



Consortium Agreements Received on Sponsored Project Funds

September 2011

Purpose

The purpose of this document is to inform the MSKCC research community about the policies and procedures involved in the receipt and management of funds in the form of consortium agreements from collaborating entities (e.g., other universities, hospitals, non-profit research institutes, or businesses). Consortium Agreements are used to facilitate performance of a specific scope of work conducted by the MSKCC research community in support of the primary award received by a collaborating entity.

Definition of a consortium agreement

A consortium agreement is a formalized agreement whereby a research project is carried out by the prime grantee and one or more other organizations that are separate legal entities, e.g., in this case MSKCC. Under the agreement, the prime grantee must perform a substantive role in the conduct of the planned research and not merely serve as a conduit of funds to another party or parties.

The prime grantee enters into a formal written agreement with each consortium participant that addresses the negotiated arrangements for meeting the scientific, administrative, financial, and reporting requirements of the grant, including those necessary to ensure compliance with all applicable regulations and policies and to facilitate a smoothly functioning collaborative venture.

In the case of NIH, the grantee, as the direct and primary recipient of NIH grant funds, is accountable to NIH for the performance of the project, the appropriate expenditure of grant funds by all parties, and all other obligations of the grantee, as specified in the NIH Grants Policy Statement (NIHGPS). In general, the requirements that apply to the prime grantee, including the intellectual property requirements in Subpart A and the program income requirements of the award, also apply to consortium participant(s). The prime grantee is responsible for including the applicable requirements of the NIHGPS in its agreements with collaborating organizations.

Consortium Procedures

The process for consortium agreements typically begins at the time of proposal submission by the prime grantee. The entire process at MSKCC involves collaboration among the Principal Investigator, Grants and Contracts, Research Fund Management, Department Administrator(s) (as applicable), and Grants and Contracts Accounting. In most cases, subrecipient organizations (e.g., consortium members) are identified at the time of proposal submission by the prime grantee to the primary sponsor (e.g., NIH). Permission to contract portions of any project is

generally granted by the primary sponsor as either a provision of the original proposal/award or following a subsequent request for approval (e.g., clinical trial site agreements where enrollment occurs following receipt of award).

Proposal

The Office of Research and Project Administration (ORPA) Grants and Contracts unit is responsible for securing the required documentation for all consortium agreements. The Principal Investigator typically must supply the following items to the prime grantee prior to its submission of the application:

- Individual statement of intent (SOI) or Face page (e.g., PHS 398) or a formal letter of commitment signed by an authorized institutional official certifying participation in the work statement or research plan and assurance regarding accuracy and reasonableness of the budget and institutional compliance with applicable regulations and agency-specific requirements.
- Budget(s) meeting the requirements of the prime sponsor and awarding agency

Award

ORPA support staff internally monitors the status of consortium agreement and prime award. ORPA support staff follows up within two weeks of the expected prime award date to inquire about the status of the Consortium Agreement. Follow up continues monthly until the unexecuted agreement or confirmation of “not awarded” is received. In some instances ORPA is notified by the prime grantee that an award has been received and to expect a consortium agreement prior to any follow up on ORPA’s part.

Upon receipt of the award by the prime grantee, negotiations between prime grantee and ORPA ensue. The MSK PI, MSK Grants Management Specialist (GMS) and a representative of the prime grantee are involved in the negotiation process. Typically the amount requested in the application is reduced at the time of award and consortium agreement budget is negotiated and finalized. When appropriate, the statement of work and budget justification are also updated.

Once the unexecuted or partially executed consortium agreement is received, it is reviewed by the Grants Management Specialist for accuracy and forwarded to the ORPA Support Manager or designee for signature. The partially executed agreement is returned to the prime grantee. ORPA Support Staff also distribute the partially executed Consortium Agreement to Grants and Contracts, Grants and Contracts Accounting, Research Fund Management and Department Administrators (as applicable). The Principal Investigator is notified upon full execution of the agreement.

Grants and Contracts Accounting creates the fund in the general ledger upon receipt of the partially executed consortium agreement. Once the fund has been created, Research Fund Management adds the fund to the appropriate SKI cost center budget and expenses can be incurred.

Research Fund Management is responsible for the post award management of the consortium agreement. All expenditures must comply with regulations as prescribed by the written agreement that addresses the negotiated financial arrangements. Research Fund Management and the Principal Investigator are responsible for managing funds according to the scientific, administrative, and reporting requirements of the grant, including those necessary to ensure compliance with all applicable Federal regulations.

The Grants Management Associate follows up with the prime grantee every two weeks until a fully executed consortium agreement is received. Upon receipt of the fully-executed consortium agreement from the prime grantee, ORPA Support Staff uploads the document to Grants Central. The notification of award is included in the "Awards Weekly List" email sent by ORPA Support Staff.

Invoicing

Grants and Contracts Accounting is responsible for sending invoices to prime grantees, collaborators, and business partners in accordance with the specified timeframes documented in the agreement. Grants and Contracts Accounting creates and sends invoices based on the project expenditures in the General Ledger according to specific invoicing instructions as indicated in the agreement. Note: the final invoice is sent to the Research Fund Manager and PI for review and approval prior to submission to the prime grantee.

Amendments

Changes to the terms and conditions of the original agreement require a formal amendment. Prime grantees typically initiate the amendment process for consortium agreements. Amendments are prepared for period of performance changes, carry forward of funds, any modifications to the Statement of Work, and funding increases/decreases. Research Fund Management, Principal Investigator, Department Administrators, Grants and Contracts, and ORPA Support Staff collaborate to establish amendments.

Two weeks following the cycle date of the prime award, ORPA support staff follows up with the prime grantee on the status of the amendment to the consortium agreement. ORPA support staff continues follow up with the prime grantee every two weeks thereafter until an unexecuted/partially executed amendment or notification of "not continuing" is received by ORPA. Upon receipt of the unexecuted/partially-executed amendment by ORPA; refer to the Award section of this policy for steps documenting the process.