary Activity hyperlink to open your report in PDF

Go back to Req and PO Budgetary Activity

Source: www.ospa.umn.edu/subaward/forms.htm
Appendix O: PO Balances by Project Job Aid (cont.)

Details Hyperlink

In Process Monitor, click the Details hyperlink on the line associated with your process.

<table>
<thead>
<tr>
<th>Select</th>
<th>Instance</th>
<th>Status</th>
<th>Description</th>
<th>User</th>
<th>Process Name</th>
<th>Operation Time</th>
<th>Plan/Status</th>
<th>Phase Status</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>36943</td>
<td>Success</td>
<td>SOR Report</td>
<td>P000002</td>
<td>LA0000169 10/14/2008 4:51:00PM CDT</td>
<td>Success</td>
<td>Posted</td>
<td>Details</td>
<td></td>
</tr>
<tr>
<td></td>
<td>36942</td>
<td>Success</td>
<td>SOR Report</td>
<td>P000001</td>
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<tr>
<td></td>
<td>369472</td>
<td>Success</td>
<td>SOR Report</td>
<td>P000002</td>
<td>LA0000169 10/14/2008 3:18:07PM CDT</td>
<td>Success</td>
<td>Posted</td>
<td>Details</td>
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<tr>
<td></td>
<td>369470</td>
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<td>P000001</td>
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<td>Success</td>
<td>Posted</td>
<td>Details</td>
<td></td>
</tr>
</tbody>
</table>

Go back to View and PO Budget Activity

Process List: Search/Filter

On the Process Detail screen, click the View Log/Trace hyperlink.
On the View Log/Trace screen, click the hyperlink ending in .PDF to open your report in PDF.
## Appendix O: PO Balances by Project Job Aid (cont.)

### View Log/Trace

**Report**

- **Report ID:** 369382
- **Process Instance:** 370897  
  - [Message Log](#)
- **Name:** POS9001
- **Process Type:** SQR Report
- **Run Status:** Success

**Procurement Budgetary Activity**

**Distribution Details**

- **Distribution Node:** FSUMFRD
- **Expiration Date:** 04/15/2009

<table>
<thead>
<tr>
<th>Name</th>
<th>File Size (bytes)</th>
<th>Datetime Created</th>
</tr>
</thead>
<tbody>
<tr>
<td>SQR_POS9001_370897.log</td>
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<td>10/15/2008 10:11:27.0000000AM CDT</td>
</tr>
<tr>
<td>pos9001_370897.PDF</td>
<td>4,575</td>
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</tr>
<tr>
<td>pos9001_370897.out</td>
<td>10,622</td>
<td>10/15/2008 10:11:27.0000000AM CDT</td>
</tr>
</tbody>
</table>

### Distribute To

- **Distribution ID Type:** User
- **User:** LARD0169

---

*Source: [www.ospa.umn.edu/subaward/forms.htm](http://www.ospa.umn.edu/subaward/forms.htm)*
## Appendix O: PO Balances by Project Job Aid (cont.)

<table>
<thead>
<tr>
<th>Project</th>
<th>Account 1</th>
<th>Account 2</th>
<th>Account 3</th>
<th>Account 4</th>
<th>Account 5</th>
</tr>
</thead>
<tbody>
<tr>
<td>00000001</td>
<td>12345.67</td>
<td>89012.34</td>
<td>56789.01</td>
<td>45678.90</td>
<td>32198.76</td>
</tr>
<tr>
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<td>34567.89</td>
<td>98765.43</td>
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<td>67890.12</td>
<td>12345.67</td>
<td>56789.01</td>
<td>45678.90</td>
<td>32198.76</td>
</tr>
</tbody>
</table>

**Source:** www.ospa.umn.edu/subaward/forms.htm
Appendix P: 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 paperwork for the subaward.

1.) Workscape 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.
Appendix Q: Subaward Agreement Template

Subaward Agreement

Institution/Organization ("University")
Name: Regents of the University of Minnesota
Address: Sponsored Projects Administration
         McNamara Alumni Center Suite 450
         200 Oak Street SE
         Minneapolis, MN 55455

Institution/Organization ("Collaborator")
Name:
Address:

EIN No.:

Prime Award No.:
Subaward No.

Awarding Agency:
CFDA No.

Subaward Period of Performance
Amount Funded this Action: $  
Est. Total: (if incrementally funded) $  

Project Title:

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 of 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 invoicing. 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  
Name  
J. Krzyzny, E.F. Wink, K. McKoskey, D. Hagen  
Title  
Grants Mgr., Assoc. V.P., Mgr., Asst. Dir.

Agreed by Authorized Official of Collaborator  
Name  
Date

Source: SPA template example
Appendix Q: Subaward Agreement Template (cont.)

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/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 than $10,000 and not more than $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: SPA template example
Appendix Q: Subaward Agreement Template (cont.)

Attachment 2
Subaward Agreement
DOC

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, rules and regulations and 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 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. 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: SPA template example
Appendix Q: Subaward Agreement Template (cont.)

Attachment 2
Subaward Agreement

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, non-exclusive 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 obligations 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: SPA template example
### Appendix Q: Subaward Agreement Template (cont.)

#### 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:</td>
<td>Fax:</td>
</tr>
<tr>
<td>Email: 612-624-4843</td>
<td>Email:</td>
</tr>
</tbody>
</table>

| **Project Director** | **Project Director** |
| Name: | Name: |
| Address: | Address: |
| Telephone: | Telephone: |
| Fax: | Fax: |
| Email: | Email: |

| **Financial Contact** | **Financial Contact** |
| Name: | Name: |
| Address: University of Minnesota Sponsored Projects Administration Suite 450, 200 Oak Street SE Minneapolis, MN 55455 | Address: |
| Telephone: | Telephone: |
| Fax: | Fax: |
| Email: 612-624-4843 | Email: |

| **Authorized Official** | **Authorized Official** |
| Name: Judy Kryzek, Edward F. Wink Kevin Mc Koskey, David Hagen | Name: |
| Address: University of Minnesota Sponsored Projects Administration Suite 450, 200 Oak Street SE Minneapolis, MN 55455 | Address: |
| Telephone: 612-624-5599 | Telephone: |
| Fax: 612-624-4843 | Fax: |
| Email: awards@umn.edu | Email: |

*Source: SPA template example*
Appendix Q: 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 disclosures 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: SPA template example
Appendix Q: Subaward Agreement Template (cont.)

Attachment 4
Subaward Agreement
DOC

Reporting Requirements (Continued...)

Source: SPA template example
Appendix Q: Subaward Agreement Template (cont.)

Attachment 5
Subaward Agreement

Scope
(See Attached)

Budget
(See Attached)

Source: SPA template example
Appendix R: 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 S: 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 Non-Discrimination 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 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 PI):
  - 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 30 days before end date
  - Follow up on late or missing reports or deliverables
  - Obtain final invoice (marked FINAL) from subrecipient
  - Send final invoice to SPA
  - Subaward Release Form

---

**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.
Appendix T: 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

Used by SPA. Source: internal.ovpr.umn.edu/units/SPA/internal_manual/subawardforms.html
# Appendix U: 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 and documents selection of subrecipient</td>
<td>✓ SPA verifies FCOI policy and reviews Forms 1 &amp; 2</td>
</tr>
<tr>
<td>✓ PI / Dept. verify FCOI policy and/or obtain FCOI Forms 1 &amp; 2 if sponsor uses PHS FCOI regulations</td>
<td>✓ SPA works with COI office to verify FCOI training and disclosures</td>
</tr>
<tr>
<td>✓ PI / Dept. indicate subawards on PRF.</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 and performance</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, maintains, and reports 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 including related financial data to performance accomplishments.</td>
<td>✓ SPA assists PIs and departments with monitoring subawards</td>
</tr>
<tr>
<td>✓ PI reviews, signs, and dates 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>

Rev. 2/25/14
Appendix V: Subrecipient Risk Analysis & Compliance Record

**Subrecipient Risk Analysis and Compliance Record (1-13-2014)**

<table>
<thead>
<tr>
<th>Criteria</th>
<th>Wt.</th>
<th>Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>Is the entity located outside the U.S.?</td>
<td>Y</td>
<td>6</td>
</tr>
<tr>
<td>Will work be done outside the U.S.?</td>
<td>Y</td>
<td>3</td>
</tr>
<tr>
<td>Is entity non-profit or government?</td>
<td>Y</td>
<td>3</td>
</tr>
<tr>
<td>Is prime award a contract or subcontract (rather than grant)?</td>
<td>Y</td>
<td>4</td>
</tr>
<tr>
<td>Is amount of Subgrant/Subcontract more than 500k?</td>
<td>Y</td>
<td>4</td>
</tr>
<tr>
<td>Is amount of subaward 50% or more of total award?</td>
<td>Y</td>
<td>5</td>
</tr>
<tr>
<td>Are accounting systems established?</td>
<td>Y</td>
<td>10</td>
</tr>
<tr>
<td>Do audit results indicate weaknesses in the entity's procurement system?</td>
<td>Y</td>
<td>3</td>
</tr>
<tr>
<td>Does entity have a negotiated indirect cost rate agreement?</td>
<td>Y</td>
<td>2</td>
</tr>
<tr>
<td>Is entity subject to A-133?</td>
<td>Y</td>
<td>2</td>
</tr>
<tr>
<td>Any prior negative experience with entity?</td>
<td>Y</td>
<td>2</td>
</tr>
<tr>
<td>Is there ITAR/EAR type of work?</td>
<td>Y</td>
<td>10</td>
</tr>
<tr>
<td>Is the entity using humans, animals, DNA, stem cells, etc. (compliance)?</td>
<td>Y</td>
<td>2</td>
</tr>
<tr>
<td>Is entity mature?</td>
<td>Y</td>
<td>6</td>
</tr>
<tr>
<td>Is prime sponsor government owned &amp; contractor operated?</td>
<td>Y</td>
<td>10</td>
</tr>
<tr>
<td>Is there potential for COI regarding relationship of subrecipient and PI?</td>
<td>Y</td>
<td>10</td>
</tr>
<tr>
<td>Are deliverables tangible products or pivotal to success?</td>
<td>Y</td>
<td>7</td>
</tr>
<tr>
<td>Is &quot;Advantaged&quot; status claimed?</td>
<td>Y</td>
<td>1</td>
</tr>
<tr>
<td>Special Considerations? (provide details in notes)</td>
<td>Y</td>
<td></td>
</tr>
</tbody>
</table>

**Total Risk Score (2 than 15 is high and should be escalated)**

Escalated to PGA? **Y**  **N**

Completed by: [Name]

**Step 3**

Debarment: **No**  **Yes**

Initials: [Initials]

Date: [Date]

**Step 4**

F&A Rate: [Rate]

FFATA Required: **No**  **Yes**

Sent to ovprffat@umn.edu: [Sent]

SCOT: [Sub policy]  [UofM policy]

**Step 5**

Closeout - Subaward

Release Form: [Form]

Received: [Date]

Completion Process: [Process]

By: [Name]

Date: [Date]
Appendix V: Subrecipient Risk Analysis & Compliance Record

Amendments:
Audit Path: A-133  Financial Questionnaire
Audit Weaknesses: No  Yes
Debenture: No  Yes
Initials:
Date:
F&A Rate:
Date:
IFATA Required: No  Yes
Sent to: apsrfra@umn.edu
SCOI: Sub policy  UnfM policy  n/a
Date:

Amendments:
Audit Path: A-133  Financial Questionnaire
Audit Weaknesses: No  Yes
Debenture: No  Yes
Initials:
Date:
F&A Rate:
Date:
IFATA Required: No  Yes
Sent to: apsrfra@umn.edu
SCOI: Sub policy  UnfM policy  n/a
Date:

Amendments:
Audit Path: A-133  Financial Questionnaire
Audit Weaknesses: No  Yes
Debenture: No  Yes
Initials:
Date:
F&A Rate:
Date:
IFATA Required: No  Yes
Sent to: apsrfra@umn.edu
SCOI: Sub policy  UnfM policy  n/a
Date:
Attach page for multiple amendments
Appendix X: Form 1 Documentation of Subrecipient Financial Conflict of Interest

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
University of Minnesota PI: __________________________ UMN PRF #: __________________________
Prime Sponsor: __________________________
Proposal/Project Title: __________________________
Subaward Period of Performances From: __________________________ To: __________________________
Proposed Subaward Total: $ __________________________ Return Form To: (Email): __________________________

B. Subrecipient Information
Subrecipient Organization Legal Name: __________________________
Organization’s Address (Include ZIP Code/Postal Code): __________________________
DUNS #: __________________________

C. Subrecipient FCOI Policy Statement
   (1) I will follow the Conflict of Interest policy established and enforced by __________________________ (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)
   Subrecipient PI: __________________________
   Investigator/Key Personnel: __________________________
   Investigator/Key Personnel: __________________________
   (Please 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.

Signatures: __________________________ Dates: __________________________
Printed Names: __________________________ Titles: __________________________

10/14/2013

Please return completed form to “Return Form To” email in section A above or Sponsored Projects Administration, 200 Oak Street SE, McNamara Alumni Center, Minneapolis, Minnesota 55455
Appendix Y: Form 2 Financial Disclosure for Subrecipient Investigators

University of Minnesota
Financial Disclosure Requirements for Subrecipient Investigators
of Public Health Service Funded Projects

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: (Note: This requirement is only for Key Personnel using the University of Minnesota FCOI Policy). You 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/coext

10/14/2013
Appendix Y: Form 2  Financial Disclosure for Subrecipient Investigators (con’d)

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 that exceeds
$5,000 in a publicly traded entity and that reasonably appears to be related to this research project?
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 that reasonably appears to be related to this research project?

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 from intellectual
property rights and interests (e.g., patents, copyrights) during the twelve months preceding this disclosure
and that reasonably appears to be related to this research project?

☐ 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

10/14/2013