

## Subcontract Management Process

This document describes best practices and processes for Subcontract Management (including Subrecipient monitoring) through the Office of Grants and Contracts (OGC) for the University of Colorado Denver (UCD).

\*This process is only for outgoing Subcontracts from the University to Subrecipients only (see definitions below). For Contractor (Vendor) agreements, please visit the Procurement website at <http://www.cu.edu/psc>.

THIS IS A NON-AUDITABLE DOCUMENT.

### 1. Definitions

- a. **Award/Grant-** Binding agreement between Sponsor and UCD to provide financial and other support for research and other scholarly activities. Awards typically do not require negotiation.
- b. **Contract (incoming \$)-** An award that contains terms and conditions that require review by the OGC Subcontracts group and may require negotiation.
- c. **Pass Through Entity (PTE)-** A non-federal entity that provides a federal award to a Subrecipient to carry out a federal program
- d. **Sponsor-** An entity that provides funding for research and other scholarly activities.
- e. **Subrecipient-** An entity that receives funding through a PTE. The Subrecipient functions as more than a vendor, and the terms and conditions of the Prime Contract will flow down to them.
- f. **Contractor-** An entity that receives payment for services from an Award/Contract recipient. The Contractor functions as a vendor, and terms and conditions of the Prime Contract are not flow down to them.
- g. **Subcontract (outgoing \$)-** The contract between the PTE and a Subrecipient.
- h. **Prime Contract-** The original award document between Sponsor and PTE (typically UCD).
- i. **OGC Subcontracts group-** Group within OGC responsible for all outgoing Subcontracts/awards
- j. **Subrecipient database-** Database where information is kept on every Subrecipient that is provided funding from UCD.

### 2. Documents

- a. **Subcontract Management Document-** This document!
- b. **Subrecipient/Contractor Checklist-** Optional form to help departments determine category of entity receiving funds from UCD.
- c. **Subrecipient LOI (Letter of Intent)-** Required document at proposal stage that commits Subrecipient to a UCD project.
- d. **Subrecipient Commitment Form-** When the Prime Sponsor is Federal, this form is required to be provided to the OGC Subcontracts group at the Award Stage in order to initiate a subcontract. Members of the FDP Clearinghouse can check a box at the beginning of the form to bypass many of the questions. Use the link below to check if an organization is a member/participating organization. [https://fdpclearinghouse.org/organizations?order=common\\_name&orderDir=asc&search=colorado&pageSize=15](https://fdpclearinghouse.org/organizations?order=common_name&orderDir=asc&search=colorado&pageSize=15)
- e. **Subcontract Request Form-** Required form to be provided to the OGC Subcontracts group in order to initiate a Subcontract.
- f. **Subrecipient Monitoring Invoice Checklist-** Optional document that provides a guide for reviewing Subrecipient invoices.
- g. **Subrecipient Monitoring Record-** Optional document for departments to help document Subrecipient monitoring efforts and maintain an audit trail.
- h. **Risk Assessment Questionnaire-** Document used by the OGC Subcontracts group to determine the risk level of the Subrecipient.

### 3. Pre-award/Proposal Stage

- a. **General-** This is the starting stage for the entire subcontract process.
- b. **Department Responsibilities**
  - i. Make determination of Contractor/Subrecipient (see checklist, and follow up with OGC if uncertain)
    - 1. If entity is a Subrecipient, funding goes through OGC.
    - 2. If entity is a Contractor, funding/contract goes through Procurement.
  - ii. Route proposal documents.
    - 1. Indicate outgoing Subcontract on routing form if applicable.
  - iii. Obtain completed Subrecipient LOI from appropriate party(ies); required to be uploaded in InfoEd for routing.
  - iv. Option to issue Subrecipient Commitment Form if applicable (required by Risk Assessment Stage).
  - v. Proceed with normal proposal submission processes per OGC guidelines.
- c. **OGC Responsibilities**
  - i. Review proposal.
  - ii. Review LOI.
  - iii. Provide feedback to department.

#### 4. Award Stage

- a. **General:** At this stage, the OGC Subcontracts group will receive either the Award or the fully executed Contract with Sponsor. The OGC Subcontracts group will begin to prepare for the risk assessment (if applicable) and Subcontract stages.
- b. **Department Responsibilities**
  - i. Make sure Grant/Prime Award document is received by OGC.
    - 1. Grants go to [Xenia@ucdenver.edu](mailto:Xenia@ucdenver.edu).
    - 2. Fully executed contracts go to [OGC.Contracts@ucdenver.edu](mailto:OGC.Contracts@ucdenver.edu).
  - ii. If not done at the PreAward stage, submit the Subrecipient Commitment Form if applicable.
- c. **OGC Responsibilities**
  - i. Accounting set up.
    - 1. Project is assigned a speed-type and project number.
    - 2. Budget is added if applicable.
    - 3. Notify department that award has been set up.
  - ii. Questions on award set up status can be directed to [OGC.4Status@ucdenver.edu](mailto:OGC.4Status@ucdenver.edu).

#### 5. Risk Assessment Stage (If Applicable)

- a. **General-** The OGC Subcontracts team will work with the department in order to assess the risk of any Subrecipients.
- b. **Department Responsibilities**
  - i. Provide OGC Subcontracts group with Subrecipient Request Form and completed Subrecipient Commitment Form with your subcontract request submitted via the appropriate formstack. These documents will be used to complete the risk assessment.
- c. **OGC Responsibilities**
  - i. Perform risk assessment based on Risk Assessment Questionnaire.
  - ii. Contact department with risk assessment, discuss options.
  - iii. Track Subrecipient in Subrecipient database.

#### 6. Subcontract Stage

- a. **General-** OGC Subcontracts will draft the Subcontract.
- b. **Department Responsibilities**
  - i. Provide input regarding optional medium and high risk contract language if applicable.

- ii. Work with OGC Subcontracts to negotiate contract language if needed.
- c. **OGC Responsibilities**
  - i. Draft contract, update language based on risk assessment and department input if applicable.
  - ii. Send instructions email for department to review, obtain signatures from the subrecipient, and include the CU Marketplace requisition or PO number upon return.
  - iii. Negotiate contract language if needed.

## 7. Subcontract Execution Stage

- a. **General-** At this point all contract terms are agreed upon, and signatures must be collected to move forward.
  - i. OGC Subcontracts will forward the partially executed agreement to Post Award for review and approval.
  - ii. Upon approval, the OGC Subcontracts team will sign the sub, upload it as an attachment to CU Marketplace, and return a fully executed copy to you for your records

## 8. Post Award

- a. **General-** At this point the contract has been executed,
- b. **Department Responsibilities**
  - i. Continue to monitor subrecipient.
  - ii. Suggestions for medium/high risk subrecipients
    - 1. Increased review of Subrecipient's financial reports, request supporting documents
    - 2. Increased review of Subrecipient's technical/performance progress reports
    - 3. Increased review of invoices for timeliness, completeness, and accuracy
    - 4. Document conversations and pertinent emails
    - 5. Request regular contact with Subrecipient Principal Investigator and other personnel
    - 6. Utilize Subrecipient Monitoring Record/Subrecipient Invoice Checklist
    - 7. Consider interim audits, site visits or desk review
    - 8. Use Subrecipient Monitoring Record
    - 9. Use Subrecipient Monitoring Invoice Checklist
  - iii. Work with Postaward contact in OGC to verify all Subrecipient billing has been completed at closeout.
- c. **OGC Responsibilities**
  - i. Review expenditures
  - ii. Monitor time and effort reporting
  - iii. Review invoicing and financial reporting
  - iv. Work with department to verify all Subrecipient billing has been completed in a timely manner at closeout
  - v. Complete FFATA requirements