

# SPA & Outgoing Subawards

Presented by

**Sally Roberts**, Outgoing Subaward Specialist, SPA

**Kathy McConnell**, Financial Analyst, SPA

5/12/2022



The University of Vermont

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# Agenda

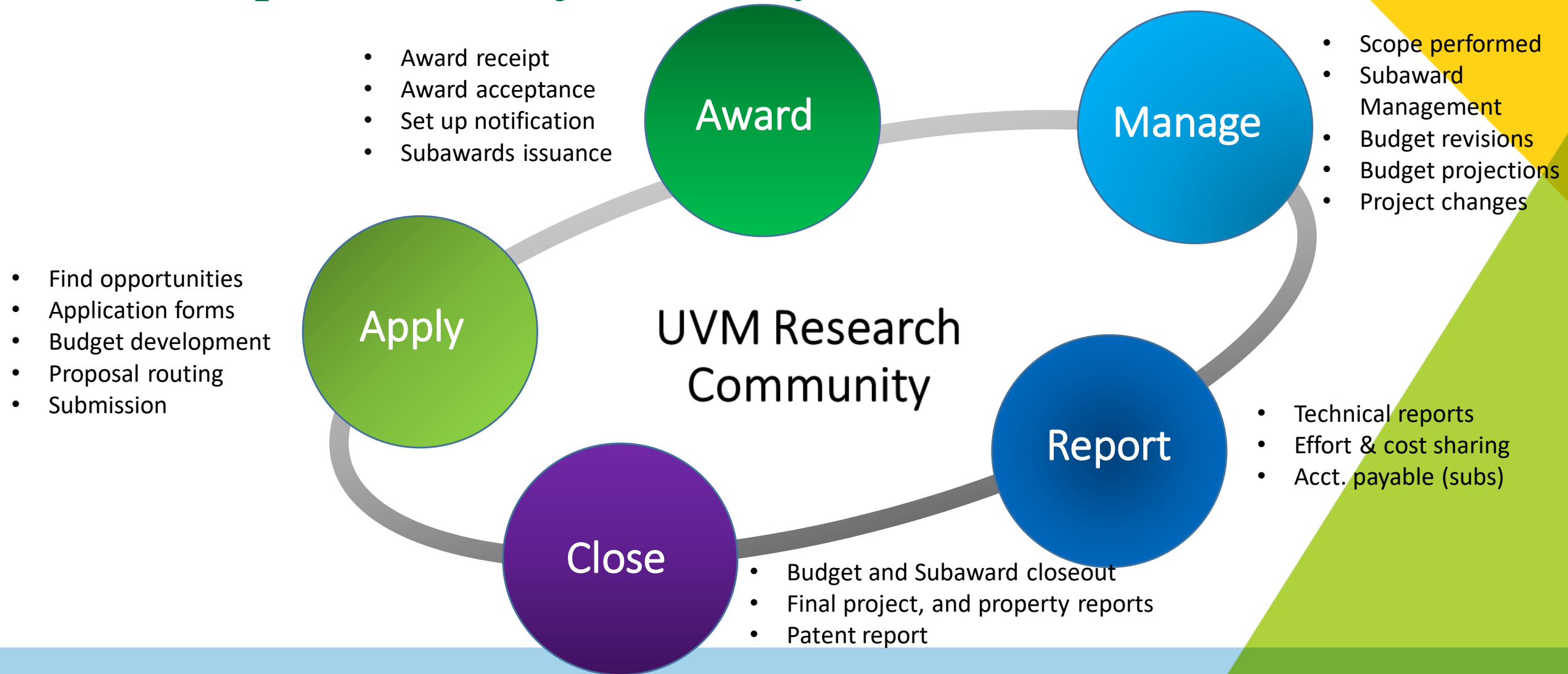
- Welcome and introductions
- Purpose of the presentation
- Roles and Responsibilities
- Invoicing and close-out
- Resources

# SPA EDU Offerings

Topic	Course	Date	Time
<u>Award Acceptance for Sponsored Agreements &amp; Establishment of Advance Accounts</u>	POL020	March 16, 2022	10:00AM - 11:30AM
<u>Cost Transfers On Sponsored Projects</u>	POL021	March 28, 2022	1:30PM - 3:00PM
<u>Sponsored Project Financial Reporting and Closeout</u>	POL024	April 21, 2022	10:00AM - 11:30AM
<u>SPA &amp; Outgoing Subawards</u>	POL010	May 12, 2022	10:00AM - 11:30AM
<u>Budget Building For Proposal Development</u>	POL034	May 25, 2022	1:30PM - 3:00PM



# UVM Sponsored Project Life Cycle

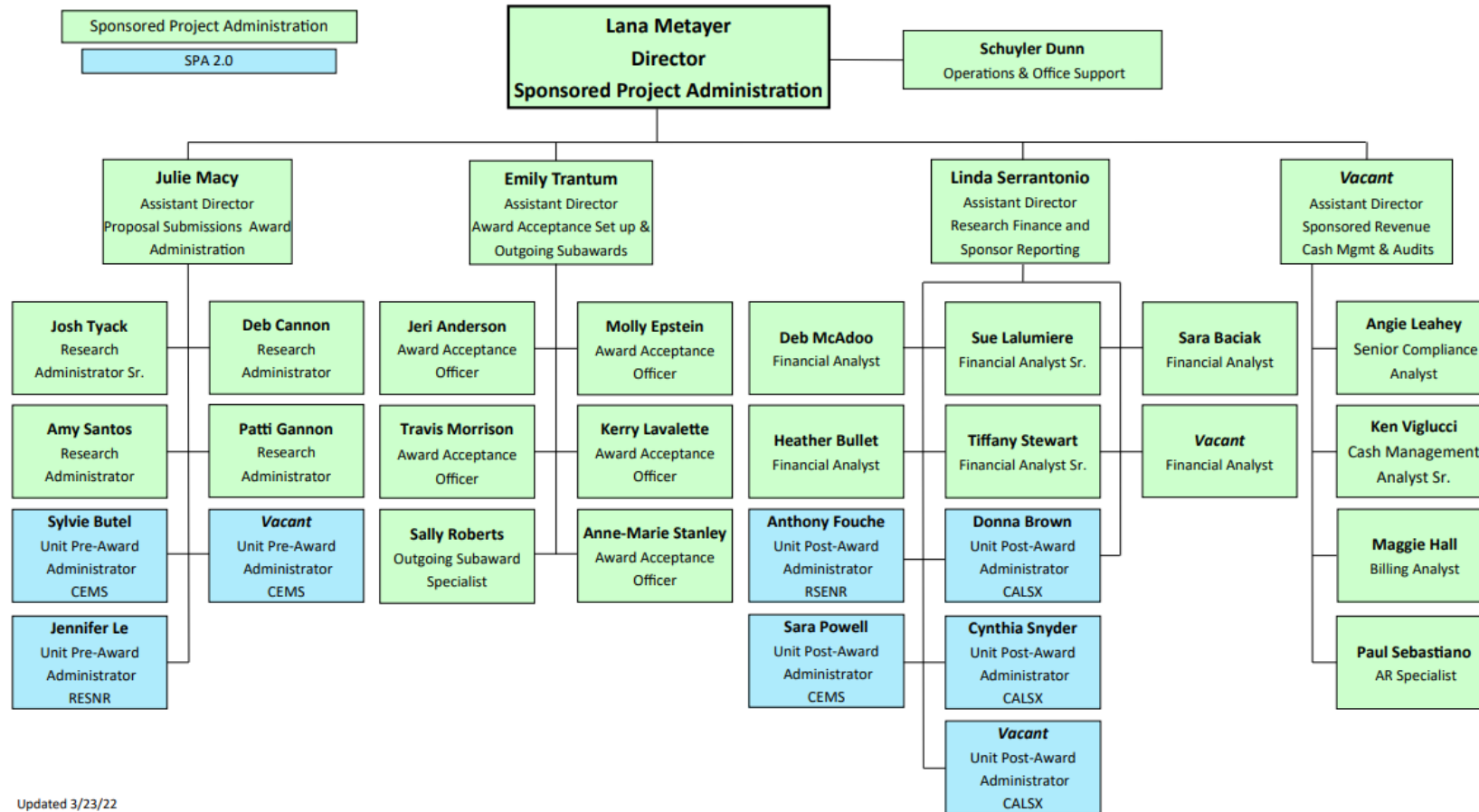


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# UVM Research Community

- **300+** Active Principal Investigators (PIs)
- **100+** Departments with Sponsored Projects from **300+** Sponsors
- **\$204M+** annual volume of awards
- **370** final financial reports processed in FY21
- **300+** subawards issued annually

# UVM Sponsored Project Administration Organization



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# Purpose of the Presentation

- ✓ Learn about information needed to submit a proposal with a subrecipient.
- ✓ Review tasks involved in setting up a Subaward Agreement.
- ✓ Identify tasks that need to be completed on an ongoing basis during the subaward's award period.
- ✓ Review tasks that need to be completed 0-30 days after the prime award ends.
- ✓ Learn about the tasks your Financial Analyst will perform to create your final financial report and close out the subaward agreement.

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# 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
  - Julie Macy
  - Lana Metayer
  - Brian Prindle



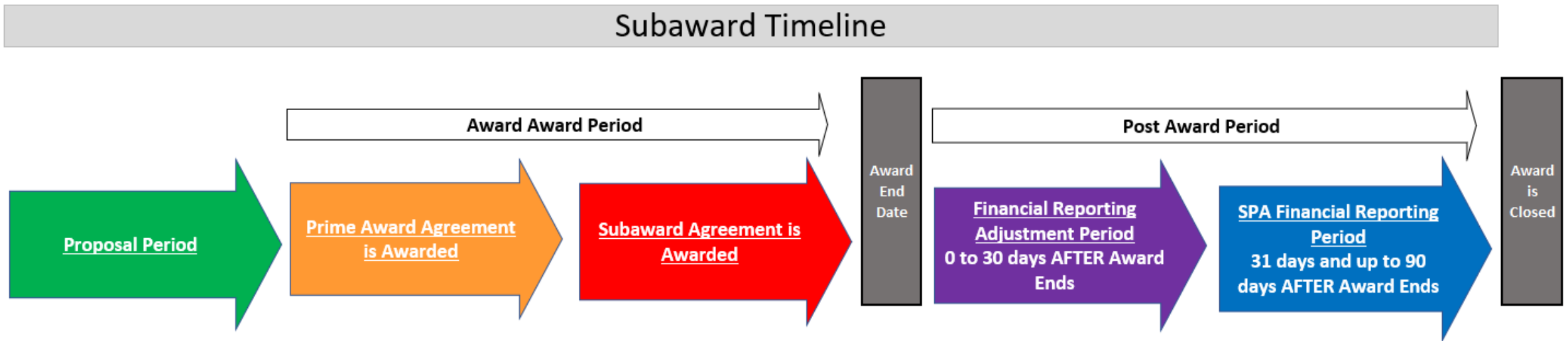
# What is an outgoing subaward?



- 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 of a subaward can be found at ([Uniform Guidance §200.92](#)).  
“Subaward” and “Subcontract” are used interchangeably.

# Subaward Agreement Timeline

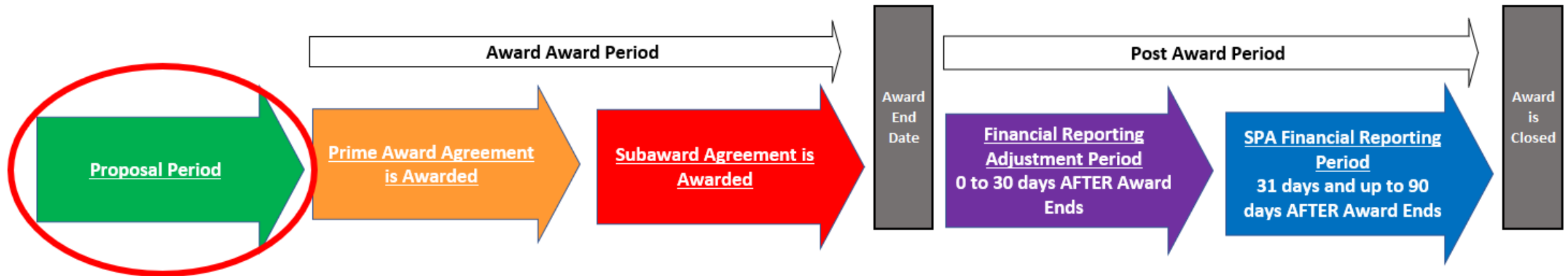
## Sponsored Project Subaward Agreement Timeline



# Subaward Agreement Timeline – Proposal Period

## Sponsored Project Subaward Agreement Timeline

### Subaward Timeline



# Proposal Period - 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

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# Proposal Period

- The UVM PI makes the Subrecipient selection.
- At a minimum, a subrecipient's proposal (submitted to SPA) should include the following:
  - Letter of support from the Subrecipient's Authorized Official.
  - A clear Statement of Work (SOW) to be performed by the subrecipient.
  - A corresponding Budget and Budget Justification.
    - Subaward budgets must be in US Dollars.
  - A completed [UVM Subrecipient Commitment & Audit Certification Form](#) (SCAC).
  - All Subrecipients of a federal award must be registered in SAM.gov

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# Proposal Period - Subaward Types

- 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.

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# Proposal Period - 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
- The total cost of each fixed price federal subaward may not exceed **\$150,000**.

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## Proposal Period - Budgeting for Fixed Price Subawards continued

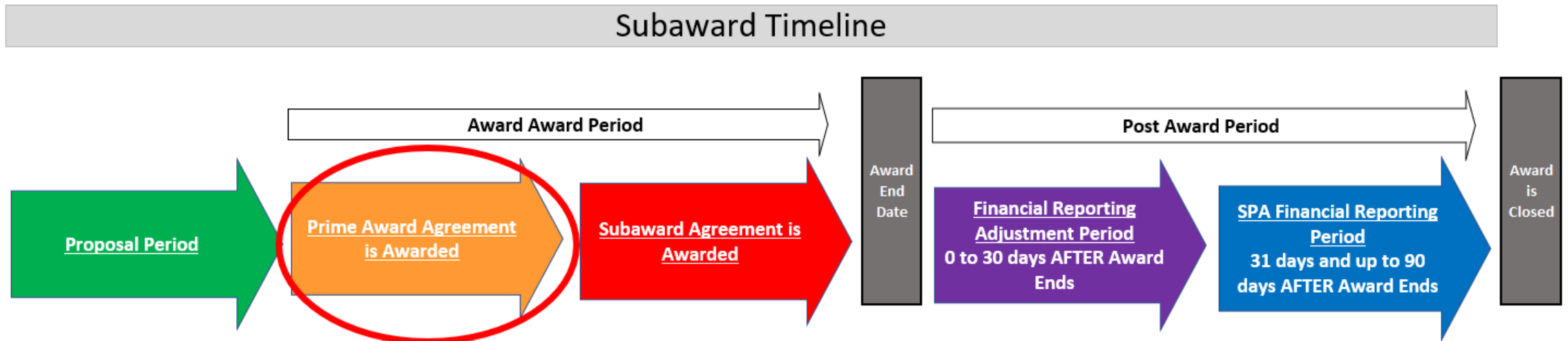
➤ A Standard fixed price statement must be included in the budget narrative:

“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.”



# Prime Award Agreement Is Awarded Phase

## Sponsored Project Subaward Agreement Timeline



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# Prime Award Agreement Is Awarded Phase - Award Acceptance

- When an award is received by SPA, it is entered into UVMClick and assigned to one of the Award Acceptance (AA) Officers.
- The AA Officer 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 Officer 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 Officer confirms that updated subrecipient information is on file or requests it from the subrecipient. The Outgoing Subaward Officer is then notified that the proposal has been awarded and the subrecipient information is up-to-date.

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# Prime Award Agreement Is Awarded Phase - Preparing the Subaward- PI and Dept Admin Roles and Responsibilities

- The PI Reviews the proposed budget for unusual or excessive charges and confirms the budget is appropriate and necessary.

## The Department Admin:

- Supports the PI by providing SPA (Outgoing Support Specialist) with necessary documentation for subaward drafting. For example, Scope of Work document, Budget, Budget Justification document and Subrecipient Commitment and Certification form (SCAC), etc.
- Assists SPA with obtaining audit information from the subrecipient, provides SPA with known subrecipient contacts.
- 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.

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## **Prime Award Agreement Is Awarded Phase - Preparing the Subaward - SPA Role and Responsibility**

- Conducts a risk assessment on each subrecipient per subaward.
- Prepares the outgoing subaward agreement. Note: A subaward cannot be issued before the prime award is fully set up in UVM systems and adequate funds are available.
- Ensures outgoing subawards are complete, incorporate sponsor flow-down provisions and are in compliance with all regulations. Important to note: The subaward period of performance cannot fall outside of the Prime Award's period of performance.
- Initiates generation of a PO to encumber the funds from the prime award specifically for the subrecipient. The PO # is added to the subaward agreement and the subrecipient then uses the PO # as reference when invoicing.

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# Prime Award Agreement Is Awarded Phase - 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 commitment form (SCAC), most recent audit or financial statements and their previous history with UVM to complete the risk assessment.

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## **Prime Award Agreement Is Awarded Phase - 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.

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# Prime Award Agreement Is Awarded Phase - Subaward Draft Review - Roles and Responsibilities

- When the draft is ready, the Outgoing Subaward Specialist will send it to the PI and/or Department Admin for review and approval.
- Once the PI and/or Dept Admin communicates approval to the Outgoing Subaward Specialist, the agreement is sent to the subrecipient for their review, completion and signature.
- If the subrecipient requests any edits, the Outgoing Subaward Specialist will send the requests to the PI and/or Department Admin for review and approval before making any changes. If it's a complex request, I may also reach out to my supervisor.

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## **Prime Award Agreement Is Awarded Phase - Subaward Execution- SPA Roles and Responsibilities**

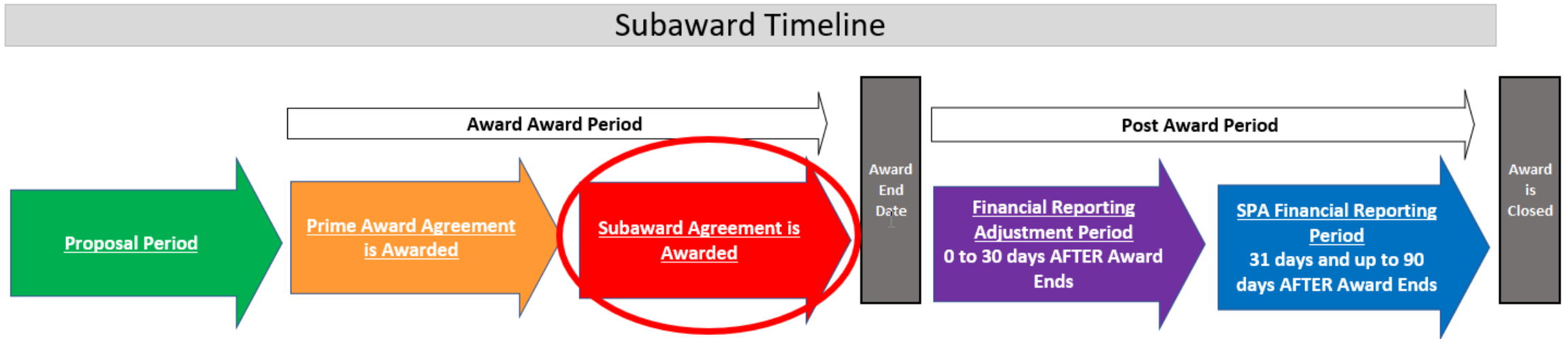
- The Outgoing Subaward Specialist collects authorized official signatures, and distributes fully executed subaward to the subrecipient, UVM PI, UVM FA and UVM department administrator.
- The Outgoing Subaward Specialist uploads the fully executed subaward to UVMClick.
- The Outgoing Subaward Specialist requests Purchasing to complete the PO process and sends the resulting PO to the UVM PI, UVM FA and UVM department administrator.





# Subaward Agreement is Awarded Phase

## Sponsored Project Subaward Agreement Timeline



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# Subaward Agreement is Awarded Phase – Ongoing Tasks

Who is responsible for completing specific tasks on an ongoing basis through the subaward period varies depending on the department structure.

The following tasks are traditionally completed by the PI:

- Maintain regular contact with the subrecipient's PI.
- Monitor the subrecipient progress reports.
  - Verify the subrecipient work is conducted in a timely manner.
  - Ensure the results are in line with the subrecipient's statement of work for this engagement.
  - Conduct conversations regarding any concerns or if the subrecipient is not fulfilling their obligations.
- Collect, review and retain all subrecipient technical reports.
- Review and approve all invoices for payment (more information later in this presentation on this process).

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# Subaward Agreement is Awarded Phase – Ongoing Tasks

The following tasks are generally completed by either the PI or the Unit

## Administrator:

- Monitor the subrecipient's invoices regularly for unusual or excessive charges and ensure the invoices are in line with the proposed budget and are appropriate and allowable.
- Monitor 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.

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## **Subaward Agreement is Awarded Phase – Ongoing Tasks**

Your SPA Financial Analyst (FA) also plays a part in the tasks that need to be completed on an ongoing basis. Your SPA Financial Analyst performs the following tasks:

- Forwards invoices and the Payment Certification forms to the PI or Unit Administrator for PI review and approval to pay. More information on this will be presented on the next slide.
- Assist PIs and Unit Administrators in the event budgetary/financial issues arise during the period of performance.

# Subaward Agreement is Awarded Phase – Invoice Approval



Throughout the subaward phase, the subrecipients will submit invoices for the work they complete in accordance with information outlined in their subaward agreement. This includes:

- Referencing the PO Number on their invoices.
- Submitting invoices to [SPA@uvm.edu](mailto:SPA@uvm.edu) for payment.

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# Subaward Agreement is Awarded Phase - Invoice Approval

## SPA Financial Analyst Responsibilities

The subrecipient invoices are sent to SPA's email box and are then forwarded to the SPA Financial Analyst for that award.

The Financial Analyst reviews the invoices from a financial perspective. We look at invoice to ensure:

1. Charges were within the subaward period of performance.
2. The correct F&A rate was charged.
3. The cumulative amount is within the total amount awarded.
4. And, ensure compliance with any special financial subaward requirements.



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# Subaward Agreement is Awarded Phase – Invoice Approval

## SPA Financial Analyst Responsibilities

Once the FA reviews the invoice and deems it is appropriate for payment from a financial perspective:

- 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: Sandy Smith

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

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

*Kathleen McConnell*

Confirm the information specific to this invoice is correct.

Confirm the PI checked off the appropriate approval box.

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

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# Subaward Agreement is Awarded Phase – Invoice Approval

## PI Invoice Responsibilities

The PI:

- Reviews the Payment Certification Form and the subrecipient's invoice.
  - Ensures the form is referencing the correct PO, Project Number and Award Number.
- Ensures the invoice amount is appropriate for the services being rendered and in line with the scope of work.
- Indicates on the Payment Certification Form that the invoice is approved or denied for payment and return the invoice and Payment Cert Form to your Financial Analyst. The PI must communicate with the sub any reason for denial of payment.



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# Subaward Agreement is Awarded Phase – Invoice Approval

## SPA Financial Analyst Responsibilities

The SPA Financial Analyst then:

- Passes the approved Payment Cert forms along to Disbursements for payment.



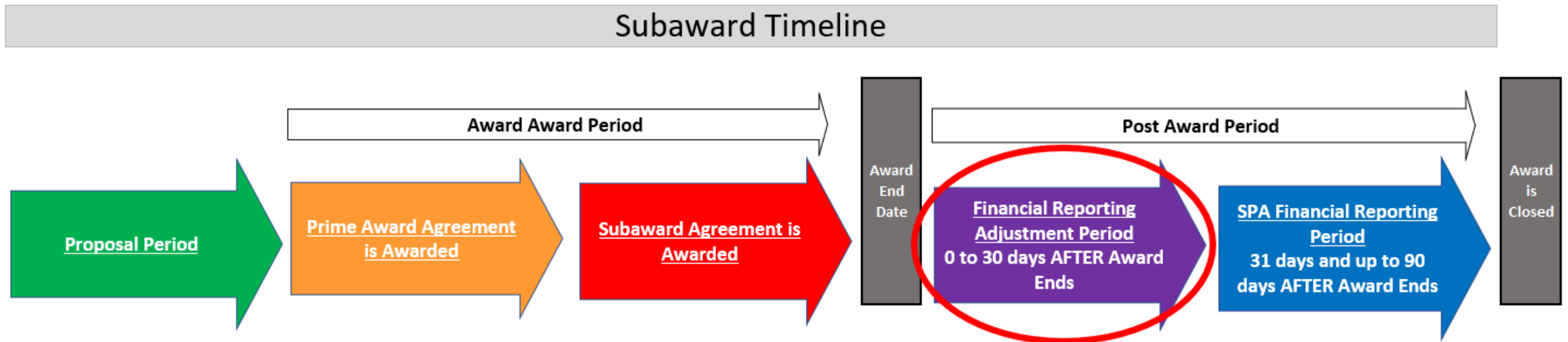


# Subaward Agreement is Awarded Phase – Invoice Approval



# Financial Reporting Adjustment Period

## Sponsored Project Subaward Agreement Timeline



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# Financial Reporting Adjustment Period – Dept Tasks

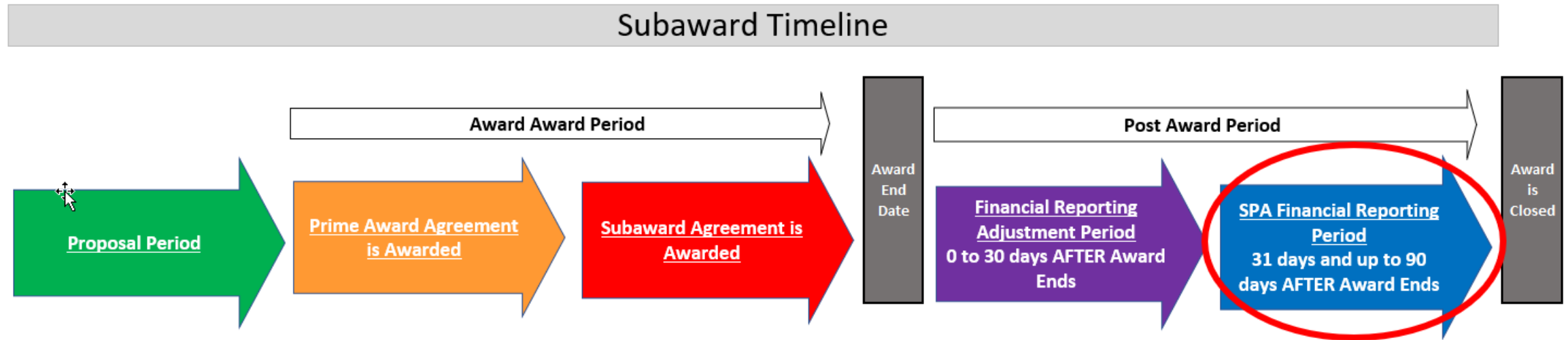
There are many tasks the dept is responsible for completing during this adjustment period. For more information go to SPA's website, under Education and Learning, SPA EDU Sessions and view the PowerPoint presentation for Sponsored Project Financial Reporting and Closeout session.

The Adjustment Period Tasks (0 to 30 days after the award ends) associated with a subaward are as follows:

- The Department must ensure all subrecipient invoices have been received, signed and submitted to your SPA Financial Analyst before the adjustment period ends. Failure to receive all subaward invoices by the end of the period could result in the exclusion of expenses in the Final Financial Report and those expenses will then need to be assumed by the department.
  - If this final invoice has not been received by this period, the Department/PI must follow-up with the sub to ensure their final invoice is submitted quickly so it can be paid before the adjustment period ends.
- By approving the final invoice for payment, the PI confirms that the subrecipient has submitted final performance report and deemed it satisfactory before approving the final invoice.

# SPA Financial Reporting Period

## Sponsored Project Subaward Agreement Timeline





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# SPA Financial Reporting Period – FA Tasks

Your SPA Financial Analyst confirms all subrecipient Final invoices have been received and paid.

The final expenses for these subrecipients are then included in the Final Financial Report to the sponsor.

Once all invoices have been paid, the FA will request closure of all subrecipient Purchase Orders with Purchasing (note nonsub invoices must be closed by the department).

- FYI, once a PO is closed, either for early termination or natural termination, unspent budgetary funds will be unencumbered and will stay on the subaward chart string until you request a re-budget.

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# Changes/Amendments to a SubAward Agreement



At any time through the subaward process, if you want make a change to the subaward period, amount or terminate the agreement early, contact the Subaward Specialist for a revised subaward agreement.

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## Changes/Amendments to a SubAward Agreement - continued

- Requests for amendments require updated supporting documentation (i.e. updated SOW, updated SCAC and updated budget and budget justification documents).
- Risk assessments must be completed for NCE, continuation and supplement amendments. They are not required for a PI change or termination.
- Existing PO's will be updated, adding time and/or money depending on the type of amendment. Or, a new PO is issued when continuation amendments are executed on subawards without automatic carryover.



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# Subaward FAQ

Q: What are the required documents needed to establish or modify a subaward agreement?

A: *1) Statement of Work document; 2) Subrecipient Commitment form (SCAC) with audit/financial information, 3) Subaward Budget document; 4) Budget Justification document.*

*Additionally, for federal subawards, the subrecipient must have an active registration in SAM.gov*

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## Subaward FAQ

Q: Can the subaward agreement (or amendment) be issued before the prime award is set up in UVM's system?

*A: No. We must wait until the prime award is set up. But you can work on pulling together all the required documents during this waiting period.*

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## Subaward FAQ

Q: Once the subaward agreement has been signed and executed, who is responsible for managing the subaward arrangement and ensuring the invoices are correct?

*A: The PI is responsible for ensuring the work is being completed by the subrecipient and that all invoice amounts are fair and accurate according to the work completed and allowable with the prime sponsor.*

*Your SPA financial analyst will review invoices to ensure they are within the award's period of performance, ensure the invoice period has not already been paid and that the F&A rate is appropriate.*

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# Summary

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



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# 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/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/>

