**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**
   1. **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.
   2. **Contract (incoming $)-** An award that contains terms and conditions that require review by the Contracting Services Group and may require negotiation.
   3. **Pass Through Entity (PTE)-** A non-federal entity that provides a federal award to a Subrecipient to carry out a federal program
   4. **Sponsor-** An entity that provides funding for research and other scholarly activities.
   5. **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 flown down to them.
   6. **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 flown down to them.
   7. **Subcontract (outgoing $)-** The contract between the PTE and a Subrecipient.
   8. **Prime Contract-** The original award document between Sponsor and PTE (typically UCD).
   9. **Contracting Services Group-** Group within OGC responsible for all incoming and outgoing Contracts; includes Contracts Manager, Subcontract Specialists, and Contracts Specialists.
   10. **Subrecipient database-** Database where information is kept on every Subrecipient that is provided funding from UCD.
2. **Documents**
   1. **Subcontract Management Document-** This document!
   2. **Subrecipient/Contractor Checklist-** Optional form to help departments determine category of entity receiving funds from UCD.
   3. **Subrecipient LOI (Letter of Intent)-** Required document at proposal stage that commits Subrecipient to a UCD project. The LOI is included in the Proposal Stage version of the Subrecipient Commitment Form.
   4. **Subrecipient Commitment Form-** When the Prime Sponsor is Federal, this form is required to be provided to the Contracting Services Group at the Award Stage in order to initiate a subcontract. (Two versions)
      1. **Proposal Stage version-** Can be issued at proposal stage, which includes LOI and language that requires subrecipient to submit with proposal; and
      2. **Assessment Stage version-** Can be issued at Award Stage and is separate from the LOI.
   5. **Subcontract Request Form-** Required form to be provided to the Contracting Services Group in order to initiate a Subcontract.
   6. **Subrecipient Monitoring Invoice Checklist-** Optional document that provides a guide for reviewing Subrecipient invoices.
   7. **Subrecipient Monitoring Record-** Optional document for departments to help document Subrecipient monitoring efforts and maintain an audit trail.
   8. **Risk Assessment Questionnaire-** Document used by the Contracting Services Group to determine the risk level of the Subrecipient.
3. **Pre-award/Proposal Stage**
   1. **General-** This is the starting stage for the entire subcontract process.
   2. **Department Responsibilities**
      1. 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.
      2. Route proposal documents.
         1. Indicate outgoing Subcontract on routing form if applicable.
      3. Obtain completed Subrecipient LOI from appropriate party(ies); required to be uploaded in InfoEd for routing.
      4. Option to issue Proposal Stage Subrecipient Commitment Form if applicable (required by Risk Assessment Stage).
      5. Proceed with normal proposal submission processes per OGC guidelines.
   3. **OGC Responsibilities**
      1. Review proposal.
      2. Review LOI.
      3. Provide feedback to department.
4. **Award Stage**
   1. **General:** At this stage, the Contracting Services Group will receive either the Award or the fully executed Contract with Sponsor. The Contracting Services Group will begin to prepare for the risk assessment (if applicable) and Subcontract stages.
   2. **Department Responsibilities**
      1. 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).
      2. If not done at the PreAward stage, submit the Award Stage Subrecipient Commitment Form if applicable.
   3. **OGC Responsibilities**
      1. 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.
      2. 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)**
   1. **General-** The Contracting Services Group will work with the department in order to assess the risk of any Subrecipients.
   2. **Department Responsibilities**
      1. Provide Contracting Services Group with Subrecipient Request Form and completed Subrecipient Commitment Form via [OGC.Subcontracts@ucdenver.edu](mailto:OGC.Subcontracts@ucdenver.edu). These documents will be used to complete the risk assessment.
   3. **OGC Responsibilities**
      1. Perform risk assessment based on Risk Assessment Questionnaire.
      2. Contact department with risk assessment, discuss options.
      3. Track Subrecipient in Subrecipient database.
6. **Subcontract Stage**
   1. **General-** After risk assessment (if required) has been completed, Contracting Services Group will draft the Subcontract.
   2. **Department Responsibilities**
      1. Provide input regarding optional medium and high risk contract language if applicable.
      2. Work with Contracting Services Group to negotiate contract language if needed.
   3. **OGC Responsibilities**
      1. Match fully executed award/contract with Subrecipient Request Form.
      2. Draft contract, update language based on risk assessment and department input if applicable.
      3. Send instructions email for department to review.
      4. Negotiate contract language if needed.
7. **Subcontract Execution Stage**
   1. **General-** At this point all contract terms are agreed upon, and signatures must be collected to move forward.
   2. **DocuSign Process**-
      1. Contracting Services Group will start DocuSign email chain.
      2. Final document will go via email to department to approve (and add PO/Requisition #), then to Subcontractor to sign, then to Principal Investigator to sign, then finally to Contracts Manager to sign.
      3. Once signed by Contracts Manager, a fully executed document will be sent to everyone on the email chain.
      4. Contracting Services Group will then upload the fully executed document into Marketplace.
8. **Post Award** 
   1. **General-** At this point the contract has been executed,
   2. **Department Responsibilities**
      1. Continue to monitor subrecipient.
      2. 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
      3. Work with Postaward contact in OGC to verify all Subrecipient billing has been completed at closeout.
   3. **OGC Responsibilities**
      1. Review expenditures
      2. Monitor time and effort reporting
      3. Review invoicing and financial reporting
      4. Work with department to verify all Subrecipient billing has been completed in a timely manner at closeout
      5. Complete FFATA requirements