THE LIFE CYCLE OF A SUBAWARD

The University of Chicago

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JANUARY 2012
Session Outline

• Definitions

• Life cycle of a subaward
  – Proposal development
  – Proposal submission
  – Award acceptance and subaward setup
  – Award management and subrecipient monitoring
  – Closeout

• Resources
DEFINITIONS

• **Prime Award** - The grant/contract from the Sponsor (funds the subaward)

• **Prime Recipient** - The party that receives the award from the Sponsor

• **Subrecipient/Subawardee** - The party providing work under the subaward when the Prime Award is a grant or cooperative agreement

• **Subcontractor** - Term used for subrecipient when the prime is a contract

• **Flow-down or Flow-through** - Applying the terms and conditions in the Prime Award to the subaward

• **Modification/Amendment** - Mechanism used to modify any aspect of an existing subaward agreement. Used interchangeably with Amendment.
WHAT IS A SUBAWARD?

A legally binding agreement between two parties in which:

• Prime recipient provides funding to another organization to conduct a portion of the project work, which fulfills part of the prime recipient’s obligation to the sponsor.

• Performed using subrecipient's own resources

• Sets forth the work to be performed, deliverables expected, agreed payment for the work and flows-down the terms of the Prime Award.

Sometimes referred to as:

• Subcontract
• Subagreement
• Subrecipient agreement
• Consortium agreement
THE LIFE CYCLE OF A SUBAWARD

Proposal development
Proposal submission
Award acceptance & subaward setup
Award management & subrecipient monitoring
Closeout
THE LIFE CYCLE OF A SUBAWARD

- Proposal development
- Proposal submission
- Award acceptance & subaward setup
- Award management & subrecipient monitoring
- Closeout
SUBRECIPIENT

• Has responsibility to perform some of the project’s technical objectives
• Responsible for programmatic decision-making
• Subject to the Federal compliance regulations (e.g. human subjects, animal use, etc.)
• Owns IP developed under the subaward agreement
• Authorship on project research
VENDOR

• Provides the goods and services within the scope of its normal business operations
• Provides similar goods and services to many purchasers
• Operates in a competitive environment
• Provides goods and services that are ancillary to the performance of the project
• *Not* subject to the Federal compliance regulations
CONSULTANT

- Consultant – ancillary to project; independent expertise
- Generally individual, but may be a consulting firm
- No employer/employee relationship
- Consultants set their own hours, use their own equipment and materials, choose their work methods
- No “salaries” – no overhead, fringe benefits
- Receive a tax form 1099-MISC, responsible for paying taxes on their fee
- Do not own IP on deliverables
**ROLES AND RESPONSIBILITIES**

**PI / Department**
- Review RFP/PA guidelines to determine applicability to institution/subrecipient
- Determine subrecipient’s scope of work
- Assess technical capabilities and qualifications of Subrecipient investigators and facilities
- Examine reasonableness of subrecipient’s proposed costs to perform the work
- Obtain subrecipient’s proposal which includes institutional endorsement

**URA**
- Analyze RFP/PA guidelines and determine applicability to subrecipient
- Review sub’s budget for compliance with cost principles
  - reasonable, allowable, allocable, necessary
- Verify F&A rate
- Review certifications and assurances: commitment form (398 Face Page, Subrecipient Commitment form after 2/1/12)
PI/Department: Subrecipient proposal

• **Statement of Work** - describes the work the subrecipient investigators will perform in the project

• **Proposed budget & justification**

• **Subrecipient Institutional approval** – Subrecipient Commitment Form completed and signed by the authorized institutional official.

• **Other items required by Sponsor** - biosketches, facilities, assurances, small business subcontracting plan, etc.

Reminder: Sponsor Guidelines that apply to Prime, also apply to Subrecipient
URAL: Review Subrecipient Proposal

- Review budget as part of the overall UC budget
- Verify that the appropriate IDC rates are applied
  - On federal proposals the IDC rate applies to the first $25,000 of the subrecipient’s budget
  - On non-federal proposals check sponsor guidelines
- Verify the Subrecipient Commitment Form is complete and signed by the subrecipient’s authorized institutional official
Subrecipient Commitment Form

All subrecipients should complete this form when submitting a proposal to The University of Chicago. It provides a checklist of documents and certifications required by sponsors, as well as an area for the authorized official to sign. Any work begun and/or expenses incurred prior to execution of a subaward agreement are at the subrecipient’s own risk.

Project Summary Information

UC PI Name: ____________________    UC PI Dept: ____________________
UC Funding Proposal Number: _______    Prime Sponsor: ____________________
Proposal Title: ____________________

Subrecipient Proposal Documents

The following documents are included in our subaward proposal submission. Please provide the documents checked below with this signed commitment form.

- [ ] Statement of Work (required)
- [ ] Budget and budget justification (required)
- [ ] Federally negotiated facilities & administration rate agreement (required for Federal). URL: ____________________
- [ ] Small/Small Disadvantaged Business Subcontracting Plan, in agency-required format (required for proposals over $550,000)
- [ ] Biosketches and Other Support of all Key Personnel, in agency-required format
- [ ] Other: ____________________
- [ ] Other: ____________________
# Subrecipient Commitment Form

## Subrecipient Information

<table>
<thead>
<tr>
<th>Subrecipients Proposal Title <em>(if different than above):</em></th>
<th>Institution Type:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
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</tr>
</tbody>
</table>

| Legal Name *(as registered in DUNS):*                     |                  |
|                                                          |                  |

<table>
<thead>
<tr>
<th>Address:</th>
<th>City:</th>
<th>State/Province:</th>
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<tbody>
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<thead>
<tr>
<th>Zip+4:</th>
<th>Country:</th>
<th>Congressional District:</th>
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<table>
<thead>
<tr>
<th>EIN Number:</th>
<th></th>
<th>Parent DUNS <em>(if necessary):</em></th>
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<tr>
<td></td>
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<table>
<thead>
<tr>
<th>Registered in CCR?</th>
<th>Yes</th>
<th>No</th>
<th>DUNS Number:</th>
<th>eRA Commons User Name <em>(if NIH submission):</em></th>
</tr>
</thead>
<tbody>
<tr>
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<table>
<thead>
<tr>
<th>Subrecipient PI Name:</th>
<th>Performance Period Start date:</th>
<th>Performance Period End date:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
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<table>
<thead>
<tr>
<th>Direct Costs Requested:</th>
<th>Indirect Costs Requested:</th>
<th>Total Funds Requested:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Human Subjects Research:</th>
<th>Yes</th>
<th>No</th>
<th>Vertebrate Animal Research:</th>
<th>Yes</th>
<th>No</th>
</tr>
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<tbody>
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</tbody>
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<table>
<thead>
<tr>
<th>Research Exempt:</th>
<th>Yes</th>
<th>No</th>
<th>If yes, exemption number:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Clinical Trials:</th>
<th>Yes</th>
<th>No</th>
<th>NIH-defined phase III clinical trial:</th>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
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<td></td>
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</tr>
</tbody>
</table>
Subrecipient Commitment Form

Official Signing for Subrecipient

Name: 
Title: 
Email: 

Signature of Signing Official ___________________________ Date ___________________________

The information contained on and attached to this Subrecipient Commitment Form has been read and certified before the authorized official of the subrecipient named above. The appropriate programmatic and administrative personnel involved in this application are aware of agency policy and any pertinent regulations relevant to this proposal and are prepared to establish the necessary inter-institutional agreements consistent with those policies.

12/7/2011
Institutions may have more than one DUNS number

<table>
<thead>
<tr>
<th>Organization</th>
<th>DUNS Number</th>
<th>Internal Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Columbia University</td>
<td>049179401</td>
<td>Cornish</td>
</tr>
<tr>
<td>Columbia University/Health Science</td>
<td>621889815</td>
<td>Javitch</td>
</tr>
<tr>
<td>Goethe University</td>
<td>320514563</td>
<td></td>
</tr>
<tr>
<td>Stanford University</td>
<td>009214214</td>
<td></td>
</tr>
<tr>
<td>Universiteit Utrecht</td>
<td>409674903</td>
<td></td>
</tr>
<tr>
<td>University of California, Los Angeles</td>
<td>092530369</td>
<td></td>
</tr>
<tr>
<td>University of Illinois, Urbana/Champaign</td>
<td>041544081</td>
<td>Schulten: M1 sent to the subrecipient 11/11/11</td>
</tr>
<tr>
<td>University of Illinois, Urbana/Champaign</td>
<td>041544081</td>
<td>Tajkhorsid-M1 sent to the subrecipient 12/14/11 '<a href="mailto:gcoaward@uilinois.edu">gcoaward@uilinois.edu</a>'</td>
</tr>
<tr>
<td>University of Pittsburgh</td>
<td>004514360</td>
<td></td>
</tr>
<tr>
<td>University of Virginia</td>
<td>065391526</td>
<td></td>
</tr>
<tr>
<td>University of Wisconsin, Madison</td>
<td>161202122</td>
<td></td>
</tr>
<tr>
<td>Vanderbilt University</td>
<td>004413456</td>
<td></td>
</tr>
<tr>
<td>Weill Medical College of Cornell Univ</td>
<td>060217502</td>
<td>M1 uploaded for PI concurrence. Do not send to the subrecipient.</td>
</tr>
</tbody>
</table>
THE LIFE CYCLE OF A SUBAWARD

- Proposal development
- Proposal submission
- Award acceptance & subaward setup
- Award management & subrecipient monitoring
- Closeout
URA or Dept. Administrator to follow-up on any pending items from the subrecipient to ensure a successful submission
THE LIFE CYCLE OF A SUBAWARD

- Proposal development
- Proposal submission
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- Closeout
ROLES AND RESPONSIBILITIES

**PI / Department**

- Provide evidence of compliance approval: IACUC/IRB from subrecipient
- Review award to determine if awarded budget impacts subrecipient scope of work or budget
- Obtain revised budget and/or workscope if necessary
- Obtain contact information for subaward
  - Federal: Attachment 3B
  - Non Federal: Attachment 2
- Submit Outgoing Subaward Request Form in AURA

**URA**

- Review the prime award terms and conditions prior to accepting the award to determine if terms can be met by subrecipients
- Negotiate on behalf of the subrecipient prior to accepting the award if there are terms and conditions that the subrecipient will not be able to accept
- Verify any prior approval requirements
  - foreign sites (Federal awards require State Department clearance)
  - subcontracts under Federal contracts (included in the proposal)
  - Subrecipients not included in the proposal, approval needed if adding the subaward effects the scope of work or required by sponsor.
• The information the Outgoing Subaward Request Form and the supporting documentation are used to build the subaward in URA
• This is an internal form and should be completed by the Department Administrator
• Section 11 in AURA
• Department documents in 11.1.3 “For Unit Use”
SUBAWARD SETUP

Outgoing Subaward Request Form

Requested By  Department  Administrator

Sponsor Type
- Federal
- Non-Federal
- Corporate

Subrecipient EIN #
(For Non-Fed and Corporate)

Type of Action
- Original Subaward Agreement
- Amendment/Modification

Type of Subaward Entity
- Non-Profit, Public/State and Local Government
- For-Profit
- Foreign Non-Profit
- Foreign For-Profit

Subaward Information
Was the subrecipient included in the original UC proposal?
- Yes  - No. Attached is permission from the sponsor to add the subrecipient (permission to add a subrecipient requires institutional endorsement; contact your URA manager).

AURA FP #

- Sponsor type
- Type of action
- Subrecipient type
- Prior approval
**SUBAWARD SETUP**

<table>
<thead>
<tr>
<th>Prime Awarding Agency</th>
<th>Prime Award #</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
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</tbody>
</table>

**Project Title**

<table>
<thead>
<tr>
<th>From:</th>
<th>To:</th>
<th>Amount Funded for this action</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
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</tbody>
</table>

**Performance Period**

<table>
<thead>
<tr>
<th>Subrecipient Organization</th>
<th>Subrecipient PI Name (subrecipient PI must have effort)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
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</tr>
</tbody>
</table>

**Notes on terms/conditions/reporting/other items for attention**

**F&A agreement** of the subrecipient institution or website link to agreement:

**Note:** Proposed subrecipients who are non-profit organizations, for-profit and/or non-FDP institutions may require additional items for review e.g., audited financials.

- Performance Period (only for UC awarded periods)
- Amount Funded (for the requested period)
- Notes section: any special instructions, reminders, cumulative totals on carryover modifications, etc.
SUBAWARD SETUP

F&A agreement of the subrecipient institution or website link to agreement:

Note: Proposed subrecipients who are non-profit organizations, for-profit and/or non-FDP institutions may require additional items for review e.g., audited financials.

Deliver To (the person at the subrecipient organization to whom the partially executed agreement will be sent for review and execution)

Contact Name: __________________________ Email Address: __________________________

Please provide the following with your request to expedite processing:
1. Subrecipient Workscope
2. Subrecipient Budgets
3. Contact information attachment - see the URA website for the applicable attachment(s).

Note
- All foreign and domestic non-FDP member and for-profit subrecipients must provide their most recent A-133 audit or independently audited financials prior to issuing a subaward.
- Additional information from the subrecipient may be requested if the work requires animal or human subjects oversight.

If you need to reference information on subawards, please go to the URA website:

http://researchadmin.uchicago.edu/accepting/subawards.shtml

- Contact name/email at subrecipient to whom the agreement will be sent for review.
- Upload all supporting documentation “in” the form and upload in AURA view 11.1.3.
- Email the subaward manager outside of AURA to complete request.
Sponsor Type and Subrecipient Entity Type determine the subaward template and related attachments based on the following hierarchy of regulations:

Legal regulations include:
- **Legislation (Federal & State Laws):** As a US institution, we follow the Federal and Illinois state laws. In some cases, specific laws are highlighted to ensure the subrecipient will comply.
- **Program and Administrative Regulations:** Codified regulations: A21, A110, FAR, specific policy manuals; Applicable to Federal awards and contracts and incorporated in subaward; “flow-down”
- **Sponsor’s Terms and Conditions:** Incorporated in subaward
- **UC’s Policies, terms and conditions:** Incorporated in subaward
- **Subrecipient:**

There might be issues the subrecipient has already communicated that we can accommodate in the subaward. Other issues may arise in the negotiation of the subaward prior to execution. The subrecipient type can also affect the terms as the federal administrative regulations can be different for the different types of entities (e.g., corporate, foreign).
Two basic categories of templates:

• Federal Demonstration Partnership (FDP) Subaward Templates

• Customized subaward/contract agreements per requirements of the Prime Award
Federal Demonstration Partnership (FDP) Subaward Templates:
Appropriate when Prime Award is Federal grant with a low risk subrecipient. The terms and conditions are agreed upon with FDP members (can be used for non-FDP members, but only with FDP agency organizations):

- National Science Foundation (NSF)
- National Institutes of Health (NIH)
- Office of Naval Research (ONR)
- Department of Agriculture (USDA)
- Air Force Office of Scientific Research (AFOSR)
- Army Research Office (ARO)
- Army Medical Research and Material Command (AMRMC)
- National Aeronautics & Space Administration (NASA)
- Environmental Protection Agency (EPA)
- Department of Homeland Security
Customized subaward/contract agreements per requirements of the Prime Award:

- non-FDP federal awards (DOE)
- high risk subrecipients under federal awards
- for-profit entities
- sub-sites for clinical trials
- foreign entities
- nonfederal awards and contracts
- contracts (federal and nonfederal)
For every subaward, there is basic information the department needs to provide URA:

- Subrecipient Workscoope
- Subrecipient Budget
  - Must include PI effort (PI effort is required for federal proposals/awards; UC treats Federal/Non-Fed same)
- Contact information sheet(s)
  - **Subrecipient** completes: ARRA/FFATA/Accuracy
- Reporting requirements for the subrecipient
  - Milestones if your PI’s work is dependent upon receipt of sub’s results
- Other documentation (e.g., audit reports, evidence of IACUC/IRB approval)
FFATA/ARRA/Federal Reporting

- URA and SAA are required to complete reports on subrecipients for ARRA funding, on the 990 tax filing and for new FFATA reporting requirements. The information URA & SAA need to complete to 990 tax filing, FFATA and ARRA reports is provided on the Federal Contact Attachment Form 3B.
  - 990s SAA
  - ARRA –SAA
  - FFATA – URA/Subaward Manager
    - Report on subawards over $25K issued under Federal Awards after 10/1/2010
• To ensure accuracy in reporting, it is imperative that the **subrecipient** complete this information in full.
• All subrecipients under Federal Awards are required to have a DUNS number and be registered in the CCR.
• Why it’s important to you? If it’s incorrect or incomplete it will hold up your subaward processing time.
 TERMS & CONDITIONS

URA will build the subaward based on the hierarchy of regulations and the information the department provides. The following terms are always part of the subaward agreement:

- **Period of Performance**
  - Based on the Prime Award
  - UC can only issue subawards under funded periods of performance

- **Consideration/Amount Funded**

- **Final financial reports**

- **Cost Basis/Payment Terms**
  - Cost reimbursable/Fixed Price/Hybrid

- **Indemnification, Liability, Insurance (as applicable)**

- **Termination**
Terms & Conditions, continued

- Audit requirements, record retention
- Flow-down of Prime Award terms and conditions
- Reports (Technical/Inventions/Publications)
- Rights in Data
- Intellectual Property
- NCE/Modification of Agreement
- Institutional signature indicating the commitment to perform the scope of work proposed, assuring the accuracy and reasonableness of the budget, and agreeing to the subaward terms and conditions

- **As applicable to the Prime Award/Project:**
  - Human Subjects, Animal Use, HIPAA, Select Agents...(as applicable)
  - Confidential Information
  - Dispute Resolution
Subawards to foreign entities increase the complexity of building the agreement and monitoring the subaward. Things to consider:

- State Department Clearance (Federal awards)
- U.S. Currency
- Advance Payment Issue
- Wire Transfers
- Audit/IRB/IACUC Translation Fees
- Intermediary agency for subrecipient payment, for example, CRDF – Former Soviet States & the Tax Issue
- Export Controls – EAR/ITAR/OFAC
- Audit requirements
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MANAGING THE SUBAWARD

• Federal Regulations
• Accounting and Tracking
• Amendments
• Subrecipient Monitoring
OMB Circular A-110

- “Uniform Administrative Requirements for Grants and Agreements With Institutions of Higher Education, Hospitals, and Other Non-Profit Organizations”
- Prime recipients are responsible for managing and monitoring each subaward supported by the award
- Prime recipients shall monitor subawards to ensure subrecipients have met the audit requirements
- Subawards include the “flow-through” of standard terms including, but not limited to:
  - Revision of budget and program
  - Management and distribution of property
  - Procurement standards and procedures
  - Reports and record keeping

OMB Circular A-133

- “Audits of States, Local Governments, and Non-Profit Organizations “
- Prime recipient to monitor Subrecipients’ compliance with federal regulations
- Prime recipient to ensure that performance goals are achieved
- Subrecipient to comply with Federal Single Audit and Prime recipient to monitor audit results and any corrective actions
- Subrecipient to permit the Prime recipient and auditors to have access to the records and financial statements as necessary
ACCOUNTING AND TRACKING

• Distinct FAS object codes
  – A separate unique subaccount in the subaccount range 86XX is assigned to each fully executed subcontract
  – For example, if you have 5 subawards, you will have 5 subaccounts...8601, 8602,....

<table>
<thead>
<tr>
<th></th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>8601 SC-NEW YORK UNIV</td>
<td>16,610</td>
</tr>
<tr>
<td>8602 SC-UNIV WASHINGTON</td>
<td>30,172</td>
</tr>
<tr>
<td>8603 SC-UNIV OF FLORIDA</td>
<td>123,685</td>
</tr>
</tbody>
</table>

  – Indirect costs are recovered only on the first $25,000 of payments for each project segment and are charged to unique 9103 - 9107 subaccounts
  – For example, if you have 5 subawards, you will have 5 subaccounts...9103, 9104,....
  – If there are more than 5 subawards under one prime award, an associate account will be created for the additional subawards
ACCOUNTING AND TRACKING

• **Invoice Review and Payment**
  – Department administrator initiates the review and processing of the invoice for payment. The following are the items to review:
    • Executed subaward Agreement or related amendment
    • Billing Period
    • Billing Period and Cumulative Expense Totals
    • Signature and Certification Statement
    • Detailed information (e.g. effort by staff) or additional backup (e.g. travel receipts) if required or offered
    • Final invoice
  – The principal investigator and department administrator are responsible for determining the allowability of the costs submitted for payment
  – The invoice should be consistent with the subaward budget and the progress reports received to date
  – A Direct Payment Voucher and the [Subrecipient Payment Authorization Form](#) must be completed to pay the subrecipient invoice
ACCOUNTING AND TRACKING

Sample Subrecipient Invoice – Award Demographic and Payment Information
Sample Subrecipient Invoice – Expenditure Information

<table>
<thead>
<tr>
<th>EXPENDITURE CATEGORY</th>
<th>AMOUNT PREVIOUSLY CLAIMED</th>
<th>AMOUNT CLAIMED THIS PERIOD</th>
<th>CUMULATIVE</th>
</tr>
</thead>
<tbody>
<tr>
<td>SALARIES</td>
<td>$ 5,131.68</td>
<td>$ 1,481.60</td>
<td>$ 6,613.28</td>
</tr>
<tr>
<td>BENEFITS</td>
<td>$ 2,665.72</td>
<td>$ 752.68</td>
<td>$ 3,418.40</td>
</tr>
<tr>
<td>TUITION</td>
<td></td>
<td></td>
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<tr>
<td>TRAVEL</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SUPPLIES &amp; SERVICES</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>OTHER</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>EQUIPMENT</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>TOTAL DIRECT COSTS</td>
<td>$ 7,797.40</td>
<td>$ 2,234.28</td>
<td>$ 10,031.68</td>
</tr>
<tr>
<td>INDIRECT @ 52.0%</td>
<td>$ 4,054.65</td>
<td>$ 1,161.83</td>
<td>$ 5,216.48</td>
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<tr>
<td>TOTAL</td>
<td>$ 11,852.05</td>
<td>$ 3,396.11</td>
<td>$ 15,248.16</td>
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<tr>
<td>Less: Funds Received</td>
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<td></td>
<td>$ (8,503.26)</td>
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<tr>
<td>OUTSTANDING INVOICE NO. K6174</td>
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<td></td>
<td>$ 6,744.90</td>
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<tr>
<td>NET AMOUNT OF THIS CLAIM</td>
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<td></td>
<td>$ (3,348.79)</td>
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<tr>
<td></td>
<td></td>
<td></td>
<td>$ 3,396.11</td>
</tr>
<tr>
<td>PAY THIS AMOUNT</td>
<td></td>
<td></td>
<td>$ 3,396.11</td>
</tr>
</tbody>
</table>
ACCOUNTING AND TRACKING

Sample Subrecipient Invoice – Certification Statement

THE UNDERSIGNED CERTIFIES THAT THE INFORMATION SET FORTH HEREIN IS TRUE AND CORRECT AND MAY BE USED AS A BASIS FOR PAYMENT FOR EFFORT PERFORMED AND THAT PAYMENT THEREON HAS NOT BEEN RECEIVED.

ADMINISTRATIVE OFFICER

Sample Subrecipient Invoice – Contact Information and References

Please direct any questions to:
Jill Densmore
Accounting Clerk II
(517) 355-5040
FAX: (517) 353-9812
ext 276

Grantor and Account Number
61-5571
$3,396.11
## THE UNIVERSITY OF CHICAGO
Subrecipient Payment Authorization

To be completed by Administrator or P.I.

1. **Subrecipient**
   a. Organization Name:
   b. Principal Investigator:

2. **Subagreement**:
   a. Period of Performance
      i. Begin Date:
      ii. End Date:
   b. Amount Awarded

3. **Invoice Information**:
   a. Number:
   b. Billing period:
      i. Begin Date
      ii. End Date
   c. Amount Invoiced
      i. Billing Period
      ii. Cumulative
d. Amount to be paid. If not equal to 3.c.i, attach explanation.

e. Account to Charge

4. FAS Reconciliation
   a. FAS cumulative expense
   b. Add amount from 3.d
   c. Total (4.a + 4.b). If not equal to 3.c.ii, attach explanation

To be completed by Principal Investigator

The attached invoice appears reasonable in light of the subrecipient’s progress reports to me.

P.I. Signature: 
P.I. Name (printed/typed) 
Date:
ACCOUNTING AND TRACKING

THE UNIVERSITY OF CHICAGO
Subrecipient Payment Authorization

1. Subrecipient
   a. Organization Name:

Sample Subrecipient Invoice

3. Invoice Information:
   a. Number:

Sample Invoice

INVOICE
MICHIGAN STATE UNIVERSITY
EAST LANSING, MICHIGAN

4-Jan-12
DATE

Make Check Payable to:
MICHIGAN STATE UNIVERSITY
Mail to:
Michigan State University
Contract & Grant Administration
301 Administration Building
East Lansing, MI 48824-1046

Invoice No. 61-5571

Please refer to above number on remittance advice or return this Section With Payment
ACCOUNTING AND TRACKING

THE UNIVERSITY OF CHICAGO
Subrecipient Payment Authorization

2. Subagreement:
   a. Period of Performance
      i. Begin Date:
      ii. End Date:
   b. Amount Awarded

Sample Subrecipient Invoice

<table>
<thead>
<tr>
<th>Subcontract No.:</th>
<th>MSU Acct. No.: 61-5571</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project Period:</td>
<td>01/01/10 - 06/30/10</td>
</tr>
<tr>
<td>Billing Period:</td>
<td>05/01/10 - 05/31/10</td>
</tr>
<tr>
<td>Total Award Amount:</td>
<td>$25,000.00</td>
</tr>
</tbody>
</table>

• Confirm dates with subaward agreement
• Confirm total award amount with subaward and FAS budget amount
• Check that billing dates are within subaward performance dates and do not overlap with previous invoices
• Confirm if this is an expected final invoice
**ACCOUNTING AND TRACKING**

3. **Invoice Information:**
   - **c. Amount Invoiced**
     - i. **Billing Period**
     - ii. **Cumulative**

   - **Check amounts** – only pay the current amount
   - **Confirm** that cumulative amount is less than or equal to the subaward authorized amount
   - **Confirm** that any outstanding invoices have been paid

---

**Sample Subrecipient Invoice**

<table>
<thead>
<tr>
<th>EXPENDITURE CATEGORY</th>
<th>AMOUNT PREVIOUSLY CLAIMED</th>
<th>AMOUNT CLAIMED THIS PERIOD 05/01/10 - 05/31/10</th>
<th>CUMULATIVE</th>
</tr>
</thead>
<tbody>
<tr>
<td>SALARIES</td>
<td>$ 5,131.68</td>
<td>$ 1,481.60</td>
<td>$ 6,613.28</td>
</tr>
<tr>
<td>BENEFITS</td>
<td>2,665.72</td>
<td>752.68</td>
<td>3,418.40</td>
</tr>
<tr>
<td>TUITION</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>TRAVEL</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>SUPPLIES &amp; SERVICES</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>OTHER</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>EQUIPMENT</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>TOTAL DIRECT COSTS</td>
<td>$ 7,797.40</td>
<td>$ 2,234.28</td>
<td>$ 10,031.68</td>
</tr>
<tr>
<td>INDIRECT @ 52.0%</td>
<td>4,054.65</td>
<td>1,161.83</td>
<td>5,216.48</td>
</tr>
<tr>
<td>TOTAL</td>
<td>$ 11,852.05</td>
<td>$ 3,396.11</td>
<td>$ 15,248.16</td>
</tr>
</tbody>
</table>

Less: Funds Received

**Outstanding Invoice No. K6174**

<table>
<thead>
<tr>
<th>Net Amount of This Claim</th>
<th>PAY THIS AMOUNT</th>
</tr>
</thead>
<tbody>
<tr>
<td>$</td>
<td>$ 3,396.11</td>
</tr>
</tbody>
</table>
ACCOUNTING AND TRACKING

THE UNIVERSITY OF CHICAGO
Subrecipient Payment Authorization

3. Invoice Information:
   d. Amount to be paid. If not equal to 3.c.i, attach explanation.
   e. Account to Charge

   • Explain if you are paying a different amount that the current bill amount on the invoice
   • Include the FAS number(s) to be charged

4. FAS Reconciliation
   a. FAS cumulative expense
   b. Add amount from 3.d
   c. Total (4.a + 4.b). If not equal to 3.c.ii, attach explanation

   • Review Screen 15 of the FAS account and subaccount to be charged to confirm enough budget is available
   • Explain if the cumulative expense in FAS plus the current amount to be paid is not the same as the cumulative amount billed

Items not included on the invoice should be available in the subaward agreement.
• **PI Review and Approval**
  - Dept. Administrator provides the PI a copy of the DPV, invoice, any supporting documents, and the Subrecipient Payment Authorization form
  - Dept. Administrator requests that the PI review invoice to confirm that the amount invoiced is consistent with and reasonable for the subcontractor work completed during the billing period
  - As needed, Dept. Administrator follows up with subrecipient accounting office or collaborating department at the request of PI if there are questions on billing amounts or work completed to date
Submit the Subrecipient Payment Authorization, subrecipient invoice, Direct Payment Voucher and any required explanations (see 3.d and 4.c) to the Restricted Funds Section of the Comptroller’s Office.

**Restricted Funds Approval**

Signature  
Name (printed/typed)  
Date

Restricted Funds Section of Comptroller’s Office  
=  
Sponsored Award Accounting of Financial Services at 6054 S. Drexel, Suite 300

The Sponsored Award Accounting (SAA) Post-Award Administrator will review forms for accuracy and completeness.
• The Subrecipient Payment Authorization form, completed DPV, and original plus one copy of invoice stapled and forward to appropriate SAA post-award administrator
  – Confirm that the correct subaccount is included on the DPV
  – Include a check description as instructed by the subrecipient (generally their invoice number)
  – Include enclosures only as necessary (generally a remittance copy of the invoice)

• The appropriate Sponsored Award Accounting Post-Award Administrator (PAA) will receive the DPV and attachments for review and approval

• The PAA will:
  – Review the Subrecipient Payment Authorization Form for completeness and sign the form if approved
  – Follow-up with Dept. Administrator with any questions or if any other information is needed
  – Send the approved DPV and attachments to Accounts Payable for processing
**ROLES AND RESPONSIBILITIES**

**PI / Department**
- Review and process subrecipient invoice for payment
- Determine the allowability of the costs submitted for payment
- Prepare the required forms for payment
- Monitor spending as compared to performance for each subrecipient

**Sponsored Award Accounting**
- Create unique subaccounts for each fully executed subaward
- Create automatic entry to charge indirect cost correctly to each subaward
- Review and approve payment request from PI/Department
Through the life of a subaward, any change can be addressed with an amendment or modification:

- Change in PI (may require prior approval)
- Change/Extension of performance period (only within the UC’s period)
- Increase/Decrease in funding (is there carryover? Cumulative totals)
- Change in workscope Revised budgets
- Reporting requirements
- Change of institution (PI from original Subrecipient institution may move to a new institution. This requires closing out the original subaward; approval from the sponsor to add the new institution as a Subrecipient.) This action will require the same information required for establishing a new subaward: workscope, budget, F&A agreement. This request must be routed through URA.
- Termination of the subaward agreement
Things to consider at “amendment time:”

• Has the subrecipient provided timely invoices?
• Is there a carryover balance that needs to be included and approved?
  – Internal tracking of cumulative balances need to match the amount on the modification
• Has the work been performed satisfactorily and is spending appropriate?
  – Confirm with the PI
• Are there terms that can be added to improve subrecipient performance or monitoring?
**ROLES AND RESPONSIBILITIES**

**PI / Department**
- Determine need for change in the subaward
  - Non-competing continuation
  - Supplement
  - Decrease
  - No-cost extension
- Determine if there are changes to Sub’s SOW
- Prepare Outgoing Subaward Form and send to URA with applicable supporting documentation
- Receive PI approval

**URA**
- Determine if prior approval is required
- Determine what terms are affected
- Prepare amendment to subaward agreement and obtain both parties’ signatures
Federal guidelines include the requirement for prime award recipients to monitor the activities of subrecipients. Specifically, A-133 outlines the following requirements for each of our subrecipients (sub):

- Inform sub of type of award, demographic information (e.g., award number, CFDA number, etc.)
- Advise sub of Federal, sponsor, UC, or any other requirements
- Monitor the activities of subrecipients as necessary to ensure that Federal awards are used for authorized purposes
- Monitor progress and performance goals
- Ensure that sub meets audit requirements
- Review and take action on any audit findings
- Make sub aware of documentation requirements
THE LIFE CYCLE OF A SUBAWARD

- Proposal development
- Proposal submission
- Award acceptance and setup
- Award management & subrecipient monitoring
- Closeout
CLOSE-OUT

• Within 45 days of the end of the budget period or the project period (as applicable) the administrator may contact the subcontractor institution’s administrator to receive an estimate of final invoice amount
• Administrator confirms with the UC PI that all work scope milestones and deliverables either have been received or are on schedule for completion by the subcontractor
• Administrator uses final invoice information to complete the internal closing memo for Sponsored Award Accounting
  – The final invoice is needed to include the expense as a trailing transaction
  – If it is not the final budget period of the project segment, a written estimate of the subrecipient’s final invoice amount can be reported as an unliquidated obligation
CLOSE-OUT

• SAA then prepares annual or final financial report or invoice (as required) and submits to prime sponsor.
• If the award does not allow automatic carry forward from year to year, the administrator works with the UC PI and the administrator at the subcontracting institution to determine if subcontract costs will be included in the carry forward request.
• If so, the administrator coordinates with administrator at the subcontracting institution to complete any necessary carry forward documentation.
**PI / Department**

- Confirm that final invoice is received from each subrecipient
- Verify receipt of final report, all deliverables have been met
- Assist URA with obtaining missing compliance information
- Obtain and submit final invention and property reports (if applicable)
- Obtain Release of Claims, Assignment of Refunds, Rebates & Credits
- Prepare Closing Memo

**URA**

- Follow-up on missing compliance information

**SAA**

- Review and approve Closing Memo
- Prepare final financial report or invoice and submit to prime sponsor
Key Points for Department Administrators

• Understand your role in the process
• Assist in obtaining the appropriate information needed to setup the subaward
• Don’t underestimate the time involved to execute a subaward
• Provide appropriate information to the PI for informed monitoring and decision-making
• Remember that invoice review and payment are a key step in appropriate subrecipient monitoring; Don’t pay an invoice if you have any questions or concerns
• Request amendments timely and use as another tool for monitoring
• Account for trailing transactions appropriately and accurately
• Contact URA and/or SAA if you have any questions or need any help with the above
Federal Guidelines
• OMB Circular A-110
  http://www.whitehouse.gov/omb/circulars_a110/

• OMB Circular A-133
  http://www.whitehouse.gov/omb/circulars/a133/a133.pdf

Subaward Instructions and Templates
• URA Website: Subawards
  http://researchadmin.uchicago.edu/accepting/subawards.shtml

• FDP Subaward Templates
  http://sites.nationalacademies.org/PGA/fdp/PGA_063626
**UC Required Forms**

- Outgoing Subaward Form
  http://researchadmin.uchicago.edu/docs/forms_templates/Outgoing%20Subaward%20Form%20Final_August2011.pdf

- Subrecipient Commitment Form

- Subrecipient Payment Authorization Form
  http://adminet.uchicago.edu/adminforms/pdfs/subrecipient-pay-auth.pdf

- How to complete a DPV:
  http://finserv.uchicago.edu/purchasing/check/suppliers/dpv.shtml