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I. PURPOSE:

Pursuant to Act 188, by which the Chancellor has the responsibility to issue system-wide business procedures, the purpose of this document is to provide guidelines for PASSHE Universities in fulfilling the mandates and flow down requirements of federal grants. OMB Circular A-133, Subpart D, section .400(d) defines certain responsibilities of “pass through entities” (which in this document will be the University) in managing “subrecipients.” Of particular importance for this document is the requirement, among others, to “monitor the activities of subrecipients as necessary to ensure consonance with Federal laws, regulations, and the provisions of contracts or grants agreements as well as any supplemental requirements imposed by the pass-through entity.” In addition, the pass-through entity must ensure the subrecipient has met the audit requirements of Circular A-133; it must advise subrecipients of requirements imposed on them by Federal laws, regulations and contracts or grant agreement provisions and require each subrecipient to permit access to records and financial statements. A-133 Subpart C section.320 (e) further requires subrecipients to submit audit packages under certain conditions or, in lieu thereof, an audit certification.

This document is intended to be used by Research Administrators and administrative staff who should interpret it and share relevant sections with faculty as needed. It was developed by a committee of sponsored research directors with assistance from a representative of the Office of the chancellor and University Legal Counsel.

II. DEFINITIONS:

A. Pass through entities: A Non Federal entity, such as the University, that provides federal funds to a subrecipient to carry out a program.

B. Subaward: A subaward is a formal written agreement made between the University and a “Subrecipient.” It must include a clearly defined, intellectually significant Statement of Work (SOW) to be performed by the Subrecipient, and by its personnel, using its own facilities and resources. Subawards are typically needed when the nature of the subrecipient's statement of work could result in intellectual property or publishable results being developed by the subrecipient. In most cases, the need for an entity to obtain compliance approvals (e.g., approval to use human subjects or animal subjects) will also indicate the need to use a subaward rather than a procurement action.

C. Subrecipient: A third party that performs a portion of the statement of Work under a sponsored project administered by the University. Subrecipient takes full responsibility for adhering to the terms and conditions of the subaward (including those flowed down from the sponsor), and assumes creative and intellectual responsibility and leadership as well as financial management for performing and fulfilling the Subrecipient's SOW within the Subrecipient's approved budget. The “subrecipient” (A.K.A. “subgrantee”) party must meet the following criteria, when applicable:

- Perform a substantive part of the programmatic work, which is defined as project activities that support the primary purpose of the prime award;
- Have responsibility for programmatic decision making;
- Use the funds provided to carry out a program of the sub-recipient as opposed to providing goods or services for a program of the prime grantee;
- Be responsible for helping the prime grantee meet the requirements of the grant;
- Determine who is eligible to receive financial assistance under the grant;
• Have its performance measured against whether the objectives of the program are achieved;
• Have responsibility for adherence to applicable program compliance requirements.

The subgrantee or sub-recipient typically is named in the grant proposal and their duties and obligations are an integral part of the response to the funder’s requirements.

D. Subcontracts/Procurement Actions: When the University utilizes a sponsor’s funds to purchase goods and services from a third party in an arms-length, buyer-seller relationship with a vendor, subcontracts must be awarded through an open and competitive process, i.e. solicitation of proposals or bids, in compliance with OMB Circular A-110 and Pa Act 57 of 1998.

E. Vendor (or Sub-contractor): is a third party that meets the following criteria:
• Provides professional services or highly technical advice (such as a consultant);
• Provides goods or services as a part of its normal business operations;
• Provides similar goods and services to many different purchasers;
• Operates in a competitive environment;
• Is responsible only for meeting the requirements of the contractual services contract between the University (prime grantee) and the vendor;
• Provides goods and services that are ancillary to the operation of the grant or contract program;
• Is not subject to compliance requirements of the grant or contract program.

III. THE SUBAWARD PROCESS

A. At proposal stage, before submitting the proposal, the University grants office shall require the following information from prospective subrecipients:
   1. Preliminary Budget for the subaward(s) - including the Subrecipient's direct and indirect costs, calculated using the Subrecipient's approved F&A and fringe benefit rates, and verifying any committed cost sharing.
   2. Preliminary Statement of Work for the subaward(s) - including a clear description of the work to be performed, the proposed timelines and deliverables.
   3. CV of co-project director/co-principal investigator
   4. F&A rate agreement
   5. Letter of support confirming institutional support for participation

B. After award, before executing the subaward agreement, the grants office shall require the following information from subrecipients:
   1. Final Budget for the subaward(s),
   2. Final Statement of Work for the subaward(s),
   3. Any information from Section II., C. – E. not yet received,
   4. IRB/IACUC approvals (if required), and
   5. Latest single audit or independently prepared financial statement, OR Certification of Audit. At the University’s discretion, this information may be collected at the proposal stage, particularly for unfamiliar subrecipients.

C. During the term of the award, the University shall receive:
   1. Periodic progress reports from the co-Project Director (PD) or co-Principal Investigator (PI) to the institutions PD/PI,
2. All deliverables per the project schedule/timeline,
3. Quarterly invoices to the PD/PI for approval and subsequent processing by the accounting office,
4. Any requests for changes in personnel through the PD/PI for guidance by the grants officer and possible sponsor approval, and
5. Any requests for changes in budget or work statement through the PD/PI for approval by the grants office.

D. At Amendment (including renewal or extension) of a subaward, the grants office shall require the following information from subrecipients:
   1. Annual Budget for the subaward(s),
   2. Annual Statement of work for the subaward(s), and

E. At conclusion of the subaward and close-out, the University must receive:
   1. Final invoice,
   2. Final report from the co-PD or co-PI,
   3. All deliverables due under the agreements, and
   4. All technical information, data, reports and other information required by the sponsor.

IV. SUMMARY OF ROLES AND RESPONSIBILITIES

A. Subrecipient

The subrecipient, (i.e. the institution and/or the institution’s co-principal investigator) shall:
   1. Provide the necessary personnel, material, facilities, and other direct costs reasonably required to accomplish the work set forth in the work statement.
   2. Deliver all reports, documentation, data, hardware, software, and other deliverables to be furnished under the subcontract as set forth in the delivery schedule.
   3. Ensure that all technical and administrative effort and delivery of all reports, documentation, data, hardware, software, and other deliverable end items are submitted by the contract end date.
   4. Ensure that all personnel working on the project are completing federally mandated Time & Effort reporting with their agency.
   5. Submit all program status reports and final technical reports within the timeframe outlined in the subaward.
   6. Notify the University’s PI immediately if a personnel substitution is needed. Personnel substitutions must be approved through the Grants Office.
   7. Invoice the University Grants Accounting Office as stated in the contract for work performed in accordance with the subaward. Invoices shall cover allowable costs incurred for work performed as outlined in the work statement. Invoices shall be in conformance with sponsor requirements.
   8. Submit any budget or work statement modifications to the Grants Office, through the PI. Changes to the original subaward will only be approved in justifiable cases, and must remain in accordance with the prime contract.

B. Project Director (PD) or Principal Investigator(s) (PI)
The PD/PI is the individual primarily responsible for monitoring the programmatic and financial performance and progress on a subaward. In no event may such monitoring and compliance obligations be delegated to a non-University employee. As part of the University's monitoring responsibilities, the duties of the PD/PI (working in conjunction with the University Grants Office) during the life of the subaward are as follows. The University Grants Office shall orient first-time PD/PI's to these requirements.

1. Ensure that the subrecipient provides timely submission of all required materials to the grants office, including documents needed for issuance of the proposal approval and the subrecipient contract.
2. Review subrecipient’s statement of work and budget to determine reasonableness.
3. Understand the terms and conditions of the prime award, including those flowed down to the Subrecipient and those that may have been imposed by the University, and to regularly monitor the Subrecipient's adherence to the subaward's terms and conditions. Such monitoring may take place through phone calls, emails, site visits, meetings, or other regular contact.
4. Review the Subrecipient's invoices to confirm the invoices are:
   - prepared in accordance with subaward requirements,
   - the costs incurred are in accordance with the approved budget during the approved period of performance and overall cost limitations,
   - costs incurred are aligned with the scientific progress reported to date, and
   - the costs are allowable, allocable and reasonable relative to the sponsor’s terms and conditions and the subaward issued by the University. In the event the level of detail included on an invoice is not sufficient to fully understand the costs, or if it appears that some costs may be excessive or understated, the PD/PI is responsible for questioning the Subrecipient's expenditures or requesting further documentation or explanation prior to approving an invoice. Such inquiries should be done in a timely manner (e.g., within thirty (30) days after receipt of an invoice) so that the Subrecipient can be promptly paid for approved costs.
5. To personally approve acceptable Subrecipient invoices and to review expenditure statements and submit Subrecipient invoices for institutional approvals and payment in a timely manner, consistent with the terms of the subaward.
6. Monitor the Subrecipient's scientific progress in terms of the Statement of Work and any required milestones. If scientific progress is not satisfactory, or if technical reports required of the Subrecipient are not prepared timely, the PD/PI is responsible for contacting the Subrecipient to address these issues.
7. Verify that the Subrecipient is adequately meeting any cost-sharing commitments made for the subaward, and that the Subrecipient's indirect costs as charged are in compliance with the indirect cost rate specified in the subaward.
8. Verify that any human subject, animal subject, biosafety or other compliance approvals applicable to the Subrecipient's Statement of Work are kept current throughout the performance of the subaward. In the event of a lapse in approval, the PD/PI is responsible for immediately notifying the Grant Officer. Costs incurred by a Subrecipient during a period of lapse may not be charged to a subaward.
9. Act as the primary point of contact for the Subrecipient during performance of the subaward. The PD/PI may delegate those responsibilities on a day-to-day basis to another member of the research project, so long as such other member is a full-time, regular University employee.
10. Ascertain whether the subaward Statement of Work or Budget, or both, require modification to add funding, time, or other considerations; secure justification from
the Subrecipient for such changes, and notify the Grant Office in a timely manner so it can review and, if approved, prepare an Amendment.

11. Plan for efficient completion of performance and close-out of the Subaward by requiring that the Subaward period of performance end no later than the end date of the prime award, and that the Subrecipient's final invoice, final technical report, and any required reports, including those on property, use of small businesses, or inventions, be submitted to the University no later than sixty (60) days after the end of the Subaward period of performance or as otherwise stated in the subaward terms and conditions.

12. Assist the Grant Office, upon request, in obtaining or reviewing reports, advising the Grants Office during risk analyses, complying with additional monitoring responsibilities for high-risk auditees, obtaining audit information or monitoring a Subrecipient's adherence to corrective action plans.

C. Grants Office (aka Sponsored research Office; refer to Section VI.)

The Grants Office is responsible, in coordination with other offices, for the following:

1. Prepare, negotiate, and ensure the execution of the subaward in accordance with the budget and work statement as outlined in the prime contract.
2. Advise subrecipients of requirements imposed on them by federal laws, regulations, and the provisions of contract and grant agreements as well as any supplemental requirements issued by Grants Office.
3. Ensure all federal flow-through subawards shall include appropriate debarment language requiring the subrecipient to assure the PI, principals on the project, and the university that they are not debarred from receiving federal funds.
4. Consult with the Grant Accounting Office when a Subrecipient invoice (or any invoice) contains costs which differ from the approved budget or appear to be unclear, unusual or unallowable.
5. Require each subrecipient to permit the University and its auditors to have access to the records and financial statements as necessary to ensure that the subrecipient is in compliance with OMB Circular A-133.

D. Grants Accounting Office

The University Grants Accounting Office is responsible for the following:

1. Review and approve all subrecipient invoices after departmental review and approval of each invoice has been completed.
2. Request additional information, or confirmation, for any invoiced cost which appears to differ from the approved budget or appears to be unclear, unusual or unallowable and do so in consultation with the Grants Office.
3. Ensure accurate and timely payment of all invoices.
4. Provide subrecipients with up-to-date budget information as needed.
5. Coordinate through the PD/PI and the Grants offices to assure that proper financial close out procedures have been followed.

V. OPERATIONAL

A. Selection and Oversight of a Subrecipient:
The PD/PI is responsible for determining the need for a subaward and/or other procurement action on a sponsored project, and for the initial determination of which mechanism is
appropriate. PD/PIs are typically assisted by the University Grants Office in making these determinations.

PD/PI must select a Subrecipient based upon his/her assessment of the potential Subrecipient's ability to perform the research work successfully. This includes an analysis of the Subrecipient's past performance, technical resources and financial viability, and an assessment of the reasonableness of the subrecipient’s proposed costs in light of the work to be performed.

Rarely, and only in cases where the sponsor does not insist on the name of a subrecipient, a PD/PI may recognize the need for outside involvement on a project but is either unable to identify the best Subrecipient by the time of proposal submission, or is unable to acquire all of the required paperwork from that Subrecipient. In these instances, proposals may be submitted with a subrecipient "To Be Named." PD/PIs may be asked by their grant office or grant accountant to provide documentation of the basis for their subaward cost estimate for the work being performed. PD/PIs will also be responsible for managing any budgetary shortfalls that may result from their inability to accurately predict a Subrecipient's costs, such as preparing budget revisions for the sponsor’s approval. Subrecipients should not be asked to reduce their F&A recovery or to otherwise cost-share because of the University's failure to include appropriate costs in its proposal.

Subrecipient proposal elements are expected to conform to the sponsor requirements for the prime proposal. PD/PIs are responsible for ensuring that they request all materials from their Subrecipients in the correct format.

B. Pre-Award Spending on Subawards:
A subaward will not be issued, nor payments to a Subrecipient authorized, prior to receipt and acceptance of a funding commitment from the prime sponsor. A PD/PI or designee may not authorize a Subrecipient to begin working without a fully executed subaward agreement in place. Proposed Subrecipients who commence work without a fully signed subaward agreement from the University do so at their own risk and have no assurance of payment from the University. In the event a subaward is subsequently issued to a Subrecipient, a Subrecipient may claim costs properly incurred under its own risk, provided that the costs are otherwise allowable and the subaward agreement specifically authorizes “pre-award costs.” In such cases, the Subrecipient must furnish evidence to the University that all required compliance approvals were in place at the time the costs were incurred.

C. Subaward Funding Mechanisms:
The University issues subawards on a cost-reimbursement basis. Rare exceptions may be made when it can be demonstrated that a fixed-price agreement is in the best interest of the University. When feasible, the term or time of performance of a subaward agreement should be slightly shorter than the University’s time of performance to allow sufficient time for collection and review of the Subrecipient’s final reports.

D. Subaward Agreements:
Subaward agreements must be in a form acceptable to University Legal Counsel. At minimum they must contain the following provisions:

- Time of performance;
- Terms of payment;
- Submission of reports, data, financial information;
- Termination for convenience and for cause;
Records retention;  
Intellectual property rights;  
Federal audit requirements; and  
Other sponsor requirements.

The subaward agreement developed by the Federal Demonstration Partnership is an acceptable form of agreement. See Section IX. Resources. Also the PASSHE Subrecipient Agreement is an acceptable form of agreement. See Section X. Forms.

E. Sole Source Justifications
A separate Sole Source Justification Form may be required by University representatives for any subaward. This form is approved by a University officer prior to a subaward being issued. A standard sole source justification for subawards only can be found on page 17.

VI. SUBRECIPIENT MONITORING - RISK ANALYSIS

The University is required to perform a risk analysis to evaluate the likelihood that a Subrecipient will fail to comply with the requirements of the subaward (A-133, Section 525). This risk analysis is handled by the Grants Office during the subaward issuance process, and is monitored during the life of the subaward. The criteria used in evaluating risk include the Subrecipient's audit experience, the prior oversight and monitoring the Subrecipient has received, the nature and complexity of the proposed research project, and fiscal maturity of the Subrecipient.

A. Definition of Low-Risk and High-Risk Auditees
Low-risk Subrecipients (the vast majority of potential Subrecipients) include entities with current annual single audits containing "unqualified" opinions on their financial statements, and which have no reported material weaknesses in their internal controls. High-risk Subrecipients are entities which have not completed annual single audits, or whose audit results have demonstrated weaknesses in administering Federal funding, a history of failing to adhere to applicable provisions of contracts and grant agreements, or weak internal control structures. High-risk subrecipients can also include start-up entities with limited resources or prior experience in performing research.

B. Special Actions for High-Risk Subrecipients
When the Grants Office has categorized a Subrecipient as "high-risk," it will work with the PD/PI to ascertain whether or not a subaward should be issued, what special terms and conditions should be included in the subaward, as well as what additional oversight requirements will be necessary to adequately monitor the subaward. Some of these additional monitoring requirements (e.g., more frequent reporting, shorter periods of performance or smaller, more frequent funding allocations, more detailed invoices or backup documentation) may become the responsibility of the PD/PI and his or her administrators. Written agreements may be used to outline the responsibilities of the parties. The University Grants Office is responsible for ensuring that adequate arrangements are in place to mitigate the additional risk to the University before issuing or continuing subawards with high-risk Subrecipients.

C. Subrecipient Site Visits and Site Audits
From time to time, PD/PI’s and/or grant officers may elect to engage in a site visit to a Subrecipient to verify their programmatic, financial and technical fitness.

VII. CLOSE-OUT OF SUBAWARDS
A Subaward is closed out when its period of performance comes to an end, regardless of whether the University's research project is ending or continuing. When feasible, it is advisable for a subaward period of performance to be slightly shorter than the University's, to allow sufficient time for collection and review of the Subrecipient's final reports, verification of subrecipient data, and incorporation of the Subrecipient's research results into the University's final technical report to the sponsor.

A. Final Technical Reports
PD/PIs are responsible for obtaining final technical reports from their subrecipients, and retaining a copy in their project file. PD/PIs are encouraged to remind subrecipients of this need well in advance of the due date for such reports.

B. Other Close-out Reports and Documents
Other final reports, including property reports, patent reports, and Assignment and Release documents may be required. PD/PIs may be asked to assist the grants office in obtaining the necessary closeout reports in a timely manner from the Subrecipient.

C. Final Invoice
In order for the University to comply with its financial report requirements, subrecipients are required to submit a final invoice, clearly marked FINAL to the University no later than sixty (60) days after the end of the Subrecipient's period of performance, or such other date as may be specified in the Subaward. In the event no invoice is received sixty (60) days after the end of a subaward, the University may treat the Subrecipient's last invoice as the final invoice. Payment for Subrecipient invoices submitted to the University later than sixty (60) days after the end of the Subaward may not be paid. PD/PIs and departments are responsible for assisting the University in obtaining final close-out information, including invoices, from their subrecipients.

VIII. SANCTIONS:

Employees who do not fulfill their obligations under these requirements may be subject to disciplinary action in accordance with the applicable CBA or existing University rule or regulation such as the Board of Governor’s Merit Principles Policy.

In addition, the University shall follow Federal regulations regarding the notification of the sponsoring agency or repayment to the sponsoring agency in the event noncompliance with these requirements results in payment of costs that are not allowable, not allocable or not reasonable relative to the sponsor’s terms and conditions and the subaward issued by the University. The sponsor may take its own action, as it deems appropriate, including demanding repayment of such costs or the suspension of funding for the University, Project Director or Principal Investigator until the matter is resolved, or suspension or debarment from all federal grants for a period of time for severe cases.

IX. RESOURCES:

A. Stanford’s online class: **Subawards: Recognizing, Processing, Managing.** This class consists of 3 modules:
  - Introduction and Overview
  - Processing a subaward
  - Monitoring a subaward
B. OMB Circular No. A-133
   http://www.whitehouse.gov/omb/circulars/a133/a133.aspx

C. Federal Audit Clearinghouse
   http://harvester.census.gov/sac/

D. FAC Entity Search
   http://harvester.census.gov/sac/dissem/entity.html

E. Excluded Parties List System ("Debarred contractors"):  
   https://www.epls.gov/

X. MODEL FORMS AND Templates

A. Federal Demonstration Partnership Subaward Agreement Forms
   http://www.thefdp.org/Subawards_Forms.html

B. PASSHE TEMPLATES

  1. Audit Certification
  2. Model Subrecipient Agreement
  3. Sole Source Contract Justification

These may also be accessed on the PASSHE website:
   http://www.passhe.edu/executive/academic/grants/Pages/policies.aspx
Audit Certification

Our records indicate that your institution was a subrecipient of federal funds awarded to (insert Name of PASSHE University) during the past fiscal year (ending insert date). OMB Circular A-133, Audits of Institutions of Higher Education and Other Non-profit Institutions, requires us to ensure that you are in compliance with the requirements of Circular A-133.

Please check the appropriate box and provide required documentation.

□ Our A-133 audit is not yet completed. We expect the audit to be completed by _____/_____/_______. Upon completion, we will advise you of the results and forward all appropriate documents.

□ Our A-133 Audit for Fiscal Year 2009 has been completed. The audit presented no material weaknesses, material instance of noncompliance, no significant deficiencies and no findings related to the subawards from (insert name of PASSHE University). Our audit report and/or financial statements can be found at this web site: ________________________________________________________________

□ Our A-133 Audit included negative findings. A copy of the audit report is enclosed or can be found on the following web site: ________________________________________________________________

□ We are not subject to the requirements of A-133 because:
  ( ) Our organization is for profit. A copy of our financial statements and management letter are enclosed.
  ( ) The management letter did not include material weaknesses.
  ( ) The management letter did include material weaknesses, please see enclosed audit report and management letter.

( ) Our organization expended less than $500,000 in federal funds in FY 2009.
( ) Our organization is a non-US, foreign entity.

I certify that the above checked boxes characterize the position of the institution of which I am a representative. Further, I certify that all relevant material findings contained in the audit report, if complete have been disclosed.

Signature: ________________________________ Date: __________
Typed Name and Title: ______________________________________________

Re: (insert name of PASSHE U.) Subcontract ID: ______________________

Please return to: PASSHE U. Grants Administrator via email or fax

OR mail to Address of PASSHE University

Your cooperation is appreciated. If you have any questions, please call me at (xxx)-xxx-xxxx.

Sincerely,
AGREEMENT FOR FEDERAL GRANT SUBRECIPIENT SERVICES

University of Pennsylvania

This Agreement for Services ("Agreement") is made and entered into the ___ day of __________, 20___ by _________________________________, a non-profit organization, hereinafter called "SUBRECIPIENT," located at ___________________________ (Federal ID No.,___________) and the ________________University of Pennsylvania, hereinafter called "UNIVERSITY," located at _______________________, Pennsylvania, [ZIP].

WHEREAS, the UNIVERSITY has received funds from the _____ [awarding agency] ______, under the _____ [grant name/number] _____ to provide _____ [project name/services] _____; and

WHEREAS, the SUBRECIPIENT is a collaborator/co-applicant in the proposal for the PROJECT and has the expertise and resources necessary to implement the PROJECT; and

WHEREAS, but for the participation of the SUBRECIPIENT, the UNIVERSITY would be unable to implement the PROJECT and receive the grant; and

WHEREAS, the SUBRECIPIENT is a "subrecipient" and this agreement constitutes a "subaward," as such terms are defined in OMB Circular A-110 and A-133, it is therefore not subject to procurement under PA Act 57 of 1998;

NOW, THEREFORE, intending to be legally bound, the parties to this Agreement agree as follows:

1. **Type of Contract:**
   All services indicated in this Agreement will be provided by SUBRECIPIENT for an amount not to exceed $_____________ as set forth in Appendix A.

2. **Contacts:**

   A. **SUBRECIPIENT Project Director:**
      Name:
      Address:
      Phone: (___) ___-____
      Fax: (___) ___-____
      E-mail: __________________

   B. **UNIVERSITY Project/Agreement Manager:**
      Name:
      Address:
      Phone: (___) ___-____
      Fax: (___) ___-____
      E-mail: __________________

3. **Purpose of Project:**
   The purpose of this PROJECT is to:
4. **Scope of Work:**
The Scope of work to be provided by SUBRECIPIENT is set forth in Appendix B.

5. **Subrecipient Personnel Involved in Project:**
   ______ [Co-PI/Senior personnel] ______ will provide the oversight as the SUBRECIPIENT’s Project Director.

6. **Beginning Date:**
   This Agreement shall not be legally effective until after the review and approval of the Office of the Attorney General of Pennsylvania, and an effective date is stamped upon it. No work shall be performed or services rendered until said approval is obtained. The proposed start date is __________.

7. **Completion Date:**
   All services will be completed by __________ unless otherwise extended in writing by both parties.

8. **Termination Conditions:**
   A. Notification of Termination by UNIVERSITY:
      UNIVERSITY has the right to terminate this Agreement for any reason. Official notification of termination must be in writing and provided to SUBRECIPIENT thirty (30) days prior to termination date.
   B. Notification of Termination by SUBRECIPIENT:
      SUBRECIPIENT has the right to terminate this Agreement for any reason. Official notification of termination must be in writing and provided to UNIVERSITY ninety (90) days prior to termination date.

9. **Project Deliverables to be Produced by the SUBRECIPIENT Project Director:**
   SUBRECIPIENT will provide a progress report to UNIVERSITY Project Manager on or before __________ indicating the services provided through the PROJECT. SUBRECIPIENT will submit a final progress report and a final expenditure report to UNIVERSITY Project Manager on or before __________.

10. **Billing for Services:**
    Total cost to UNIVERSITY for the PROJECT is $_________ as outlined in Appendix A. UNIVERSITY agrees to make payments in response to invoices from SUBRECIPIENT as follows: 
    - **Check one**
      - A. In three equal installments of $_________ with the first installment occurring on or before __________. The second payment will occur on or before __________, and the third at the completion of services on or before __________.
      - B. As an advance of ____% within 30 days of execution of this agreement and the final ____% upon completion of services.
      - C. Quarterly reimbursement for actual costs incurred by SUBRECIPIENT.

    Any unexpended funds remaining in the PROJECT budget at the end of this agreement will be returned to UNIVERSITY.

11. **Changes to Agreement:**
    This Agreement and the attachments constitute the entire agreement between the parties. Changes to this Agreement may only be made upon mutual agreement of both parties through a written amendment to this Agreement signed by authorized agents.

12. **Legal Notices**
All notices, requests, demands, directions and other communications given to or made upon any party hereto shall be in writing and delivered or sent, postage prepaid, to the applicable party as follows:

Agreement No.________

<table>
<thead>
<tr>
<th>To UNIVERSITY:</th>
<th>To SUBRECIPIENT:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Name:</td>
<td>Name:</td>
</tr>
<tr>
<td>Address:</td>
<td>Address:</td>
</tr>
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B. Data Rights
SUBRECIPIENT grants to Prime Recipient the right to use data created in the performance of this Subaward Agreement solely for the purpose of and only to the extent required to meet Prime Recipient’s obligations to the Federal Government under its Prime Award.

C. Title to equipment costing $5,000 or more that is purchased or fabricated with research funds or SUBRECIPIENT cost sharing funds, as direct costs of the project or program, shall unconditionally vest in the SUBRECIPIENT upon acquisition without further obligation to the Federal Awarding Agency.

D. Costs incurred within 90 days prior to the effective date of this agreement that are otherwise allowable per the approved Budget, are eligible for reimbursement. SUBRECIPIENT must furnish evidence to the University that all required compliance approvals were in place at the time the costs were incurred.

F. The SUBRECIPIENT shall acknowledge the support from this grant in any publicity or publications about this project.

16. Standard terms and conditions:
A. SUBRECIPIENT agrees to comply with all applicable laws and regulations of the Commonwealth of Pennsylvania in carrying out this Agreement.

B. SUBRECIPIENT its agents and employees, shall act in an independent capacity and shall not act or be deemed to act as officers, employees, or agents of the Commonwealth of Pennsylvania. Neither of the parties shall be deemed to be or construed as partners or joint venturers with the other.

C. This agreement shall be governed by and interpreted and enforced in accordance with the laws of the Commonwealth of Pennsylvania (without regard to any conflict of laws provisions) and the decisions of the Pennsylvania courts. SUBRECIPIENT consents to the jurisdiction of any court of the Commonwealth of Pennsylvania and any federal courts in Pennsylvania, waiving any claim or defense that such forum is not convenient or proper. SUBRECIPIENT agrees that any such court shall have personal jurisdiction, and consents to service of process in any manner authorized by Pennsylvania law.

D. In the event of conflict between the provisions of this form and any attachment hereto, the provisions of this form shall prevail.

E. UNIVERSITY’s obligation to pay is not assignable without prior written consent of SUBRECIPIENT, nor can SUBRECIPIENT assign its duties to anyone else without UNIVERSITY’s written permission.

F. UNIVERSITY’s obligations are contingent upon the availability of the individuals to perform the services as specified in this Agreement.

G. Neither of the parties shall assume any liabilities to each other. As to liability to each other or death to persons, or damages to property, the parties do not waive any defense as a result of entering into this contract. This provision shall not be construed to limit sovereign immunity of the Commonwealth or the UNIVERSITY.

17. Attachments:
SUBRECIPIENT agrees to fully meet and comply with the provisions attached and incorporated herein as: Appendix A, the Budget; Appendix B, Scope of Work and Proposed Timeline.
IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year first above written.

For SUBRECIPIENT:

_________________________________  Date

For UNIVERSITY:

Title,  Date

Approved as to form and legality:

_________________________________

University Legal Counsel,  Date

_________________________________

Deputy Attorney General,  Date
Office of the Attorney General of Pennsylvania

SAP: _______________
GL: ___________
SAMPLE SOLE SOURCE CONTRACT CERTIFICATION

Issuing Office: Pennsylvania State System of Higher Education  
Contract Number:

Contractor: ________________________________________________  
Contract Cost: $ ________________

Nature of Goods or Services: ________is a designated subawardee in the NSF grant proposal/award number DUE-XXXXXXXX, titled "Advanced Manufacturing: Establishing Foundations for Education and Career Pathways from Middle School through College."

I certify that the proposed contract identified above is a sole source procurement based on the statutory criteria checked below:

____ Only a single contractor is capable of providing the supply, service or construction.

_XX_ A federal or state statute or federal regulations exempts the supply, service or construction from the competitive procedure.

____ The total costs of the supply, service or construction is less than the amount established by the Pennsylvania State System of Higher Education for small, no-bid procurements as dictated by the policy of small procurements.

____ It is clearly not feasible to award the contract for supplies or services on a competitive basis.

____ The services involve the repair, modification or calibration of equipment and they are to be performed by the manufacturer of the equipment or by the manufacturer’s authorized dealer, provided the contracting officer determines that bidding is not appropriate under the circumstances.

____ The contract for supplies or services is in the best interest of the Commonwealth.

Justification for Criteria Selected/Basis for Procurement Selection:

Under OMB Circular A-133, section .210, this transaction constitutes a sub-award (not a subcontract) and therefore is exempt from competitive procurement.

_____________________________________________  __________________
Signature of Department Head or Designee   Date

_____________________________________________  __________________
Title

Approved as to Procurement Method

_____________________________________________  __________________
University Legal Counsel   Date

_____________________________________________  __________________
Chief Counsel   Date

This certification must be attached to the contract when it is presented to university legal counsel for final review and signature. Pre-approval of sole source procurement by university legal counsel is required prior to submission of contract.
Audit Certification

Our records indicate that your institution was a subrecipient of federal funds awarded to (insert Name of PASSHE University) during the past fiscal year (ending insert date). OMB Circular A-133, *Audits of Institutions of Higher Education and Other Non-profit Institutions*, requires us to ensure that you are in compliance with the requirements of Circular A-133.

Please check the appropriate box and provide required documentation.

☐ Our A-133 audit is not yet completed. We expect the audit to be completed by _____/_____/_______. Upon completion, we will advise you of the results and forward all appropriate documents.

☐ Our A-133 Audit for Fiscal Year 2009 has been completed. The audit presented no material weaknesses, material instance of noncompliance, no significant deficiencies and no findings related to the subawards from (insert name of PASSHE University). Our audit report and/or financial statements can be found at this web site: ______________________________________________________________________

☐ Our A-133 Audit included negative findings. A copy of the audit report is enclosed or can be found on the following web site: ______________________________________________________________________

☐ We are not subject to the requirements of A-133 because:
   ( ) Our organization is for profit. A copy of our financial statements and management letter are enclosed.
   ( ) The management letter did not include material weaknesses.
   ( ) The management letter did include material weaknesses, please see enclosed audit report and management letter.

( ) Our organization expended less than $500,000 in federal funds in FY 2009.

( ) Our organization is a non-US, foreign entity.

I certify that the above checked boxes characterize the position of the institution of which I am a representative. Further, I certify that all relevant material findings contained in the audit report, if complete have been disclosed.

Signature: ___________________________ Date: __________

Typed Name and Title: ____________________________

Re: (insert name of PASSHE U.) Subcontract ID: ____________________

Please return to: PASSHE U. Grants Administrator via email or fax

OR mail to Address of PASSHE University

Your cooperation is appreciated. If you have any questions, please call me at 406-994-2381.

Sincerely,