SPA Seminar: SPA & Outgoing Subawards

Presented by
Molly Epstein, CRA, Outgoing Subaward Specialist, SPA
Kathy McConnell, Financial Analyst, SPA
## SPA EDU Offerings

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<td>SPA Seminar: Introduction to Sponsored Project Administration</td>
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<td>09/19/18 and 01/10/19</td>
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<td>SPA Seminar: Essential Regulatory Compliance in Sponsored Project Administration</td>
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<td>SPA Seminar: Preparation, Review and Submission of Sponsored Project Proposals</td>
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Agenda

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

A quick overview of regulations that govern the subrecipient process, followed by a more in-depth overview of processes around outgoing subaward agreements on sponsored projects, specifically focusing on issuing and amending subawards, and processing of subawardee invoices.

- Learn about outgoing sub agreement issuance, and review and processing of subawardee invoices
- Know the documentation involved around these activities
- Understand roles and responsibilities related to these activities
UVM Sponsored Project Life Cycle

Apply
- Find opportunities
- Application forms
- Budget development
- Proposal routing
- Submission

Award
- Award receipt
- Award acceptance
- Set up notification
- Subawards issuance

Manage
- Scope performed
- Budget revisions
- Budget projections
- Project changes

Close
- Budget closeout
- Final project, and property reports
- Patent report

Report
- Technical reports
- Effort & cost sharing
- Acct. payable (subs)

UVM Research Community
UVM Research Community

• 300+ Active Principal Investigators (PIs)
• 100+ Departments with Sponsored Projects from 300+ Sponsors
• $130M+ annual volume of awards on 700+/-. award actions
• 300+ subawards issued annually
• Office of Vice President for Research
• Many supporting departments
Sponsored Activities Fundamentals at UVM

- Sponsored Project Administration under the Office of the Vice President for Research is the only UVM office authorized to accept awards, typically grants, contracts, cooperative agreements, made in support sponsored activities on behalf of the University of Vermont.

- In addition, any document or agreement related to sponsored activities requiring an authorized official signature, including no money collaboration 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?

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<tr>
<th>Subrecipient</th>
<th>Contractor</th>
<th>Consultant</th>
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<tr>
<td>Intellectually significant portion of programmatic effort</td>
<td>Goods and Services provided within normal business operations</td>
<td>Service provided within normal business operation</td>
</tr>
<tr>
<td>Responsible for programmatic decision making</td>
<td>No programmatic decision making</td>
<td>No programmatic decision making, but uses knowledge and expertise in field</td>
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<td>Work performed by the subrecipient’s personnel, using their personnel at their facilities</td>
<td>Operates in a competitive environment</td>
<td>Provides an expert opinion</td>
</tr>
<tr>
<td>Responsible for same regulatory and compliance requirements as prime recipient</td>
<td>Fee for Service</td>
<td>No stake in outcome of project</td>
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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.
- Maintains data in the FFATA Subaward Reporting System (FSRS) https://www.fsrs.gov/
Roles & Responsibilities

• Principal Investigator (PI)
  - 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 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 contacts their SPA Financial Analyst with concerns about subrecipient expenditures or DSP with any indication that the subrecipient is not fulfilling its obligations under the subaward.
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.
  
  - Assists PIs in invoice review when appropriate.
  
  - Forwards invoices from FAs to PIs for PI approval and returns them to the FA upon PI approval.
  
  - 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

➤ Assist in the review of invoices prior to payment to ensure that all invoices are:

➤ consistent with subaward requirements

➤ within the period of performance

➤ allowable and contain no inconsistencies

➤ correctly calculating F&A

➤ showing the correct cumulative amount of the invoice does not exceed the total amount of the subaward.
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 Description of Work (SOW) to be performed by the subrecipient.
  - A corresponding Budget and Budget Justification.
  - A completed **UVM Subrecipient Commitment & Audit Certification Form**, 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
At time of proposal, continued

- 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.

- *Note: 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

- New Rules per Uniform Guidance

- 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.
Fixed price subawards are recommended for international subrecipients, as it relieves much of the monitoring burden.

To expedite sponsor approval, Investigators who are contemplating a fixed price subaward must include the following or similar statement 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.”
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 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.
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, your Financial Analyst will be contacted to perform any necessary rebudgets.

- 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 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, any involved department business administrators, and to the subdiscl@uvm.edu inbox.
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 InfoEd.

- 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.

- Rebudget requests for prime awards should go to the RA. Once the rebudget is settled, 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 for each dept.

- The FA reviews the invoice to ensure it meets the financial requirements of the subaward agreement.

- The FA attaches a Payment Certification Form to the invoice and indicates on the Form key information including the award #, project #, PO# and the PI.
Invoicing, continued

- The invoice is also entered into a Subaward Invoice Log to record similar key information.

- The invoice and Payment Certification Form are sent to the department contact for securing timely review and PI approval.
  - The Payment Certification Form is designed for electronic signing in Adobe, but it can also be printed, signed and scanned.

- Upon receipt of approved invoice and corresponding Payment Certification form, FA records in the log the date it was received, the date it was sent to Disbursements and then sends both documents to Disbursement for payment.
Close-out

- Payment of the Subrecipient’s Final Invoice is the close out document of record.

- Unspent subaward funds:
  - If ending the subaward before the end of period of performance, a termination amendment will be issued upon receiving the final invoice and the PO can be closed.
  - Once a PO is closed, either for early termination or natural termination, unspent funds will be unencumbered and will stay on the subaward chartstring until the FA is contacted to rebudget.
Summary

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

- http://www.uvm.edu/spa/?Page=subawardrequirements.html
- http://sites.nationalacademies.org/PGA/fdp/PGA_063626
- https://fdpclearinghouse.org/
Audience Participation: Questions?
Educational Resources Available - NCURA

The National Council of University Research Administrators (NCURA) strives to make advances in the field of research administration through professional development, the sharing of knowledge, and by fostering a sense of community via multiple venues:

https://onlinelearning.ncura.edu/ Tutorials, on-line publications, magazine, industry news are available to NCURA members

http://www.ncura.edu/travelingworkshops/Home.aspx These workshops are taught by experienced leaders in the areas of compliance, department research administration, global research management, post-award administration and pre-award administration; the expertise depends on the workshop.

https://onlinelearning.ncura.edu/free-resources Education available to the public at no cost, NCURA membership is not required
Research Administrators Certification Council (RACC) is an independent non-profit organization composed of active certified research administrators whose role is to certify that an individual, through experience and testing, has the fundamental knowledge necessary to be a professional research or sponsored programs administrator.

http://www.cra-cert.org/
Federal Demonstration Partnership (FDP) is a cooperative initiative among 10 federal agencies and 154 institutional recipients of federal funds and is a program convened by the Government-University-Industry Research Roundtable of the National Academies. Its purpose is to reduce the administrative burdens associated with research grants and contracts. Many institutions utilize FDP’s templates, including one for outgoing subawards http://thefdp.org/default/subaward-forms/

National Institute of Health publishes YouTube videos which cover all sorts of information relevant to NIH grants https://www.youtube.com/user/nihgrants
Educational Resources Available - Other

Some universities have developed educational videos on various aspects of sponsored research administration, which they make accessible to the public. **Vanderbilt University** offers a “Getting Started in Sponsored Research” series of webinars at no cost. [http://www.vanderbiltlinkages.org/gssr-1/](http://www.vanderbiltlinkages.org/gssr-1/)