



Subawards: Overview and Issues

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Overview and review of the subawards process

- Determine whether the proposed subaward is a subawardee, vendor or independent contractor
- Subrecipient Selection and Evaluation Criteria
- COEUS Subaward Process Improvements

Before committing to a subaward relationship...

- Determine whether the planned subaward is a subawardee, vendor or independent contractor
 - PI's responsibility
 - Contract Administrator and RST advise and consult

Will the subrecipient direct her or his part of the science ?

If no, not likely a subaward

Is the subrecipient doing science or providing service?

If not generating new knowledge, not subaward

How to recognize subawardee relationship

Subawardee

- **Performance** measured against its portion of the scope of work of MIT's program
- Responsibility for **programmatic decision-making**
- Responsibility for adherence to **program compliance** requirements
- **Uses funds** to carry out a portion of the scope of work of MIT's program
 - Rather than providing goods or services *for* MIT's program
- Principal investigator/project director may be a co-author on **publications** or may seek **patent** protection for inventions
 - Have IP rights to results of work they've performed

Independent contractor or vendor relationship

- Must have a history of independent contracting to the general public
 - Typically, may not be a former MIT employee hired to provide services shortly after leaving MIT
- Provides knowledge and skills not available at MIT
- Delivers work on a project basis
- May not...
 - Be an MIT student
 - Be a current MIT employee
 - Supervise or be supervised by MIT employees
 - Use office space or MIT administrative services

MIT must manage audit and financial exposure

- When a subaward is proposed, RST evaluates ability to comply with flow-down regulation and financial systems

Can sub. manage terms that flow down using adequate control policy and systems?

How financially and managerially sound is the organization?

Subrecipient Selection and Evaluation Criteria

- MIT is required to evaluate all potential subrecipients' internal controls, policies, and procedures.
- Is the organization:
 - **Able to manage** a sponsor-funded subaward?
 - **Able to comply** with grant or contract provisions?
- Best time to evaluate: Before submitting a proposal
- Potential subrecipients must complete the MIT Subrecipient Profile Questionnaire
 - Either the DLC or RST can request that the organization complete the questionnaire

Subrecipient Selection and Evaluation Criteria, cont'd.

Factors considered by the research subaward team (RST) when determining acceptability of subrecipient

- Cost control system
 - Do they have an approved system?
- Internal controls
 - Are they adequate for managing and administering a research-funded program?
- Review :
 - Dun & Bradstreet Report, if applicable
 - GSA “List of Parties Excluded from Federal Procurement and Nonprocurement Programs”
 - Subrecipient’s A-133 report

Subrecipient Selection and Evaluation Criteria, cont'd.

Using prospective subrecipient data,

- RST evaluates and documents the risk
 - When the risk is higher, RST develops a plan to manage the risk
- Managing the risk: Techniques
 - Quarterly Financial Reports
 - Quarterly Technical Reports
 - Monthly invoices to include back-up documents that supports the invoiced costs
 - Subaward agreement caps overhead rates
 - Negotiate a fully-loaded hourly labor rate

Process Improvement

- Request for new Subaward Organization (i.e.: Web Form)

The OSP Research Subawards Team will now be copied when a new organization (*form <http://osp.mit.edu/coeus/help-and-training/request-a-new-subaward-organization>*) is requested and created in reference to a new proposal.

The advance notice regarding a new organization being provides RST with the opportunity to reach out to the DLC at this stage as needed (i.e.: Subrecipient Profile Questionnaire)

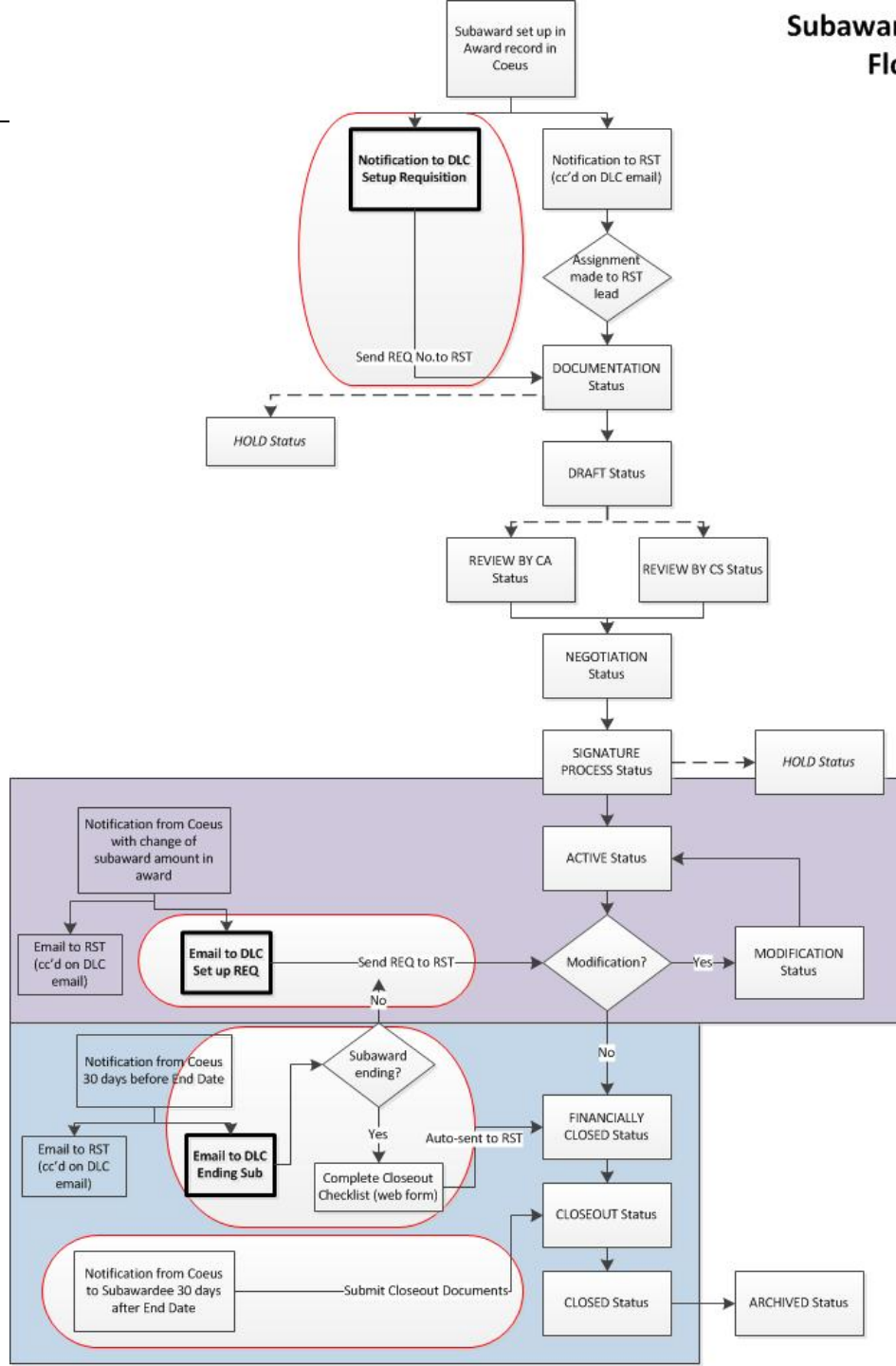
COEUS Subaward Improvements COEUS E-Mail Notice

- E-Mail Notice #1: Subject Line: New Subaward entered
- E-Mail Notice #2: Subject Line: Subaward Amount Updated
- E-Mail Notice #3: Subject Line: Subaward End Date in 30 Days
- E-Mail Notice #4: Subject Line: Subaward from MIT Ended

Award phase

Subaward Status Flow

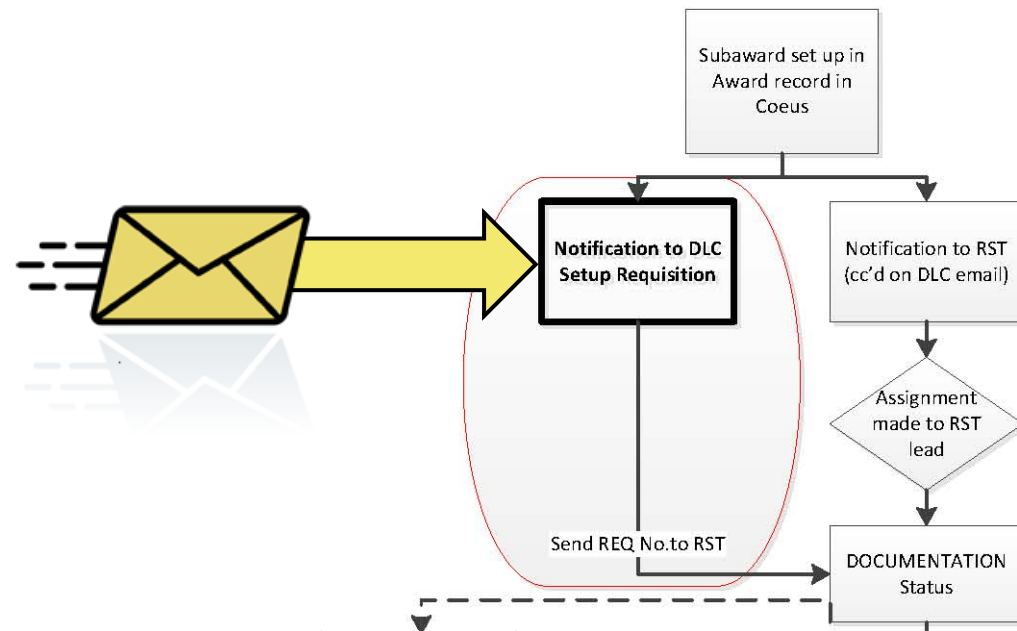
— OSP Forum



New Coeus Email

1. “New Subaward entered”

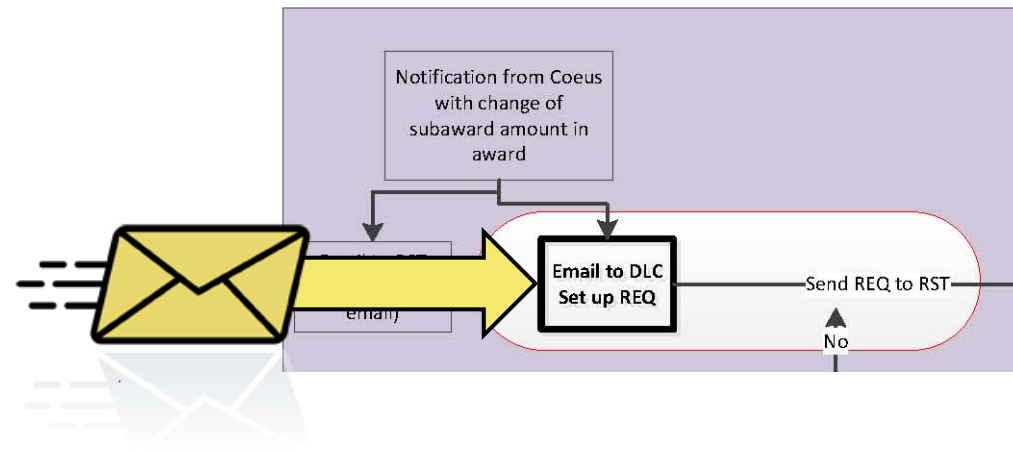
- To AO of Lead Unit of the Award
- Set up a requisition



New Coeus Email

2. “Subaward Amount Updated”

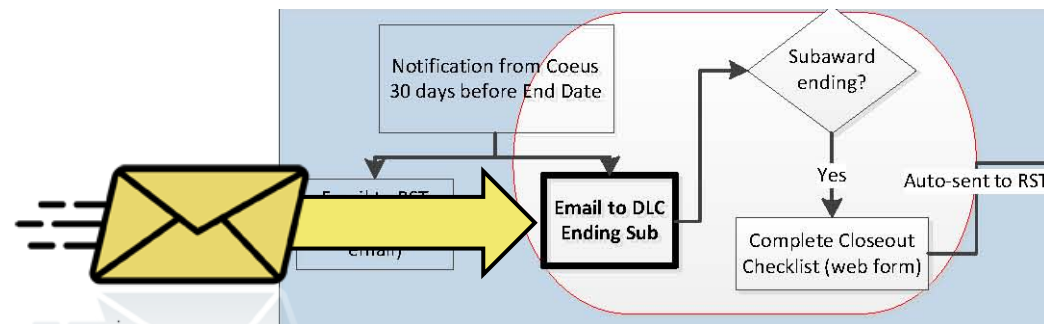
- To AO of Lead Unit of the Award
- Set up a New Requisition



New Coeus Email

3. “Subaward End Date in 30 Days”

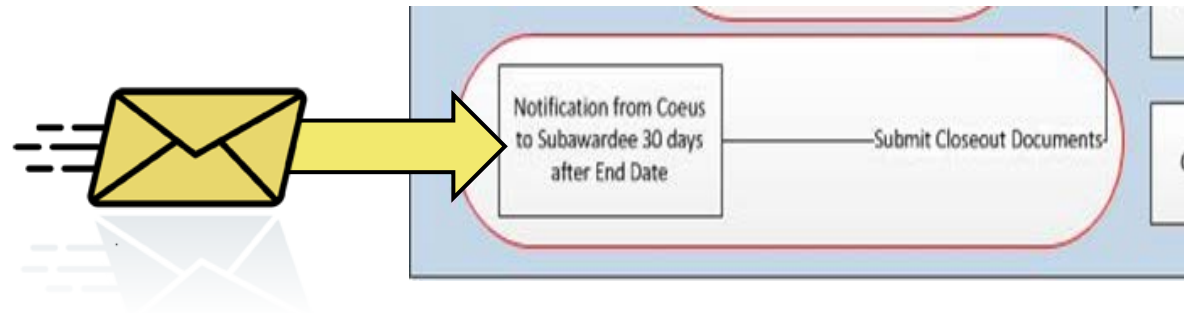
- To AO of lead unit of the award and requisitioner on the subaward record
- Create New Requisition to Extend OR Move to Closeout Checklist



New Coeus Email

4. “Subaward from MIT Ended”

- To subawardee
- Submit Closeout Documents





Subawards

Questions

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Subawards E-Mail Contact information

- osp-research-subawards@mit.edu
- osp-research-subawards-invoices@mit.edu
- osp-research-subawards-closeout@mit.edu
- <http://osp.mit.edu/coeus/help-and-training/request-a-new-subaward-organization>
- osp.mit.edu/coeus/help-and-training/rst-subaward-checklist-dlc-pi