



Sponsored Project Administration

Procedure:	Issuing and Amending Outgoing Subawards Procedure
Owner:	Sponsored Project Administration
Effective date:	06/25/2018
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Background

Principal Investigators when developing proposals that are submitted to extramural funding opportunities often include collaborating with other investigators outside of UVM. Where the work to be conducted by these collaborators is clearly defined and intellectually significant to the overall project, the cost of such activity is normally budgeted for as a subaward.

The subaward or subcontract is the legally binding instrument used to engage the third party in the sponsored project and further obligates the funds to cover the costs of such collaborations.

Under the subaward, the subrecipient is responsible for its scope of work and must comply with all applicable federal, sponsor, award-specific, and other associated terms and conditions.

UVM, as the prime recipient, must issue subawards and has the responsibility to monitor the subrecipients to ensure performance and compliance with the regulations of the subaward document and prime award document.

Purpose

The goal of this document is to set forth the procedures for issuing outgoing subawards and their amendments. This procedure relates to University Operating Procedure: Issuing and Monitoring Subawards on Sponsored Agreements (<https://www.uvm.edu/policies/grants/MonitorSubaward.pdf>).

Roles and Responsibilities

Sponsored Project Administration (SPA)

- Research Administrator (RA): Assists PIs and UAs at time of proposal submission. Assist with determinations and budgeting for third parties.
- Award Acceptance Specialist (AA): At the time of award, alerts the Outgoing Subaward Specialist if there are subawards, by adding the subrecipient to the subaward tracker.
- Senior Compliance Analyst (CA): Performs Risk Assessments of subrecipients.
- Outgoing Subaward Specialist: Manages subaward drafting, negotiation, maintenance of the subaward tracker, and subaward purchase order requisition setup.
- Financial Analyst (FA): Reviews invoices to ensure consistency with subaward requirements and provides assistance to PIs and UAs in subrecipient monitoring and with any budgetary issues.
- Authorized Organizational Representative (AOR): Individuals with institutional authority to sign subaward agreements.

Principal Investigator (PI) and Unit Administrators (UAs)

- Principal Investigator (PI): Has the primary responsibility for subrecipient monitoring.



- Unit Administrators (UA): Liaison with SPA and assists PI with subaward agreement with subrecipient communications. Monitors subrecipient expenses and coordinate the subrecipient invoice payment process. May also collect and provide subaward documentation to the Outgoing Subaward Specialist.

Definitions

Subrecipient/Subcontractor: An entity designated by a UVM PI to perform a portion of a sponsored project award with an agreed upon scope of work.

Subaward/Subcontract: The subaward or subcontract is the legally binding instrument used to engage the third party in the sponsored project and further obligates the funds to cover the costs of such collaborations.

Procedure

At Time of Proposal

The first step is to determine if the third party is classified as a Subrecipient, Supplier (aka Vendor), or Consultant. Please note that regardless of the designation, they all have to be a “UVM registered vendor,” in accordance with

https://www.uvm.edu/~cntrllrs/?Page=purchasing/doing_business.html&SM=purchasemenu.html

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

Selecting subrecipient

The UVM PI is responsible for selecting 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.

The subrecipient’s proposal must be submitted to the RA and, at a minimum, include the following:

- Endorsement from the subrecipient’s Authorized Official.



- A clear Scope of Work (SOW) to be performed by the subrecipient.
- A corresponding budget and budget justification: This must be obtained to ensure consistency with the UVM proposal. It is understood that budgets may change from proposal to award time.
- A completed [UVM Subrecipient Commitment & Audit Certification \(SCAC\) form](#) If the subrecipient is participating in the [FDP Expanded Clearinghouse Project](#), SPA will use the information available from that site for risk assessment purposes, and the subrecipient can opt to:
 - Complete the SPA SCAC form sections as identified (top section, Section A, and Section D) or
 - Complete and sign a letter of intent that provides required information.

Please see the [SPA Proposal Preparation, Review and Submission Procedure](#) for more information about including subawards in proposals.

Adding subrecipient to subaward tracker and collecting information

The Award Acceptance Specialist (AA), Research Administrator (RA) or Outgoing Subaward Specialist will do the following:

- Enter subaward(s) into the subaward tracker, which the Outgoing Subaward Specialist uses to keep track of where subawards are in the drafting/signature process.
- Review the SCAC form or LOI for completeness, and if any information is missing, notify the Outgoing Subaward Specialist to work the UA/PI to obtain an accurate SCAC or LOI.
- If the SCAC form is missing the AA will request the Unit Administrator obtain a completed SCAC form from the subrecipient.
- If a link to the subrecipient's most recent audit info is not included in the SCAC form, they must provide their most recent audited financial statements or a report with similar pertinent financial information. They also must complete the financial questions section of the SCAC form, referenced above. This is absolutely necessary for the issuance of a subaward agreement. These documents allow SPA's CA to complete a Risk Assessment.

Checking Subrecipients in System for Award Management (SAM)

- All subrecipients must have an active registration in www.sam.gov, to receive federal funds.
- If a subrecipient does not have a DUNS/UEI number or has an active exclusion in SAM, they cannot receive a subaward. If they are not registered, the Outgoing Subaward Specialist will notify the PI and direct the subrecipient to the process of obtaining a DUNS/UEI number.

Performing Risk assessment

- In accordance with the requirements contained within [Title 2, Part 200.330 6\(d\) of the Code of Federal Regulations \(2 CFR 200\)](#), hereinafter referred to as Uniform Guidance (UG), the University of Vermont is required to perform a series of monitoring efforts to ensure proper stewardship of Federal funds.
- SPA's CA will evaluate each subrecipient's risk of noncompliance with Federal statutes, regulations, and the terms and conditions of the subaward for purposes of determining the appropriate subrecipient monitoring, which may include additional terms and conditions that require more frequent reporting, additional supporting documentation to be submitted with invoices, restrictions on the use of funds.

Subaward Agreement Drafting

Types of Subaward Agreements

- Most subaward payment types will follow the prime award type. For example, if UVM receives, a cost reimbursable grant, the subaward will normally be cost reimbursement.
- **Cost reimbursable** subawards are agreements under which the subrecipient receives payment after they have submitted invoices for allowable and reasonable expenses incurred, in accordance with the terms of the



subaward. The subaward agreements require detailed budgets to ensure funds are spent in an allowable and appropriate manner.

- **Fixed price** subawards are agreements that include a payment structure with programmatic deliverables tied to a corresponding price determined in negotiations. In most cases, the release of payment is tied to the PI's completion of agreed-upon programmatic deliverables. A detailed budget is not required for fixed price subawards.
 - Prior approval is required from federal sponsors in order to issue a fixed price subaward rather than a cost-reimbursable subaward. According to federal regulations, the total cost of each fixed price subaward may not exceed \$150,000.
- **Subawards to Foreign Institutions** Foreign institutions that will be receiving federal funds as a subrecipient must be registered in U.S. federal System for Award Management (SAM) and have a DUNS/UEI number. In order to register with SAM, foreign subrecipients must also obtain a NATO Commercial and Governmental Entity (NCAGE) code.
 - Indirect (F&A) Cost Rates with Foreign Institutions
Except for NIH (see below), the Uniform Guidance allows foreign subrecipients to use their federal approved negotiated F&A rate, or if they do not have a federal approved F&A rate they may use 10% of modified total direct costs, exclusive of tuition and related fees, direct expenditures for equipment, and subawards in excess of \$25,000.
 - NIH Indirect Policy: With the exception of the American University of Beirut and the World Health Organization, which are eligible for full F&A cost reimbursement, F&A costs under grants to foreign and international organizations will be funded at a fixed rate of 8% of modified total direct costs, exclusive of tuition and related fees, direct expenditures for equipment, and subawards in excess of \$25,000.

Preparing the Subaward Draft

Using the **SCAC**, **SOW**, **prime award document**, and **budget**, the Outgoing Subaward Specialist will complete the subaward agreement.

- The subrecipient may need to assist with completing the contact information required in SPA subaward template.
- All subrecipients must be a registered vendor with UVM in order for payments to occur. If UVM has not done business with a subrecipient before (perform vendor lookup in PeopleSoft to determine), the Outgoing Subaward Specialist will need to include the appropriate tax form which must be filled out by the subrecipient. These forms are, **W9** for domestic institutions and **W-8BEN-E** for foreign entities.

PI Review and Approval

- When the SPA draft of the subaward is completed, the Outgoing Subaward Specialist will send it to the UVM PI and/or their Unit Administrator for review and approval.
- This stage is called **PI Approval** in the subaward tracker. PI is responsible for reviewing subaward for accuracy, and communicate requested edits to 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 is called **Awaiting Partially Executed** in the subaward tracker.

Signature Process

For initial subaward agreements, UVM follows a bilateral signature process, meaning both parties sign the document.

Many subaward amendments (e.g., continuations, NCEs) are issued as unilateral modifications, meaning only UVM signs, and the subrecipient upon receipt immediately has a fully signed subaward amendment.



Awaiting Partially Executed

- Each subrecipient institution will follow its own acceptance procedures and signature process.
- If the subrecipient requests edits and changes, the SPA The Outgoing Subaward Specialist will be the point for negotiating of terms and conditions with the subrecipient with consultation from the PI, UA and AA team as needed.
- The Outgoing Subaward Specialist will follow up with the subrecipient every two weeks if they have not sent back their completed and signed subaward agreement. UAs or PIs may be asked to assist with this.

Partially 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 AOR (SPA Director, Award Acceptance Team Lead, or Executive Director of Research). Once the document is signed, the subaward is considered fully executed.

Fully Executed

- The Outgoing Subaward Specialist sends from the uvmsubaward@uvm.edu email, the fully executed document to the subrecipient's administrative contact, the UVM PI, any involved Unit Administrators.
- 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 Order (PO) Pending

- The Outgoing Subaward Specialist creates a purchase order requisition in PeopleSoft either asking for a new PO to be created for a new subaward agreement, or for an existing PO to be extended or amended.
- The Outgoing Subaward Specialist emails a copy of the PO to the PI, his/her UA, and the assigned FA.
- A subrecipient must be a registered UVM vendor in PeopleSoft to receive funds. Completion of the W9 or W8-BEN-E form during the subaward agreement process will ensure registration as a vendor.
- Disbursement then fulfills the purchase order requisition and notifies the PI, assigned SPA financial analyst, and relevant Unit Administrators with the new/updated PO.

Amending Subawards

A subaward agreement may be amended in a number of ways. Adding funds, adding time, changing the SOW, changing the PI, and terminating the subaward agreement are all instances in which an amendment (sometimes referred to as a "mod" or "modification") would be issued. A brief description of each type of amendment follows:

Bilateral or Unilateral?

- Most subaward amendments issued by UVM are **unilateral** in nature, meaning only UVM signs the amendment and the subrecipient is notified afterward. Supplements, continuations, and NCEs will all be issued on unilateral templates. Unilateral amendments follow a similar signature/approval process as initial subaward agreements, except they skip the partial execution step. Once the UVM PI approves the amendment, it is then submitted to UVM's AOR for full execution.
- Any change in a subaward's scope of work must be issued on a **bilateral** amendment template. PI changes and terminations also fall into the category of amendments requiring bilateral execution. A bilateral amendment follows the same signature process as initial subaward agreements outlined on the previous pages of this document.



- **No cost extension (NCE)**
Additional time is added to the subaward agreement. This must not exceed the period of performance of the prime award. PIs should work with SPA RA for this type of amendment. Please see the NCE Procedure for more information.
- **Continuation**
Time and funds are added to the subaward agreement. The AA will notify the Outgoing Subaward Specialist when a new period of an award has been accepted.
- **Supplement**
Funds are added to the current period of performance of the subaward agreement. If the prime award needs to be re-budgeted, the PI will communicate with the RA and FA.
- **SOW Change**
Change to the subaward's SOW. New SOW must be included with the amendment. Please notify the Outgoing Subaward Specialist of a SOW change. If this also affects the prime award's SOW, the RA should be notified as well.
- **PI Change**
Change of the subrecipient's PI. Inform the Outgoing Subaward Specialist of this change, and an amendment will be created.
- **Termination**
The subaward agreement is terminated for a variety of reasons. Subrecipient is not completing the agreed upon SOW, UVM PI or subrecipient PI leaves their institution, etc. RA and FA should be notified of the termination, and the Outgoing Subaward Specialist will create the necessary amendment.
- **Carryforward**
The subrecipient and UVM PI are responsible for monitoring funds that may or may not be carried forward. For some awards carryforward is automatic, and others must request prior approval from the sponsor. Automatic carryforward should be addressed in the terms and conditions of the prime award. Please see SPA Procedure for Carryforward of Unobligated Balances.

Risk assessments for amendments

- A risk assessment must be performed for each amendment following the same procedure for initial subaward agreements.
- If the CA determines that previous terms and conditions are no longer required, the new amendment will make note of that. Conversely, terms and conditions may be added with an amendment if the CA deems them necessary based on her findings.
- Unless otherwise noted, all previous terms and conditions from the initial subaward agreement remain in full force and effect.

Further Consideration

Northeast Sustainable Agriculture Research and Education program (NE-SARE) is a 12-state regional grants program of USDA/NIFA, housed at the University of Vermont Extension. SARE follows a slightly different process than other subawards.

- The SARE office sends completed SCAC forms to the Outgoing Subaward Specialist. Information is entered into the subaward tracker, and risk assessments are completed.
- The CA communicates any additional terms and conditions to the SARE office. SARE then drafts the subaward agreements and sends them to the Outgoing Subaward Specialist for review and approval.
- The Outgoing Subaward Specialist carefully reviews the subaward agreements and communicates any edits to SARE.



- SARE sends the approved agreements to the subrecipients. Subrecipients send the partially executed subaward agreements back to SARE. SARE sends them to the Outgoing Subaward Specialist for full execution.
- Fully executed awards are returned to SARE. SARE sends them back to the subrecipients.

SARE’s amendments follow our typical review/execution process, outlined earlier in this document. For more detailed information, see NESARE’s SARE-SPA procedures, which are documented separately.

FAQs

Q: Which sections of the SCAC form does my subrecipient have to fill out?

A: If they are a member of the FDP Clearinghouse, they can opt to:

- Complete the SPA SCAC form sections as identified (top section, Section A, and Section D). This is minimal compare to the whole form.
- Complete and sign a letter of intent that provides similar information.
- Complete some type of form they may have on file and use for this purpose.
- If they are not a member, they must complete the entire form. They may, however, skip the financial questions if they include a link to their most recent single audit.

Q: My grant was just awarded. If I haven’t heard from SPA about my subaward, what should I do?

A: Contact the Outgoing Subaward Specialist and ask for a status update.

Helpful Links

[UVM SPA Subaward Requirements](#)

[UVM SPA Subrecipient Commitment and Audit Certification Form](#)

[Federal Demonstration Partnership Clearinghouse](#)

[Office of Management and Budget’s Uniform Guidance](#)

[Subrecipient Monitoring Reminder Letter](#)

[Subaward Invoice Payment Certification Form](#)

Document Change Record

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06/25/2018	1	SPA	Initial release
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