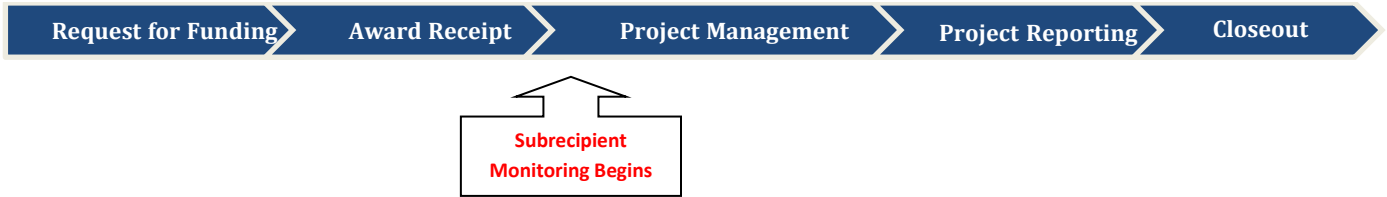


**LDEO Department:**  
 Contracts and Grants

*Effective Date:*  
 12/1/2010

**Standard Operating Procedure:**  
 Subrecipient Monitoring Compliance

**Project Lifecycle**



**Summary:**

Columbia University (CU) may award financial assistance to or contract with a collaborator to facilitate performance of specific work to be conducted in connection with a Sponsored Project that has been awarded to Columbia as the prime grantee. As a condition of its acceptance of funding from a sponsor, the University is obligated to undertake certain stewardship activities and to ensure compliance by the subrecipient with federal, state and local laws and regulations, University policies and with sponsor restrictions.

The preparation, negotiation, final approval and execution of a subaward agreement are the responsibility of the Sponsored Projects Administration (SPA). The purpose of this Standard Operating Procedure (SOP) is to define the method by which the Lamont-Doherty Earth Observatory (LDEO) monitors subawards for compliance with award terms and conditions.

**Definitions:**

ARC	Accounting and Reporting at Columbia. Online system that allows for the creation, approvals routing, and transmission of financial data.
CU	Columbia University
DA	Department/Division Administrator
F&A	Facilities and Administration cost rate
InfoEd	University system for sponsored award management
LDEO	Lamont-Doherty Earth Observatory
NOA	Notice of Award. Grant or fully executed contract.
PI	Principal Investigator
PO	Purchase Order
RP&IC	Research Policy and Indirect Cost Department of the Office of the Controller. The Columbia central administration department responsible for annual monitoring of all Subrecipients, among other responsibilities.
SAPO	Subaward Purchase Order. Encumbrance fed to the account system.
SOP	Standard Operating Procedure
SPA	Sponsored Project Administration. The Columbia central administration department responsible for all institution level preaward review and approval and certain postaward transactions and sponsor communication.
PIN	Project Information Notice. Internal Columbia form created in InfoEd, stored in

	ReportWeb and fed into ARC. Departments run their own PIN upon notification from ARC that a project has been setup or modified.
SPF	Sponsored Finance Administration. The Columbia central administrative department responsible for financial post award activities such as financial reporting, invoicing and cash draw downs.
Subaward	Legally binding document, generated by Columbia, to provide financial support to subawardee in collaboration with the goals of an award where Columbia is the prime recipient.
Subrecipient	Organization, also subawardee, who has received financial support from Columbia.

## **Procedure:**

### **Proposal Submission Guidelines – Subawards**

Complete subaward proposals are required at the proposal submission stage for the prime grantee proposal. A complete subaward proposal contains the following:

- A Cover Page - signed by the subrecipient institutional officials and authorized representative.
- A Statement of Work - explaining in detail those services that will be performed.
- A Curriculum Vitae - for each subrecipient Principle Investigator (PI)
- A detailed Budget & Budget Justification
- A Debarment Form - to be signed by the subrecipients institution's authorized representative
- A copy of the subrecipient's negotiated Facilities & Administrative (F&A) cost rate agreement
- For National Science Foundation (NSF) proposals – an NSF certification form
- Subrecipient Contact Form – Attachment 3B of the Federal Demonstration Partnership (FDP) Subaward Template
- Basis for Selection – from Columbia PI

### **Award Receipt / Subaward Issuance**

- Upon receipt of the notice of prime award (NOA), SPA will establish a unique project number for the award where all project expenses are housed. The project includes a detailed budget segregated by cost category for each type of expense, including subaward expenses. If the project includes a subcontract, the LDEO Manager of the Contracts & Grants office will complete a subaward request form (via the SPARC webportal) and prime recipient contact sheet (See Attachment 3A of FDP Subaward Template). These documents and the subcontractor's proposal will be forwarded to the SPA Subaward team for the subaward agreement to be developed and issued.
- Once SPA receives all necessary documentation, an appropriate subaward agreement is developed according to SPA's standard procedures and the SPA Subaward team sends the partially executed agreement to the subrecipient for review and signature. Via the subaward document, the University will advise the subrecipient of all appropriate flow-down provisions from the primary award, all relevant University policies and, if the subrecipient is a non-U.S. entity, all applicable U.S. laws and regulations.

- When the subawardee returns a fully executed agreement, the SPA Subaward team will email the agreement to the department. The SPA subaward team will release the SAPO to ARC at this point. The subaward team will upload the fully executed subaward agreement into InfoEd.
- The LDEO internal spreadsheet is updated when a subaward is fully executed in order to begin tracking the overall subrecipient monitoring process.

#### **Programmatic Subrecipient Monitoring**

- In parallel with the execution of the subaward agreement, the PI and DA will jointly determine the frequency and scope of departmental monitoring procedures based on the PIs assessment of needs for the subrecipient.
- The PI will monitor the progress of the subrecipient scope of work by reviewing formal progress reports, and/or informal progress reports by phone or email and staying in close contact with the subrecipient PI. Site visits and meetings are another form of monitoring the PI may choose based on the level of complexity of activity and the scope and duration of the project. If the PI experiences issues during the monitoring process, they will escalate to the LDEO Contracts and Grants office.
- To ensure the Subrecipient is in compliance with all laws and regulations that may affect the prime award, the Research Policy and Indirect Cost (RP&IC) Department of the CU Office of the Controller will, on an annual basis, request from Subrecipients that are A-133 Entities the results of its most recent A-133 audit. From Subrecipients that are not A-133 Entities, RP&IC will request a copy of its most recent annual financial report, including the latest audited financial statements and auditors' management letter. RP&IC will require a corrective action plan if any conditions exist that are non-compliant.
- RP&IC will follow up with any Subrecipient that does not provide it with the required information described above.
- The Manager of the Contracts office will monitor the end date of the project and alert the PI if the subrecipient has a large balance and is not invoicing regularly.

#### **Ongoing Sponsored Project Prime Award Financial Monitoring**

- PIs or their designees monitor the financial activity on each prime award project monthly. Central administration monitors key indicators like overdrafts, cash balances and payroll suspense monthly to identify issues of concern. Corrective actions are taken as required.
- DAs monitor budget to actual expense variances. Significant variances on subawards are evaluated during this process. Corrective actions are taken as required.
- The Office of the Controller and Sponsored Projects Finance conducts Quarterly financial closes during which concerns are identified and corrective actions taken as required.
- On a monthly basis LDEO Finance staff sends a report to PIs and DAs identifying awards that are closing out (nearing the award end date) in the next 90 days. Staff works with PIs and DAs to identify the close out plan for each award. During this period awards can be extended if more time is needed to complete the project.

### **Subrecipient Invoice Receipt, Review and Processing**

- Invoices are sent from the subrecipient to the LDEO Manager of the Contracts & Grants office. The invoices are reviewed against the original subaward proposal budget and reconciled against ARC to confirm that the invoice from prior month has been paid. The LDEO Manager will communicate with the subrecipient financial administrator should additional justification be required for any large budget variances that were not previously approved. The subaward agreement contains terms and conditions specifying the information that should be included on an invoice. At a minimum, the invoice should include current and cumulative costs (including cost sharing), subaward number, and certification as to truth and accuracy of invoice.
- The PI is uniquely qualified to ensure appropriate progress is made by the subrecipient and as such can truly judge whether the work completed is in line with the invoices presented for payment. Upon receipt of subrecipient invoices an email is sent to the PI from the LDEO Manager of the Contracts & Grants office requesting confirmation on whether the PI is satisfied with the work completed to date and requesting approval to process payment. If the PI is satisfied they will provide approval to process payment. If the PI is not satisfied payment is withheld pending further investigation.
- If payment is being withheld the LDEO Manager of the Contracts & Grants office will officially request a formal progress report from the subrecipient through the subrecipient financial contact identified on Attachment 3B. Follow up continues until the Columbia PI is satisfied with the progress made and approval is provided for payment. PI approval is obtained in writing through email or hardcopy.
- Approved invoices are sent by the Manager of the Contracts & Grants office to LDEO Finance for processing through Columbia's central Accounts Payable (AP) department in accordance with AP policies. Copies of invoices are sent to both PIs and DAs to document that the AP payment process has started. Copies of invoices are also retained in the LDEO Contracts & Grants office to facilitate any issues that arise with the AP payment process.
- Before the final payment is processed, the Manager of the Contracts & Grants office must obtain a final technical report and a University subcontract certification form (See Attachment 5) from the subrecipient. The subrecipient certifies on the subaward certification form the total subaward cost on their books, any final patent, second tier subawards and/or property acquired.
- A copy of the final payment request memo is forwarded to SPA and SPF for their files. A copy of the subrecipient certification form is sent to LDEO Finance to request liquidation of any final encumbrance through CU purchasing.

### **Subaward Tracking and Escalation**

- Internal spreadsheets are maintained in the LDEO Contracts & Grants office tracking all subawards. The spreadsheet is updated with every agreement issued, subaward purchase order (SAPO) processed, amendment issued, and payment processed.
  - Upon receipt of subaward invoice an email is sent to the PI requesting approval to process payment. If a PI is nonresponsive the LDEO Manager of the Office of Contracts & Grants will reach out to the DA for assistance and then to the appropriate Associate Directors of that division/department. Follow up continues until the issue is resolved.

**Escalation Procedure:**

Disagreements regarding the interpretation or enforcement of an LDEO SOP will be resolved internally at LDEO by conferring with either the Assistant Director for Finance and Administration or the Observatory Director. Questions regarding University Policy will be referred to an appropriate party within the University's Central Administrative Departments.

In the event an employee does not comply with University policy or procedure they would initially be subject to a verbal warning by their supervisor. Repeated failure to comply can result in further disciplinary action, such as a written warning or an unfavorable performance review, up to and including termination of employment.

**Roles and Responsibilities:**

	Manager, Contracts & Grants	Project Coordi.	Subaward Team	RP&IC	PI	DA
Request subaward proposal for proposal submission.					Review/ Approve	Perform
Provide subaward packet to the SPA Subaward Team.	Perform		Review/ Approve			
Generates, negotiates final approval and execution of subaward agreements and releases SAPO.			Perform			
Reviews invoice against approved budget and generates internal payment memo.	Backup	Perform				
Escalates payment issues.	Perform					
Escalates any progress issues to subrecipient administrators.	Perform				Review/ Approve	
Approves Invoices for Payment.					Perform	
Submits invoice for payment	Perform					
Monitors Subrecipient annually for compliance with federal and University regulations.				Perform		
Forwards closeout documents to SPF and SPA.	Perform					

**References:**

Subaward Request Form, accessed via the Columbia University SPARC web portal:

<http://columbia.force.com/SparcForm>

SPA Subaward Forms, accessed at: <http://spa.columbia.edu/subawards/subaward-forms>

- Research Subaward Agreement Prime Recipient Contacts (Attachment 3A)
- Subrecipient Contacts (Attachment 3B)
- Subcontract Closeout Certification Form (Attachment 5)

**Attachments:**

Attachment 3A - Sample of Prime Recipient Contacts – FDP Subaward Template

Attachment 3B - Sample of Subrecipient Contacts – FDP Subaward Template

Attachment 5 - Sample of Subcontract Closeout Certification Form

**Document History:**

Date	Name	Action	Notes
12/1/2010	M. Respo	Created	
5/30/2012	M. Respo	Edited	
11/9/2012	E. Soergel/M. Respo	Edited	Reflects changes due to ARC

Attachment 3A  
Research Subaward Agreement

Subaward Number:

**Prime Recipient Contacts**

Institution/Organization ("Prime Recipient")

Name:

Address:

City:  State:  ZipCode:

Administrative Contact

Name:

Address:

City:  State:  ZipCode:

Telephone:  Fax:

Email:

Principal Investigator

Name:

Address:

City:  State:  ZipCode:

Telephone:  Fax:

Email:

Financial Contact

Name:

Address:

City:  State:  ZipCode:

Telephone:  Fax:

Email:

Authorized Official

Name:

Address:

City:  State:  ZipCode:

Telephone:  Fax:

Email:

Attachment 3B - Research Subaward Agreement

Subaward Number:

Institution/Organization ("Subrecipient")

Subrecipient Contacts

Name:

Address:

City:  State:  ZipCode + 4:

EIN No.:  Institution Type:

Did the subrecipient's gross income, from all sources, in the previous tax year exceed \$300,000? Yes  No

If no, FFATA reporting of this subaward is not required.

Is the Performance Site the Same Address as Above?  Yes  No

Currently registered in CCR?  Yes  No

If no, is the Performance Site the same as PI address below?  Yes  No

DUNS No.:

Parent DUNS No.:

If no to both questions, please complete 3B page 2 (if ARRA funding use Attachment 4A).

Is Subrecipient exempt from reporting compensation?  Yes  No

Congressional District:

Congressional District:

If no, please complete 3B page 2 (if ARRA funding use Attachment 4A).

Administrative Contact

Name:

Address:

City:  State:  ZipCode:

Telephone:  Fax:

Email:

Principal Investigator

Name:

Address:

City:  State:  ZipCode:

Telephone:  Fax:

Email:

Financial Contact

Name:

Address:

City:  State:  ZipCode:

Telephone:  Fax:

Email:

Authorized Official

Name:

Address:

City:  State:  ZipCode:

Telephone:  Fax:

Email:



**Attachment 5  
Subaward Agreement**

**Subrecipient Certification Form**  
(To be submitted with final invoice)

Columbia PI:  
Prime Agreement No:  
**Year:**  
Subrecipient\_No:  
Subrecipient:

**1. Release**

This is to certify that Subrecipient costs totaling \_\_\_\_\_ (cumulative costs) have been or will be paid to the Subrecipient in complete payment for the work of the Subrecipient and that the Subrecipient warrants that these costs are the actual costs as recorded on the Subrecipient's books, and any rates in the billings are the government audited rates. These actual and reasonable costs are available for inspection and audit as required by the Prime Recipient's prime agreement representatives. *The Subrecipient hereby discharges Columbia University from all liabilities and obligations arising from the Subrecipient except: (1) third party liabilities up to 6 years after the date of this release; and (2) claims for costs relating to patents under this Subrecipient.*

**2. Final Patent Report**

- \_\_\_\_\_ No reportable items were developed.  
\_\_\_\_\_ A reportable item was developed. (Invention disclosure attached)

**3. Final Subaward Report**

- \_\_\_\_\_ No Subawards were issued.  
\_\_\_\_\_ Subawards were issued as follows:

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**4. Final Property Report**

- \_\_\_\_\_ No accountable property was acquired.  
\_\_\_\_\_ A listing of accountable property is attached.

**5. Audit Requirements**

This is to certify that the Subrecipient has met the audit requirements of OMB Circular A-110, A-128 or A-133, whichever pertains; that appropriate corrective action will be or has been taken within the 6 months after any instances of noncompliance with federal laws and regulations are disclosed in audit reports (which instances will be forwarded to Columbia University); and that the Subrecipient will allow independent auditors to have access to the records and financial statements as necessary for compliance with the Circular.

Signature of Authorized Representative \_\_\_\_\_

Printed Name of Authorized Representative \_\_\_\_\_

Title \_\_\_\_\_

Date \_\_\_\_\_