

## Guidelines For Subcontracting On Sponsored Projects

These guidelines describe the process to be followed in subcontracting to another institution or firm on sponsored projects and set forth the responsibilities for certain actions that may be required in the administration of subcontracts. This complete packet consists of the following:

1. Guidelines for Subcontracting on Sponsored Projects
2. Instructions for Completing the Subcontract Agreement
3. Subcontract Approval Form

### Definition of a Subcontract

A subcontract, as discussed in these guidelines, shall mean an agreement entered into with another institution or private firm for the performance of work that is directly related to the furtherance of the scope of work of a sponsored project awarded to the University. The subcontractor is an independent contractor responsible for completion of the work described in the subcontract. These guidelines do not cover contracts with individuals, typically arranged as consulting agreements, contracts not related to sponsored projects, or purchase orders and contracts issued for supplies, services and equipment.

### Use of a Subcontract

It is the responsibility of the principal investigator to determine when it is appropriate to subcontract a portion of the work on a Sponsored Project. The principal investigator is responsible for obtaining a proposal from the subcontractor that contains a work statement and budget. An authorized official of the subcontractor must approve the subcontractor's proposal. Prime contract terms are incorporated into a subcontract agreement. The principal investigator is responsible for coordinating timing, payment, deliverables and other performance requirements of the subcontract to ensure performance by Chicago State University under the prime agreement/award.

### Approval Requirements

Most sponsoring agencies require prior approval before subcontracting any project efforts. If a subcontract was not included in the original award, contact the Office of Sponsored Programs to determine what approvals are required by the sponsoring agency before committing to a subcontract.

## **Procedure for Subcontracting**

Note that all terms of the sub-contractual arrangement must adhere to all requirements in the prime award.

Once prior approval for subcontracting is received the principal investigator or his/her department should prepare (3) copies of the CSU STANDARD SUBCONTRACT AGREEMENT and route them, with a CSU SUBCONTRACT APPROVAL FORM, to the Office of Sponsored Programs for review and approval. The subcontract should contain a budget sufficient detail to determine the cost that will be reimbursed by the University. The CSU Standard Subcontract Agreement is appropriate for use in most situations.

If you believe, however, that the Standard Subcontract Agreement will not meet your requirements, you should contact the Director; who will work with you to develop a customized Subcontract Agreement to satisfy your needs.

**The OSP will have the subcontract executed on behalf of the Board of the Trustees of Chicago State University and sent it to the other party (subcontractor) for signature(s). If the subcontractor has concerns about the form, they should contact the Director in the OSP. Please note that only the Office of Sponsored Programs has the authority to negotiate the terms of the subcontract.**

When the subcontract has been fully executed, the OSP will return a copy to the principal investigator's department and establish an obligation on the sponsored project account in the amount of the subcontract.

## **Payments to Subcontractor**

Invoices received from subcontractors will be directed to the principal investigators department for review and approval. The department is responsible for determining if the charges invoiced by the subcontractor are appropriate to the services performed and are allowable within the sponsor's rules and regulations. The charges contained on the invoice should be compared with the subcontract budget to determine if the level of expenditures and charges are reasonable in accordance with the work performed by the subcontractor.

If the department is unsure of the allow ability of a charge, the Office of Sponsored Programs x3598 should be consulted. As a general rule, sponsors apply the same rules and regulations regarding allow ability of charges to subcontractors as they do to the University. Therefore, if a contractor invoices for charges that cannot be applied to the original grant or contract, the charges cannot be reimbursed on the subcontract. If the subcontract requires the subcontractor to perform certain services and or provide special reports, the department should assure itself that these requirements have been fulfilled before authorizing payments.

After the department has determined that an invoice is acceptable for payment, the department should complete a Direct Payment Voucher (DPV) and send it along with a copy of the subcontractor's invoice to the Office of Sponsored Programs. It is imperative that the invoice voucher references the subcontract obligation number, (i.e. Grant Account Number): to ensure that the obligation will be reduced when payment is made.

**Subcontracts usually contain a clause that states that the final ten percent (10%) of the subcontract amount will be withheld until the University receives all reports or research products required of the subcontractor. The department should ensure that the final payment is not authorized until all required reports or research products have been received and are deemed to be acceptable.**

Should you experience any problem with the performance of the subcontractor or if costs incurred by the subcontractor seem inappropriate, please contact the OSP immediately at x3598.

## **Directions For Completing The Subcontract Form**

- Blank #1**      Legal name of Subcontractor
- Blank #2**      (a)      Prime contract or grant number as issued by the federal or non-federal sponsor.
- (b)      **Include Catalog of Federal Domestic Assistance (CFDA) Number**
- Blank #3**      Legal Name of Prime Sponsor
- Blank #4**      Legal Name of Subcontractor
- Blank #5**      Date work is to commence (must not go beyond University “Project “START” date)
- Blank #6**      Date work is to be completed (must not go beyond University project “END” date)
- Blank #7**      Maximum dollar amount or cost of work/service to be performed
- Blank #8**      Restatement of dollar amount in #7 above
- Blank #9**      Legal name of Prime Contract or Grant Sponsor
- Blank #10**     Ten percent (10%) of the dollar amount specified in blanks #7 and #8 above
- Blank #11**    Name of Subcontractor Project Manager/Director or Investigator
- Blank #12**    Use same date as subcontract start date

**If you need further assistance, contact the Office of Sponsored Programs @ x3598 or visit Room 303 in the Administrative Office Building.**

# Chicago State University

Office of Sponsored Programs  
Cook Administration Building – 303  
773.995.3598\*Fax 773.995.2490

## Subcontract Form

1. **Subcontractor:** \_\_\_\_\_  
**Mailing Address:** \_\_\_\_\_  
**Contact Person:** \_\_\_\_\_
2. **Prime contact or grant sponsor (check appropriate space)**  
A. **Federal**      **Federal Name** \_\_\_\_\_  
                      **Federal Number** \_\_\_\_\_  
B. **Non-Federal**      **Non Federal Name** \_\_\_\_\_  
                              **Non-Federal Number** \_\_\_\_\_
3. **Amount:**    \$ \_\_\_\_\_ **CSU Account Number** \_\_\_\_\_
4. **How much money is in subcontract line item**      \$ \_\_\_\_\_
5. **Effective dates of subcontract**      **From:** \_\_\_\_\_ **To:** \_\_\_\_\_
6. **Effective dates of prime**      **From:** \_\_\_\_\_ **To:** \_\_\_\_\_
7. **CSU Unit Name** \_\_\_\_\_
8. **CSU principal investigator** \_\_\_\_\_ **Ext** \_\_\_\_\_
9. **CSU contact person** \_\_\_\_\_ **Ext** \_\_\_\_\_

## Approval Signatures

_____	_____
Department Chair/Dean	Date
_____	_____
Office of Sponsored Programs	Date
_____	_____
Provost	Date

## Routing Instructions

Four (4) copies of the Subcontract Agreement must accompany this form. Departmental signatures should be obtained prior to bringing this document to the Office Of Sponsored Programs for processing. After review and the obtaining of authorizing signatures on behalf of the Board Of Trustees OSP will provide one fully executed copy of the agreement to each of the following: The Principal Investigator's Department; The President's Office, The Legal Department and one file copy will be retained by the Office of Sponsored Programs.

**SUBCONTRACT AGREEMENT BETWEEN THE BOARD OF TRUSTEES OF  
CHICAGO STATE UNIVERSITY  
AND**

(1) \_\_\_\_\_

This Agreement, which shall constitute a subcontract under prime contract /grant number (2a) \_\_\_\_\_, and CFDA number (2b) \_\_\_\_\_ with (3) \_\_\_\_\_ is entered into by and between the Board of Trustees of the Chicago State University, a public corporation organized and existing under the laws of the State of Illinois, with offices at Chicago, Illinois (hereinafter called the "University") and (4) \_\_\_\_\_ (hereinafter called the "Subcontractor"). All compliance of the University under the referenced prime award, which applies to the subcontractor, shall be incorporated into this Agreement.

**PURPOSE**

**Whereas, the Subcontractor is specifically qualified and equipped to perform the work and/or services hereinafter described in the manner contemplated herein: whereas it is in the best interest of the University to obtain the assistance of the Subcontractor in connection with said work and/or services: and whereas the Subcontractor has expressed a willingness to perform such services.**

NOW, THEREFORE, the parties hereto agree as follows:

**ARTICLE I - Description of Services**

The Subcontractor shall perform the services under this Agreement as described in Exhibit A, which is attached hereto and incorporated by reference herein.

**ARTICLE II - Period of Performance**

The period of performance of this Agreement shall be from (5) \_\_\_\_\_ until (6) inclusive unless sooner terminated as provided herein or extended for additional periods as mutually agreed upon in writing by the parties to this agreement.

**ARTICLE III - Compensation**

1. The maximum cost to the University including all costs for the performances of this work shall not exceed (7) \_\_\_\_\_ and the Subcontractor agrees to perform all work and obligations under the Agreement within this cost and the period of time set forth in article II. The budget for this (8) \$ \_\_\_\_\_ is detailed in Exhibit B. Funding for this project is provided by (9) \_\_\_\_\_. The University's obligation to pay the Subcontractor is conditioned upon receipt of the monies provided by the prime sponsor.

2. The Subcontractor shall be reimbursed quarterly for services and related expenses during the previous month. Payment shall be made upon receipt of an invoice submitted by the subcontractor detailing all costs incurred, including their goods & services tax where applicable, in accordance with the budget in Exhibit B. Equipment purchases shall be in accordance with grant policy statement.

#### **ARTICLE IV - Final Payment**

1. The University reserves the right to withhold ten percent of this Subcontract, (10) \$\_\_\_\_\_, until all products and services have been accepted by the University and are deemed to satisfactory fulfill the terms of this Agreement.

2. Promptly upon expiration or termination of this Agreement the Subcontractor guarantees that it shall:

(i) make complete disclosures, if any, of all inventions and discoveries not previously disclosed;

(ii) Certify in writing that such disclosures are complete.

3. The University may withhold final payment hereunder until the requirement of subparagraphs 1 and 2 of this Article IV have been fulfilled.

#### **ARTICLE V - Personal Services Assignment**

1. The work or service provided for herein shall be performed by the Subcontractor and no other organization or institution shall be engaged for such work or services by the Subcontractor, unless expressly approved by the University.

2. Neither this Agreement nor any interest therein nor claim thereunder shall be assigned or transferred by the Subcontractor except as expressly authorized in writing by the University.

3. The Subcontractor's personnel identified below have been determined to be necessary for the successful performance of the work under this agreement. (11)

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4. In the event the assigned individual leaves the subcontracting institution or is reassigned to another program, the Subcontractor shall notify the University in writing reasonably in advance. No diversion or replacement shall be made by the Subcontractor without the written consent of the University. If the Subcontractor and the University cannot identify a mutually agreeable replacement for such individual, either party may terminate this Agreement pursuant to Article VI below.

#### **ARTICLE VI - TERMINATION OF AGREEMENT**

This University or the Subcontractor may terminate this Agreement upon thirty (30) days prior written notice, in which event the University will pay for costs incurred through the date of termination consistent with the terms of Article III above, and the Subcontractor will furnish all reports of work completed, or in progress, through the date of termination.

## **ARTICLE VII - RIGHTS IN WORK PRODUCT**

"Subject Work Product" as used herein means any and all tangible and intangible work product resulting from work performed under this Agreement including all data, documentation, reports or other information, including but not limited to computer programs, writing, sound recordings, pictorial reproduction, drawings audio-visual materials, graphical representations, copyrights, patents, inventions or discoveries made or conceived within the scope of work defined in Exhibit A hereto.

### **1. Ownership Rights**

Subject Work Product produced in the performance of this Agreement shall be owned by the University. Subcontractor represents that Subject Work shall be original and not infringing any pre-existing third party rights. Subcontractor hereby assigns all right, title and interest in all Subject Work Product to University.

### **2. Pre-Existing Rights**

Unless the prior written permission of the University is obtained, the Subcontractor shall not incorporate in Subject Work Product tangible or intangible property owned by third parties. If the University permits third party property to be incorporated into subject Work Product, Subcontractor shall obtain for the University, and others acting on its behalf, a royalty-free, nonexclusive, irrevocable, worldwide license to use, duplicate and disclose, in whole or in part, and to publish translate, perform and otherwise utilize all such tangible and intangible property at no additional cost to the University.

### **3. Publication**

The Subcontractor will not publish, have published, disclose or otherwise disseminate any Subject Work Product or information except as may be approved in advance, in writing by the University.

### **4. Patents - Inventions**

The Subcontractor agrees to furnish the University promptly with complete information about any invention or discovery made or conceived under this Agreement. The University shall have the sole power to determine whether or not a patent application shall be filed, and to determine the disposition of the title to the rights under any application or patent that may result. The judgment of the University shall be accepted as final, and the subcontractor agrees to execute all documents and do all things necessary or proper to carry out the judgment of the University.

## **ARTICLE VIII - ACKNOWLEDGMENT OF SPONSOR**

Use of the Name of the University, except in acknowledgment of sponsorship of this research, in publication, news releases, advertising, speeches, technical papers, photographs, and other releases of information regarding this Agreement or data developed hereunder, may not be made except upon written approval from the University. Acknowledgment of sponsorship shall read as follows: "This work was performed under a Subcontract with the Board of Trustees of Chicago State University.



## **ARTICLE IX - INDEPENDENT CONTRACTOR**

Nothing in this Agreement shall in any way be constructed to constitute the Subcontractor as an agent, employee or representative of the University.

## **ARTICLE X - LIABILITY**

Subcontractor shall indemnify and hold harmless the University and its employees, officers and others authorizes to act on its behalf, against all liability or loss for any claims, actions, damages, in injury to property or person. including death, arising from Subcontractor's duties and performance under this Agreement, including costs and expenses (1) for violation of proprietary rights, copyright, or right of privacy, arising out of the publication, translation, reproduction, delivery, performance, use or disposition of any Subject Work Product furnished under this Agreement or (2) based upon any libelous or other unlawful matter contained in such Subject Work Product.

## **ARTICLE XI - EXAMINATION OF RECORDS**

Subcontractor agrees that the University, the State of Illinois and the Comptroller General of the United States (if this Agreement is funded from federal funds) or any of their duly authorized representatives shall until the expiration of (5) years after final payment under this Agreement have access to and the right to examine any directly pertinent books, documents, papers, and records of the Subcontractor involving transactions related to this Agreement unless the University authorized their prior disposition.

## **ARTICLE XII - COVENANT AGAINST CONTINGENT FEES**

The Subcontractor warrants that no person or selling agency has been employed or retained to solicit or secure this Agreement upon an Agreement or understanding for a commission, percentage, brokerage, or contingent fee, excepting bona fide employees or bona fide established commercial or selling agencies maintained by the Subcontractor for the purposes of securing business. For breach or violation of this warranty, the University will have the right to annul this Agreement without liability or at its discretion to deduct from the contract price or consideration, or otherwise recover, the full amount of such commission, percentage, brokerage, or contingent fee.

## **ARTICLE XIII- REPORTS**

The Subcontractor shall furnish all reports as may be requested from time to time during the period of this Agreement.

## **ARTICLE XIV - BRIBERY/ATTEMPTED BRIBERY CERTIFICATION**

Subcontractor certifies that he/she has not been convicted of bribery or attempting to bribe an officer or employee of the State of Illinois, nor has the Subcontractor made an admission of guilt of such conduct, which is a matter of record.

**ARTICLE XV - NOTIFICATION AND CONSENT**

No publication by Subcontractor or University shall contain any information, which identifies any individual(s) participating in the study under this Agreement unless the individual(s) give his/her prior express written consent.

**ARTICLE XVI - AMENDMENTS**

This Agreement May be amended only by the further written Agreement of both parties.

**ARTICLE XVII - GOVERNING LAW**

This Agreement shall be governed by the Laws of the State of Illinois.

**ARTICLE XVIII - FEDERAL FUNDING**

When the prime contract or grant sponsor is a federal agency. Exhibit C shall supersede the terms of this Agreement in Article VII.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement effective this (12)  
\_\_\_\_\_ day of \_\_\_\_\_.

**CHICAGO STATE UNIVERSITY**

\_\_\_\_\_  
(Subcontractor)

BY \_\_\_\_\_  
Elnora D. Daniel  
President

\_\_\_\_\_ Date

BY \_\_\_\_\_  
\_\_\_\_\_ Date

<p style="text-align: center;"><b>EXHIBIT A</b> <b>SCOPE OF WORK STATEMENT</b></p>
<p>(Every subcontract must include a scope of work statement. The following elements are typically included under “scope of work” however these are not all-inclusive:</p> <ol style="list-style-type: none"><li>1. Purpose or objective(s) of the work to be performed;</li><li>2. An explanation of the work to be performed inclusive of special personnel, supplies, materials, equipment or travel needed,</li><li>3. Timetable or schedule of work to be performed;</li><li>4. Specification of how the work’s progress or results are to be measured;</li></ol> <p>Identification of deliverables, products or expected outcomes. (Please provide your scope of work statement in the space below.)</p> <div style="border: 1px solid black; height: 500px; width: 100%;"></div>

Budget Period	From	To
Salary & Wages		\$
Fringe Benefits	% Rate	\$
Travel		\$
Supplies		\$
Services		\$
Other Costs (Specify)		\$
Equipment/Other (Specify)		\$
Total Direct Costs		\$
Indirect Costs	% Rate	\$
TOTAL		\$

***All payments should be mailed to:***

<b>Payee Name</b>		_____	
<b>Payee Address</b>		_____	
<b>Payee City</b>	_____	<b>Payee State &amp; Zip</b>	_____
<b>Payee Telephone</b>	_____	<b>Payee Fax</b>	_____
<b>Subcontractor FEIN Number</b>		_____	

Subcontractor Principal Investigator \_\_\_\_\_  
 CSU Account Number \_\_\_\_\_  
 CSU Principal Investigator \_\_\_\_\_

All invoices should be mailed to CSU Principle Investigator; provide his/her name, address, telephone and Fax numbers below.

<b>PI Name</b>	<hr/>		
<b>PI Address</b>	<hr/>		
<b>PI City</b>	<hr/>	<b>PI State &amp; Zip</b>	<hr/>
<b>PI Telephone</b>	<hr/>	<b>PI Fax</b>	<hr/>

## EXHIBIT C

SUBCONTRACTOR certifies, by signing this document that the following assurances and certifications required by the federal funding agency, as applicable, are met. Such assurances and certifications required of SUBCONTRACTOR shall include but no necessarily be limited to:

- A. **Civil Rights** Title VI of Civil Rights Act of 1964 & paragraphs 1 through 7, Part II, Subpart B, Section Executive Order 11246; Section 504 Rehabilitation Act of 1973 as amended & 45CFR 84; Age Discrimination Act of 1975 as amended & 45 CFR 86; Section 704 of Title VII; Section 855 of Title VII of Public Health Service Act as amended & 45 CFR 83; Section 407 of Drug Abuse Office & Treatment Act of 1972 as amended & 45 CFR 84; Section 321 of Comprehensive Alcohol Abuse & Alcoholism Prevention Treatment and Rehabilitation Act of 1970 as amended; Section 501 of the Mental Health Systems Act; Section 333 of the Comprehensive Alcohol Abuse & Alcoholism Prevention, Treatment and Rehabilitation Act of 1970 as amended & 45CFR 2.
- B. **Handicapped Individuals** Compliance with Section 504 of the Rehabilitation Act of 1973 as amended.
- C. **Sex Discrimination** Compliance with Section 901 of Title IX of the Education Amendments of 1972 as amended.
- D. **Patents, Licenses and Inventions** Compliance with the standard Patent Rights clauses as specified in 37 CFR, part 401, FAR 52.227-11, 45 CFR Part 6& 8, or U.S.C. 203, whichever is appropriate and applicable. Additional guidance on recipient reporting requirements for inventions can be found in the NIH Guide for Grants and Contracts Vol. 19, No.23, June 22, 1990.
- E. **Student Unrest Provisions** Compliance with Section 407 of the DHHS Appropriation Act.
- F. **Human Subjects** Compliance with the requirements of federal funding agency, as applicable, policy concerning the safe-guarding of the rights and welfare of human subjects who are involved in activities supported by Federal funds; 45 CFR 6.
- G. **Vertebrate Animals** Compliance with applicable portions of the Animal Welfare Act (P.L. 89-544 as amended).
- H. **Debarment and Suspension** Subcontractor certifies that it is not debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from participation in this Subcontract by any Federal department or agency; 45CFR 76.
- I. **Non-Delinquency on Federal Debt** Compliance in accordance with OMB Circular A-129 (revised November 25, 1988).

- J. **Drug-Free Workplace** Compliance with the Drug-Free Workplace Act of 1988, 45 CFR Part 76, Subpart F.
- K. **Misconduct in Science** Early entity which received or applies for a research, research training, or research-related grant cooperative agreement under the Public Health Service Act must submit an annual assurance certifying that the entity has established administrative policies as required by 42 CFR part 50, Subpart A, and that it will comply with the policies and the requirements set forth therein. UNIVERSITY, in accepting this agreement, certifies that it has: (1) met the above requirements, (2) filed the "small organization" assurances with the office of Science Integrity, Department of Health and Human Services, and it has been accepted, or (3) agrees to be bound by the policies of University with respect to this contractual agreement.
- L. **Restrictions and Lobbying** Compliance with 101-121, Title 31, Section 1352, which prohibits the use of Federal appropriated funds for lobbying in connection with this particular Subcontract.
- M. **Anti-Kick Back Act of 1986** Subcontractor certifies that to the best of its knowledge, it has not received any money, fee commission, credit, gift, gratuity, things of value, or compensation of any kind provided directly and indirectly, for the purpose of improperly obtaining or rewarding favorable treatment in connection with the prime grant or in connection with this Subcontract relating to the prime grant.
- N. **Program Income** Compliance with PHS Grants Policy memorandum No 54 dated November 15, 1990 and CFR 74, Subpart F.
- O. **Audits** Subcontractor agrees to comply with the Single Audit Act of 1984, P.L. 98-502, as implemented by OMB circular A-128 or Circular A-133, as applicable. Circular A-133 was revised in 1997 to apply to non-federal entities who expend \$300,000 or more in Federal awards. Subcontractor shall have an audit made as required by A-110 "Uniform Requirements for Grants to Universities, Hospitals and other Nonprofit Organizations". Subcontractor agrees to provide the University with copies of required audit reports currently due within nine months after the end of the applicable audit period. Additionally, the Subcontractor agrees to provide the University with copies of an of the independent auditor's reports and of regulations which bear directly on the performance or administration of this Agreement. In cases of reported non-compliance, Subcontractor will provide copies of responses to auditor's reports and a plan for corrective action. All records and reports prepared in accordance with the requirements of the appropriate OMB Circular shall be available for inspection by representatives of awarding institutions or the government during normal business hours. University reserves the right to withhold payments, modification, and new or incremental funding to subcontractors who have not submitted to the University copies of the required audit information.

- P. Certificate of Conflict of Interest** The Subcontractor agrees that it has a conflict of interest policy which compiles with the Public Health Services and National Science Foundation policies; namely, the Subcontractor has a conflict of interest policy which requires disclosure and resolution of all conflicts of interest, potential and actual, which exist for those involved in the design, conduct and reporting research under this agreement prior to acceptance and of funding. The Subcontractor is responsible for informing its investigators of its conflict of interest policy and procedures, designating officials to review conflict of interest financial disclosures, managing conflicts, informing the University and the cognizant federal sponsor(s) of conflicts and remedying same, certifying in each proposal for funding that required conflict of interest policies are in place and that no conflicts exist related to the proposed project, notifying University and federal sponsor(s) of any post-award conflicts and otherwise complying in all other respects with all applicable federal regulations, including 42 CFR 50, Subpart F.

SUBCONTRACTOR agrees to fulfill the requirements of any other assurance(s) not mentioned herein above as may be required by the federal, state or applicable local law and regulations to perform the work undertaken by SUBCONTRACTOR.