VU/VUMC Funded Crossover Collaboration
Update on crossover (VU -- VUMC) collaborative efforts for grant and contract projects

- Pre and Post award Grant and Contract teams are working to develop clear communication and guidance to faculty and staff regarding work conducted on existing and future collaborative grant and contract projects.

- Three (3) types of collaborative relationships have been identified where funding will cross organizational lines:
  - Formal Subaward Relationship
  - Sponsored Activity Billing Agreement
  - Non-Sponsored Funded Billing Agreement
Methods for reimbursement between VUMC and VU when research is involved

Purpose:
Based on the level of activity of the individual and where the activity is taking place, we must determine the most appropriate mechanism to pay for work completed during a VU/VUMC research collaboration.

1. Formal Subaward Relationship:
   - A formal subcontracting arrangement is executed when a portion of the scientific work on a sponsored project is conducted at an institution that is not the prime recipient of a sponsored award and work is of a substantial nature.

2. Billing Agreement:
   - Billing agreements are binding agreements between VUMC/VU that are utilized when an investigator/researcher/student is an employee of one institution and is performing “non-substantive” work at or for the other institution.
   - Sponsored Billing agreements must be closely scrutinized and used as an exception not the rule.
When To Use Billing Agreement

- Performing work on an awarded research grant or contract at the institution that is not the investigator’s primary institution
- Reimbursement for salary, fringe (and tuition if graduate student)
- Travel
- Billing agreements may also be used for other supporting staff
- IDC is not recoverable as overhead as no facilities or resources are being utilized by the non-grantee
- 1:1 match for each “non-grantee entity” individual working on the project (i.e. separate billing agreements required for each individual per project)

A billing agreement is only used when work is conducted at the “prime” organization or if work is considered “non-substantive”. If substantial work is conducted at the collaborating entity follow the formal subcontract arrangement.

*If a faculty member wishes to discuss the possibility of following an “independent consulting” relationship with VU, the activity must be approved through their normal academic appointment channels (i.e. have the relationship approved by Chair and Faculty Affairs)
Billing Agreement Template

**Sponsored Billing Agreement**

<table>
<thead>
<tr>
<th>Prime Institution</th>
<th>Non-Grantee Institution</th>
</tr>
</thead>
<tbody>
<tr>
<td>Name:</td>
<td>Name:</td>
</tr>
<tr>
<td>Address:</td>
<td>Address:</td>
</tr>
<tr>
<td>Prime Award No.</td>
<td>CFDA No.</td>
</tr>
<tr>
<td></td>
<td>Awarding Agency</td>
</tr>
<tr>
<td>Prime Principal Investigator</td>
<td>Non-Grantee Employee</td>
</tr>
<tr>
<td>Agreement Reference #</td>
<td>Effort</td>
</tr>
<tr>
<td>This Sponsored Billing Agreement is a ☐ new agreement or a ☐ amendment, No to an existing agreement</td>
<td></td>
</tr>
<tr>
<td>Period of Performance</td>
<td>Total Authorized Amount</td>
</tr>
<tr>
<td>Project Title:</td>
<td></td>
</tr>
</tbody>
</table>

1. Prime Institution shall reimburse Non-Grantee Institution not more often than monthly for allowable costs. Invoices shall be submitted using the Non-Grantee Institution’s standard invoice, but at a minimum shall include current indirect rate, expenses, and certification as to truth and accuracy of invoice. Invoices shall be sent no more than monthly and no later than 10 days; questions or missing invoice receipts or payments shall be directed to the appropriate party’s Financial Contact. Please reference Agreement Reference # on all invoices. Invoices not referencing the Agreement Reference # shall be returned to the Non-Grantee Institution.

2. A final statement of cumulative expenses incurred, marked “FINISH” must be submitted to Prime Institution’s Financial Contact NOT LATER THAN sixty (60) days after Agreement end date.

3. Either party may terminate this sponsored billing agreement with thirty (30) days written notice to the appropriate party’s Authorized Official. Prime Institution shall pay non-grantee institution’s termination costs as stipulated under Uniform Guidance, 2 CFR 200, or 48 CFR Part 75 Appendix X, Principles for Determination of Allowable Research & Development under Grants and Contracts with Hospitals, as applicable.

4. Statement of Claim:

<table>
<thead>
<tr>
<th>Prime Institution Contacts</th>
<th>Non-Grantee Institution Contacts</th>
</tr>
</thead>
<tbody>
<tr>
<td>Name:</td>
<td>Name:</td>
</tr>
<tr>
<td>Telephone:</td>
<td>Telephone:</td>
</tr>
<tr>
<td>Email:</td>
<td>Email:</td>
</tr>
<tr>
<td>Prime Principal Investigator</td>
<td>Non-Grantee Employee</td>
</tr>
<tr>
<td>Name:</td>
<td>Name:</td>
</tr>
<tr>
<td>Address:</td>
<td>Address:</td>
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<tr>
<td>Telephone:</td>
<td>Telephone:</td>
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<tr>
<td>Email:</td>
<td>Email:</td>
</tr>
<tr>
<td>Financial Contact</td>
<td>Financial Contact</td>
</tr>
<tr>
<td>Name:</td>
<td>Name:</td>
</tr>
<tr>
<td>Address:</td>
<td>Address:</td>
</tr>
<tr>
<td>Telephone:</td>
<td>Telephone:</td>
</tr>
<tr>
<td>Email:</td>
<td>Email:</td>
</tr>
<tr>
<td>Authorized Official</td>
<td>Authorized Official</td>
</tr>
<tr>
<td>Name:</td>
<td>Name:</td>
</tr>
<tr>
<td>Date:</td>
<td>Date:</td>
</tr>
<tr>
<td>Title:</td>
<td>Title:</td>
</tr>
</tbody>
</table>
Use of Subcontract/Subaward Relationship

Purpose:
A subcontract is required when a research project is carried out by the recipient and one or more other organizations that are separate legal entities. Under the agreement, the recipient must perform a substantive role in the conduct of the planned research and not merely serve as a conduit of funds to another party or parties or perform a routine activity. These agreements typically involve a specific level of effort from the consortium organization and a categorical breakdown of costs, such as personnel, supplies, and other allowable expenses, including F&A costs. The relationship between the recipient and the collaborating organizations is considered a subaward.

Rule of Thumb:
If for example, Duke would provide services to VUMC, that would require a subaward for work outlined in the grant application, we in the future would require a subaward if VU fulfilled the same type of activity.

The use of the “Billing Agreement” is not intended to circumvent the formal subaward process but to fill the void when work required by VU faculty, staff or students does not meet the definition of subrecipient activity.
Proposal Submission Process: Prime/Lead Organization

When a need or opportunity to use a subcontract is identified on an upcoming sponsored program, the prime contact would request the following from the proposed subcontractor investigator.

- detail budget,
- budget justification,
- scope of work,
- biosketch and
- letter of commitment signed by an authorized representative of the subcontractor institution.

The lead PI then incorporates this information into the proposal, to be forwarded in the usual way (using Coeus or PEER for Contracts) through the Chair and Dean (as required) to their central preaward for review and approval.

The amount of the Subcontractor's total budget (direct and indirect costs) is included as a separate item in the "other direct cost" or "consortium/contractual" category of the prime proposal budget with a reference to the Subcontractor's complete proposal, including a line item budget with sufficient justification, elsewhere in the proposal. Finally, the subaward is subject to the prime organizations indirect costs % on the first $25,000.

In essence, the Subcontractor's proposal is a subsidiary proposal within the prime/lead organization’s proposal.
Proposal Submission Process: Subrecipient Organization

When the collaborating investigator when contacted by the lead PI, should work with their departmental grants/contract administrative representative for assistance.

The collaborating site builds the subaward proposal, to be forwarded in the usual way (using Coeus or PEER for contracts) through the Chair and Dean (as required) to their central preaward office for review and approval.

Documents include:
• detail budget,
• budget justification,
• scope of work,
• biosketch and
• letter of commitment signed by an authorized representative of the subcontractor institution.

Once approval is granted by the AOR for the sub site, the departmental admin rep facilitates with the collaborating investigator submission of the above information to the lead organization.

When the sub site prepares their subaward proposal, the amount of the Subcontractor's total budget (direct and indirect costs) is requested.

After separation indirect cost recovery will work as follows:

- VUMC recovers full indirect costs (IDC) on Modified Total Direct Cost (MTDC).
- VUMC IDC can only be collected on the first 25K of each subcontract.
- VUMC Collection on first 25K per sub is a one-time collection for the entire competitive project period.
- VU receives full IDC every year for entire competitive project period.

Example:
For a VUMC award of $500K per year with a subcontract to VU in the amount of $157K total per year ($100k direct costs + 57% IDC), VUMC would collect IDC on $368,000 (i.e., the VUMC direct costs, $343,000, plus IDC on the first $25k of the subaward to VU.)
Proposal Submission Process: Indirect Cost Recovery for Existing Proposals and current active Awards

When setting up a subcontract on an existing VUMC or VU award:

- VUMC and VU have elected to waive collection of IDC on the first 25K. This will result in a “zero” impact to the PI.
Proposal Review Process:

Prime/Lead Organization
Grant applications are due to the preaward central office for review and approval five (5) business days prior to the stated agency/sponsor submission deadline. The requested deadline for actual submission to the funding agency is two (2) business days prior to the stated agency deadline, allowing the preaward office three (3) business days to complete our review.

Subrecipient Organization
Sufficient proposal lead time should be given to allow for review of subrecipient documentation by preaward central office to ensure material is approved and supplied to Prime/Lead Organization to meet five (5) business days prior to stated sponsor deadline rule.
JIT Review Process:

Prior to an award being received, the prime grantee (Lead organization) normally enters into discussions with the sponsoring agency regarding additional material needed in order to complete the processing. We call this “JIT.” JIT is an acronym for Just-In-Time and refers to the application timeframe requiring applicants to send information to a Sponsor only if an award is likely. When “JIT” is received, it signifies that an application has completed the peer review process and has received a rank for which funding may be possible.

- At the JIT request, the central preaward grant’s office will review the proposal to identify if a VU/VUMC subrecipient relationship exists.

- If VU/VUMC subrecipient relationship exists, a notification will be sent to the entity’s departmental contact handling the JIT for the prime/lead organization.

- OSP estimates 75% of all grant awards have some type of JIT process.

- Appendix A: FDP contract template will be used by both VU and VUMC. Final budget amount will be determined by lead PI and subaward investigator at time of award based on final award amounts received from sponsor.
Review Process Continued:

Grant Award Received:

- At the “Award Received” stage, the central preaward office will review the proposal to identify if a VU/VUMC subrecipient relationship exists.

- If VU/VUMC subrecipient relationship exists, a notification will be sent to the entity’s central office single point of contact of the prime/lead organization.

Final Sub Template Preparation Process:

- Final budgets and final scope of work are submitted to the collaborating entity’s central contract office following current subaward processing procedures.

Subaward Issuance:

- Subaward template is finalized

- Subaward is routed for signature

- This phase will be expedited to ensure a quick turnaround
Review Process Continued:

Contract Submissions:

- At PEER submission, it will be inquired if there is any type of VU collaboration

- Several follow up questions will determine if billing agreement or subaward is needed

- Applicable agreement will prepopulate to the extent possible and will be sent to VU contracting office for review and signature.
FDP template will be used as the subaward agreement

- Roughly 9 pages in length
- 8 of the 9 pages is boiler plate information to be completed by the central contracts office
- Only one page is required that involves the PI’s input as it relates to budget and scope of work information
### What is the PI responsible for?

#### Statement of Work (SOW)

<table>
<thead>
<tr>
<th>Cost Sharing</th>
<th>Yes, Amount $</th>
<th>No</th>
</tr>
</thead>
</table>

#### Cost Reimbursement Research Subaward Agreement

- **General**
  - Conditions of the award's use, in compliance with the regulations of the awarding agencies.
  - Any other conditions specified in the Subaward Agreement.

- **Debenture**
  - This debenture is for the purpose of subawarding the specified project.

- **NIH-Spec Part 84 St**
  - Subrecipient Subaward Agreements
  - Indirect Cost Rate (IDC) Applied 5.0% on Direct Costs, MTDC, or other.

**Attachment 5**

**Attachment 4**

**subaward Agreement**

**Requirements**

- Recipient will agree to:
  - Submit the revised Subaward Agreement to the Grant Officer within 30 days of receipt.
  - Ensure compliance with all Federal and institutional regulations.

**FDP Version 03.23.2015**
## Scenarios of proper agreement type use

<table>
<thead>
<tr>
<th>Scenario</th>
<th>Agreement Type</th>
</tr>
</thead>
<tbody>
<tr>
<td>VU student working in a VUMC lab on a training grant owned by VU</td>
<td>No subaward or billing agreement required as the employer and owner of the grant are the same</td>
</tr>
<tr>
<td>VU Student (pre and/or post doc) works on VUMC owned R01 in VUMC lab</td>
<td>Billing agreement required to reimburse VU for students salary, fringe and tuition supported by VUMC R01 grant</td>
</tr>
<tr>
<td>VU Student supported from a VU owned T32 transitions to VUMC owned R01 under the direction of VUMC faculty</td>
<td>No subaward or billing agreement is required while on T32, however when transitioned to VUMC owned R01 where no work is taking place at VU, a billing agreement will be required</td>
</tr>
<tr>
<td>VU Faculty and/or staff member working in VUMC lab on a grant or contract owned by VUMC</td>
<td>Billing agreement is required as no work is taking place in VU space or on VU owned grant</td>
</tr>
<tr>
<td>VU Faculty member working in VU space on a VUMC owned R01</td>
<td>Formal subcontract w/ IDC required as work is being conducted using VU space and resources</td>
</tr>
</tbody>
</table>

*Same applies for reverse VU/VUMC scenario’s*

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Note: When using the “billing agreement”, two factors should be considered 1) is the work considered “non-substantive” and 2) where is the work taking place. All collaborations must be reviewed closely and the agreement relationship must be reviewed on a case by case basis. IDC is not recoverable for non-grantee site when using the billing agreement. Formal subcontract allows for IDC recovery as resources at collaborating site are being utilized.
## Scenarios of when a “non-sponsored billing agreement” would be used when Institutional funding is involved

<table>
<thead>
<tr>
<th>Scenario</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>VU matching funds are provided to VUMC to support a large center grant as agreed upon by senior leadership.</td>
</tr>
<tr>
<td>2</td>
<td>VUMC matching funds to support an equipment grant owned by VU. Many sponsors require “Institutional matching” as part of the guidelines. Depending on usage, the non-grant owner may provide funding support to assist with required matching.</td>
</tr>
<tr>
<td>3</td>
<td>VUMC agrees to support 50K as part of start-up package for VU faculty recruit. The agreement mechanism would be to utilize the “non-sponsored billing agreement”. The 50K would be provided by VUMC to VU following billing terms outlined in the agreement.</td>
</tr>
<tr>
<td>4</td>
<td>VUMC provides additional salary support beyond NRSA level to VU students working in VUMC labs for VUMC investigators. Additional support charged to unrestricted source.</td>
</tr>
<tr>
<td>5</td>
<td>VUMC faculty supplemental research funded by departmental funds (i.e. APS) where VU is providing support to the project.</td>
</tr>
</tbody>
</table>

*Same applies for reverse VU/VUMC scenario’s*
Process Flow Chart Appendix

- Sponsored Activity Billing Agreement Process
- Sponsored Activity Subaward Agreement Process
Aim to clearly communicate expectations on tasks and responsibilities for billing agreement execution

Key points to consider

1. Does relationship fit the “billing agreement” model.

2. The budget for students should only cover salary, fringe and tuition costs.

3. For faculty and staff, billing agreement budget should only consist of salary and fringe.

4. Other needs for the student, faculty or staff will be paid directly from the prime entity. No indirect cost recover is allowed as all work is conducted in the Prime grantee PI’s lab space.
Billing agreement discussion and preparation when award is received

<table>
<thead>
<tr>
<th>Key points to consider</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 The VU/VUMC approved (1) page billing agreement template will be used by both VU and VUMC, and will be mostly completed by Prime org's Pre Award contract office</td>
</tr>
<tr>
<td>Budget amounts for salary, fringe and tuition (if student) will be finalized once an application is awarded</td>
</tr>
<tr>
<td>2 Internal workflow processing of the billing agreement will follow a similar process as the subaward processing workflow</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>PRIME Org.</th>
<th>Collaborating Org.</th>
</tr>
</thead>
<tbody>
<tr>
<td>PIs</td>
<td>PIs</td>
</tr>
<tr>
<td>Department Admin</td>
<td>Department Admin</td>
</tr>
<tr>
<td>Pre Award Office</td>
<td>Pre Award Office</td>
</tr>
</tbody>
</table>

**Sponsored Billing Agreement preparation and execution**

1. Work with the other org. to complete the final billing agreement request to their contracts office.
2. Prepare final billing agreement.
3. Contract team to sign the billing agreement and return signed copy.
4. Work with the other org. to fulfill billing agreement request.
5. Grants or Contracts preaward office receives copy of award.
6. Award notification.
7. Pre Award Office receives copy of award.
8. Prepare final billing agreement.
Aim to avoid delays and

Key points to consider

Invoicing process will follow same invoicing standards as subaward invoicing. (i.e. certifications and assurances will be included as part of the invoice signature)

1. Receive fully executed billing agreement from Contract Office
2. Department sends copy to collaborating admin office
3. Department submits Executed billing agreement with request for new cost center
4. Review, approve and create cost center. Ensure budget is loaded and accounts are active
5. Review month end transactions and prepare invoices. Monitor A/R and collections
Anticipating minimal administrative burden for faculty when creating subawards for existing collaborations

**Prime Organization**
- PIs
- Department Admin
- Pre-Award Contracts

**Collaborating Organization**
- PIs
- Department Admin
- Pre-Award Contracts

**OSP/SPA**
- Identify potential subawards and distribute the list to Prime orgs.

1. **Confirm the list and contact collaborating organization's dept. admin**
2. **Help the collaborating org. to develop detailed budget and scope of work**
3. **Develop detailed budget and scope of work**
4. **Enter budget and scope of work in Coeus or PEER for contract**
5. **Review and approve**
6. **Set up center numbers for invoicing**
7. **Receive invoices and pay**
8. **Formalize the subcontract, incl. obtaining signatures from both orgs**
9. **Via a system prompt**
10. **Keep subcontract on record**
11. **Via a system prompt**
12. **Confirm the list and contact collaborating PIs**
13. **Via a system prompt**
14. **Help the collaborating org. to develop detailed budget and scope of work**
15. **Enter budget and scope of work in Coeus or PEER for contract**
16. **Review and approve**
17. **Set up center numbers for invoicing**
18. **Receive invoices and pay**
19. **Formalize the subcontract, incl. obtaining signatures from both orgs**
20. **Keep subcontract on record**

**VUMC-prime subcontracts will not have VUMC signatures until VUMC can get new awards issued/reassigned from sponsors**
Aim to clearly communicate expectations on tasks and responsibilities during proposal submission and review

Key points to consider

1. When there is more than one department expected to receive the award, a lead PI be needed in the collaborating org as only one subaward per prime award will be issued.

2. The budget needs to cover all aspects of the work, e.g. % of effort, travel, supplies, IDC and any other expenses required to perform the work.

3. Sufficient lead time should be given to allow for proposal review by the collaborating org's Pre Award Office.

4. Proposals are due to the Prime organization 5 business days prior to stated sponsor deadline.
To execute the subaward issuance process

**Key points to consider**

1. The Federal-approved FDP contract template and its attachment forms will be used by both VU and VUMC, and will be mostly completed by Prime org’s Pre Award office.

   Final budget amount and scope of work will be updated once an application is awarded.

2. This phase will be expedited to ensure a quick turnaround.

3. Process will follow same intake workflow via PEER as currently managed today.