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Purpose

This SOP outlines the steps to be followed by the Office of Research and Sponsored Programs (ORSP) when working with Subrecipients on externally funded research and sponsored projects.

Scope

This SOP must be followed by ORSP Contract and Grant Specialists (CGSs) when a Principal Investigator/Project Director (PI/PD) identifies that a project will involve work with another institution or organization. This SOP applies to the proposal preparation and submission process, as well as the life-cycle of an award if a proposal is selected for funding. Subrecipient monitoring activities conducted during the life of an award are managed by the Subrecipient Coordinator in collaboration with the PI/PD and ORSP CGSs.

Associated University Policy

Policy: Subcontracting – Establishing, Managing, and Monitoring Subawards

Procedure


There are additional steps required in preparation for a submission of the proposal when a PD/PI identifies that the project will involve work with another institution. In this scenario, Lehigh is referred to as the Pass-through-Entity (PTE) and the other institution becomes the Subrecipient. It is the CGS's responsibility to collect documentation from the other institution in preparation for submission of the proposal.

Once an award is received, there are additional requirements in order to process an award to a Subrecipient through a Subaward or Subcontract to ensure compliance with the subrecipient monitoring requirements of OMB Uniform Guidance, 2 CFR 200 Subpart F.

Below is a summary of the procedures for identifying the required documentation during the proposal stage, as well as the subsequent award and closeout stages.

Process for submitting a proposal with a subaward

1. The CGS, in consultation with the PI, determines if the subaward/subcontract mechanism is appropriate by reviewing the [Subrecipient vs. Vendor/Contract/Professional Service Checklist](#).
2. The CGS reviews the [FDP Expanded Clearinghouse Participating Organizations](#) list to determine what information needs to be requested of the subrecipient. Lehigh is a participating organization of the FDP Expanded Clearinghouse effective July 1, 2019.
 - a. If the subrecipient is an FDP member, there is no need to send them the Lehigh Subrecipient Commitment Form.
 - i. Go to "Participating Organizations," and search for the institution name;
 - ii. Print (to .pdf) a copy of the institution profile;
 - b. If the subrecipient is not an FDP member, the CGS requests the subrecipient entity complete, sign and return the [Lehigh Subrecipient Commitment Form](#);
 - c. The CGS requests the following documents to gather additional information about the subrecipient:
 - i. Letter of commitment (signed by the subrecipient AOR)
 - ii. Consortium agreement (if NIH)
 - iii. PHS 398 face page

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- iv. FDP form Attachment 3B subrecipient contact information
- d. The CGS must review all of the information collected in b. and c. for completeness and compliance with applicable agency guidelines.

Note: A subrecipient cannot be included in a proposal if the above information is not received and reviewed prior to submission of the proposal.


3. The PI, with assistance from the Department/Center/Institute administrative support personnel as needed, requests all required proposal documents from the subrecipient, including (but not limited to) scope of work, budget and budget narrative, biographical sketch for key personnel, current and pending or other support, collaborators and other affiliates document (if NSF), and any other documents as required by the agency and solicitation.
4. The CGS must follow the granting agency guidelines for how to include the subrecipient institution information throughout the proposal.

Process for setting up a subaward/subcontract

1. When the notice of award is received from the prime agency, the CGS will review and compare the award information with the proposal information. The CGS will verify the subrecipient(s) information with the Lehigh PI to include current and anticipated funding amount.
2. The CGS will confirm the award information with the subrecipient(s), and request changes or updated documents from them as needed or as discussed with the Lehigh PI.
3. The CGS will fill out the [FDP Risk Assessment Questionnaire \(RAQ\)](#) using information populated in the subrecipient commitment form (or [FDP member information](#)), agency notice of award, and subrecipient documents. Refer to the [RAQ Guidance Document](#).
 - a. The FDP RAQ must be project/award based and there must be one complete, signed form for each subrecipient institution receiving funding. This is an internal form and should not be sent to the subrecipient.
 - b. The CGS will save a copy of the complete RAQ form in the subrecipient award folder in the proposal file. The CGS will send an email to the Subrecipient Monitor that this task is complete.
 - i. If the Assessed Risk Score is *less than 15* subrecipient is considered Low Risk, and no additional terms are needed.
 - ii. If the Assessed Risk Score is *greater than 15* the subrecipient may be considered High Risk to Lehigh if other conditions are present:
 1. The nature or context of the risk identified (institution or program), or special terms and conditions in the Notice of Award.
 2. Additional terms and conditions from the funding agency when populating the subcontract package.
 3. The CGS will notify the Please alert the AVP or Associate Director of ORSP when the form calculates a high risk subrecipient so they can assist in determining additional appropriate terms and conditions.
4. The CGS will request a new grant index for the parent grant award by following the Lehigh post-award process. A reference to the subaward(s)/subcontract(s) must be included in the Fund Requirement.
5. When the grant index is active in Banner (or while in process), the CGS will communicate with the Subrecipient Coordinator to select and prepare the appropriate [FDP Subrecipient](#) package. The CGS will identify any special terms required in the subaward and provide them to the Subrecipient Coordinator. Read carefully and follow the instructions in each Section and Attachment.
 - a. On the FDP subrecipient package cover page (Page 1), choose the prime granting agency from the top. Click “run template” to pre-populate agency-specific information in other attachments.

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- i. If the prime award is a standard grant, use the [Cost Reimbursement](#) or [Fixed Price](#) as determined in the award terms and conditions, and the consortium agreement at proposal stage.
- ii. If the prime award is a [Clinical Trial](#) (as defined by NIH), refer to this package and specific instructions.
- iii. If the subrecipient is a [Foreign/International Organization](#), refer to the foreign fixed price package and specific instructions.
- b. The **Subaward Number**: naming convention is 54XXXX-7800X [Grant Index-Account Code].
- c. Attachment 1: Certifications and Assurances (standard)
- d. Attachment 2: Federal Award Terms and Conditions (populated from the cover page)
 - i. Use the blank “Additional Terms” section to note invoicing instructions, special terms and conditions in the notice of award, single IRB (sIRB) and multi-PI management plan, and/or PHS/NIH or NSF-compliant fCOI policy.
 1. Indicate that invoices must be sent Monthly to the Subrecipient Coordinator ININV@lehigh.edu.
 2. Indicate whether the subrecipient has a PHS/NIH or NSF-compliant fCOI policy in place at the time of award. If no policy is in place, please alert the AVP or Associate Director of ORSP so they can assist in determining additional appropriate terms and conditions.
 - a. Please include the following question(s): Has your organization identified any conflicts of interest per your institutional policy? If “Yes,” please provide a brief description of the identified conflict(s) or management plan(s) in place. What steps has your organization made to mitigate the above mentioned conflict(s), if applicable?
 - b. NIH guidance on the prime recipient’s responsibility for ensuring subrecipient compliance with NIH fCOI regulations can be found in Section I.K. of [NIH FCOI Frequently Asked Questions](#) (external)
 - c. Lehigh University guidance on fCOI in research and sponsored programs can be found here: [Financial Conflicts of Interest in Research and Sponsored Programs](#) (internal)
 3. Indicate whether the project team has agreed to utilize the sIRB and/or multi-PI management plan.
- e. Attachment 3A and Attachment 3B: Prime and Subrecipient Institution contact information
- f. Attachment 4: Reporting and Prior Approval Terms
- g. Attachment 5: Include the subrecipient scope of work, budget and budget narrative.
- h. Attachment 6: Include a copy of the official agency notice of award, and any other terms and conditions provided by the prime agency such as:
 - i. Special terms and conditions provided by the agency,
 - ii. Preferred FDP subrecipient invoice template,
 - iii. A copy of the sIRB approval and/or multi-PI management plan (if applicable).
6. The Subrecipient Coordinator will provide the draft subaward documents to the CGS for review. The CGS will review the package for completeness, and confirm it is ready for submission. The Subrecipient Coordinator will send the complete FDP Subrecipient package to the Administrative Contact at the subrecipient organization for their review and signature.
 - a. Wet signature or electronic Adobe certification signature are accepted from an Authorized

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Organization Representative (AOR). Preferably, the signature should match the person listed as AOR on Attachment 3B.

7. When the subcontract is signed by both parties, the Subrecipient Coordinator will save a complete signed electronic copy in the ORSP Shared drive within the award folder; I:Drive > Awards > [Faculty Name] > 54XXXX [Agency] > Subaward 7800X [Name]
8. Each subaward/subcontract current amount should be encumbered in Banner.
 - a. [To encumber amounts in the 78000 account code series:](#)
 - i. The Subrecipient Coordinator will encumber the subaward amount in Banner accordance with the approved subaward.
9. When additional notices of award, amendments/modifications are received from the prime granting agency, (e.g. annual funding increments are added to the prime award) the CGS works with the Subrecipient Coordinator to communicate the increase in funding to the subrecipient(s) using the [Amendment/Modification form](#).
 - a. Reminder: this form should be used to communicate any change in terms and conditions as needed throughout the project period.
10. The CGS will fill out the [Continuing Assessment Tool \(CAT\)](#) to see if additional terms and conditions need to be added to the amendment/modification based on the prior year performance, and any change in subrecipient status.
 - a. Refer to the [CAT Regulatory Backup and Guidance](#).
 - i. Reminder: this is an internal form and should not be sent to the subrecipient.
 - b. Save a copy of the complete CAT form, initial, and add to the subrecipient award folder.
 - i. If the risk (institution or program) increased and moved the subrecipient into high risk status, follow the steps in point (3.b.iii.)
11. If a CGS inherits an award via change in department assignments, they will ask the Subrecipient Coordinator for their award portfolio report that include subawards/subcontracts.
 - a. After review of the subawards, the CGS will communicate with the Subrecipient Coordinator to contact the subrecipients and provide an updated [Attachment 3A form](#) to indicate an administrative change at Lehigh.

Process for subrecipient invoice approval

Throughout the performance period, invoices are received Monthly to ININV@lehigh.edu, Subrecipient Coordinator.

1. The Subrecipient Coordinator receives and reviews the invoice for completeness. Then, prepares and sends an [approval email](#) to the Lehigh PI.
 - a. The coordinator waits for the PI response before proceeding.
 - b. It is the responsibility of the PD/PI to review the invoice and the project deliverables to ensure that the subrecipient is:
 - i. performing according to the scope of work and approved budget;
 - ii. the expenditures fall within the project period and budget as stated in the subaward agreement, and the expenditures are reasonable and allowable according to progress, and;
 - iii. the technical or financial reporting requirements have been met.
 - c. If all programmatic requirements have been met, the PI indicates approval and responds to the email.

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- i. If the PI responds YES to all questions, the coordinator prepares a Payment Approval Form (including the invoice documentation and notation of the purchase order number) and e-mails the documents to the CGS review and signature.
- ii. If the PI responds NO to any of the questions, the CGS must be notified, and must follow up with the Lehigh PI and the subrecipient institution to remedy any discrepancy.
- d. The CGS reviews the invoice and documentation with the subrecipient proposed budget, funds remaining in the subcontract, and funds remaining in the grant index FRIGITD Banner. The CGS highlights the purchase order number, and electronically signs the Payment Approval Form.
- e. The CGS returns the approved Payment Approval Form to the Subrecipient Coordinator. The Subrecipient Coordinator forwards the Payment Approval form and invoice documents to the Accounts Payable Office in the Controller's Office. A check is printed and mailed to the subrecipient.

Subrecipient Monitoring Role

1. The Subrecipient Coordinator is responsible for maintaining an excel spreadsheet report of all subrecipient activity, [[Subcontracts_MONTH_YEAR](#)]. This report is updated monthly as new subawards are added.
2. Enter all new subrecipient grant award information in FSRs using a copy of the fully executed subcontract. [FFATA Subaward Reporting System, Reporting Requirements](#)
3. Beginning in January of each year, and monthly thereafter, use [FDP Expanded Clearinghouse, if applicable, Federal Audit Clearinghouse](#) or subrecipient website to view Single Audit Report information for all active subrecipients (Annual). Track status of posted audits and review, when conducted: [[FY'20XX Single Audit Review](#)]. If any findings are identified, complete a review of the Audit report with the Associate Director or Assistant Vice Provost, ORSP. If necessary, complete a management recommendation and submit to the subrecipient in accordance with Uniform Guidance.
4. Perform an Annual random sample subrecipient invoice audit in collaboration with Research Accounting.
5. Keep track of completed Risk Assessment Questionnaires (RAQs) and Continuing Assessment Tools (CAT), and assist with creating management plans for those that are "high risk" if needed. [[Risk Assessment Status Review](#)]


Subrecipient Closeout

1. Submission of the appropriately-marked final invoice/financial statement by the Subrecipient and Lehigh's payment of the final invoice confirm the conclusion of the financial obligations of the subaward, pending any adjustment necessary as a result of an adverse audit finding against the Subrecipient.
2. Completion of Subrecipient technical performance obligations, including any final technical reporting, is managed by the Lehigh PI.

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Roles and Responsibilities

Responsible Party	List of Responsibilities
Subrecipient Coordinator (ORSP)	<p>Performs all steps delineated above in Subrecipient Monitoring Role. Receives invoices from subrecipients and reviews them for completeness. Prepares and sends the invoice approval email to PD/PI. Receives and reviews the invoice approval email from PD/PI:</p> <ul style="list-style-type: none"> • If all answers YES, prepares payment approval form and e-mails to CGS. • If any answer NO, informs CGS. <p>Receives approved Payment Approval form and forwards to Accounts Payable Office.</p>
Accounts Payable Office (Controller's Office)	Receives approved Payment Approval forms from ORSP and processes subrecipient invoice payments.
Assistant Vice Provost or Associate Director, ORSP	<p>Consults with CGS regarding additional subaward terms and conditions for high risk subrecipients. Consults with CGS regarding additional subaward terms and conditions for subrecipients with no PHS/NIH- or NSF-compliant fCOI policies in place. Drafts Subrecipient Monitoring recommendations, when applicable to subrecipients with Single Audit findings.</p>
Contract and Grant Specialist (CGS) (ORSP)	<p>Performs all CGS steps delineated above in Process for submitting a proposal with a subaward. Performs all CGS steps delineated above in Process for setting up a subcontract. Performs all CGS steps delineated above in Process for subrecipient invoice approval:</p> <ul style="list-style-type: none"> • Reviews/approves subrecipient invoices for payment. • Works with PI/PD and subrecipients as necessary to resolve invoice discrepancies or subrecipient performance issues.
Department/Center/Institute Administrative Support Personnel	Assists PI in compiling required subaward documents as delineated above in Process for submitting a proposal with a subaward .
Manager, Research Accounting (Controller's Office)	Performs steps to encumber subaward/subrecipient amounts on the sponsored project index in Banner as described above in Setting up a subcontract.
Principal Investigator/Project Director (PI/PD)	<p>Performs all PI steps delineated above in Process for submitting a proposal with a subaward. Monitors subrecipient performance in accordance with the scope of work and approved budget; notifies ORSP CGS of discrepancies. Reviews/approves subrecipient invoices as delineated above in Process for subrecipient invoice approval.</p>


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References

University Policies and Documents
Risk Assessment Questionnaire (RAQ) Guidance Document RAQ Guidance Document
Continuing Assessment Tool (CAT) Regulatory Backup and Guidance CAT Regulatory Backup and Guidance
University Forms and Systems
Subrecipient vs. Vendor/Contract/Professional Service Checklist
Lehigh Subrecipient Commitment Form
FDP Risk Assessment Questionnaire (RAQ)
Continuing Assessment Tool (CAT)
Subrecipient Invoice Approval E-mail to PI/PD approval email
External Forms and Systems
FDP Expanded Clearinghouse Participating Organizations
Forms for New Subaward FDP Subrecipient
Subaward Amendment Form Amendment/Modification form
FFATA Subaward Reporting System, Reporting Requirements
FDP Expanded Clearinghouse

Revision History

Date of revision	Summary of revisions
09-Oct-2024	Updated to revise Subrecipient Closeout section.
25-Mar-2022	Updated procedure to include Subrecipient Coordinator responsibilities
15-Sep-2020	Moved existing policy to Research Administration procedure template. Update procedure to coincide with the clarifications included in the updated Subcontracting Policy.
01-Aug-2019	Updated to include steps related to being members of the FDP Expanded Clearinghouse.
30-Apr-2019	Procedure updates to implement efficiencies, add FDP clarifications and include FAQs.

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Appendix: CGS Frequently Asked Questions

Q1. What should I do if I take over a new department, and I'm unsure if the awards have subrecipients?

A1. When taking over a new department it is important to know which awards in your portfolio have subrecipients and active subcontracts. The first step should be to ask the Subrecipient Monitor for a report of active awards that you are assigned that have subrecipients. Next, you should review the information provided in the report alongside the electronic (or paper file folder) to ensure accurate and up-to-date information. Then, you should reach out to the Administrative Contact of each subrecipient (found on the Attachment 3B of each FDP subcontract) and provide them with an updated Attachment 3A and/or Amendment for their records. This is to ensure that no communications are lost during transition. This task should be done within 60 days of transition, or when the next increment of funding is received, whichever comes first.

Q2. For Attachment 4: Reporting and Prior Approval Terms, how do I know which reports to check and what timeframe is best for Lehigh to receive information from the subrecipient?

A2. Prime sponsor reporting requirements are flowed down to the subrecipient. Review the terms and conditions of Lehigh's award documents to determine what to include in Attachment 4. Additionally, any requirements imposed by Lehigh to the subrecipient based on the results of the RAQ should be included in this section. As a general rule, the timeframe for subrecipient deliverables should be a minimum of 15 days in advance of the sponsor imposed deliverables deadline for Lehigh. If you are still unclear what to include in this section, work with the AVP or Associate Director of ORSP.


Q3. What is the sIRB requirement, and what is Lehigh's process for initiating sIRB?

A4. According to NIH, the goal of this policy is to enhance and streamline the IRB review process for multi-site research so that research can proceed as quickly as possible without compromising ethical principles and protections for human research participants.

Please note NIH sIRB requirements differ slightly from other funding agencies that have adopted the Common Rule sIRB requirements in January 2020. NIH only requires sIRB for the same exact protocol being carried out at multiple institutions; if the project is being broken into components, and each institution is handing a separate, smaller piece of the overall project plan, then sIRB is not automatically required for those projects (unless otherwise specified / requested by NIH).

However, sIRB requirements adopted under the Common Rule state that any multi-site cooperative research funded or supported by a federal agency is required to utilize sIRB for any project reviewed and approved by IRB after January 20, 2020. Lehigh Office of Research Integrity looked at existing funded awards with IRB or sIRB, and did not find any that need to transition.

It should be decided at proposal stage which institution is going to be the lead in IRB review. If the research project involves any medical (physicians, hospitals or clinical trials) based on the scope of work, they will most likely want to be the sIRB. Lehigh agrees with this stance, and will defer the sIRB. The Lehigh faculty member should follow the normal Lehigh IRB application and review process.

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The Lehigh Office of Research Integrity maintains the following website:

[Single IRB \(sIRB\) Review for Multi-Site Cooperative Research](#)

Q4. A subcontract amount, and commitment in Banner needs to be changed (includes increase or decrease in funding). What should I do?

A5. The CGS should first consider whether the change in funding level constitutes a change in scope of work. If so, the change may need prior approval from the prime awarding agency. The CGS should follow the prime awarding agency guidelines on prior approval. Once approved by the agency (or if determined it does not need prior approval), a Bilateral Amendment/Modification should be prepared by the CGS, reviewed by the subrecipient, and signed by the subrecipient to acknowledge the change in funding. To update the commitment in Banner, send a copy of the signed Amendment/Modification to the Manager, Research Accounting noting whether it is an increase or decrease in funding and the amount. This person prepares a purchase order request in [Unimarket](#) and circulates electronically for CGS review and approval. When the CGS receives the notice for their review, they log in to Unimarket and review the entered information for accuracy.

- If the information is correct, the CGS clicks “Approve.” A unique purchase order number is generated.
- If there are changes needed, the CGS must notify the Manager, Research Accounting via email, adjustments are made to the Unimarket entry, and it gets circulated electronically again for review and approval.

Q5. What is the preferred Lehigh mechanism for requesting fCOI Disclosure of a subrecipient?

A6. As the PTE, Lehigh is responsible for monitoring the subrecipients’ compliance with applicable fCOI regulations, management plans, and reporting all identified fCOI to the appropriate agency when necessary. If Lehigh is the Pass-through-Entity (PTE) we are responsible for reporting disclosures of our subrecipients to the prime agency. Please include the following question(s) in the “Additional Terms” section of Attachment 2 of the subcontract:

- Indicate whether the subrecipient has a compliant fCOI policy and procedure in place at the time of award.
- Has your organization identified any conflicts of interest per your institutional policy?
- If “Yes,” please provide a brief description of the identified conflict(s) or management plan(s) in place.
- What steps has your organization made to mitigate the above mentioned conflict(s), if applicable?

Q6. What if a subaward was not part of the proposal, but a subaward to a third party is needed now after an award is made?

A7. The Lehigh PI should notify the CGS immediately upon necessity to add a subrecipient to an active grant award. Some sponsoring agencies require prior approval before setting up an outgoing subaward for part of the research effort. The Proposal Development process for Subrecipients will be followed and all proposal documents will be collected and reviewed by the CGS before a request can be made to the sponsoring agency. The CGS will collaborate with the Lehigh PI to make the request to the sponsoring agency. When written approval is received, the CGS will follow the standard process for setting up and Managing Subawards.