Learning Objectives

This session will:

• Review the UG requirements impacting subawards
• Identify PI, Department Administrator and SPA roles to these requirements
• Discuss new procedures and new required forms that may be implemented for each of these requirements
Are all federal subawards subject to UG?

• If the prime award or modification awarding additional funds is issued after 12/26/2014, the new subaward issued will be subject to UG.

• Any existing subaward under Federal funding is not subject to UG until the prime sponsor issues an amendment that makes the prime award subject to UG.
Contractor vs. Subrecipient Determination

- Pass through entity must determine whether funding should be issued as a subaward or vendor agreement.
- Regardless of what agreement is called, the nature of the work will be used to dictate whether 200.93 (subaward) or 200.22 (contract)
- FDP created determination form.

2 CFR 200.330
F&A Requirement

- Sponsors (both Prime and Pass-Through) obligated to honor subrecipient’s negotiated F&A rate.
- Subrecipients without a negotiated rate are entitled to charge 10% MTDC or may negotiate with Pass-Through entity.
- If proposal is received in SPA and full allowable F&A rate is not used, SPA will contact subrecipient to confirm it.
- F&A is still capped if federal program has a published statutory F&A cap (USDA).

2 CFR 200.331
Subrecipient Progress Report Tracking

• Pass-through entities must specify any required financial or programmatic reports needed in their subawards and are responsible for reviewing such reports.

• If a PI requires programmatic reports from their subrecipient(s), he/she must collect and retain those reports as part of the regular record retention schedule set forth for sponsored project files.

• PI must note on received reports that they were reviewed.

2 CFR 200.331
Documenting Receipt of Reports

• PI must document he/she has received and reviewed all required programmatic reports when approving invoices for payment by adding this statement:

“I certify that any subrecipient programmatic reports due during the period of time covered by this invoice has been received and are satisfactory.”

• All invoices must contain this statement with PI signature and date (approvals by email are acceptable).
Timely Subaward Payment

- Pass-through entity must make payment within **30 calendar days** after receipt of the invoice, unless pass-through entity reasonably believes the request to be improper.

- Very important for DRAs and GAs to work together to ensure invoices have PI approval and route to GA for invoice payment within this required timeframe.

- Stay tuned! SPA exploring ways to streamline invoice process!

2 CFR 200.305
Risk Assessment

• Risk Assessment – handled by SPA
• Requires Pass-Through entity to use Federal Audit Clearinghouse to verify audit reports
• Pass-Through entity must document acceptance of management plan
• If entity is not subject to Single Audit Requirement, it does not diminish our responsibility to assess the risk. Instead, we have Financial Questionnaire and Audit Certification we ask subrecipient to complete and that is what we use.

2 CFR 200.331 (b)
Fixed Price Subawards

• Issuance of fixed price subaward requires Federal award agency prior approval
• Subaward must not exceed the Simplified Acquisition Threshold ($150K)
• If budget for subaward is >$150K, we may issue multiple subawards.
• Good news! NSF waiving prior approval requirement

2 CFR 200.332
Requesting approval for Fixed Price Subaward

- Fixed price subawards usually used for clinical trial site agreements, foreign subrecipients and small business.
- For proposals that contain a subaward for one of these scenarios, PIs/departments should add this statement to budget justification.
- Consultant your GA for guidance to determine whether issue the subaward on a fixed price basis or cost-reimbursement basis.
- You will be able to request approval at time of award if a fixed price subaward is necessary.
Subaward Scenario #1

Existing subaward under NIH prime and subrecipient has no federally negotiated F&A rate. Subaward was issued with no F&A budgeted.

When preparing non-competing proposal, should sub receive 10% MTDC (de minimus rate) or remain at 0%?

Answer: *At this time*, the subaward will remain at 0% F&A. It will keep the same F&A rate throughout the project period. At time of renewal, 10% will be used.
Subaward Scenario #2

USDA NIFA proposal contains subaward and subrecipient’s F&A rate is 57% MTDC.
Should subrecipient use their negotiated F&A rate?

**Answer:** No. USDA NIFA has a published statutory F&A cap of 30% TFF. The subaward F&A cannot be higher than this rate.

Bonus: if subaward budget has exclusions that make 57% MTDC lower than 30% TFF, the lower rate should be used.
Subaward Scenario #3

Subrecipient with subaward subject to UG submits invoice to UMN, but UMN PI believes invoice should not be paid. Since UG requires invoice payments to be made within 30 days of invoice receipt, is PI obligated to approve to meet this UG requirement?

Answer: No. If PI believes payment should be withheld from a subrecipient (as cited in 200.305 or in conformance with 200.207, 02 200.308), PI should contact SPA immediately.
Stay tuned!

• PI UG Subaward Quick Guide to be released soon!

• Revised Commitment Form will be released soon.

• Revised Research Terms and Conditions!
It's QUESTION TIME!!
Resources

• UMN UG Website: http://www.ospa.umn.edu/documents/UG.html

• UMN SPA Subaward Website: http://www.ospa.umn.edu/subaward/index.htm

• Nicole Pilman, npilman@umn.edu, 612-625-8636
• Andrea Marshall, pete1518@umn.edu, 612-626-7634