

## 2131 COMPLIANCE WITH SUBRECIPIENT STANDARDS OF OMB UNIFORM GUIDANCE

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Effective: July 1993  
Revised: May 2017  
Reviewed: May 2017  
Responsible Office: Research Services  
Approval: Research Services

### PURPOSE:

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To establish responsibility for compliance with the Office of Management and Uniform Guidance 2 C.F.R. Part 200.330-337(as it relates to the University's responsibilities in making awards to subrecipients).

### POLICY:

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1. Prior to submitting a University proposal to a Federal sponsor that includes subrecipients subject to Parts 200.330-337, the Office of Research Services will ensure that the subrecipient has supplied the University with a letter of intent signed by an authorized institutional official or, in the case of proposals to federal sponsors that utilize the Grants.gov portal for submission, a completed and signed SF424 cover page, scope of work, budget, and F&A Cost Rate Agreement if applicable. If no F&A Cost Rate Agreement exists, a de minimus rate of 10% will be used for the budget.
2. The Office of Research Services is responsible for administering Federal funds granted to subrecipients. The award package or subaward will include the following information:
  - Subrecipient Name and DUNS Number
  - Federal Award identification Number (FAIN)
  - Federal Award Date
  - Subaward Period of Performance Start and End Date
  - Amount of Federal Funds Obligated by this action
  - Total Amount of Federal Funds obligated to the subrecipient
  - Total Amount of the Federal Award
  - Federal award project description as required to be responsive to FFATA
  - Name of Federal awarding agency, pass-through entity, and contact information for awarding official
  - CFDA Number and Name
  - Identification of whether the award is R & D
  - Indirect cost for the award.
  - Scope of Work and budget
  - Confirmation of compliant PHS FCOI Policy.

If all of this information is not available, Research Services will provide the best information available to describe the Federal award.

3. The Office of Research Services will advise subrecipients of requirements imposed on them by Federal laws, regulations and the provisions of contracts, grant or collaborative agreements as well as any supplemental requirements imposed by the University
4. If the subrecipient has an approved federally negotiated indirect cost rate, the University will use that rate for the subrecipient work unless the federal agency issuing the Prime Award has imposed a lower indirect cost for the Award, in which case the University will use that imposed rate for the subaward. In the event that a subrecipient does not have an approved federally negotiated indirect cost rate, the University will use a de minimus cost rate as defined in the Uniform Guidance Part 200.414 (currently 10%).
5. The principal investigator is responsible for monitoring the activities of subrecipients, as necessary, to ensure that Federal awards are being used for their authorized purpose and that performance goals are achieved. In doing so, the principal investigator is required to review and approve all technical and financial reports (including invoices). Principal investigator concerns regarding the contents of any required report(s) must be brought to the immediate attention of the Office of Research Services.
6. Principal Investigators and Business Administrators must utilize the Office of Research Services subaward request module, found at the Research Inventory System: <https://medley.isc-seo.upenn.edu/researchInventory/jsp/fast2.do> to request both an initial subaward agreement and all subsequent modifications to that agreement. The Principal Investigator is required to sign all subaward and subaward modification requests, verifying that the information on the request form is accurate and that a current subrecipient is performing according to the provisions of the subaward agreement
7. Each Federal subaward is to include a clause incorporating the requirements of OMB Uniform Guidance Subpart F where applicable that call for the subrecipient to have an audit conducted in accordance with the Circular and to submit a copy of its most recent OMB Uniform Guidance Part 200.512 reporting package to the University annually in all instances where the audit discloses findings related to the Federal award(s) provided by the University. In the event that no findings are reported, the subrecipient will provide written notification that an audit was conducted in accordance with the provisions of the Uniform Guidance, the schedule of findings and questioned costs disclosed no audit findings relating to Federal awards provided by the University, and the summary schedule of prior audit findings did not report on the status of any audit findings relating to the Federal award(s) provided by the University.
8. The Office of Research Services will generate a list of subrecipients once each year and will request each subrecipient to submit the appropriate correspondence as detailed in Item 7 above. If a subrecipient fails to submit its correspondence in a timely fashion, the Office of Research Services will take such action as necessary to obtain the report, including withholding of payment to the subrecipient. The Office of Research Services is responsible for reviewing submissions from subrecipients to identify those with findings related to Federal awards provided by the University.
9. For new subawards where the University has no current Uniform Guidance Audit information for the potential subrecipient, the University will request such information as per 7 above and will determine if the subaward document requires any supplemental University terms and conditions be included in response to subrecipient audit findings related to the Federal award to be provided by the University. The University will review the subrecipient's Audit reporting package and render its decision on any specific University terms and conditions within six (6) months of the Audit report submission to the Federal Clearing House.

10. For ongoing subawards, in those instances where audit findings relate to and impact the University, the Office of Research Services shall discuss the findings with the Principal Investigator and the responsible Business Administrator to determine an appropriate plan of action which may include adjustment of the University's records, demand for repayment from the subrecipient, or other remedial action.
11. For subrecipients without a current Uniform Guidance Audit report refer to SP 2135.
12. The Office of Research Services will ensure that subawards contain language permitting the University and/or its auditor's access to the subrecipient's records and financial statements as necessary for the University to comply with OMB Uniform Guidance.

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## ROLES AND RESPONSIBILITIES:

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### OFFICE OF RESEARCH SERVICES

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- Ensures appropriate documentation from subrecipient organization is received
- Evaluates subrecipient's OMB audit report to determine suitability for proper stewardship of federal funds
- Generate subaward agreement containing information as required for subcontracts under federal awards
- Checks for debarment/suspension
- Prepares and assembles subcontract package
- Sends subcontract to subrecipient
- For PHS FCOI non-compliant subrecipients work with subrecipients and RIO on covering subrecipient under Penn's policy if applicable
- Notifies Business Administrator when subaward is fully executed

### PRINCIPAL INVESTIGATORS

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- Initiates the subcontracting process
- Monitors the activities of subrecipients;
- Reviews and approves invoices submitted by subrecipients
- Determines additional funding based on progress
- Requests reports as needed

### BUSINESS ADMINISTRATOR

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- Collects institutional approvals from subawardee including a signed statement of intent
- Submits Subaward request to ORS
- Documents PI approvals of invoices prior to authorizing payment
- Reviews invoices prior to requesting additional funds
- Confirms that subrecipient has PHS compliant FCOI policy if applicable
- Provides list of subrecipient Investigators for PHS FCOI purposes as applicable

Footnotes: Fixed Price Subawards generally require Federal Agency prior approval.  
The source of this document is Research Services.