

## Rice University Policy No. 307

### Issuing and Monitoring Subawards and Subcontracts

#### Policy Statement

Sponsored research and other sponsored endeavors often depend on collaborative activities among faculty from different institutions. When a Rice principal investigator (PI) determines that collaborations with investigators from other institutions are necessary to complete the scope of work, such collaborations are specified in the proposal. When a proposal that includes other institutions is funded, the sponsoring agency normally funds the award in one of two ways. Some create separate awards to each institution, while many make a single award to the prime institution. When the sponsor makes a single award to Rice, the University issues a subcontract or subaward to the institution of the collaborating investigator. Rice and its PIs are expected to take steps to provide reasonable assurance that the collaborating investigators and their institutions accomplish the work specified in the subaward or subcontract and comply with the terms and conditions of the award.

When the University assigns responsibility through a subaward or subcontract to a subrecipient for conducting a portion of the work under a sponsored project agreement, Rice is responsible for assessing the risk of the subrecipient organization to determine the level of risk and the extent of monitoring required during the subaward period.

It is the policy of Rice University to have processes in place that provide reasonable assurance that the subrecipients satisfactorily meet the programmatic and financial activities involved in the subaward or subcontract in order to ensure that:

- programmatic goals are achieved;
- project costs incurred by subrecipients are reasonable, allowable and allocable and within budget guidelines; and
- work is conducted in compliance with laws, regulations and terms of the award.

The frequency, type and degree of activities which monitor the subrecipient's compliance with the subaward or subcontract will be based on risk assessments performed periodically during the life of the subcontract, and adjustments will be made if there are changes in status.

This policy and related procedures apply to all subrecipients funded from sponsored projects including those funded from both federal and non-federal sources.

#### Definitions

A sponsored project is an externally funded activity subject to terms and conditions of the awarding organization. Funding is normally received from an external sponsor in the form of a grant, contract or cooperative agreement.

A subcontract (also called a subaward) is a formal written agreement between Rice University and a subrecipient that includes the statement of work (SOW), budget, and reference to the laws and regulations to which the subrecipient must adhere. Rice issues subcontracts using the appropriate contractual terms and conditions to address deliverables, risk and financial/payment considerations and required flow-down provisions from the sponsor. For the purposes of this policy and related procedures, subcontracts do not include engaging vendors to provide services to Rice under professional services agreements or vendors to provide standard goods or services to Rice. These vendor relationships are addressed in Rice Purchasing Policy No. 814 and related procedures.

A subrecipient is a non-Rice entity that expends funds received from Rice to carry out a portion of Rice's programmatic effort under a sponsored project. As such, the entity is a collaborator in carrying out the research program of the sponsored project. The subrecipient may be another educational institution, an independent laboratory, a foundation, a for-profit corporation, a non-profit corporation or other organization, and may be a domestic or foreign entity. Subrecipients are typically not individuals. The federal government's definition of a subrecipient is addressed in Office of Management and Budget Circular A-133 (OMB A-133), Sections 105 and 210.

### **Monitoring of Subrecipients**

The University will perform selective and on-going monitoring activities with regard to subrecipients of its sponsored awards to provide reasonable assurance that Rice's subrecipients administer the subcontracts in compliance with laws, regulations and the provisions of the prime and subcontract agreements and that performance goals are achieved.

The procedures for this policy contain additional information on these steps, including roles and responsibilities.

### **Related Policies**

Rice University Policy No. 104, Routing of Research Contract and Grant Proposals and Recommendations for Postdoctoral and Research Associate Appointments

Rice University Policy No. 301, Management and Administration of Sponsored Projects

### **Responsible Officers**

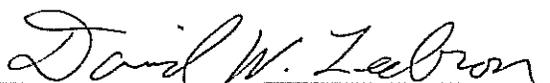
The Responsible Officers for this policy are the Vice Provost for Research (for subrecipient matters related to proposals and technical/programmatic performance) and the Vice President for Finance (for subrecipient matters related to budgetary/financial considerations).

## Contact Offices

The Office of Sponsored Research (OSR) should be contacted for subrecipient matters related to the proposal, subaward agreements and technical/programmatic performance matters. Research and Cost Accounting (RCA) should be contacted for subrecipient matters related to budgetary/financial issues, including subcontract invoice processing or specific invoice amounts.

## Links to Procedures and Forms

The procedures for this policy and related forms are available on the OSR website. Links to the procedures and forms are also available on the [RCA website](#).



David W. Leebron  
President

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Adopted: September 7, 2011