



THE PENNSYLVANIA STATE UNIVERSITY

PROCEDURES FOR THE
ADMINISTRATION OF
SUBCONTRACTS

March 1992

Rev. A., February 1993

Rev. B., August 1993

Rev. C., March 1994

Rev. D., May 1995

Rev. E., December 1996

Rev. F., August 1997

Rev. G., June 1999

Rev. H., August 2000

Rev. I., July 2001

Rev. K., January 2003

Rev. L., June 2003

Rev. M., June 2011

Rev. N., September 2012

Rev.O., July 2015

Table of Contents

I.	Introduction	1
II.	Subcontract Relationship.....	2
III.	Subcontracting Procedures	2
	A. Subcontractor Selection	2
	B. Subcontractor Proposal	3
	C. Incorporating the Subcontractor’s Proposal into the Penn State Proposal	4
	D. Subcontract Negotiation	4
	E. Preparing a Subcontract	5
IV.	Post-Award Subcontract Administration.....	8
	A. Technical Monitoring	8
	B. Financial Monitoring	8
	C. Subcontract Amendments	8
	D. Termination	9
V.	Closing Requirements.....	9
	A. Required Documents	9

**OFFICE OF SPONSORED PROGRAMS
PROCEDURES FOR THE
ADMINISTRATION OF SUBCONTRACTS**

I . Introduction

The purpose of this document is to assist faculty and staff of The Pennsylvania State University (Penn State) in the preparation and administration of Penn State-issued subcontracts. Penn State's official policy governing subcontracting appears in the Penn State Policy Manual, Section RA80, "Administration of Research Subcontracts of the University." As promulgated by memo, signed by Mr. Charles Paoletti , Executive Director, Acquisition Department, Office of Naval Research, dated 26 May 2000, all subawards issued under Federal Demonstration Partnership financial assistance prime awards are not considered procurements; and therefore, are neither included in the Penn State's purchasing system nor governed by this document.

Sponsored research funded by awards made to Penn State is usually conducted within the physical boundaries of the university. On occasion, however, a portion of the required work may need to be provided by one or more other institutions or companies (Third Parties) which are made responsible for a discrete part of the project award made to Penn State. When the portion of work being performed by a third party constitutes a significant component of the research program, then the third party will be required to provide the resources necessary to conduct that portion of the work as a semi-independent project. This would include providing a responsible investigator at the work site of the cooperating institution or company to oversee the program activities. Costs normally associated with third party effort could include any or all of the following: labor costs including fringe benefits, materials and supplies, travel, equipment, miscellaneous other direct costs, and indirect costs. In addition, to these costs, it would not be uncommon to include costs such as material overhead, labor overhead, general and administrative expense, cost of money, and profit associated with third parties who are commercial organizations.

The Contracts Offices at the Penn State Electro-Optics Center (EOC), The Penn State Applied Research Laboratory (ARL), and the Penn State College of Medicine have been delegated authority for Sections III, IV, and V of this procedures manual. Please refer to these unit's "Subcontracting and Consultant Procurement Policies and Procedures" accordingly.

This policy addresses procedures involved in subcontracting non-construction activities. Should you be confronted with a program that may involve physical construction of facilities or renovations of existing facilities, the Office of Physical Plant (OPP) must be contacted prior to submission of the proposal to ensure compliance with proper Board of Trustees and Penn State administrative procedures and to ensure that necessary approvals are obtained. OPP will also provide the necessary guidance to comply with all applicable federal and state labor law requirements. Office of Sponsored Programs (OSP) is available to assist you in complying with the above procedures.

II. Subcontract Relationship

- A. The term Prime Sponsor or Sponsor refers to the governmental agency or commercial organization that makes an award directly to Penn State. The award document is the paperwork processed by the Sponsor and sent to Penn State Specifying the terms under which the program will be conducted.
- B. The document which formalizes a third party relationship with another institution or commercial organization to perform substantive work based upon an award made to Penn State is called a Subcontract and the third party performing work under a subcontract is called the Subcontractor. The document OSP generates to formalize a contractual relationship with a third party is formally referred to as a Standard Subcontract. Within this internal policy it will be referred to as the Subcontract.
- C. Activities performed by a private individual who is not an employee of Penn State are normally administered through a Penn State Consulting Agreement. In the case when purchased services may involve an organizational entity, but does not involve substantive scientific research, a Purchase Order should be used instead of a subcontract. For example, a Purchase Order is appropriate for the performance of repetitive tests or activities requiring little or no discretionary judgment on the part of the provider. In situations such as described in this paragraph, a Consultant Agreement or a Purchase Order may be handled through the normal Penn State procurement procedures. When issuing a Consultant Agreement, keep in mind that an IRS Form 1099 will be issued to the consultant for tax purposes.
- D. Research programs that contain the physical construction of a building or renovations to an existing structure must have the approval of the OPP. However, the administration of any resulting agreement will be much the same as that for any research agreement. OPP and OSP must be contacted prior to proposal development, and who will provide assistance in meeting the necessary requirements in complying with federal and state laws and Penn State procedures with respect to Board of Trustees approval for construction of facilities on campus.

III. Subcontracting Procedures

A. Subcontractor selection

- 1. It is the responsibility of Penn State's Project Director, along with the coordinated efforts from the office of the appropriate research dean or college unit director, to comply with federal procurement requirements in selecting a subcontractor. There are two primary methods of selecting a subcontractor: Competitive bidding or sole source procurement. Competitive bidding is to be used as the normal method of subcontractor selection. This method requires the Project Director to solicit proposals from a number of sources and

make a final selection of a subcontractor from those responding based on technical merit and cost objectives – normally the lowest bid from a technically qualified respondent.

2. When the nature of the program requires performance from a single entity because requisite services or expertise are not available from other sources, the Project Director is required to provide sole source justification identifying the need for the particular services and why the selected subcontractor is the only source available for the needed services. Inclusion of a specific Subcontractor in a proposal, and subsequent approval of that proposal as written, is an acceptable basis for sole source. A statement in the justification section of the Request for Issue Subcontract form that the award was based on a joint proposal from Penn State and Subcontractor is required. (NOTE: Sole source selection is not justified simply by the fact that there has been on-going collaboration between scientists. A sole source justification in these situations must be further justified with respect to the unavailability of the services or expertise from other sources).

B. Subcontractor Proposal

1. Regardless of the method used in selecting a subcontractor, there must be adequate time between the receipt of the subcontractor's proposal and the Sponsor's proposal due date to allow Penn State's Project Director time to discuss and negotiate the scope of work to be performed by the subcontractor. The Project Director is responsible for providing to the intended subcontractor a request for proposal letter (see Exhibit 1). If the subcontract involves human subjects or animal experimentation, appropriate subcontractor concurrence to their policy must also be included in the proposal.
2. A budget is submitted by the subcontractor which includes an itemization of budget categories, such as appropriate salaries, wages, fringe benefits, materials, supplies, equipment, travel and other direct costs, that are needed to accomplish the specific aspects of research that the subcontractor has been requested to perform. Facilities & Administrative costs should be calculated using the subcontractor's current F&A rate(s). A copy of the Subcontractor's negotiated rate agreement should be submitted to the Project Director as part of the Subcontractor's proposal. (A copy of the rate agreement is needed to verify the amount of F&A cost requested and to support costs in the event of an audit). In cases where a federally negotiated rate does not exist, the subcontractor should use the de minimis rate of 10%, as defined in 2 CFR Part 200.414, Indirect (F&A Costs). Certain federal agencies may deviate from this guidance; always consult agency guidelines.
3. The Subcontractor's proposal should be signed by a designated business official of the subcontractor. This individual should be someone who is authorized to commit the subcontractor's resources toward the completion of the subcontract.

C. Incorporating the Subcontractor's Proposal into the Penn State Proposal

1. Subcontract costs are included in Penn State's budget as a direct cost to Penn State. When calculating Penn State's F&A costs, exclude that portion of each subcontract contained in the proposal which exceeds \$25,000 as required by the Office of Management and Budget (OMB) Uniform Guidance ([2 CFR § 200](#), Appendix III) . (NOTE: Penn State calculates F&A costs only on the first \$25,000 of each separate subcontract issued under any single sponsored prime award regardless of the number of budget periods involved during performance.)
2. During proposal processing, the subcontract portion of the Penn State proposal must be reviewed, prior to proposal submission, to insure that items discussed in this Section III, Parts A&B above, have been incorporated, and are in accordance with sponsor guidelines as required.
 - a. This review must be performed by OSP during subcontract processing if it was not already performed, by the College Unit as required by Prime Sponsor, prior to the proposal being submitted by Penn State.

D. Subcontract Negotiation

1. Upon receipt of subcontract request by OSP, it is the responsibility of OSP to review the subcontractor's audit history and perform a risk assessment.
2. It is the responsibility of the OSP Negotiator, processing the subcontract to review the subcontractor proposal and to make a determination as to the acceptability of the proposed costs, if not already done by the college unit at the proposal stage. This evaluation of acceptable costs may be accomplished in a number of ways but the most common methods used by OSP are:
 - a. If the subcontract value is less than \$100,000 and we have had successful prior experience with the subcontractor, a desk review of proposed cost will be performed. Plainly stated, based on discussions with Penn State's Project Director, the nature of work to be performed and possibly a telephone call to the financial representatives of the subcontractor, a determination is made as to the reasonableness of proposed cost to the proposed effort;
 - b. If the subcontract value is between \$100,000 and \$500,000 the subcontractor will be required to provide detailed pricing support data to OSP for purposes of determining acceptability of costs. The subcontractor will also be asked to provide a copy of its most recently approved rate agreement if one has not been provided with the subcontractor/s proposal. Some commercial organizations are unwilling to provide copies of rate agreements to anyone other than governmental agencies. In this case we

will request a rate verification through our local Defense Contract Audit Agency (DCAA) office;

- c. If the subcontract value is over \$500,000, OSP may request an assist audit through the Corporate Controller's Office, which will forward the request through the appropriate channels to our local DCAA office if the prime sponsor has not already performed an audit of the subcontractor. For subcontracts awarded under a federal prime contract, the subcontractor will be required to provide a Certificate of Current Cost or Pricing Data (see Exhibit 2) if the price negotiated between OSP and the subcontractor is in excess of \$700,000 or such other amount as may be determined by Federal Regulation.

E. Preparing a Subcontract

1. Upon Penn State's receipt of a fully executed prime award from our sponsor, it is necessary to establish a subcontract with the appropriate third party. It is OSP's responsibility to prepare the subcontract document after a Subcontract/Subaward Request form (See Exhibit 3) has been signed by the Project Director and Research Dean and/or Department Head and then submitted via their Grants and Contracts office or Financial Officer.
2. In preparing the subcontract document, it is important to "flow-down" to the Subcontractor the special terms and conditions of the prime award which both Penn State and the Subcontractor must comply. Sponsor review and approval of a subcontract may be necessary prior to its implementation. (Note: Sponsor acceptance of a Penn State budget that includes subcontract costs constitutes the acceptance of the subcontractor selected and not an approval of the subcontract document itself.)
3. The Subcontract/Subaward Request Form, mentioned above (Exhibit 3), provides OSP with the necessary information needed to develop the subcontract document. Of primary importance is the Statement of Work, the budget, & the Subcontractor's F&A rate agreement (if available), that relates to the proposed effort. The form also asks whether this subcontract is being awarded under competitive bidding procedures or sole source procurement. The Project Director is requested to tell OSP if there are any other requirements he/she would like to see in the subcontract. Examples would be:
 - a. Advance Payments (Not available option with Federally sponsored prime agreements);
 - b. Copyright requirements;
 - c. Publication requirements
 - d. Patent requirements

- e. Equipment Ownership
 - f. Federal Funding Accountability & transparency Act (FFATA)
 - g. Export concerns
4. Upon receipt by OSP of the Subcontract/Subaward Request Form, the Request for Subcontract/Subaward Form is reviewed by OSP's Subcontract Coordinator for any conflict of interest concerns and for risk assessment purposes (reference 2 CFR 200.331). It is then logged in to SIMS and assigned to the OSP Negotiator for document preparation. The prime award document is reviewed to determine (1) whether the Penn State budget provided for a subcontract corresponds with the maximum amount authorized for the subcontract; (2) Whether terms and conditions that are in text form in the prime award are applicable to the subcontractor, (3) whether there will be certifications required of the subcontractor; (4) whether any general provisions have been incorporated into the prime agreement that are required flow-down clauses or clauses that are necessary to protect the interests of Penn State and/or the prime sponsor, (5) and whether prime sponsor prior approval is required of the subcontract.
 5. A Subcontract Checklist (Exhibit 4) is completed by the Negotiator in OSP for each financial action against the Subcontract/Subaward. It is completed to determine; (1) whether the proposed Statement of Work relates to the effort identified in Penn State's prime award; (2) the proposed period of performance of subcontract effort falls within the prime award period; (3) the proposed subcontract budget corresponds to the budget that was included in Penn State's proposal to the prime sponsor; (4) a sufficient degree of negotiation was conducted with the subcontractor for a final subcontract price; (5) the subcontractor provided any required certifications voluntarily, (6) and whether the subcontract is to be issued to a for-profit or nonprofit organization.
 6. A cost evaluation is performed to determine the reasonableness of proposed cost, a Subcontractor Cost Analysis (See Exhibit 4A) is prepared to document the degree of evaluation performed. (Note: It is at this stage that an audit would be requested, if needed, and the results of that audit would determine the basis for acceptance of costs.) The budget is then negotiated with the subcontractor.
 7. If required, the subcontractor will be requested to submit a Certification of Current Cost or Pricing Data.
 8. After considering all of the above variables, the subcontract document is prepared to suit the requirements of the prime award and the type of subcontractor with which we will be associated.
 9. The Subcontract Template,(Exhibit 5), is designed to accommodate the majority of subcontracts prepared by OSP. However, changes may be made to address more complex

situations that arise either because of the nature of the prime award or the type of organization selected as the subcontractor.

10. When prime sponsor approval is required, copies of the unsigned subcontract are sent simultaneously to the sponsor for such prior approval and to the subcontractor for acceptance. Each letter states that documents were sent simultaneously thereby requesting an expeditious approval from our sponsor, and alerting the subcontractor that changes may need to be negotiated as a result of prime sponsor approval and that Penn State cannot sign the agreement until receipt of the approval. The request for prior approval to Penn State's sponsor will include the information required by FAR 52.244-2, Subcontracts.
11. If a fixed price subcontract is contemplated, it may require prior approval by the sponsoring agency. Negotiator should consult prime agreement terms.
12. OSP completes a Subcontract Clearance Form and forward the signed (by Authorized Official) to the Subcontractor for counter-signature. This is the standard process, except under the following circumstances;
 - a. Single Audit review is incomplete
 - b. The Subcontractor is foreign
 - c. The prime sponsor requires approval of the subcontract
 - d. The Subcontract is greater than \$1,000,000.00
13. During subcontractor acceptance process, changes may need to be negotiated or clarifications provided. OSP will negotiate all changes to the subcontract in close coordination with, and upon receiving input from the College Unit and Project Director. When changes are made as a result of OSP negotiations with the Subcontractor, OSP will issue a revised subcontract to the Subcontractor, reflecting the accepted changes.
14. When Penn State signs first: A fully executed subcontract is received. OSP will put to "Contract File" in SIMS and electronically scan and distribute internally to the college Research Administration Office and the Principal Investigator.
15. When Penn State signs last: Upon receipt of a signed subcontract from the Subcontractor and receipt of prime sponsor approval, if required, and the risk assessment is complete, OSP will complete a subcontract clearance form (See Exhibit 6) and forward to the appropriate authorized official for counter-signature. Once countersigned, OSP sends a fully executed copy of the subcontract to the Subcontractor. OSP will put "to contract file" in SIMS and electronically scan and distribute internally to the college Research Administration Office and the Principal Investigator.

IV. Post-Award Subcontract Administration

A. Technical Monitoring

1. As prime award recipient, Penn State assumes the ultimate responsibility for the conduct and completion of the project. Subcontractor progress reports should be reviewed thoroughly by Penn State's Project Director and discussed with the subcontractor as needed. The Subcontractor's progress report will usually be incorporated into the progress report submitted to the sponsor by Penn State.

B. Financial Monitoring

1. In accordance with the Payment article of this subcontract, invoices are to be sent to the College financial point of contact, by the Subcontractor for review and approval by the Project Director.
2. Prior to approval by the Project Director, the invoice should be reviewed to determine that the amount being requested for payment is consistent with the amount of effort performed during the billing period. Normally, the Project Director would most likely be familiar with effort performed by the subcontractor through telephone conversations, technical meetings, progress reports or possibly site visits. If there are problems noted in the invoice, such as equipment purchased without approval or more labor charged than Penn State's Project Director feels was expended, the invoice SHOULD NOT BE APPROVED. The College Unit and OSP shall resolve any problems with the subcontractor. Once the College Unit is satisfied with the invoice, the College Unit shall process payment(s) through IBIS as a Special Request for Check.
3. Any problems encountered during the life of the subcontract should be appropriately addressed to the Research Coordinator or equivalent for the Project Director's College and/or OSP.
4. The subcontractor will be required to furnish all reports identified in the subcontract document and in accordance with the Reports Distribution article of the subcontract.

C. Subcontract Amendments

1. Should it be determined during the life of the prime agreement that additional effort is required to be performed by the subcontractor, a request to issue an amendment, via the sub-request form should be sent to OSP. The request should include the subcontract number, name of the subcontractor, and the necessary information required to prepare the amendment, i.e., extending time, adding cost, amending existing budgets, etc.

D. Termination

1. Should it be necessary to terminate a subcontract, the OSP Negotiator shall coordinate the termination with the College Unit Research Administrator and/or Penn State's Project Director. OSP will expeditiously forward a termination notice via facsimile, email, or overnight carrier to the Subcontractor. The OSP Negotiator may utilize, with appropriate modifications, the sample termination notice contained in FAR 49.601-2.
2. For subcontracts awarded under federal prime procurement awards, the OSP Negotiator shall terminate the subcontract in accordance with the subcontract's termination clause. Settlement of terminated subcontracts shall be in accordance with FAR 49.108.
3. For subcontracts awarded under non federal prime awards, the OSP Negotiator shall terminate the subcontract in accordance with the subcontract's termination clause.

V. Closing Requirements

A. Required Documents

1. The subcontractor is required to submit the following documents at subcontract completion in accordance with the Closeout Requirements article of the subcontract:
 - a. Final Technical Report
 - b. Final Cumulative Invoice
 - c. Subcontractor's Release (See Exhibit 7)
 - d. Subcontractor's Assignment of Refunds, Rebates, Credits, and Other Amounts (See Exhibit 8)
 - e. Single Audit Certification, if applicable (See Exhibit 9)
 - f. Final Inventory of Property (See Exhibit 10)
 - g. Report of Inventions and Subcontracts (See Exhibit 11)
2. When the final cumulative invoice has been received by the College unit point of contact, the College unit shall be responsible for the same type of review and approval procedures as required for the routine monthly invoice evaluations mentioned under Section IV, Paragraph B, Subparagraphs 1 through 4.
3. The College unit shall forward a copy of the final cumulative invoice along with a completed Certification of Technical Completion (See Exhibit 12) to OSP for release of final payment. Upon

review of the final cumulative invoice by OSP, authorization is sent to the College unit to release final payment. The College unit shall process final payment through IBIS as a Special Request for Check (NOTE: If the subcontract is going to be extended, this certification is not required, and OSP should be notified immediately so the closeout procedure can be stopped.) OSP will not approval final payment until the Certification of Technical Completion has been received.

4. OSP will complete the Subcontract Closeout Checklist (See Exhibit 13) to ensure compliance with the terms of the subcontract and audit requirements. A copy of the form will be maintained in OSP. (This form will be completed for all subcontracts issued.)
 - a. In the event any requested closing papers are not received from the Subcontractor, OSP will determine if the requested closing papers (See Section V. A. 1.) are required for administrative closeout using the following criteria:
 - i. Federal flow-through funds
 1. Report of Inventions and Subcontracts: DD882 required prior to payment of the final invoice.
 2. Inventory of Property: If property was budgeted and/or included in Subcontractor's cumulative cost breakdown, this form is required prior to payment of the final invoice.
 3. Single Audit Reports: If Subcontractor is a foreign or commercial entity, a Single Audit is not required, as the Single Audit is not applicable to foreign or commercial entities. An independent financial audit report may be requested in lieu of a Single Audit.
 - ii. Non-Federal flow-through funds
 1. Report of Inventions and Subcontracts: Verify intellectual property requirements in prime award.
 2. Inventory of Property: Proceed with closeout if no property was budgeted for in the subcontract and property was not included in the Subcontractor's cumulative cost breakdown. Verify property requirements in prime award.
5. The Subcontract Closeout Desk Review Worksheet (See Exhibit 14) is prepared by OSP at the time of subcontract closeout and is used in conjunction with the final cumulative invoice review and approval, as noted under Section V, Paragraph 3. This form is used in determining the allowability of costs incurred by the Subcontractor and the appropriateness of the costs incurred to the guidelines of the prime award.

6. Exhibit 15, Administrative Closeout Memorandum, is used in lieu of a closeout audit of a subcontract unless a formal audit is deemed appropriate due to the nature of the program and/or Subcontractor Single Audit results. If applicable, OSP will utilize the quick-closeout procedures in accordance with FAR 42.708.

INDEX OF EXHIBITS

1. RFP Letter
2. Certificate of Current Cost or Pricing Data
3. Subcontract/Subaward Request form
4. Subcontract Checklist
- 4A. Subcontractor Cost Analysis
5. Subcontract Template
6. Subcontract Clearance
7. Subcontractor's Release
8. Subcontractor's Assignment of Refunds, Rebates, Credits, and Other Amounts
9. Single Audit Certification
10. Final Inventory of Property
11. Report of Inventions and Subcontracts
12. Certification of Technical Completion
13. Subcontract Closeout Checklist
14. Subcontract Closeout Desk Review Worksheet
15. Administrative Closeout Memo

PENNSSTATE



Subject: Request for Submission of a Subcontract Proposal Under The Pennsylvania State University's Research Proposal Entitled " _____," Submitted to _____ by Penn State's Project Director, _____ (RFP/RFQ No. _____)

Dear _____:

Your organization has been selected as a potential subcontractor to The Pennsylvania State University, and your proposed statement of work and cost estimate will be included in Penn State's proposal to the intended sponsor for the referenced research project.

To expedited Penn State's evaluation of your proposal, and to ensure proper inclusion of your effort and cost in our proposal to the sponsor, we are requesting that you prepare a Statement of Work and corresponding cost proposal to be submitted to Penn State's Project Director no later than _____.

If a resulting prime agreement to Penn State is funded with federal funds, you should submit a copy of your most recent negotiated rate(s) agreement with your proposal. In addition, if your proposal is over \$700,000, please include a completed Certificate of Current Cost or Pricing Data, a copy of which is attached.

During the course of your proposal preparation, should you have any questions relating to the cost proposal requirements, you may contact _____, Research Coordinator for the College of _____ at 814-86_-_____.

Sincerely,



SUBCONTRACT/SUBAWARD REQUEST FORM

Please provide the information requested below and forward the request, signed by the Principal Investigator, Dean/Consortium Director/Institute Director/CEO, and Financial Officer, to the Office of Sponsored Programs. The Subrecipient's proposal must be attached and include the following:

- Cover Page*
 Statement of Work
 Budget
 F&A Rate Agreement (if applicable)
 Representations and Certifications (if applicable)

1. For subcontracts/subawards being issued under a Prime Award from a PHS Agency (e.g., NIH, FDA, etc.) or other agency that has adopted similar Financial Conflict of Interest requirements, please answer the following. Otherwise, please proceed to item #2.

Have all necessary conflict of interest checks and reviews been completed by the subrecipient institution?

- Yes No*

*Note: Subawards/Subcontracts will not be executed until such review has been completed. It is a violation of federal law to allow spending on a subaward/subcontract, until the subrecipient institution has either certified its own compliance with PHS COI policy or been reviewed by PSU's COI program.

2. Request to issue:

- Initial **Subaward (SA)/Subcontract (SC)**
 Amendment to Subaward/Subcontract No.: _____
 No Cost Extension
 Additional Funding
 New End Date & Additional Funding
 Decrease in Funds
 Other Administrative Change

3. OSP Number of Prime Award: _____

4. Prime Award Number: _____

5. Penn State University's Prime Award is a:

- Grant – Complete all sections (as applicable)**
 Contract – Complete all sections (as applicable)

6. Subcontract/Subaward Information:

Subrecipient Administrative Contact:

Subrecipient

Name

SA/SC Project Director

Street Address

SA/SC/Amendment Amount

City, State

SA/SC/Amendment Period of Performance

Phone

Cumulative amount funded to date *(including this action)*

Email

DUNS Number

Website

7. Prime Award Information:

Penn State Project Director:

Prime Sponsor

Name

Prime Award Funded Amount to Date

Address

Period of Performance

Phone

Budget/Fund Number

CFDA Number

Email

8. Is Subrecipient's total budget 50% or more of Prime Award total amount?

Yes, copy of OSP approval attached No

9. Is there a cost sharing commitment associated with this subaward/subcontract?

Yes, amount specific to this action: _____ No

Cumulative Cost Sharing Amount Budgeted to date: _____

10. Is Subrecipient requesting F&A?

Yes, rate agreement attached Yes, using de minimis 10% No N/A

11. Will Subrecipient's effort involve the use of vertebrate animals?

Yes *(Note to Negotiator: Add clause to subaward)* No

12. Is automatic carry forward allowable under the Prime Award?

Yes No *(Note to Negotiator: Add clause to subaward)*

(Note to College: For amendments, prime sponsor approval must be obtained prior to submitting Subaward Request Form)

13. Penn State's Project Title: _____

- a. Additional description if project title does not adequately describe what the subrecipient is doing:

14. Other Information

- a. Provide any information which you feel will be useful to the person preparing the subaward / subcontract, e.g., change/no change in statement of work, unusual publication requirements, unusual intellectual property requirements, etc.

- b. Foreign Subrecipient Requirements:

1. Has an export review been completed? Yes Log #: _____ No

2. In cases where a fixed price subaward has been approved for the foreign subrecipient, milestone payment instructions should be provided here. *(Example: For a subaward totaling \$15,000 for the period 10/1/2014-9/30/2015- Issue equal payments of \$5,000 upon receipt of invoice and required reports, as follows: (1) Upon full execution of Agreement; (2) June ____, 2015; and (3) September ____, 2015.)*

15. Reporting Requirements (if not checked, reporting requirements will be monthly)

- Monthly Quarterly Annually Other _____

16. If required by the prime award, complete either Section 16.a or 16.b (Competition or Sole Source Justification)

a. **Competition**

Attach separate sheet which includes the following:

- i. Name and address of each potential subrecipient contacted
- ii. Name and amount proposed by each potential subrecipient responding
- iii. Subrecipient selected
- iv. Reason for selection

- b. **Sole Source Justification:** Provide justification for selection of subrecipient if competitive bids were not solicited.

Joint Proposal, or;

Sole Source Justification provided on a separate sheet.

SUBCONTRACT CHECKLIST

Prime Agreement No. _____ PSU PI _____

Subcontractor _____ Sub PI _____

Type of Subcontractor Educational Institution Hospital Non-Profit For-Profit

Type of Prime Agreement Contract Other _____

Type of Subcontract Cost Reimbursement Cost Plus Fixed Fee
 Firm Fixed Price Other _____

Basic Amendment No. _____

Section A:

- | <u>Yes</u> | <u>N/A</u> | |
|------------|------------|--|
| ___ | ___ | PI/College Request to Issue Subcontract |
| ___ | ___ | Statement of Work |
| ___ | ___ | Budget |
| ___ | ___ | Indirect Cost Rate Agreement |
| ___ | ___ | Agency Subcontract Approval |
| ___ | ___ | Deliverable other than reports/data (i.e., software, prototype) |
| ___ | ___ | Sole source justification complete |
| ___ | ___ | Certifications |
| | | <input type="checkbox"/> Included in Proposal <input type="checkbox"/> Attached to Subcontract |
| ___ | ___ | Benefit Rate Verification |
| ___ | ___ | Cost Analysis (when federal funds are involved, a cost analysis <u>must</u> be done) |
| ___ | ___ | Certification of Cost or Pricing Data (required for subcontract over \$750,000) |
| ___ | ___ | Small Business Subcontracting Plan (for subcontracts over \$700,000) |

Negotiation Notes (attach if necessary)

Negotiated Subcontract Value this Action _____

 Subcontract Negotiator Date

Log No. _____

**SUBCONTRACT
COST ANALYSIS**

If the item of cost is included in Subcontractor's budget, please check and complete the analysis and/or verification. Attach any worksheets.

Check if Applicable	Items of Cost
_____	(1) Salaries and Wages: The basis for proposed labor costs or percent of effort has been identified as stated below (e.g., historical hours, engineering estimates). Costs are in accordance with current and reasonably projected schedules and policies of the Subcontractor. The escalation rate used is approximately ____% and appears to be in compliance with Federal guidelines. (If not, explain.) _____ _____ _____
_____	(2) Fringe Benefit Rates: The proposed rate(s) are in accordance with current and prospective Government approved rates and are correctly applied to proper base.
_____	(3) Tuition: The proposed cost is current and in accordance with the Subcontractor's policies and/or Government approved rates. (If not, explain.) _____ _____ _____
_____	(4) Materials and Supplies: Proposed items are expendable. Amounts proposed are based on catalog prices or established competitive market prices sold in substantial quantities to the general public. (If not, explain.) . _____ _____ _____ _____
_____	(5) Equipment: Amounts proposed are based on price quotes from competing vendors or from fully justified sole sources. (If not, explain.) _____ _____ _____
_____	(6) Travel: The Subcontractor's proposed travel is necessary for proper conduct of the research effort. The individual elements of travel are reasonable based on the following justification (Note: Foreign travel must be coordinated with Prime Sponsor): _____ _____ _____
_____	(7) Consultant Costs: Costs show number of days, daily rate and estimated travel/per diem costs. Costs are in compliance with Specific Federal agency maximum allowable rates. The need for consultants is fully justified. _____ _____ _____
_____	(8) Indirect Costs: The rate is applied to proper base: ____ Direct Salaries and Wages, ____ Total Direct Cost, ____ Modified Total Direct Cost, ____ Other _____ The rate has been verified by a negotiation memorandum. If none exists, a disclosure of the contents of the rate has been made and approved by ACO as stated below.

_____ (9) The Subcontractor's cost proposal does not contain any lower-tier subcontracts for which Certified Cost or Pricing Data are required. No lower tier subcontracts budgeted.

_____ (10) Fixed Fee: The Subrecipient is a _____ for-profit organization/ _____ non-profit organization. The fee factor is _____ and is considered fair and reasonable based on the attached weighted guidelines (http://www.acq.osd.mil/dpap/dars/dfars/html/current/215_4.htm#215.404-70).

Negotiations conducted with:

Institution: _____
Name/Title: _____
Phone No.: _____
Concluded On: _____

OSP/SA
8/94
Revised 6/15

Cost Analysis Guidelines

Pursuant to OMB Circular A-110, Section .45 and ONR's CPSR, some form of cost or price analysis shall be made and documented to determine reasonableness, allocability and allowability.

1. Salaries and Wages

- Non-profit and Educational Institutions: Call OSP office and verify actual salaries.
- For-profit Organizations: Verify rates through cognizant agency.
- If all else fails, compare salaries to PSU salaries for engineers, etc.
- Use "Historically consistent for similar rates paid for similar services," or
- Talk to P.I. to get a feel for the hours proposed – technical analysis of cost.

2. Fringe Benefits

- Verify via rate agreement or through cognizant agency.
- If no rate agreement or cognizant agency, compare to PSU rates-obtain breakdown of rate.

3. Tuition

- Confirm through OSP rates are in accordance with catalog.

4. Materials and Supplies

- Obtain breakdown of supplies
- Determine if supplies are ordered out of catalog.
- How did subcontractor arrive at proposed costs?

5. Travel

- Obtain breakdown of travel costs.
- How did subcontractor arrive at proposed costs?

6. Consultant Costs

- Compare rates with rates previously paid.
- Consult with P.I. to determine if rates are fair and reasonable.

7. F&A

- Obtain rate agreement or verify through cognizant agency
- If no rate agreement, obtain rate breakdown.

8. Fee

- Use weighted guidelines from DFARS.

-Tip: If prime contract includes the FAR, reference Subpart 215-4 Contract Pricing, §215.404-3, Subcontract Pricing Considerations -- The contracting officer shall make every effort to ensure that fees negotiated by contractors for cost-plus-fixed-fee subcontracts do not exceed the fee limitations in FAR 15.404-4(c)(4) – under Subpart 15.4—Contract Pricing.

15.404-4 Profit.

(c) Contracting officer responsibilities.

(4)(i) The contracting officer shall not negotiate a price or fee that exceeds the following statutory limitations, imposed by [10 U.S.C. 2306\(d\)](#) and [41 U.S.C. 254\(b\)](#):

(A) For experimental, developmental, or research work performed under a cost-plus-fixed-fee contract, the fee shall not exceed 15 percent of the contract's estimated cost, excluding fee.

(B) For architect-engineer services for public works or utilities, the contract price or the estimated cost and fee for production and delivery of designs, plans, drawings, and specifications shall not exceed 6 percent of the estimated cost of construction of the public work or utility, excluding fees.

(C) For other cost-plus-fixed-fee contracts, the fee shall not exceed 10 percent of the contract's estimated cost, excluding fee.

**SUBCONTRACT****SUBCONTRACT NO.**

THIS AGREEMENT, entered into as of enter start date, by and between The Pennsylvania State University, a Corporation organized and existing under the laws of the Commonwealth of Pennsylvania, with its principal office at University Park, Pennsylvania (hereinafter referred to as "Penn State") and enter Subcontractor Name, town and state (hereinafter referred to as "Subcontractor");

WITNESSETH THAT:

WHEREAS, Penn State has received Prime (Pick One) Cooperative Agreement/Contract/Grant No. from _____ (hereinafter referred to as "_____") under CFDA Number _____, to provide for certain research work; and

WHEREAS, Penn State desires to have the Subcontractor perform a certain portion of said research work; and

WHEREAS, the Subcontractor has represented that it has the present ability to perform said research work;

NOW THEREFORE, the parties hereto do hereby mutually agree as follows:

SECTION A**Standard Provisions****ARTICLE I - Statement of Work**

The work to be performed by the Subcontractor relates to a project entitled "_____."

The work to be accomplished is set forth in the Subcontractor's Statement of Work appended hereto as Attachment I.

ARTICLE II - Reports

The Subcontractor shall submit progress reports in accordance with the relative provisions contained in Attachment I. In the absence thereof, the Subcontractor shall submit monthly technical progress reports to Penn State's Project Director, _____.

ARTICLE III - Period of Performance

The period of performance under this subcontract shall commence on _____ and continue through _____.

ARTICLE IV – Cost

Options (you may create your own):

(1) Total Estimated Cost

The total estimated cost to Penn State for the performance of this subcontract shall not exceed \$_____ unless changed by written amendment to this subcontract. The Subcontractor's budget is appended hereto as Attachment **II**. (This last sentence may read: The Subcontractor's budget forms a part of Attachment ____.)

(2) Total Estimated Cost (NIH Subs)

The total estimated cost to Penn State for the performance of this subcontract shall not exceed \$_____ unless changed by written amendment to this subcontract. The Subcontractor's budget is appended hereto as Attachment **II**. (This sentence may read: The Subcontractor's budget forms a part of Attachment ____.) The Subcontractor shall notify in writing Penn State's Contracting Office, as represented under Article ____, when unobligated funds in excess of 25 percent of the total amount awarded will be carried over to the subsequent budget period. The current budget period is _____ through _____.

(3) Total Estimated Cost (Use for Incremental Funding)

The total estimated cost to Penn State for the performance of this subcontract shall not exceed \$_____ unless changed by written amendment to this subcontract. The total amount presently available and allotted to this subcontract is _____ for the period _____ through _____ is appended as Attachment **II**.

(4) Total Estimated Cost and Fixed Fee (Use with CPFF Subs)

It is hereby understood and agreed that the total estimated allowable cost and fixed fee of this subcontract shall not exceed \$_____ and \$_____, respectively, totaling \$_____ for the period stated under this Section A, Article III. the Subcontractor's budget, dated _____, is appended hereto as Attachment **II**.

(5) Total Estimated Cost and Fixed Fee (Incremental Funding)

It is hereby understood and agreed that the total estimated allowable cost and fixed fee of this subcontract shall not exceed \$_____ for the period under this Section A, Article III. However, the amount currently available and allotted under this subcontract for the period _____ through _____ is including a pro-rate portion for the fixed fee. The Subcontractor's budget, dated _____, is appended hereto as Attachment **II**.

(6) Subcontract Price (Use with Fixed Price Subs)

The work to be performed hereunder shall be performed at a firm fixed price of \$_____.

(7) Total Estimated Cost and Cost Sharing

The total estimated cost to Penn State for the performance of this subcontract shall not exceed \$_____ unless changed by written amendment to this subcontract. The Subcontractor's budget is appended hereto as Attachment II. The Subcontractor shall cost share to the extent set forth in Attachment II.

ARTICLE V - Payment

Options (you may create your own):

(1) Payment (Use with Commonwealth Funds)

Penn State shall reimburse the Subcontractor not more often than monthly for allowable costs actually incurred and chargeable to Penn State in accordance with the budget categories indicated in Attachment II upon being invoiced by the Subcontractor and upon approval of the invoice by Penn State's Project Director. All invoices shall be submitted in a format similar to the sample invoice appended hereto as Attachment III, but at a minimum shall include applicable cost sharing, current and cumulative costs, subcontract number and certification. **INVOICES WHICH DO NOT REFERENCE PENN STATE'S SUBCONTRACT NUMBER SHALL BE RETURNED TO THE SUBCONTRACTOR.** Invoices shall be submitted to:

Pick one of the following:

- (PTI) Ms. Cathy Flick
Pennsylvania Transportation Institute
201 Transportation Research Building
The Pennsylvania State University
University Park, PA 16802
Phone: (814) 865-2606
Email: cdw2@psu.edu

- (Ag) Ms. Susan Morgan
Coordinator, Grants and Contracts
College of Agricultural Sciences
229 Agricultural Administration Bldg.
The Pennsylvania State University
University Park, PA 16802
Phone: (814) 865-5419
Fax: (814) 863-6152
Email: smk6@psu.edu

- (IST) Carey Stover
College of Information Sciences and Technology
334 Information Sciences and Technology Building
The Pennsylvania State University
University Park, PA 16802
Phone: (814) 8656179
Fax: (814) 865-7484
Email: cstover@ist.psu.edu

- (Eng) Ms. Viola Dysart
The Pennsylvania State University

College of Engineering
101 Hammond Building
University Park, PA 16802
Phone: (814) 867-4196
Fax: (814) 865-6217
Email 1 (invoices only): COESUBInvoices@enr.psu.edu
Email 2 (invoice questions, etc.): vdysart@enr.psu.edu

- (Sc) Ms. Lisa Good-Reiter
Eberly College of Science
513 Joab L. Thomas Building
The Pennsylvania State University
University Park, PA 16802
Phone: (814) 863-0302
Fax: (814) 865-3634
Email: lx2@psu.edu
- (SSRI) Ms. Sherry Yocum
Coordinator, Research & Administrative Services
Social Sciences Research Institute
601 Oswald Tower
The Pennsylvania State University
University Park, PA 16802
Phone: (814) 863-8258
Fax: (814) 863-8342
Email: yocum@pop.psu.edu
- (HHD) Mr. Jerome Itinger
Director of Grants and Contracts
College of Health and Human Development
201 Henderson Building
The Pennsylvania State University
University Park, PA 16802
Phone: (814) 863-7241
Fax: (814) 863-8698
Email: CHHDRO@psu.edu
- (EMS) Ms. Susan Lavan
248B Deike Building
College of Earth and Mineral Sciences
The Pennsylvania State University
University Park, PA 16802
Phone: (814) 865-7650
Fax: (814) 865-2084
Email: sal5@psu.edu
- (EDU) Ms. Tammy Fetterolf
Coordinator of Research and
Administrative Services
College of Education
243 Chambers Building
The Pennsylvania State University

University Park, PA 16802
Phone: (814) 865-0956
Fax: (814) 865-8733
Email: tbb2@psu.edu

(MRI/
PSIEE/
SIRO)

Ms. Niki Page
Strategic Interdisciplinary Research Office (SIRO)
101 Land and Water Reserve Building
The Pennsylvania State University
University Park, PA 16802
Phone: (814) 865-3422
Fax: (814) 865-3378
Email: nlg4@psu.edu

(LA)

Mr. Rocco Zinobile
Associate Director, Grants and Contracts
Liberal Arts Research Office
118 Sparks Building
The Pennsylvania State University
University Park, PA 16802
Phone: (814) 865-8030
Fax: (814) 863-2603
Email: raz11@psu.edu

(Bus)

Lesley Maalouf
Smeal College of Business Administration
Lesley Maalouf
The Pennsylvania State University
Smeal College of Business Administration
212E Business Building
University Park, PA 16802
Phone: (814) 863-0742
Email: lzm6@psu.edu

(Capital)

Mr. Jay Spiegel
Assistant Financial Officer
Penn State Harrisburg
120 Olmsted Building
Middletown, PA 17057
Phone: (717) 948-6014
Email: xjs2@psu.edu

(Int'l. Prgs)

Ms. Rita Morbeto
International Programs
222 Boucke Building
The Pennsylvania State University
University Park, PA 16802
Phone: (814) 865-7681
Fax: (814) 863-1738
Email: rsm4@psu.edu

(DuBois)	<p>Ms. Kathy Neureiter Penn State DuBois College Place DuBois, PA 15801 Phone: (814) 375-4792 Fax: (814) 375-4784 Email: kmn2@psu.edu</p>
(Berks)	<p>Ms. Judy Donahue Penn State Berks 125 Franco Building Reading, PA 19610-6009 Phone: (610) 396-6224 Email: jld1@psu.edu</p>
(Lehigh)	<p>Ms. Sandy Litzenberger Penn State Lehigh Valley CE Administration Academic Building Fogelsville, PA 18051 Phone: (610) 285-5054 Email: sl3@psu.edu</p>
(Communication)	<p>Ms. Jane Agnelly Financial Officer 201 Carnegie Building The Pennsylvania State University University Park, PA 16802 Phone: (814) 863-6138 Email: jla3@psu.edu</p>
(Behrend)	<p>Ms. Patty Lanich Penn State Erie, The Behrend College 4701 College Drive, South Cottage Erie, PA 16563 Phone: (814) 898-7596 Fax: (814) 898-6461 Email: pal16@psu.edu</p>

A final statement of costs incurred or final invoice, marked "FINAL", must be submitted NOT LATER THAN sixty (60) days after subcontract completion. In accordance with Article XXIV, payment of the final invoice shall be withheld pending receipt and acceptance of all Closeout Documents.

All payments shall be considered provisional and subject to adjustment within the total estimated cost established by Article IV in the event such adjustment is necessary as a result of an audit by the Commonwealth.

If the Subcontractor becomes aware of a duplicate payment or that the University has otherwise overpaid on an invoice payment, the Subcontractor shall immediately notify the University Contract Representative in writing and request instructions for disposition of the overpayment.

(2) Payment (Use w/Federal Funds)

Penn State shall reimburse the Subcontractor not more often than monthly for allowable costs actually incurred and chargeable to Penn State in accordance with the budget categories indicated in Attachment II upon being invoiced by the Subcontractor and upon approval of the invoice by Penn State's Project Director. All invoices shall be submitted in a format similar to the sample invoice appended hereto as Attachment III, but at a minimum shall include applicable cost sharing, current and cumulative costs, subcontract number and certification. **INVOICES WHICH DO NOT REFERENCE PENN STATE'S SUBCONTRACT NUMBER SHALL BE RETURNED TO THE SUBCONTRACTOR.** Costs incurred under this subcontract shall be in accordance with the contract cost principles and procedures contained in (Pick appropriate cost principles) 2 CFR 200 Subpart E, or FAR 31.2 or FAR 31.3 as in effect on the date of this subcontract. Invoices shall be submitted to:

Insert P.O.C. from Option 1, above

A final statement of costs incurred or final invoice, marked "FINAL", must be submitted to [INSERT P.O.C FROM OPTION 1 ABOVE] NOT LATER THAN sixty (60) days after subcontract completion. In accordance with Article XXIV, payment of the final invoice shall be withheld pending receipt and acceptance of all Closeout Documents.

All payments shall be considered provisional and subject to adjustment within the total estimated cost established by Article IV in the event such adjustment is necessary as a result of an audit by the Government.

If the Subcontractor becomes aware of a duplicate payment or that the University has otherwise overpaid on an invoice payment, the Subcontractor shall immediately notify the University Contract Representative in writing and request instructions for disposition of the overpayment.

(3) Advance Payment (Use w/Federal Funds)

Upon execution of this subcontract and not more often than once each quarter (quarterly payments may vary) the Subcontractor shall submit a request for advance payment. **ALL REQUESTS FOR ADVANCE PAYMENT SHALL REFERENCE PENN STATE'S SUBCONTRACT NUMBER. REQUESTS WHICH DO NOT REFERENCE PENN STATE'S SUBCONTRACT NUMBER SHALL BE RETURNED TO THE SUBCONTRACTOR.** The request for advance payment shall be submitted to:

Insert P.O.C. from Option 1, above

In addition to the request for advance payment, the Subcontractor shall submit a statement of costs incurred on a quarterly and cumulative basis. All payments by Penn State are subject to approval by Penn State's Project Director, Dr. _____.

All payments shall be considered provisional and subject to adjustment within the total estimated cost established by Article IV in the event such adjustment is necessary as a result of an audit by the (Insert Sponsor) _____.

OR

The Subcontractor shall be reimbursed for the costs incurred by him in performing services hereunder in accordance with the applicable provisions of the General Provisions, subject to the following limitations made in respect thereto:

- A. Total dollar funds available for payment and allotted to this subcontract for period _____ through _____. See the clause of the General Provisions entitled Subcontractor's budget appended hereto as Attachment _____. \$_____

B. Estimated additional funds which may be provided, if funds are available. See the clause of General Provisions entitled "Limitation of Funds" and the Subcontractor's budget appended hereto as Attachment _____. \$ _____

Total Estimated Costs \$ _____

(4) Fixed Price Payment

Penn State shall pay Subcontractor in accordance with the follow payment schedule (INSERT BELOW). All invoices shall be submitted using Subcontractor's standard invoice, but at a minimum shall include milestone/deliverable, payment amount, Subcontract number, and certification as to truth and accuracy of invoice. *Invoices that do not reference Subcontract Number may be returned to Subcontractor.* Invoices and questions concerning invoice receipt or payments should be directed to:

Insert P.O.C. from Option 1, above.

Contractor reserves the right to reject an invoice.

ARTICLE VI - Independent Contractor

Subcontractor, acting as an independent contractor and not as an agent of Penn State, is willing to perform said work upon the terms hereinafter provided. Penn State shall not maintain, and shall not be required to maintain, any direct control over the means or manner by which the Subcontractor performs the obligations contained in the Statement of Work or any revisions thereof.

ARTICLE VII - Record Retention

All pertinent records and books of accounts related to this subcontract shall be retained for a period of three (3) years after the conclusion of the subcontract. Records relating to any litigation or claim arising out of the performance of this agreement, or costs and expenses of this agreement to which exception has been taken as a result of audit and/or inspection, shall be retained by the Subcontractor until such litigation, claim or exception has been resolved.

**ARTICLE VIII - Rights in Data and Materials (Use when prime sponsor is the Federal Gov't.)
(Use of this clause must be consistent with prime agreement provisions)**

The Subcontractor holds all rights, title and interest in the data and works it creates in the performance of this Agreement. Subcontractor hereby grants to Penn State an irrevocable, world-wide, royalty-free, non-exclusive license to all data collected and copyrighted material, including computer programs, delivered or developed under this Agreement, for the purpose of education and research or to the extent required to meet Penn State's obligations under the Prime Agreement. Subcontractor hereby grants to the Government an irrevocable, world-wide, royalty-free, non-exclusive license to reproduce, translate, publish, use and dispose of, and to authorize others to do so, all data collected, copyrighted materials and computer software developed under this agreement for Federal purposes only. As used in this clause, data collected means the original records of scientific and technical data collected during the performance of the work by the Principal Investigator or other persons working on the project. Data collected includes, but is not limited to, notebooks, drawings, lists, specifications, and computations.

ARTICLE IX - Audits and Audit Reports (for use with all domestic universities and non-profits)

Subcontractor acknowledges it is subject to Single Audit under 2 CFR Parts 200.501-200.521 if it expends \$750,000 or more in federal awards during its fiscal year, and certifies it is in compliance with the audit requirements of the Circular.

Subcontractor agrees to have a single audit made in accordance with 2 CFR Parts 200.501-200.521 if it expends \$750,000 or more in federal awards during its fiscal year, except if it elects to have a program-specific audit conducted. Subcontractor may elect to have a program-specific audit conducted if it expends federal awards only under one federal program and the program's laws, regulations, or grant agreements do not require a financial statement audit.

Subcontractor agrees to submit written notification to Penn State promptly following completion of the audit. The written notification must confirm that an audit of the Subcontractor was conducted in accordance with 2 CFR Parts 200.501-200.521 (including the period covered by the audit and the name, amount, and CFDA number of the Federal award(s) provided by Penn State); the schedule of findings and questioned costs disclosed no audit findings relative to the Federal award(s) that Penn State provided; and, the summary schedule of prior audit findings did not report on the status of any audit findings relating to the Federal award(s) that Penn State provided.

Subcontractor agrees it will submit one copy of the reporting package described in 2 CFR Parts 200.501-200.521 to Penn State when the "schedule of audit findings and questioned costs" discloses findings, or the "summary schedule of prior audit findings" reports findings related to Penn State. Subcontractor will inform Penn State of the corrective action that has been or will be taken for audit findings related to Penn State. In addition, Subcontractor will immediately inform Penn State of material operations weaknesses disclosed in audits performed after execution of this subcontract.

Subcontractor understands that if, in the opinion of Penn State and/or Government, it fails to comply with the audit requirements, appropriate sanctions may be imposed, including, but not limited to, those in 2 CFR Parts 200.501-200.521. Subcontractor certifies that any penalties or expenditure disallowances imposed on Penn State resulting from instances of non-compliance with federal laws and regulations will be reimbursed by Subcontractor.

Subcontractor agrees to submit written notification and the reporting package (if appropriate) to :

John Hanold, Associate Vice President for Research
and Director of Sponsored Programs
Office of Sponsored Programs
The Pennsylvania State University
110 Technology Center Building
University Park, PA 16802-7000

Subcontractor acknowledges if it expends less than \$750,000 a year in federal awards, it is exempt from the audit requirements of 2 CFR 200.501 and 200.514 for that year. However, records must be available for review or audit as requested by the authorized official of the federal agency, Penn State, and General Accounting Officer (GAO). In addition, Subcontractor acknowledges that 2 CFR Parts 200.501-200.521 and Parts 200.336, 200.337, and 200.201 neither limit nor constrain the authority of federal agencies, Inspectors General, or GAO to conduct or arrange for additional audits.

ARTICLE X - Reports Distribution

During the performance of this subcontract, as may be extended from time to time, the Subcontractor shall be responsible for submitting reports in accordance with Article II and any other article of this subcontract requiring reports to the individuals identified in the "Addresses for Reports Distribution" appended hereto as Attachment **IV**.

ARTICLE XI - Publicity

No publicity matter having or containing any reference to Penn State, or in which the name of Penn State is mentioned, shall be made use of by the Subcontractor until written approval has first been obtained from Penn State.

ARTICLE XII - Termination

- A.** This subcontract may be terminated by either party hereto by giving written notice to the other party thirty (30) days in advance of a specified date of termination, or in accordance with the prime agreement. In the event of a conflict, the terms of the prime agreement shall govern.
- B.** Upon receipt of such notice from Penn State, the Subcontractor shall take all necessary action to cancel outstanding purchase orders and other commitments relating to the work under this agreement, and shall exercise reasonable diligence to cancel or redirect commitments for personal services to its other activities and operations.
- C.** Penn State shall remain liable for all costs incurred under this subcontract, including any of the above mentioned commitments entered into by the Subcontractor in good faith prior to the receipt of the termination notice. Upon payment of such costs, Penn State shall be entitled to, and the Subcontractor agrees to deliver, the information and items which, if the subcontract had been completed, would have been required to be furnished to Penn State, such information and items to include, but not be limited to, partially completed plans, drawings, data, documents, surveys, maps, reports and models.
- D.** In the event that Subcontractor shall commit any breach of or default in any of the terms or conditions of this subcontract, and also shall fail to remedy such default or breach within ninety (90) days after receipt of written notice thereof from Penn State, Penn State may, at its option and in addition to any other remedies which it may have at law or in equity, terminate this subcontract by sending notice of termination in writing to the Subcontractor to such effect, and such termination shall be effective as of the date of the receipt of such notice.

ARTICLE XIII - Civil Rights and Nondiscrimination

Subcontractor certifies that it has an active program for compliance with all applicable state and federal regulations, executive orders and legislation concerning non-discrimination, equal opportunity, or affirmative action, and that, wherever required, valid assurances of compliance are on file with the cognizant enforcement agency. In the event of a determination of non-compliance, this subcontract may be terminated in whole or in part and Subcontractor may be declared ineligible for further subcontracts with Penn State. Wherever applicable, the above statement of certification includes, but is not necessarily limited to, the following specific acts:

- Title VI of the Civil Rights Act of 1964
- Executive Order 11246, Part II, Sub-part B, Section 202, paragraphs 1-6. Subcontractor further agrees to include the text of Section 202 in any subcontract entered into pursuant to this subcontract.
- Title VII of the Civil Rights Act of 1964 as amended by the EEO Act of 1972.
- Section 504 of the Rehabilitation Act of 1973

- The Age Discrimination Act of 1975, as amended
- Affirmative Action Obligations of Contractors and Subcontractors for Disabled Veterans and Veterans of the Vietnam Era, Sub-part A, Paragraph 60-250.5. Subcontractor further agrees to incorporate this section by reference into any subcontract of \$10,000 or more entered into pursuant to this subcontract.
- Title IX of the Higher Education Act of 1972

ARTICLE XIV - Indemnification

Subcontractor shall hold Penn State harmless from and shall indemnify Penn State for any and all claims, demands, and actions based upon or arising out of any services performed by the Subcontractor or its employees or agents under this subcontract, and shall defend any and all claims or demands. The Subcontractor further agrees that the Subcontractor's standard liability insurance policies protect, or shall be endorsed to protect, Penn State from claims of bodily injury and of property damage arising out of any services performed by the Subcontractor or its employees or agents under this subcontract.

ARTICLE XV – Scientific Misconduct (For use with NIH subcontracts)

The Subcontractor agrees with the assurances contained in Attachment _____ and agrees to be bound by these assurances.

The terms "Misconduct," "Misconduct in Science," or "Scientific Misconduct," means, the fabrication, falsification, plagiarism, or other practices that seriously deviate from those that are commonly accepted within the scientific community for proposing, conducting, or reporting research. It does not include honest error or honest differences in interpretations or judgments of data. (42 CFR Part 50, Subpart A)

ARTICLE XVI - Governing Laws

This subcontract shall be governed by and construed in accordance with the laws of the Commonwealth of Pennsylvania.

(Use Disputes. Use Arbitration as alternative)

ARTICLE XVII – Disputes

Any and all claims, disputes or controversies arising under, out of, or in connection with this Agreement, which the parties shall be unable to resolve within sixty (60) days, shall be mediated in good faith. The party raising such dispute shall promptly advise the other party of such claim, dispute or controversy in a writing which describes in reasonable detail the nature of such dispute. By not later than five (5) business days after the recipient has received such notice of dispute, each party shall have selected for itself a representative who shall have the authority to bind such party, and shall additionally have advised the other party in writing of the name and title of such representative. By not later than ten (10) business days after the date of such notice of dispute, the party against whom the dispute shall be raised shall select a mediation firm in Pennsylvania and such representatives shall schedule a date with such firm for a mediation hearing not to exceed one (1) day in length, and less where applicable. The parties shall enter into good faith mediation and shall share the costs equally. If the representatives of the parties have not been able to resolve the dispute within fifteen (15) business days after such mediation hearing, the parties shall have the right to pursue any other remedies legally available to resolve such dispute in either the Courts of the Common Pleas of Centre County of Pennsylvania or in the United States District Court for the Middle District of Pennsylvania, to whose jurisdiction for such purposes Penn State and Subcontractor each hereby irrevocably consents and submits.

Notwithstanding the foregoing, nothing in this clause shall be construed to waive any rights or timely performance of any obligations existing under this Research Agreement.

OR Arbitration

A. Binding Arbitration. All controversies and/or disputes arising out of this subcontract shall be decided by a panel of three (3) arbitrators. Written notice of any dispute shall be given by the aggrieved party, clearly specifying the nature of the dispute and the relief requested, including the paragraph of this subcontract in question, if any. If the dispute cannot be amicably resolved (evidenced by writing signed by both parties) within thirty (30) days of such notice, either party may serve the other with a written demand for arbitration pursuant to this Article.

B. Procedure. Within fifteen (15) days of a demand for arbitration pursuant to Paragraph A, the parties shall each select one arbitrator of their choice, and the two arbitrators so selected shall choose the third arbitrator, who shall serve as the chairperson of the panel. Each party shall be responsible for the compensation of the arbitrator of their choice, and the cost of the third arbitrator shall be equally shared by the parties. All pre-hearing, hearing, and post-hearing procedures, including those for Disclosure and Challenge, shall be governed by the Commercial Arbitration Rules of the American Arbitration Association then in effect, except as modified in this subcontract. Unless otherwise agreed in writing by the parties, the sites of the arbitration proceedings pursuant to this Article shall be determined by the arbitrators, said decision to be based upon the convenience of the sites to all parties, and to be made within ten (10) days of final empanelment thereof. The arbitrators shall be bound to make specific findings of fact and reach conclusions of law, based upon the submissions and evidence of the parties, and shall issue a written decision explaining the basis for the decision and award.

C. Court Actions. During the pendency of any proceeding under Section A or B, above, neither party will commence any litigation relating to any dispute under this subcontract and any litigation commenced prior to commencement of any proceeding under Section A or B, above, shall be stayed pending the outcome thereof. The parties agree to fully abide by the terms of any arbitration award hereunder as final and binding. Judgment upon any award may be entered and enforced by either party in any court of competent jurisdiction.

D. Continued Performance. During the pendency of any proceeding under Section A or B, above, the Subcontractor further agrees to diligently proceed with the performance of this subcontract.

ARTICLE XVIII - Assignment and Subcontracting

Subcontractor shall not assign, transfer or subcontract its interest or obligations hereunder without the written consent of Penn State.

ARTICLE XIX - Supersedure

This subcontract supersedes and replaces any previous arrangements, oral or written, between the parties hereto pertaining to this subcontract.

ARTICLE XX - Changes

The conditions of this subcontract may be changed at any time by mutual agreement. Said changes shall be in the form of a duly executed amendment to this subcontract.

ARTICLE XXI - Review of Human Subjects in Research Projects (Use only for NIH Prime Awards)

The Subcontractor assures that adequate safeguards shall be taken whenever using human subjects in research projects and an institutional review committee composed of sufficient members with varying backgrounds to assure complete and adequate review of projects involving the use of human subjects has reviewed and approved the projects. The Subcontractor will abide by all applicable provisions of the U.S. Department of Health and Human Services regarding the use of human subjects. In the event human subjects are required under this subcontract and/or subsequent amendments, the Subcontractor shall forward to Penn State's Contracting Office its most recent institutional review committee written approval. If this Agreement is funded by the National Institutes of Health (NIH), the Subcontractor assures, by signing this Agreement, that all Subcontractor's personnel who are responsible for the design and conduct of projects involving human research participants have successfully completed their institutional training in accordance with the NIH Guide, Notice OD-00-039.

ARTICLE XXII - Review of Animal Welfare in Research Projects

The responsibility for the humane care and treatment of laboratory animals used in any research project supported under this subcontract rests with the Subcontractor. The Subcontractor shall comply with the Animal Welfare Act (Pub. L. No. 89-544, 1996, as amended, Pub. L. No. 91-579, Pub. L. No. 94-279, and Pub. L. No. 99-198, 7 U.S.C. 2131 et seq.) and the regulations promulgated thereunder by the Secretary of Agriculture in 9 CFR Parts 1, 2, 3 and 4. The Subcontractor hereby certifies that the project is in compliance with the Animal Welfare Act of 1966 and 9 CFR Subchapter A (Laboratory Animals), as amended; and is reviewed and approved by the Institutional Animal Care and Use Committee. In the event animal subjects are required under this subcontract and/or subsequent amendments, the Subcontractor shall forward to Penn State's Contracting Office its most recent institutional review committee written approval.

ARTICLE XXIII - Penn State Representation

Matters concerning compliance relative to performance of this subcontract should be directed to Penn State's Project Director at the following address:

Dr. _____
Project Director
The Pennsylvania State University

University Park, PA 16802
Telephone: (814) _____
Fax: (814) _____
Email: _____

Matters concerning the direction or negotiation of any changes in the terms, conditions or amounts cited in this subcontract should be directed to Penn State's Contracting Office, or his duly authorized representative, at the following address:

Mr. John Hanold, Associate Vice President for Research and Director of Sponsored Programs

As represented by:

(Your Name) _____
Negotiator

Office of Sponsored Programs
The Pennsylvania State University
110 Technology Center Building
University Park, PA 16802
Telephone: (814) 86 _____
Fax: (814) 86 _____
E-mail: _____

ARTICLE XXIV - Closeout Requirements

The following items, appended hereto as Attachment [REDACTED], are required for Subcontract Closeout and shall be submitted along with a Final Technical Report, if applicable, and a Final Statement of Costs Incurred or final invoice itemizing cumulative costs to the individuals identified in Attachment [REDACTED] not later than sixty (60) days after subcontract ending date:

- Subcontractor's Release
- Subcontractor's Assignment of Refunds, Rebates, Credits and Other Amounts
- Inventory of Property
- (Pick One Report of Inventions and Subcontracts or Final NASA Grantee Subcontractor New Technology Summary Report
- Single Audit Certification

Payment of Final Invoice shall be withheld pending receipt and acceptance of all Closeout Documents.

ARTICLE XXV - Conflict of Interest (For U. S. Government prime agreements only)

By signing this Agreement the Subcontractor certifies that the institution has an active and enforced Conflict of Interest policy which complies with the Government's guidelines. It also certifies that the relevant investigator(s) are in compliance with the Subcontractor's Conflict of Interest policy.

ARTICLE XXVI – Order of Precedence

If any conflicts or discrepancies should arise in the terms and conditions of this subcontract, or the interpretation thereof, the order of precedence for resolution shall be: (a) Section A; (b) Section B; and Section C.

ARTICLE XXVII – New Technology Reports (For use with NASA prime agreements only. Include the required NASA forms, which may be found at <https://invention.nasa.gov/assets/downloads/nf1679.pdf>)

The Subcontractor shall submit to Penn State's Contracting Office, NASA Form 1679 "Disclosure of Invention and New Technology (Including Software)" for each discovery of new technology individually, at the time of its discovery. If this subcontract is a multi-year award, the Subcontractor shall submit to Penn State's Contracting Office, NASA's "New Technology Summary Report" marked "interim". Final new technology reports will be submitted using NASA's "New Technology Summary Report", marked "final".

ARTICLE XXVIII – Federal Funding Accountability and Transparency Act (FFATA) (for use ONLY when Prime Award was issued on or after October 1, 2010 by a Federal Sponsor. Include the required FFATA form as an attachment to this subcontract.)

This subcontract is supported by federal funds and requires compliance with the Federal Funding Accountability and Transparency Act (FFATA or the Transparency Act). The purpose of the Transparency Act is to make information pertaining to the spending of federal funds available to the public. Reporting on Subcontractors is done by Penn State and must include information provided by the Subcontractor as captured in Attachment ___ of this subcontract. Subcontractor shall submit the completed FFATA form to Penn State’s Contracting Office.

ARTICLE XXIX – Background Check: Penn State Policy HR99 and Penn State Policy AD39 (use ONLY in subcontracts where either of the following apply: (1) the work being performed will require subcontractor's employees to work on University premises or who will represent the University at non-University locations and therefore subcontractor must comply with Policy HR99 regarding background checks; or (2) the work being performed will require interaction with minors and therefore the subcontractor must comply with policy AD39 for interaction with minors.)

Subcontractor agrees to follow all applicable Penn State policies, available for viewing at the following website: <http://guru.psu.edu/policies/>. In particular, since this Subcontract Agreement will require certain Subcontractor’s employees to work on Penn State premises or who will represent Penn State at non-Penn State locations; Subcontractor certifies that the Subcontractor’s Officer whose signature appears on this Subcontract Agreement has read the Penn State Policy HR99 – Background Check Process, and the Subcontractor has complied with all relevant aspects of Penn State Policy HR 99, found at the following website: <http://guru.psu.edu/policies/OHR/hr99.html>. Subcontractor hereby certifies that all employees and volunteers (paid or unpaid) who will work on Penn State premises or who will represent Penn State at non-Penn State locations have successfully passed background checks as specified in the Penn State Policy.

Subcontractor further agrees, that if Subcontractor’s work under this Subcontract Agreement involves **interaction with minors**, then Subcontractor’s Officer, whose signature appears on this Agreement, has read Penn State Policy AD39 – Minors Involved in University-Sponsored Programs or Programs Held at the University and/or Housed in University Facilities, found at the following website: <http://guru.psu.edu/policies/AD39.html>. Subcontractor hereby certifies that all employees and volunteers who will interact with minors have successfully passed background checks as specified in Penn State Policy.

SECTION B

Special Prime Agreement Provisions (Check One)

- _____ Special Provisions are not applicable.
- _____ Special Provisions are applicable. Please refer to Attachment _____, appended hereto.

SECTION C

General Provisions and/or Certifications (Check One)

- _____ General Provisions and Certifications are not applicable.
- _____ General Provisions and/or Certifications are applicable. Please refer to Attachment _____, appended hereto.

IN WITNESS WHEREOF, the parties have caused these presents to be executed in duplicate as of the day and year first above written.

By An Authorized Official of Penn State

By An Authorized Official of Subcontractor

Name: _____

Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

INVOICE NO:

DATE:

__ Interim __ Final

Subrecipient Phone #:

INVOICE PERIOD:

Subrecipient Fax:

Total Period of Performance

Subrecipient

EIN:

Subagreement #:

SEND TO: [Email or physical address of PSU Financial Contact\(s\)](#)

EXPENDITURE CATEGORY	CURRENT		CUMULATIVE	
	Expenses	Cost Sharing	Expenses	Cost Sharing
Salaries & Wages	\$	\$	\$	\$
Fringe	\$	\$	\$	\$
Materials and Supplies	\$	\$	\$	\$
Domestic Travel	\$	\$	\$	\$
Foreign Travel	\$	\$	\$	\$
Capital Equipment	\$	\$	\$	\$
Contractual	\$	\$	\$	\$
Tuition Remission	\$	\$	\$	\$
Other	\$	\$	\$	\$
Total Direct Costs	\$	\$	\$	\$
Indirect Costs (_____%)	\$	\$	\$	\$
Totals	\$0.00	\$0.00	\$0.00	\$0.00

Please Pay this
amount

By signing this report, I certify to the best of my knowledge and belief that the report is true, complete, and accurate, and the expenditures, disbursements and cash receipts are for the purposes and objectives set forth in the terms and conditions of the Federal award. I am aware that any false, fictitious, or fraudulent information, or the omission of any material fact, may subject me to criminal, civil or administrative penalties for fraud, false statements, false claims or otherwise. (U.S. Code Title 18, Section 1001 and Title 31, Sections 3729–3730 and 3801–3812).

 Signature

 Name

Title

Date

Make all checks payable to: (Subcontractor Name)

ADDRESSES FOR REPORTS DISTRIBUTION

<u>Report</u>	<u>Mail To</u>	<u>Copy To</u>
Progress Report	1	2 Note A
Final Report (Draft & Approved)	1	2 Note A
Monthly Invoices	3	
Final Invoices	3	
Subcontractor's Release	2	
Subcontractor's Assignment of Refunds, Rebates, Credits and Other Amounts	2	
Inventory of Property	2	
(Pick One) Report of Inventions and Subcontracts or NASA New Technology Summary Report/ New Technology Disclosure	2	1
Single Audit Certification	2	
1. Dr. Project Director The Pennsylvania State University University Park, Pennsylvania 16802 Telephone (814) 86 _____		
2. (Your Name) _____, Contracts and Proposals Specialist Office of Sponsored Programs The Pennsylvania State University 110 Technology Center Building University Park, Pennsylvania 16802 Telephone (814) 86 _____ FAX 814-86 _____ E-Mail: _____		
3. (Pick One) College Contact (from payment clause)		

Note A - The Subcontractor shall provide only a copy of the transmittal letters for satisfying this requirement of the Reports Distribution.

CLOSEOUT DOCUMENTS

SUBCONTRACTOR'S RELEASE

Prime Award No. _____

Subcontract No. _____

Pursuant to the terms of Subcontract No. _____ and in consideration of the sum of _____ which has been or is to be paid under the said subcontract to _____ (hereinafter called the Subcontractor) or to its assignees, if any, the Subcontractor upon payment of the said sum by The Pennsylvania State University, University Park, Pennsylvania (hereinafter called the Contractor) does remise, release, and discharge the Contractor, its officers, agents and employees, of and from all liabilities, obligations, claims, and demands whatsoever under or arising from the said subcontract, except:

1. Specified claims in stated amounts or in estimated amounts where the amounts are not susceptible of exact statement by the Subcontractor, as follows:
2. Claims, together with reasonable expenses incidental thereto, based upon the liabilities of the Subcontractor to third parties arising out of the performance of the said subcontract, which are not known to the Subcontractor on the date of the execution of this release and of which the Subcontractor gives notice in writing to the Contractor within the period specified in the said subcontract.
3. Claims for reimbursement of costs (other than expenses of the Subcontractor by reason of its indemnification of the Contractor against patent liability), including reasonable expenses incidental thereto, incurred by the Subcontractor under the provisions of the said subcontract relating to patents.

The Subcontractor agrees, in connection with patent matters and with claims which are not released as set forth above, that it will comply with all of the provisions of the said subcontract, including without limitation those provisions relating to notification to the Contractor and relating to the defense or prosecution of litigation.

IN WITNESS WHEREOF, this release has been executed this ____ day of _____, 20__.

SUBCONTRACTOR _____

By _____

Title _____

CERTIFICATE

I, _____, certify that I am the _____ of the corporation named as Subcontractor in the foregoing release; that _____ who signed said release on behalf of the Subcontractor was then _____ of said corporation; that said release was duly signed for and in behalf of said corporation by authority of its governing body and is within the scope of its corporate powers.

**SUBCONTRACTOR'S ASSIGNMENT OF REFUNDS, REBATES,
CREDITS AND OTHER AMOUNTS**

Prime Award No. _____

Subcontract No. _____

Pursuant to the terms of the subcontract in consideration of the reimbursement of costs and payment of fee, as provided in the said subcontract and any assignment thereunder, the _____ (hereinafter called the Subcontractor) does hereby:

1. Assign, transfer, set over and release to The Pennsylvania State University, University Park, Pennsylvania (hereinafter called the Contractor), all right, title and interest to all refunds, rebates, credits or other amounts (including interest thereon) arising out of the performance of the said subcontract, together with all the rights of action accrued or which may hereafter accrue thereunder.

2. Agree to take whatever action may be necessary to effect prompt collection of all refunds, rebates, credits or other amounts (including any interest thereon) due or which may become due, and to promptly forward to the Contractor checks (made payable to The Pennsylvania State University, University Park, Pennsylvania) for any proceeds so collected. The reasonable costs of any such action to effect collection shall constitute allowable costs when approved by the Contractor as stated in the said subcontract and may be applied to reduce any amount otherwise payable to the Contractor under the terms hereof.

3. Agree to cooperate fully with the Contractor as to any claim or suit in connection with refunds, rebates, credits or other amounts due (including any interest thereon); to execute any protest, pleading, application, power of attorney or other papers in connection therewith; and to permit the Contractor to represent it at any hearing, trial or other proceeding arising out of such claim or suit.

IN WITNESS WHEREOF, this assignment has been executed this ____ day of _____, 20__.

Subcontractor _____

By _____

Title _____

CERTIFICATE

I, _____, certify that I am the _____ of the corporation named as Subcontractor in the foregoing release; that _____ who signed said release on behalf of the Subcontractor was then _____ of said corporation; that said release was duly signed for and in behalf of said corporation by authority of its governing body and is within the scope of its corporate powers.

SINGLE AUDIT CERTIFICATION

Subcontractor Name:

Subcontract No.:

The undersigned, being an authorized financial officer of the referenced Subcontractor, hereby certifies that:

_____ The Subcontractor's total Federal expenditures for fiscal year ending _____ do not exceed \$750,000.00 a fiscal year. The Subcontractor is exempt from Federal Audit requirements for the subcontract Period of Performance.

_____ The Subcontractor has had a Single Audit for fiscal year ending _____ and has not been informed of any instances of non-compliance with federal laws and regulations that have a direct bearing on this subcontract. A COPY OF THE SUBCONTRACTOR'S WRITTEN NOTIFICATION AS PROMULGATED IN 2 CFR 200.512 IS ATTACHED.

_____ The Subcontractor has had a Single Audit for fiscal year ending _____ and has been informed of instances of non-compliance with federal laws and regulations that have a direct bearing on this subcontract. COPIES OF THE SUBCONTRACTOR'S WRITTEN NOTIFICATION AND REPORTING PACKAGE AS PROMULGATED IN 2 CFR 200.512 IS ATTACHED.

_____ The Subcontractor has not yet completed a Single Audit for fiscal year ending _____. The audit is to be completed by _____. A COPY OF THE SUBCONTRACTOR'S WRITTEN NOTIFICATION AND, IF APPLICABLE, THE REPORTING PACKAGE WILL BE FORWARDED TO PENN STATE WHEN AVAILABLE.

Typed Name and Title

Date

Signature

THE PENNSYLVANIA STATE UNIVERSITY

INVENTORY OF PROPERTY
FOR

SUBCONTRACT NO. _____

PRIME CONTRACT NO. _____

FROM _____ TO _____

Please check whether property was acquired under the above referenced Subcontract. If property was acquired, please complete the requested information below.

_____ **NO Property was acquired under this Subcontract.**

_____ **YES Property was acquired under this Subcontract.**
Please complete the information requested below.

<u>Description</u>	<u>Manufacturer</u>	<u>Model Number</u>	<u>Serial Number</u>	<u>Date Purchased</u>	<u>Dollar Amount</u>
--------------------	---------------------	---------------------	----------------------	-----------------------	----------------------

Signature

Title

Date

PENNSSTATE



Office of Sponsored Programs
110 Technology Center Building
University Park, PA 16802-7000

SUBCONTRACT CLEARANCE

Date:

Prime Agreement

From:

Original OSP No. _____

Re: Subcontract Number:

Subcontractor:

Prime Sponsor:

Project Director(s):

Budget/Fund: _____ / _____

*“Subcontractor Certifications” applicable, Yes or No?
If yes, please note Attachment _____.*

<input type="checkbox"/>	Standard Agreement under FNG02(A)
<input type="checkbox"/>	Delegation Authority

RISK MANAGEMENT

- _____ Standard University Clause - No review required.
- _____ Non-typical clause - Please review and sign below.
- _____ Non-typical Clause - _____ has previously reviewed this clause on _____ and approved same.
- _____ Certificate of Insurance will be requested.

OSP

The attached commits \$0
for the period to

Recommend signature.

Negotiator

Signature Date

Comments:	
Approved by _____	Date _____
____ Associate Director signing another signator’s name on award.	

Log No.: 169808

Session ID: 18411755

SUBCONTRACTOR'S RELEASE

Prime Award No. _____
Subcontract No. _____

Pursuant to the terms of Subcontract No. _____ and in consideration of the sum of _____ which has been or is to be paid under the said subcontract to _____ (hereinafter called the Subcontractor) or to its assignees, if any, the Subcontractor upon payment of the said sum by The Pennsylvania State University, University Park, Pennsylvania (hereinafter called the Contractor) does remise, release, and discharge the Contractor, its officers, agents and employees, of and from all liabilities, obligations, claims, and demands whatsoever under or arising from the said subcontract, except:

1. Specified claims in stated amounts or in estimated amounts where the amounts are not susceptible of exact statement by the Subcontractor, as follows:
2. Claims, together with reasonable expenses incidental thereto, based upon the liabilities of the Subcontractor to third parties arising out of the performance of the said subcontract, which are not known to the Subcontractor on the date of the execution of this release and of which the Subcontractor gives notice in writing to the Contractor within the period specified in the said subcontract.
3. Claims for reimbursement of costs (other than expenses of the Subcontractor by reason of its indemnification of the Contractor against patent liability), including reasonable expenses incidental thereto, incurred by the Subcontractor under the provisions of the said subcontract relating to patents.

The Subcontractor agrees, in connection with patent matters and with claims which are not released as set forth above, that it will comply with all of the provisions of the said subcontract, including without limitation those provisions relating to notification to the Contractor and relating to the defense or prosecution of litigation.

IN WITNESS WHEREOF, this release has been executed this ____ day of _____, 20__.

SUBCONTRACTOR _____

By _____

Title _____

CERTIFICATE

I, _____, certify that I am the _____ of the corporation named as Subcontractor in the foregoing release; that _____ who signed said release on behalf of the Subcontractor was then _____ of said corporation; that said release was duly signed for and in behalf of said corporation by authority of its governing body and is within the scope of its corporate powers.

**SUBCONTRACTOR'S ASSIGNMENT OF REFUNDS, REBATES,
CREDITS AND OTHER AMOUNTS**

Prime Award No. _____

Subcontract No. _____

Pursuant to the terms of the subcontract in consideration of the reimbursement of costs and payment of fee, as provided in the said subcontract and any assignment thereunder, the _____ (hereinafter called the Subcontractor) does hereby:

1. Assign, transfer, set over and release to The Pennsylvania State University, University Park, Pennsylvania (hereinafter called the Contractor), all right, title and interest to all refunds, rebates, credits or other amounts (including interest thereon) arising out of the performance of the said subcontract, together with all the rights of action accrued or which may hereafter accrue thereunder.
2. Agree to take whatever action may be necessary to effect prompt collection of all refunds, rebates, credits or other amounts (including any interest thereon) due or which may become due, and to promptly forward to the Contractor checks (made payable to The Pennsylvania State University, University Park, Pennsylvania) for any proceeds so collected. The reasonable costs of any such action to effect collection shall constitute allowable costs when approved by the Contractor as stated in the said subcontract and may be applied to reduce any amount otherwise payable to the Contractor under the terms hereof.
3. Agree to cooperate fully with the Contractor as to any claim or suit in connection with refunds, rebates, credits or other amounts due (including any interest thereon); to execute any protest, pleading, application, power of attorney or other papers in connection therewith; and to permit the Contractor to represent it at any hearing, trial or other proceeding arising out of such claim or suit.

IN WITNESS WHEREOF, this assignment has been executed this ____ day of _____, 20__.

Subcontractor _____

By _____

Title _____

CERTIFICATE

I, _____, certify that I am the _____ of the corporation named as Subcontractor in the foregoing release; that _____ who signed said release on behalf of the Subcontractor was then _____ of said corporation; that said release was duly signed for and in behalf of said corporation by authority of its governing body and is within the scope of its corporate powers.

SINGLE AUDIT CERTIFICATION

Subcontractor Name:

Subcontract No.:

The undersigned, being an authorized financial officer of the referenced Subcontractor, hereby certifies that:

_____ The Subcontractor's total Federal expenditures for fiscal year ending _____ do not exceed \$750,000.00 a fiscal year. The Subcontractor is exempt from Federal Audit requirements for the subcontract Period of Performance.

_____ The Subcontractor has had a Single Audit for fiscal year ending _____ and has not been informed of any instances of non-compliance with federal laws and regulations that have a direct bearing on this subcontract. A COPY OF THE SUBCONTRACTOR'S WRITTEN NOTIFICATION AS PROMULGATED IN 2 CFR 200.512 IS ATTACHED.

_____ The Subcontractor has had a Single Audit for fiscal year ending _____ and has been informed of instances of non-compliance with federal laws and regulations that have a direct bearing on this subcontract. COPIES OF THE SUBCONTRACTOR'S WRITTEN NOTIFICATION AND REPORTING PACKAGE AS PROMULGATED IN 2 CFR 200.512 IS ATTACHED.

_____ The Subcontractor has not yet completed a Single Audit for fiscal year ending _____. The audit is to be completed by _____. A COPY OF THE SUBCONTRACTOR'S WRITTEN NOTIFICATION AND, IF APPLICABLE, THE REPORTING PACKAGE WILL BE FORWARDED TO PENN STATE WHEN AVAILABLE.

Typed Name and Title

Date

Signature

THE PENNSYLVANIA STATE UNIVERSITY

INVENTORY OF PROPERTY
FOR

SUBCONTRACT NO. _____

PRIME CONTRACT NO. _____

FROM _____ TO _____

Please check whether property was acquired under the above referenced Subcontract. If property was acquired, please complete the requested information below.

_____ **NO Property was acquired under this Subcontract.**

_____ **YES Property was acquired under this Subcontract.**
Please complete the information requested below.

<u>Description</u>	<u>Manufacturer</u>	<u>Model Number</u>	<u>Serial Number</u>	<u>Date Purchased</u>	<u>Dollar Amount</u>
--------------------	---------------------	---------------------	----------------------	-----------------------	----------------------

Signature

Title

Date

REPORT OF INVENTIONS AND SUBCONTRACTS <i>(Pursuant to "Patent Rights" Contract Clause) (See Instructions on back)</i>							Form Approved OMB No. 9000-0095 Expires Oct 31, 2004					
The public reporting burden for this collection of information is estimated to average 1 hour per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing the burden, to Department of Defense, Washington Headquarters Services, Directorate for Information Operations and Reports (9000-0095), 1215 Jefferson Davis Highway, Suite 1204, Arlington, VA 22202-4302. Respondents should be aware that notwithstanding any other provision of law, no person shall be subject to any penalty for failing to comply with a collection of information if it does not display a currently valid OMB control number.												
PLEASE DO NOT RETURN YOUR COMPLETED FORM TO THIS ADDRESS. RETURN COMPLETED FORM TO THE CONTRACTING OFFICER.												
1.a. NAME OF CONTRACTOR/SUBCONTRACTOR			c. CONTRACT NUMBER		2.a. NAME OF GOVERNMENT PRIME CONTRACTOR			c. CONTRACT NUMBER				
b. ADDRESS <i>(Include ZIP Code)</i>			d. AWARD DATE <i>(YYYYMMDD)</i>		b. ADDRESS <i>(Include ZIP Code)</i>			d. AWARD DATE <i>(YYYYMMDD)</i>		3. TYPE OF REPORT <i>(X one)</i>		
										a. INTERIM	b. FINAL	
4. REPORTING PERIOD <i>(YYYYMMDD)</i>												
a. FROM												
b. TO												
SECTION I - SUBJECT INVENTIONS												
5. "SUBJECT INVENTIONS" REQUIRED TO BE REPORTED BY CONTRACTOR/SUBCONTRACTOR <i>(If "None," so state)</i>												
NAME(S) OF INVENTOR(S) <i>(Last, First, Middle Initial)</i> a.		TITLE OF INVENTION(S) b.			DISCLOSURE NUMBER, PATENT APPLICATION SERIAL NUMBER OR PATENT NUMBER c.		ELECTION TO FILE PATENT APPLICATIONS <i>(X)</i> d.					
							(1) UNITED STATES		(2) FOREIGN		CONFIRMATORY INSTRUMENT OR ASSIGNMENT FORWARDED TO CONTRACTING OFFICER <i>(X)</i> e.	
							(a) YES	(b) NO	(a) YES	(b) NO		
f. EMPLOYER OF INVENTOR(S) NOT EMPLOYED BY CONTRACTOR/SUBCONTRACTOR												
(1) (a) NAME OF INVENTOR <i>(Last, First, Middle Initial)</i>			(2) (a) NAME OF INVENTOR <i>(Last, First, Middle Initial)</i>			(1) TITLE OF INVENTION			(2) FOREIGN COUNTRIES OF PATENT APPLICATION			
(b) NAME OF EMPLOYER			(b) NAME OF EMPLOYER									
(c) ADDRESS OF EMPLOYER <i>(Include ZIP Code)</i>			(c) ADDRESS OF EMPLOYER <i>(Include ZIP Code)</i>									
SECTION II - SUBCONTRACTS <i>(Containing a "Patent Rights" clause)</i>												
6. SUBCONTRACTS AWARDED BY CONTRACTOR/SUBCONTRACTOR <i>(If "None," so state)</i>												
NAME OF SUBCONTRACTOR(S) a.		ADDRESS <i>(Include ZIP Code)</i> b.		SUBCONTRACT NUMBER(S) c.		FAR "PATENT RIGHTS" d.		DESCRIPTION OF WORK TO BE PERFORMED UNDER SUBCONTRACT(S) e.		SUBCONTRACT DATES <i>(YYYYMMDD)</i> f.		
						(1) CLAUSE NUMBER	(2) DATE <i>(YYYYMM)</i>			(1) AWARD	(2) ESTIMATED COMPLETION	
SECTION III - CERTIFICATION												
7. CERTIFICATION OF REPORT BY CONTRACTOR/SUBCONTRACTOR <i>(Not required if: (X as appropriate))</i>					SMALL BUSINESS or		NONPROFIT ORGANIZATION					
I certify that the reporting party has procedures for prompt identification and timely disclosure of "Subject Inventions," that such procedures have been followed and that all "Subject Inventions" have been reported.												
a. NAME OF AUTHORIZED CONTRACTOR/SUBCONTRACTOR OFFICIAL <i>(Last, First, Middle Initial)</i>			b. TITLE			c. SIGNATURE		d. DATE SIGNED				

DD FORM 882 INSTRUCTIONS

GENERAL

This form is for use in submitting INTERIM and FINAL invention reports to the Contracting Officer and for use in reporting the award of subcontracts containing a "Patent Rights" clause. If the form does not afford sufficient space, multiple forms may be used or plain sheets of paper with proper identification of information by item number may be attached.

An INTERIM report is due at least every 12 months from the date of contract award and shall include (a) a listing of "Subject Inventions" during the reporting period, (b) a certification of compliance with required invention identification and disclosure procedures together with a certification of reporting of all "Subject Inventions," and (c) any required information not previously reported on subcontracts containing a "Patent Rights" clause.

A FINAL report is due within 6 months if contractor is a small business firm or domestic nonprofit organization and within 3 months for all others after completion of the contract work and shall include (a) a listing of all "Subject Inventions" required by the contract to be reported, and (b) any required information not previously reported on subcontracts awarded during the course of or under the contract and containing a "Patent Rights" clause.

While the form may be used for simultaneously reporting inventions and subcontracts, it may also be used for reporting, promptly after award, subcontracts containing a "Patent Rights" clause.

Dates shall be entered where indicated in certain items on this form and shall be entered in six or eight digit numbers in the order of year and month (YYYYMM) or year, month and day (YYYYMMDD). Example: April 1999 should be entered as 199904 and April 15, 1999 should be entered as 19990415.

1.a. Self-explanatory.

1.b. Self-explanatory.

1.c. If "same" as Item 2.c., so state.

1.d. Self-explanatory.

2.a. If "same" as Item 1.a., so state.

2.b. Self-explanatory.

2.c. Procurement Instrument Identification (PII) number of contract (DFARS 204.7003).

2.d. through 5.e. Self-explanatory.

5.f. The name and address of the employer of each inventor not employed by the contractor or subcontractor is needed because the Government's rights in a reported invention may not be determined solely by the terms of the "Patent Rights" clause in the contract.

Example 1: If an invention is made by a Government employee assigned to work with a contractor, the Government rights in such an invention will be determined under Executive Order 10096.

Example 2: If an invention is made under a contract by joint inventors and one of the inventors is a Government employee, the Government's rights in such an inventor's interest in the invention will also be determined under Executive Order 10096, except where the contractor is a small business or nonprofit organization, in which case the provisions of 35 U.S.C. 202(e) will apply.

5.g.(1) Self-explanatory.

5.g.(2) Self-explanatory with the exception that the contractor or subcontractor shall indicate, if known at the time of this report, whether applications will be filed under either the Patent Cooperation Treaty (PCT) or the European Patent Convention (EPC). If such is known, the letters PCT or EPC shall be entered after each listed country.

6.a. Self-explanatory.

6.b. Self-explanatory.

6.c. Self-explanatory.

6.d. Patent Rights Clauses are located in FAR 52.227.

6.e. Self-explanatory.

6.f. Self-explanatory.

7. Certification not required by small business firms and domestic nonprofit organizations.

7.a. through 7.d. Self-explanatory.

PENNSSTATE



Unit Address:

DATE:

FROM:

TO: Office of Sponsored Programs, Subcontract Administration

SUBJ: Certification of Completion of Technical Performance on Subcontract No. _____ with _____ (Subcontractor) under Prime Grant/Contract No. _____ from _____ (Sponsor).

The undersigned hereby certifies the following:

1. The final invoice has been submitted by the Subcontractor and has been approved by the Principal Investigator/Project Director.
2. The Subcontractor has completed technical performance and the final report has been received. No continued effort will be required.

Principal Investigator/Project Director

Date

Signature

SUBCONTRACT CLOSEOUT CHECKLIST

Subcontractor: _____

Subcontract No.: _____

as Modified by Amendments Numbered through _____

Period of Performance: _____ through _____

Date of Closeout Completion: _____

ACTION ITEMS	Requested	Received	Accepted
Subcontractor's Release			
Subcontractor's Assignment of Refunds, Rebates, Credits and Other Amounts			
Subcontractor Single Audit			
Inventory of Property			
Report of Inventions and Subcontracts			
Certification of Technical Completion			
Price Revision			
Lower-Tier Subcontracts Settled by Subcontractor			
Interim and/or Disallowed Costs Settled			
Indirect Cost Rate			
Assist Audit			
Other (Specify):			

Signature (sign only upon completion of all required actions)

Date

**PSSUB Closeout
Desk Review Worksheet**

Instructions found here: H:\PS SUBS\Closeout Information\Desk Review Worksheet Instructions

Subrecipient Name _____ Subaward/Subcontract No. _____

Questionnaire (Any answer with an asterisk requires further comments.)

1. Subrecipient Review

- A. Has Single Audit Report or Audited Financial Statement been reviewed? Yes _____ No _____ *
- B. Are there any known systems deficiencies or pending/recurring audit problems? Yes _____ * No _____
- C. Have F&A rates been finalized? N/A _____ Yes _____ No _____ *
- If no, does Quick Closeout apply? N/A _____ Yes _____ No _____

2. Subaward/Subcontract Review

- A. Funded Amount = _____ (total project cost)
- B. Cumulative Vouchered Amount: _____ = _____ (total project costs) - _____ (unspent funds)
- C. Performance Period: _____ to _____
- D. Are costs outside the performance period? Yes _____ * No _____
- E. Has Technical effort been accepted? Yes _____ No _____ *
- F. Did subaward/subcontract require cost sharing?
(a.) If yes, was the cost sharing requirement met and indicated on the final invoice? Yes _____ No _____ *
- G. Were all special cost provisions met? (i.e., level of effort, travel, equipment, etc.) N/A _____ Yes _____ No _____ *
- H. Any significant deviations of incurred costs from approved/negotiated budget (see Page 2 for comparison)
(a.) If yes, were prior approvals/consents obtained as required? N/A _____ Yes _____ * No _____
- I. Have all administrative reports/requirements been accepted? (see closeout checklist) Yes _____ No _____ *
- J. Is the final voucher complete, with proper related documents? Yes _____ No _____ *
- K. Was the proper F&A rate(s) utilized? N/A _____ Yes _____ No _____ *

3. Comments:

4. Conclusions: Costs of _____ are recommended as allowable.

Costs of _____ are considered unallowable.

Reviewed by: _____

Date: _____

COST REVIEW (for Cost Reimbursement-Type Subawards or Subcontracts)

Comparison of Incurred Cost to Approved Budget

<u>Cost Element</u>	<u>Approved Budget*</u>	<u>Approved Cost Share</u>	<u>Incurred Cost**</u>	<u>Incurred Cost Share</u>	<u>Variance***</u>	<u>Cost Share Variance****</u>
Salaries/Wages					\$ -	\$ -
Fringe Benefits					\$ -	\$ -
Tuition Remission					\$ -	\$ -
Materials & Supplies					\$ -	\$ -
Consultants					\$ -	\$ -
Equipment					\$ -	\$ -
Computer Costs					\$ -	\$ -
Travel						
- Domestic					\$ -	\$ -
- Foreign					\$ -	\$ -
Subcontracts					\$ -	\$ -
Publications					\$ -	\$ -
Other Direct Costs					\$ -	\$ -
Total Direct Costs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Indirect Costs					\$ -	\$ -
Total Project Costs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Comments: Variances are within acceptable Limits? Yes ___ No ___

Other:

- * Approved Budget - Initial cost submitted by subrecipient and approved and made a part of the subaward/subcontract.
- ** Incurred Cost -- Actual Total cumulative final costs incurred by Subrecipient.
- *** Variance - Difference between "incurred cost" and "approved costs"
- **** Cost Share Variance - Difference between "incurred cost share" and "approved cost share".

**PSSUB Closeout
Desk Review Worksheet
INSTRUCTIONS**

Upon receipt of Subrecipient's final invoice, the College forwards a copy to OSP, along with a completed Certification of Completion of Technical Performance. The Sub Coordinator assigns the request for approval of release of final payment and/or closeout to the appropriate negotiator. As closeout documents are received, the forms are reviewed by the Sub Coordinator for completion. The Sub Coordinator shall follow-up, via telephone or e-mail, with the Subrecipient for delinquent closeout documents on a monthly basis. In the event all requested closing forms are not received from the Subrecipient, the Subcontract Coordinator/Negotiator shall determine if the requested closing papers are required for Administrative Closeout using the following criteria:

- Report of Inventions and Subcontracts: Per 37 CFR 401.14 proceed with closeout if DD882 is not received within two months after forwarding closing papers to the Subcontractor. (If in a subcontract, the DD882 is identified as a required document in Attachment IV, PSU is contractually obligated to receive the DD882 form from the Subcontractor.) *Also reference 2.1. on page 2.*

When required closeout documentation is received and the subrecipient has been reviewed for audit compliance, the Sub Coordinator assigns to the appropriate Negotiator. The Negotiator completes the Subaward/Subcontract Closeout Checklist and the Desk Review Worksheet to close the subagreement. What follows are instructions for completing the Desk Review Worksheet:

Section 1. Subrecipient Review

Items 1.A. and 1.B. are completed by the Sub Coordinator prior to Negotiator's receipt of closeout file. Negotiator should not release final payment or close until any A-133/audited financial statements are received and any related concerns are resolved.

1.C. – Identify if F&A has been finalized to date (predetermined or fixed rates are considered final for this purpose)

- If "N/A" or "Yes", indicate as such.
- If "No", document in Comments section (bottom of worksheet) how closeout was finalized in terms of F&A. For example, note "Rates still provisional but all funds spent and approved, as rate applies throughout entire project period".

Section 2. Subagreement Review

2.A. – Total \$\$\$ amount funded (includes basic award and any subsequent amendments).

2.B. – Actual total amount of costs incurred for entire project period.

2.C. - Start date of basic award through end date of last amendment, if any (XX/XX/XXXX – XX/XX/XXXX).

2.D. – Invoiced amount outside of period of performance identified in item 2.C.

2.E. – Certificate of Technical Completion comes from College and is signed by the PI. This certificate informs the negotiator that the subrecipient performed in accordance with their Scope of Work.

2.F. – Check basic subagreement and amendment budgets to see if cost sharing was identified. If so, check “Yes” and go to item 2.F.(a.). If no, check “No” and go to item 2.G.

2.F.(a.) – If cost sharing is required, verify approved cost sharing in Subrecipient budget against costs sharing shown on final invoice. NOTE: If cost sharing is committed in subagreement, cost sharing must be shown as part of the final invoice and the Negotiator needs to reconcile cost sharing as part of the Cost Review page of the Desk Review Worksheet.

2.G. – If Special Provisions apply (e.g. special reporting requirements or preapproval of subrecipient’s travel), “Yes” means provisions were met. “No” means provisions were not met and negotiator may need to pursue additional information from the College or Subrecipient.

2.H. – “Yes” means that significant deviations (as defined by prime or subagreement) were noted when performing the comparison of costs. Deviation should be documented in Comments section and how/if resolved. “No” means that no significant deviations in spending were noted. “N/A” means re-appropriation was allowable without restriction (e.g., FDP).

2.I. – (Also reference first paragraph on page 1 of Instructions) Review the administrative reporting requirements specified in the subagreement, in other words, what did we ask for? (Examples: A-133 certification, DD882, etc.) And, do we have what we need? If “Yes”, it is ok to proceed. If “No”, negotiator should work with Sub Coordinator (Michelle) to request reports and other required documents from the subrecipient.

NOTE: We cannot withhold payment for reports not received unless specified as a requirement for payment in the actual subagreement (Per OMB A-110). Also, we cannot close out the subagreement until all required reports are received or current date is beyond 60 reporting period. However, we can release final payment upon completion of the cost review and technical release.

2.J. – Final Voucher = Final Cumulative Invoice, as received in accordance with Articles 2 & 3 of the basic Research Subaward Agreement (or Article 5 of the Penn State Subcontract). The final invoice will need to meet the specifications identified in these articles in order for the cost review to take place: 1. Must be marked “Final”; 2. Must show all actual cumulative costs incurred for the entire project period, not just the period being invoiced, INCLUDING COST SHARING; and 3. Must be signed and certified by an authorized representative.

2. K. – See Section 1.C. - Rates may be provisional but may still apply. Verify F&A rate is in accordance with the subrecipient’s negotiated rate for the period covered by Subagreement and noted on invoice, and in accordance with what was proposed and approved by PSU. Negotiators

should check PSSUB backup documents to verify rate(s) applied initially and with all subsequent amendment(s). *See Quick Closeout procedure below.*

Section 3. Comments – Comments related to Sections 1 & 2 should be reflected here. Additional pages can be attached and kept with file, if necessary.

Section 4. Conclusions – “Costs of \$_____ are recommended as allowable.” should be the total amount of approved costs paid. For example: If funded amount = \$100K, but only \$50K was spent (and cost review was completed with verification of \$50K spent), conclusions would be: “Costs of \$50K are recommended as allowable. Costs of \$0 are considered unallowable.” *Note: The remaining \$50K unspent is re-appropriated as required by the prime sponsor.*

“Reviewed by:” Negotiator’s name here, only when closeout is complete.

NOTE 1: Negotiators can partially complete the forms for cost review and release of final payment. Neither the Desk Review Worksheet nor the Sub Closeout Checklist should be signed by the negotiator until both release of final payment and closeout are complete.

NOTE 2: If no other closeout documents are required at time of completion of the Desk Review Worksheet by the negotiator, the file can be returned to the Sub Coordinator for completion of formal closeout. (Negotiator should add an update to SIMS similar to the following: “File to Michelle for formal closeout. No further documents required.”)

NOTE 3: If additional closeout documents are still required at time of completion of the Desk Review Worksheet by the negotiator, the file should be returned to the Sub Coordinator for follow up. (Negotiator should add an update to SIMS similar to the following: “File to Michelle for remaining closeout documents: [list].”) Once all required closeout documents are received, the file is forwarded to the appropriate negotiator for completion/signature.

Quick Closeout:

When Subrecipient’s F&A rate is provisional throughout the period of the subagreement, and the final invoice for cumulative costs is less than the total funded amount, it is necessary to follow the quick closeout procedures similar to those prescribed under FAR 42.708 (<https://www.acquisition.gov/far/html/Subpart%2042.7.html>).

For subawards, this means that you will need to receive verification, in writing, from the subrecipient, that the final invoice is, in fact, final and that the F&A rate(s) applied to the final cumulative invoice is/are final.

Revised 7-7-15

PENNSYLVANIA STATE UNIVERSITY



OFFICE OF SPONSORED PROGRAMS
**John W. Hanold, Associate Vice President
 for Research, Director of Sponsored Programs**

(814) 865-1372
 FAX (814) 865-3377
 E-MAIL: OSP@PSU.EDU

110 Technology Center
 The Pennsylvania State University
 University Park PA 16802-7000

Date:

To: Memorandum to File, Research Accounting

From: J. Hanold, Office of Sponsored Programs

Subj: Closing Statement for Subcontract No. _____ with Booz Allen Hamilton Inc. under Prime Contract No. _____ awarded to The Pennsylvania State University by (OSP # _____).

The subject subcontract provided for a research program entitled "_____." The awarded estimated cost was \$ _____ with a period of performance from _____ through _____. All provisions of the subcontract, including administrative and technical reporting requirements have been met.

The cumulative amount invoiced and claimed under this subcontract is \$ _____ with and unspent balance of \$ _____. An examination of the proposal and award documents has been made and compared to those costs claimed for reimbursement under the subcontract. No significant deviations in the cost elements were present and therefore, no exceptions are taken with any of the claimed costs. There are no known systems deficiencies or recurring audit problems with this subcontractor that we have been made aware. Any prior approvals, which may have been required, were obtained as needed.

Based upon final review, we have concluded that claimed costs are allowable and reasonable and are therefore considered allowable under the terms and conditions of the subject subcontract. This Closing Statement shall serve in lieu of a Subcontract Closeout Audit Report.

John W. Hanold
 Associate Vice President for Research,
 Director of Sponsored Programs

cc: Subcontract File
 (OSP # _____)