

Guide to Parent/Child Memorandum of Understanding

Reference Note: The following is guidance intended for org units executing a Parent/Child Memorandum of Understanding to clarify to an org unit owning the child code the expectations regarding the management of a sponsored project where an internal “parent/child” relationship is being established to facilitate project management.

As outlined in Section III.A of GAP 200.190, Parent/Child Sponsored Project Management, there are situations where guidance in addition to the GAP may be required to establish the management expectations between parent and child org units. The Parent/Child MOU Template is intended to provide a template for org units to use when creating and communicating these expectations. While no template document could address all possible reasons for establishing a MOU, certain common reasons are listed on the MOU Template; guidance on each is listed below.

Early closeout and reporting requirements

Parent org units may choose to establish deadlines for child org units to submit project closeout documentation earlier than the sponsor-driven deadline. For example, the standard final report on a federal project is due to the sponsor 90 days after the project end date, making the closeout documentation due to OSP 60 days after project end. Parents may elect to require children to provide copies of closeout documentation 55 days after project end, to enable the appropriate financial management of complicated projects by day 60.

If this item is selected, the comments box should include the specific earlier deadline for closeout documentation, the parent’s contact person to receive the documentation, and any necessary details regarding the scope of the documentation.

Prior approval required by Parent for Child financial actions

In addition to the financial management expectations communicated in Section III.B of GAP 200.190, Parent/Child Sponsored Project Management, parent org units may determine certain types of financial actions on the child code require prior approval from the parent before the child can proceed with the transaction. For example, based on a federal contract’s terms & conditions, the parent org may require a rebudgeting action of any amount to be reviewed by the parent PI before submission.

If this item is selected, the comments box should specify which financial actions require prior review and approval by the parent, the level of documentation required to justify the action, and whether the parent GM or PI would be the primary reviewer.

Clarification of management responsibilities in cases of multiple PI awards or joint faculty appointments

While Duke's financial system (SAP) will always require a single WBSE to serve as the parent code, which must be owned by a single Duke org unit, certain awards may have a more complicated faculty leadership model. When receiving a multi-PI award, for example, one of the PIs will be named as the contact PI and will assume ownership of the parent WBSE, yet the other PI(s) will remain partially responsible for overall leadership of the project. When these PIs' appointments span multiple org units, there can be significant questions regarding appropriate location(s) for decision-making authority. Similarly, when even a single PI has multiple appointments and project work is occurring across org units, there can be confusion about which project responsibilities fall to which entity.

If this item is selected on a multi-PI project, the comments box should reference the multi-PI leadership plan, clarify which management responsibilities were not proactively addressed by that document, and provide details outlining the process for assigning these responsibilities. If this item is checked based on a joint appointment scenario, the comments should confirm whether the parent or the child org unit has responsibility for project/financial management responsibilities such as submitting payroll changes, managing protocols, submitting equipment reports, etc.

Non-standard reporting requirements imposed by external sponsor

On any project, a sponsor may require financial reports at unexpected intervals or with non-standard scopes, progress reports based on deliverables or programmatic milestones, or other stipulations that complicate the parent-child relationship. Particularly when a child org has not previously owned a project that requires quarterly programmatic expense reports, for example, it is beneficial to ensure complete transparency and appropriate accountability is in place.

If this item is selected, the comments box needs to provide complete detail for the non-standard sponsor-required reports, including frequency, scope, and what components or input are required from the child org.

Additional internal reporting and financial management requirements

Even when not explicitly required by a sponsor in award terms & conditions, a parent org unit can elect to impose additional and/or expanded reporting requirements on a child org to ensure adequate oversight on a complex project. The financial management needs on a large diffused award with significant work occurring across multiple units can exceed the standard monthly review of financial progress across parent and child codes, for instance, and may require a collaborative approach to detailed monthly or quarterly projections.

If this item is selected, the comments box needs to provide clarity to the child org regarding the timing and scope of the reporting/financial responsibilities, and should address any collaborative work needs that are expected during the life of the project.

Additional compliance requirements (IRB, IACUC, Biosafety, Data Management Plans, etc.)

The submission, oversight and administrative management of protocols is complex in all cases, and can become more challenging when the activity covered by the protocol is performed across org units under a parent-child relationship. If a sub PI is functionally responsible for a discrete component of the covered activity, for example, it is critical that the parent PI is regularly updated regarding progress, challenges and compliance concerns. The involvement of the administrative/project staff charged with managing the protocol is also key, to ensure open lines of communication with the protocol review office (e.g., IRB or IACUC) and a timely resolution of any compliance concerns.

If this item is selected, the comments box should include details of the impacted protocol(s), the appropriate contact people at the parent and child orgs, and the protocol responsibilities being given to the child even when they are not the primary owner of the protocol.

External subrecipient managed by child org unit

The default structure in Duke's financial system (SAP) is for an external subrecipient code to be owned by the parent org unit, which confers all subrecipient monitoring responsibilities to the parent. In cases where the project leadership assigns subrecipient management to a child org unit (on a multi-PI project, for instance), both parent and child need to fully understand the duties and risks involved. If the child org is tasked to provide primary review/approval of the subrecipient's invoices, an individual from the child org will need to be identified in SAP master data as the check request approver for the subrecipient subcode, and will need to remain in communication with the appropriate Duke faculty member responsible for oversight of the subrecipient's progress on their scope of work.

If this item is selected, the comments box should specify the child org unit individual(s) responsible for subrecipient monitoring, identify the faculty member providing functional leadership to the subrecipient, and detail the function(s) assigned to the child (e.g., invoice review, progress monitoring, financial projections, etc.).

As noted in the Parent/Child MOU Template, the above list of situations is not all inclusive. If a need for additional expectations is identified by the parent, the "Other" checkbox should be selected and adequate details provided in the comments box to fully describe the additional expectations to the child. Before executing, the signatories for the child org unit should confirm the adequacy of the comments provided to enable appropriate award management of the additional responsibilities.