

Project Management of Subcontractors

Subcontractor

A subcontractor is a collaborating Principal Investigator at another institution with programmatic involvement in a project but with a separate scope of work, budget, organizational approval, and decision making. This collaborating PI is usually the Co-PI of the project.

Subcontract

A subcontract is a document between the prime contractor and the collaborating Principal Investigator's institution. The subcontract document binds the prime contractor and subcontractor to the approved project time period, amount to be paid during that period, Statement of Work (SOW), invoicing method, and flow-down terms and conditions.

Pre-Award

Principal Investigator

The Principal Investigator (PI) is responsible for naming the subcontractors, agreeing on the subcontractor's SOW, and the budget.

Project Manager

The Project Manager (PM) is responsible for collecting the required documents from the subcontractor.

Post-Award

Principal Investigator

The PI has primary responsibility for monitoring subcontractors to ensure that they complete their work as specified in their SOW and they are compliant with the prime contract's terms and conditions, including applicable federal regulations.

Principal Investigator/ Project Manager

Review of Technical Performance Reports and deliverables should be done on a timely basis by the PIs/PMs. Any unusual or unforeseen items should be investigated by the PI/PMs, and documentation thereof should be retained in the PI's files.

Office of Sponsored Programs

The Office of Sponsored Programs (OSP) negotiates the subcontracts with the subcontractor. OSP reviews the subcontract invoices for dates and compares the invoices to the established subcontract budgets. When the PI/PM receives the invoice from OSP, the PI/PM's review of the subcontractor's invoices should include a comparison of the amount being charged against the

expected or completed work. By signing the invoice, the PI/PM certifies that the subcontractor's work is acceptable, and payment of the invoice is approved.

Clarification of invoiced charges should be discussed with the grants manager, who will request an explanation of any unusual, miscellaneous, excessive, or otherwise apparently unreasonable charges invoiced by the subcontractor. If the explanations are not sufficient to render a prudent judgment on the cost's allowability and the terms of the subcontract permit, the grants manager may request detailed justifications from the subcontractor. Grants managers may also periodically request, particularly from high-risk subcontractors, detailed support for selected invoiced charges to verify their appropriateness and reasonableness. High-risk subcontractors may include, but are not limited to, for-profit institutions, new subcontractors, or subcontractors with known financial or administrative issues (i.e., significant findings on an audit or evidence of financial instability).

Principal Investigator/ Project Manager

The PI/PM should be in touch with subcontractors to confirm the work being done, any changes to the SOW, the subcontractor's inability to complete the project, etc. Any discussions between the PIs that culminate in changes that affect the contract, i.e., financial or programmatic, must be reflected in a revised subcontract, which may require the prior approval of the funder.

PI's/PM's are not authorized to make changes to or sign the subcontract.