

SPA Seminar: SPA & Outgoing Subawards

Presented by

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The University of Vermont

SPA EDU Offerings

Topic	Course	Date	Time
<u>Introduction to Sponsored Project Administration (PDF)</u>	POL012	Sept 10, 2020	10:30AM-12:00PM
<u>Budget Building for Proposal Development</u>	POL034	Sept 23, 2020	10:30AM-12:00PM
→ <u>Out-going Subawards</u>	POL010	Oct 14, 2020	10:30AM-12:00PM
<u>Award Transfers From and To Other Institutions</u>	POL032	Oct 26, 2020	10:30AM-12:00PM
<u>PeopleSoft Tools and Best Practices for Financial Management</u>	CPT075	Nov 4, 2020	10:30AM-12:00PM
<u>Sponsored Project Financial Reporting and Closeout</u>	POL024	Dec 2, 2020	10:30AM-12:00PM

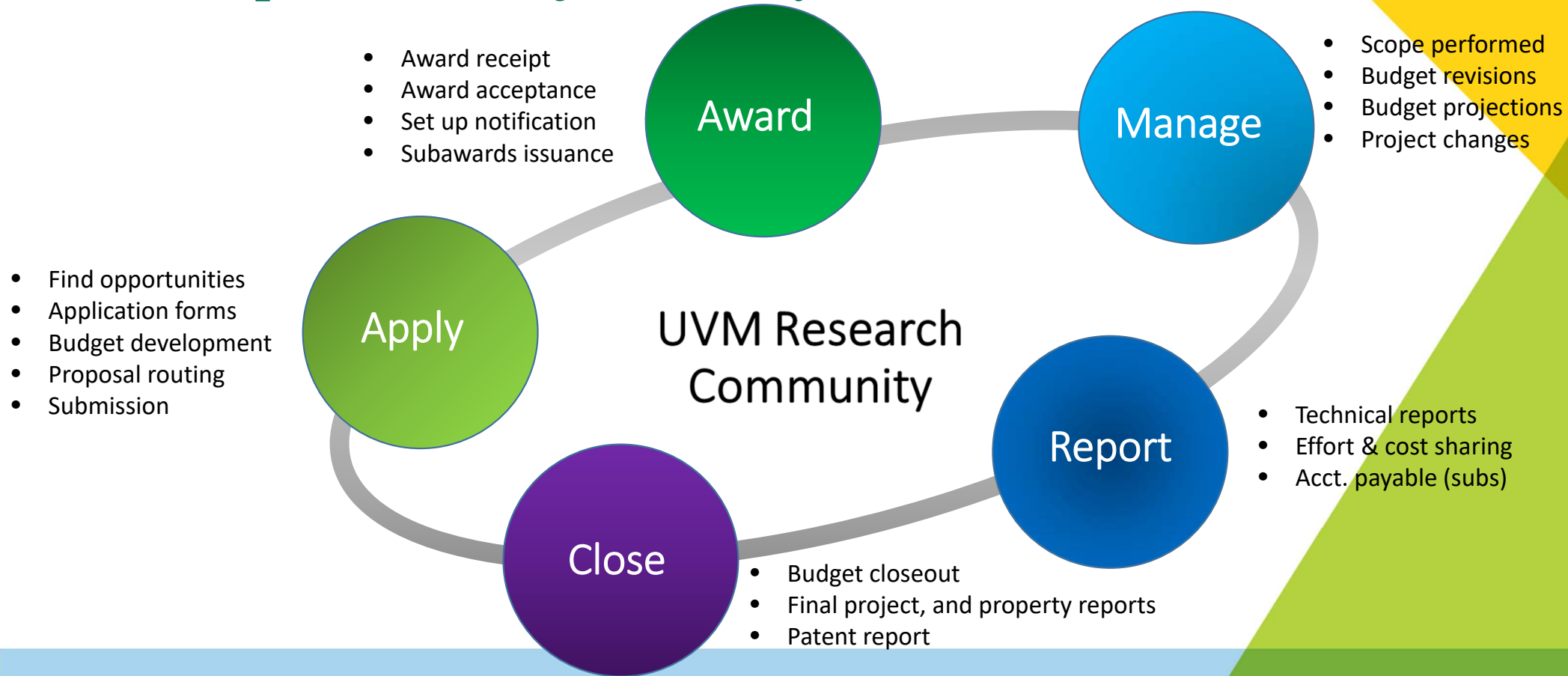
Agenda

- Welcome and introductions
- Purpose of the presentation
- Lifecycle of a subaward
- Roles and Responsibilities
- Invoicing and close-out
- Resources

Purpose of the Presentation

- ✓ Learn about outgoing sub agreement issuance
- ✓ Review processing of subawardee invoices
- ✓ Know the required documentation
- ✓ Understand roles and responsibilities

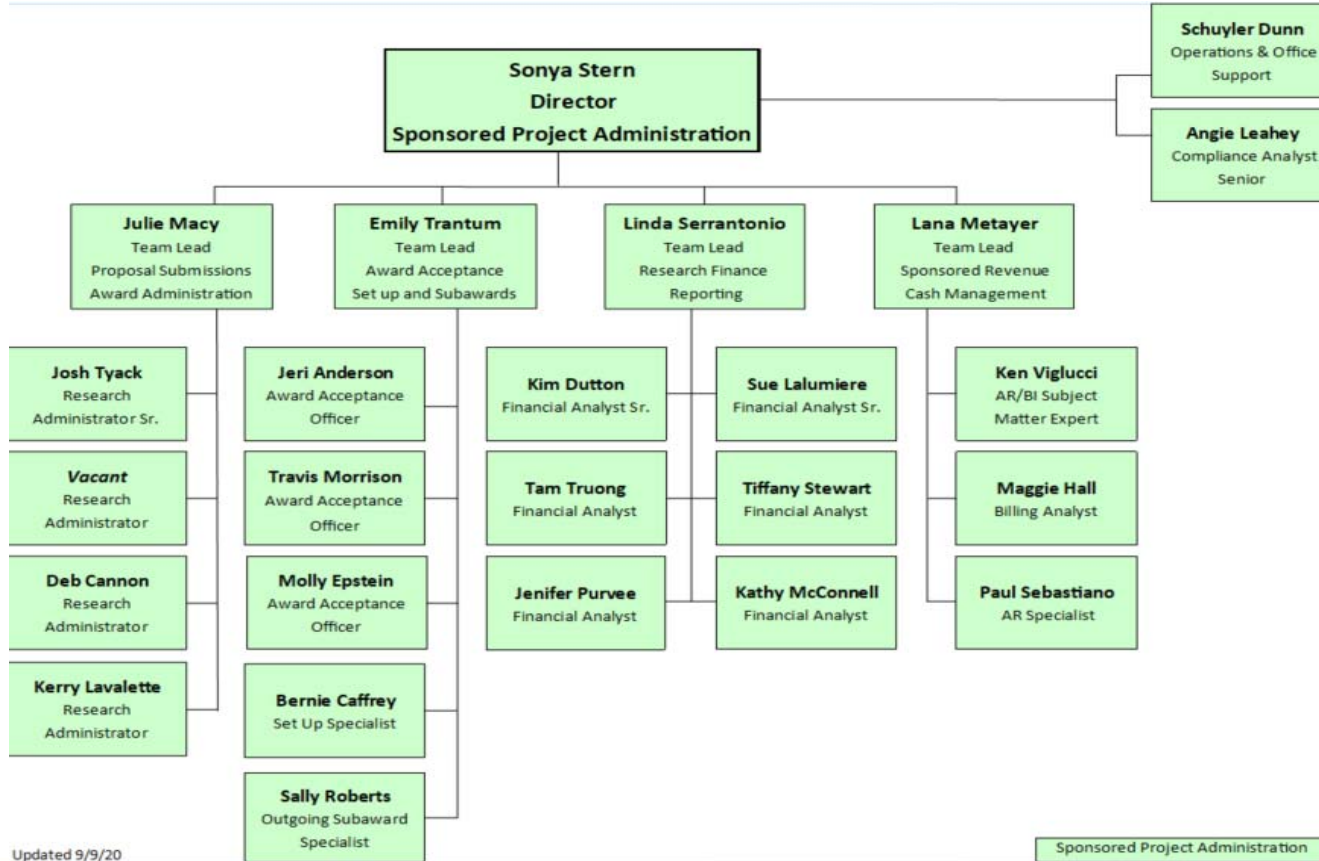
UVM Sponsored Project Life Cycle



UVM Research Community

- **300+** Active Principal Investigators (PIs)
- **100+** Departments with Sponsored Projects from **300+** Sponsors
- **\$140M+** annual volume of awards on **700+/-** award actions
- **300+** subawards issued annually
- Office of Vice President for Research
- Many supporting departments

UVM Sponsored Project Administration Organization



Sponsored Activities Fundamentals at UVM

- Sponsored Project Administration is the only UVM office authorized to accept awards.
- Documents or agreements must be submitted to Sponsored Project Administration for review, approval, and signature.
- Signing officials for the purpose of award acceptance and issuance of outgoing subawards at UVM are:
 - Emily Trantum
 - Sonya Stern
 - Brian Prindle

What is an outgoing subaward?

- An outgoing Subaward is the award mechanism issued by UVM to a subrecipient for the subrecipient to carry out part of the sponsored project awarded to UVM.
- The Subrecipient will be responsible for managing the technical and administrative aspects of its part of the project being performed under the subaward.
- Federal definition can be found at ([Uniform Guidance §200.92](#)). “Subaward” and “Subcontract” are used interchangeably.

Subrecipient, Contractor, or Consultant?

Subrecipient	Contractor	Consultant
Intellectually significant portion of programmatic effort	Goods and Services provided within normal business operations	Service provided within normal business operation
Responsible for programmatic decision making	No programmatic decision making	No programmatic decision making, but uses knowledge and expertise in field
Work performed by the subrecipient's personnel, using their personnel at their facilities	Operates in a competitive environment	Provides an expert opinion
Responsible for same regulatory and compliance requirements as prime recipient	Fee for Service	No stake in outcome of project

Roles and Responsibilities

- SPA-Outgoing Subaward Office
 - Prepares the outgoing subaward agreement and any amendments that may follow.
 - Ensures outgoing subawards are complete, incorporate sponsor flow-down provisions and are in compliance with all regulations.
 - Collects authorized official signatures, and distributes fully executed subaward/amendments to the subrecipient, UVM PI, and relevant UVM department administrators.
 - Works with the PI in the event of subrecipient performance issues; works with the subrecipient to implement a corrective action plan; notifies sponsor as needed.
 - Conducts a risk assessment on each subrecipient.

Roles & Responsibilities

- Principal Investigator (PI)
 - Reviews the proposed budget for unusual or excessive charges and confirms the budget is appropriate and necessary.
 - Maintains regular contact with the subrecipient's PI.
 - Collects, reviews and retains subrecipient's technical reports.
 - Verifies the subrecipient work is conducted in a timely manner and that the results are in line with the statement of work.
 - Performs *timely* reviews and approves subrecipient invoices to ensure charges are allowable and allocable.
 - Monitors the subrecipient's invoices and progress reports to ensure that there is enough money on the PO to ensure that any remaining balance is sufficient to complete the scope of the work. At any time the PI believes there are not adequate funds, they need to confirm that sponsor approves of rebudget and then contact the Outgoing Subaward Specialist to have the subaward and PO amended.

Roles & Responsibilities

- Principal Investigator (PI)
 - Confirms that the subrecipient has submitted final performance report and deemed it satisfactory before approving the Final invoice.
 - Promptly discusses with the subrecipient contact any concerns about expenditures or if the subrecipient is not fulfilling their obligations.

Roles & Responsibilities

- Department Administrators
 - Supports the PI by providing SPA (Outgoing Support Specialist) with necessary documentation for subaward drafting. For example, Scope of Work, Budget, SCAC forms, etc.
 - Assists SPA with obtaining audit information from the subrecipient, provides SPA with known subrecipient contacts.
 - Assists PIs with subrecipient monitoring responsibilities, including invoice review.

Roles & Responsibilities

- Department Administrators
 - Reviews the proposed budget for unusual or excessive charges and confirms the budget is appropriate and necessary.
 - Forwards invoices from FAs to PIs for PI approval and returns them to the FA upon PI approval.
 - Assists PIs in invoice review.
 - Assists the PI in monitoring invoices to ensure there are adequate funds remaining on the PO to pay for the services rendered now (as well as in the future) to comply with the scope of the work defined in the agreement.

Roles & Responsibilities

- SPA: Financial Analysts
 - Review invoices from a financial perspective. Look at invoice to ensure compliance with the subaward agreement for:
 - Charges were within the period of performance.
 - Correct F&A rate charged.
 - Cumulative amount is within the total amount awarded.
 - Any special subaward requirements.

Roles & Responsibilities

- SPA: Financial Analysts
 - Forward invoices and the Payment Certification forms to departments for PI review and approval to pay
 - Assist PIs and Department staff in the event budgetary/financial issues arise during the period of performance.

At time of proposal

- **Subrecipient Selection:** The UVM PI is in the best position to select the subrecipient that will be included in the proposal. The selection is based on the subrecipient's technical experience and the ability to perform the portion of the scope of work being proposed to the Sponsor.
- At a minimum, a subrecipient's proposal (submitted to SPA) should include the following:
 - Endorsement from the Subrecipient's Authorized Official.
 - A clear Statement of Work (SOW) to be performed by the subrecipient.
 - A corresponding Budget and Budget Justification.
 - A completed [UVM Subrecipient Commitment & Audit Certification Form](#) (SCAC), fewer sections required if the subrecipient is participating in the [FDP Expanded Clearinghouse Project](#).

At time of proposal, continued

- When required, subrecipients may need to provide additional information, such as
 - Biographical Sketches of Key Personnel
 - Current and Pending Support of Key Personnel
 - Detailed Budget Information
 - Negotiated Facilities and Administrative Cost Agreement
 - If the subrecipient does not have a federally negotiated F&A rate, under the Uniform Guidance no F&A can be budgeted or subrecipient may elect to charge a de minimis rate of 10% of modified total direct costs (MTDC) which may be used indefinitely.

At time of proposal, continued

- Subaward budgets must be in US Dollars.
- If the prime award is in foreign currency, use the most current exchange rate to calculate payment to the subrecipient. Variation in conversion from the date the budget is drafted to first payment to the subrecipient is unavoidable and will be written off to the department.
- Rebudgets may be necessary if allowed by the sponsor.

Budgeting for Fixed Price Subawards

- Federal sponsor prior approval will be required in order for UVM to issue a fixed price subaward rather than a cost-reimbursement subaward.
- Non-federal: prime award must be consulted for allowance of fixed price
- Fixed price subawards are recommended for international subrecipients, as it relieves much of the monitoring burden.
- The total cost of each fixed price federal subaward may not exceed **\$150,000**.

Budgeting for Fixed Price Subawards, continued

- “The budgeted subaward for (Insert Subrecipient name) will be issued as a fixed price subaward. The University of Vermont will consider this fixed price subaward approved if the award is made and no contrary guidance has been provided by the Sponsor to the University in the award notice.”

Award Acceptance

- When an award is received by SPA, it is assigned to one of the Award Acceptance (AA) Specialists.
- The AA Specialist notifies the PI, announcing receipt of the award and requesting the PI's review and approval. After the PI's approval is received and any necessary negotiation with the sponsor is complete, the AA Specialist collects needed signatures and UVM accepts the award.
- After all compliance issues are satisfied (Conflict of Interest, Export Control, IRB, IACUC, Bio-Safety) the award is set up in Peoplesoft and chartstrings are created.
- The AA Specialist confirms that updated subrecipient information is on file or requests it from the subrecipient. The Outgoing Subaward Specialist is then notified that the proposal has been awarded and the subrecipient information is up-to-date.

Risk Assessment

- After the prime award has been formally accepted and all necessary documentation has been collected, the Compliance Analyst conducts a risk assessment.
- A risk assessment is the method by which the Compliance Analyst determines the risk of awarding federal (or private) funds to a subrecipient.
- The Compliance Analyst uses the sub's most recent audit or financial statements and their previous history with UVM to complete the risk assessment.

Risk Assessment, continued

- Subrecipients will be designated either low, medium, or high risk. These designations drive the terms and conditions that may be added to the subaward agreement.
- A risk assessment must be conducted regularly, even on known entities because an organization may have new audit findings or history with UVM that must be considered.
- Uniform Guidance requires that a risk assessment be completed on each subrecipient, §200.331.

Subaward Drafting

- Types of subawards include:
 - Cost reimbursable (most common): Subrecipient receives payment only after the expenses have been incurred and they have submitted invoices. Must have a detailed budget to ensure funds are spent in an appropriate manner.
 - Fixed Price: subrecipient receives funds based on payment schedule and deliverables outlined in the subaward agreement. Detailed budget not required.
 - Foreign: subrecipients are located outside of the United States.
 - Non-federal: Sponsor is a private company, non-profit, etc.

Subaward Drafting, continued

- The Outgoing Subaward Specialist will ensure that terms and conditions from the prime award flow down to the subaward.
- The Outgoing Subaward Specialist will be in touch with the PI/department administrators as any questions arise, and vice versa. Timely responses between the Outgoing Subaward Specialist and PI/department administrators are important to keep the process moving forward.

Process Improvement: Purchase Order Set-up

- Purchase orders encumber the funds from the prime award specifically for the subrecipient. The subrecipient then uses the PO for invoicing.
- For new subawards, budget set-up is confirmed and the Outgoing Subaward Specialist creates a requisition in PeopleSoft for the purchase order. If any changes need to be made to the budget, the PI and/or Dept Admin must submit a re-budget Award Modification Request in UVMClick. The FA will then process this rebudget.
- Purchasing begins the purchase order creation process and generates a purchase order number.
- Outgoing Subaward Specialist includes the purchase order number in Attachment 4 of the subaward agreement, requiring our subrecipient to reference this number on all invoices.
- Generating the purchase order number at the beginning of the subaward drafting stage allows for a smoother invoicing process down the road.

PI Approval/Awaiting Partially Executed

- The Outgoing Subaward Specialist will send the complete draft of the subaward agreement to the UVM PI and/or their business administrator for review and approval, noting any additional terms/conditions. They will look for any errors, and communicate requested edits with the Outgoing Subaward Specialist.
- Once a final draft is agreed upon, the Outgoing Subaward Specialist will send the draft to the subrecipient for their review, completion, and signature. This stage in the subaward issuance process is known as **Awaiting Partially Executed**.

Awaiting Partially Executed

- This is the point in the subaward issuance process where we can often face extended delays. The Outgoing Subaward Specialist will handle any negotiation of terms and conditions with the subrecipient.
- UVM Department Business Administrators may be asked to assist with contacting unresponsive subrecipients.

Partially Executed/Fully Executed

- **Partial execution** occurs when the subrecipient signs the subaward agreement and returns it to the Outgoing Subaward Specialist.
- The Outgoing Subaward Specialist obtains a signature from UVM's authorized official (SPA Team Lead Award Acceptance, SPA Director or Executive Director of Research). Once the document is signed, the subaward is considered **fully executed**.
- The Outgoing Subaward Specialist sends the fully executed document to the subrecipient's administrative contact, the UVM PI, and any involved department business administrators.

Fully Executed

- For new awards, the Outgoing Subaward Specialist sends the PI a Subrecipient Monitoring Responsibilities letter.
- Progress is marked in the subaward tracker, then the Outgoing Subaward Specialist uploads the subaward agreement/amendment to UVMCLICK.
- Now the subaward is ready for purchase order requisition.

Purchase Orders

- The Outgoing Subaward Specialist sends the fully executed subaward agreement to Purchasing to complete the purchase order creation process.
- For amendments, the Outgoing Subaward Specialist emails Purchasing to amend an existing PO. Adding time and/or money depending on the type of amendment.
- Purchasing sends the new/updated purchase order to the Outgoing Subaward specialist, who notifies the PI, assigned SPA financial analyst, and relevant department business administrators with the new/updated PO.
- A new PO is issued when continuation amendments are executed on subawards without automatic carryover, these requisitions are created after full execution of the amendment.

Amendments

- Requests for amendments should go directly to the Outgoing Subaward Specialist with any necessary supporting documentation.
- The amendment drafting and signature process closely follows the process outlined above for full agreements.
- However, most subaward amendments are **unilateral** in nature, meaning that only UVM is required to sign the amendment, and the subrecipient will be notified after the fact.

Amendments, continued

- Any change in a subaward's scope of work must be issued **bilaterally**, meaning both parties must sign. PI changes and termination amendments also fall into this category.
- Once the budget is settled, PI and/or Admin will communicate to the Outgoing Subaward Specialist about possible amendments to the subawards, if applicable.
- Risk assessments must be completed for NCE, continuation and supplement amendments. They are not required for a PI change or termination.

Invoicing

- Invoices come directly from the subrecipient to SPA and are directed to the assigned FA.
- The FA reviews the invoice to ensure it meets the **financial** requirements of the subaward agreement:
 - F&A Rate charged
 - Billing period (to ensure no overlap in dates of service)
 - Cumulative Billed Amount (to ensure it does not exceed Award Amount)
 - Any other requirements specific to the award (i.e. holdback %, etc.)

Invoicing

- The FA creates a Payment Certification Form (PI's authorization to Pay).
 - We insert key information from the invoice onto the Payment Certification Form and reference the UVM award #, project # and PO#.
- The Payment Certification Form and the invoice are combined into one PDF and sent to the Department Administrator to obtain PI approval to pay the invoice.

The University of Vermont
Subaward Invoice Payment Certification Form

Sponsored Project Administration

PI Name:

Attached for your review is the subrecipient's invoice as further identified below. To process or hold payment, please complete this form and return by email both the form and invoice as one PDF document, to the SPA Approver noted below at your earliest convenience.

Subrecipient (Vendor Name):	Subaward #:	UVM Award #:	UVM Project #:	UVM PO #:	Invoice #:	Invoice Date:	Invoice Billing Period:	Invoice Total (Amount to be paid):	Line to Pay From:	Cumulative Amount:	UVM PO Available Balance after Payment:	Final Invoice (Y/N):	CS Commitment on Track
ABC University	12345SUB6789	30000	031766	18000	456778-5	03/13/20	1/1/2020-1/31/2020	5,000.00	Line #1	25,000.00	13,000.00	N	n/a

Confirm the information specific to this invoice is correct.



Confirm the PI checked off the appropriate approval box.



By signing and approving the attached invoice for payment I am certifying to the following:

- The costs presented in the invoice are reasonable and appropriate for the work performed to date.
- All reports and deliverables required to date have been received, as required by the terms of the subaward.
- If Final Invoice, I confirm the subrecipient made sufficient progress and all final reports and deliverables have been received and accepted, as required by the terms of the subaward.
- The services have been received and I authorize the Disbursement Center to process this invoice for payment.

APPROVED. As Principal Investigator of the subject project, I certify that the subrecipient has sufficiently performed in accordance with the requirements of the subaward and payment of the attached invoice is authorized.

NOT APPROVED. The attached invoice should not be paid for the following reason(s). Please check all that apply:

- Required reports or deliverables have not been submitted or approved.
- Invoiced expenses are not reasonable or verifiable.
- Subrecipient is not making adequate progress or is not performing in adherence with the subaward.

Additional Info: Please provide details regarding why the invoice is not approved (i.e.: incomplete deliverables, specific expense concerns): SPA will contact you with any questions before informing the subrecipient.

PI Signature (or Designee): _____

Date: _____

SPA Approval: Kathleen McConnell

PI can sign electronically or with a "wet signature" (which will then need to be scanned).

Invoicing, continued

After reviewing the Payment Certification Form for accuracy

and

After reviewing the invoice amount is appropriate for the work performed:

- Return the Payment Certification Form and the invoice (in one pdf) to your FA.

We will then pass it along to Disbursements for payment.

Close-out

- The last Subrecipient's invoice must be marked on the invoice as "Final".
- The PO associated with this award must be closed with Purchasing.
 - Note that once a PO is closed, either for early termination or natural termination, unspent budgetary funds will be unencumbered and will stay on the subaward chartstring until you request a re-budget.
- If you want to end a subaward agreement early, contact the Subaward Specialist for a revised subaward agreement.

Summary

- Consultant, contractor or subrecipient?
- Subaward Lifecycle
- Roles and responsibilities/monitoring
- Invoicing/Close Out

Helpful Links

- <http://www.uvm.edu/spa/?Page=subawardrequirements.html>
- https://www.uvm.edu/sites/default/files/Sponsored-Project-Administration/spa_issuing_and_amending_outgoing_subawards_procedure.pdf
- <https://www.uvm.edu/sites/default/files/Sponsored-Project-Administration/subrecipientcommitmentform.pdf>
- <http://thefdp.org>
- <https://fdpclearinghouse.org/>