



Office of Research & Sponsored Programs

Subrecipient Policy

Purpose:

This policy establishes guidelines as required by ICSUAM 11002.06 – Subrecipient monitoring and the Office of Management and Budget (OMB) Uniform Guidance 2 CFR 200.330. This policy applies to all sub-awards (regardless of the tier) issued under federally sponsored awards made to CSULB. This policy does not apply to awards to which the Uniform Guidance does not apply, consulting agreements, or other forms of vendor procurement(s).

Policy Statement:

It is the policy of the Office of Research and Sponsored Programs (ORSP) to administer sub-awards consistent with 2 CFR 200, **ONLY** if the sub-award will be made under a prime award to which 2 CFR 200 is applicable. Additional requirements may include CSULB internal requirements, applicable sponsor regulations, and prime award terms and conditions. The goal of these procedures is to establish guidelines so that the sub-award satisfies institutional and governmental reviews while providing adequate stewardship of the CSULB research enterprise.

Definitions:

Pass-through entity (2 CFR 200.74)

Pass-through entity (PTE) means a non-Federal entity that provides a sub-award to a sub-recipient to carry out part of a Federal program. (CSULB is the pass-through entity when it receives a prime award and passes funding to a sub-recipient outside the institution.)

Sub-recipient (2 CFR 200.93)

Sub-recipient means a non-Federal entity that receives a sub-award from a pass-through entity to carry out part of a Federal program; however, it does not include an individual that is a beneficiary of such a program.

Sub-award (2 CFR 200.92)

Sub-award means an award provided by a pass-through entity to a sub-recipient in order to carry out part of a Federal award. Sub-awards do not include payments to a contractor or payments to an individual who is a beneficiary of a Federal program. A sub-award may be provided through any form of legal agreement, including an agreement that the pass-through entity considers a contract.

Sub-recipient Monitoring

Sub-recipient monitoring means all activities undertaken to review the financial status and management controls of a sub-recipient to mitigate the risk of entering into an agreement

with a sub-recipient organization.

Concept of Substantive Work

Sponsored research awards made to CSULB are primarily conducted by CSULB faculty and staff. On occasion substantive programmatic work is carried out by one or more institutions (aka sub-recipients), who are made responsible for a portion of an award made to CSULB. The concept of substantive work conducted by a sub-recipient is defined as follows: Project activities with a primary purpose of the research program, which are not conducted at CSULB. These activities constitute a significant portion of the research program and require the leadership and direction of a responsible investigator located at the work site of the cooperating entity. (Normally, a sub-recipient organization will provide critical project expertise, which CSULB as the PTE does not possess.)

Distinguishing between a Sub-Award Recipient and a Contractor

2 CFR 200.330 provides guidance in the distinction between a sub-recipient doing substantive work and a contractor providing goods and services as outlined below.

<p><i>Sub-Award Recipients.</i> A sub-award is for the purpose of carrying out a portion of a Federal award and creates a Federal assistance relationship with the sub-recipient. See §200.92 Subaward. Characteristics which support the classification of the non-Federal entity as a sub-recipient include when the non-Federal entity:</p>	<p><i>Contractors.</i> A contract is for the purpose of obtaining goods and services for the non-Federal entity's own use and creates a procurement relationship with the contractor. See §200.22 Contract. Characteristics indicative of a procurement relationship between the non-Federal entity and a contractor are when the contractor:</p>
<p>Determines who is eligible to receive what Federal assistance;</p>	<p>Provides the goods and services within normal business operations;</p>
<p>Has its performance measured in relation to whether objectives of a Federal program were met;</p>	<p>Provides similar goods or services to many different purchasers;</p>
<p>Has responsibility for programmatic decision making;</p>	<p>Normally operates in a competitive environment;</p>
<p>Is responsible for adherence to applicable Federal program requirements specified in the Federal award; and</p>	<p>Provides goods or services that are ancillary to the operation of the Federal program; and</p>
<p>In accordance with its agreement, uses the Federal funds to carry out a program for a public purpose specified in authorizing statute, as opposed to providing goods or services for the benefit of the pass-through entity.</p>	<p>Is not subject to compliance requirements of the Federal program as a result of the agreement, though similar requirements may apply for other reasons.</p>

In determining whether an agreement between a pass-through entity and another non-Federal entity casts the latter as a sub-recipient or a contractor, the substance of the relationship is more

important than the form of the agreement. All of the characteristics listed above may not be present in all cases; therefore, ORSP must use judgment in classifying each agreement as a sub-award or a procurement contract.

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