University of Minnesota – Office of Sponsored Projects Administration
SUBAWARD PROCESSING CHECKLIST – DEPARTMENTS/PIs

PROPOSAL PROCESSING

PI requests proposal package from proposed subrecipient, to include:
☐ Statement of Work
☐ Budget and Justification
☐ Any other documents required by UMN or Sponsor
☐ Signed Subrecipient Letter of Commitment

PI evaluates subrecipient
☐ Assess technical expertise and financial viability of subrecipient organization and key personnel
☐ Complete Sole Source Justification (federal contracts only)
☐ Complete cost/price analysis

PI prepares proposal
☐ Integrate the subrecipient’s statement of work and budget into UMN’s proposal
☐ Include other forms (budget, biosketches, other support) as required by sponsor
☐ Forward completed UMN proposal to SPA for review, including subrecipient proposal package

SUBAWARD ISSUANCE:

PI/Dept. provide information requested by SPA for subaward issuance
☐ Collaborator and contact information
☐ Statement of work
☐ Budget (including cost share if applicable)
☐ Technical/financial reporting requirements
☐ Payment terms and schedule
☐ Subaward performance period
☐ Verification that subrecipient is compliant with IRB, IACUC approvals (if applicable)
☐ Sole source justification (if applicable)
☐ FFATA data (if applicable)
☐ Other information as needed

SUBAWARD MONITORING:

PI monitors subrecipient technical progress
☐ Communicate regularly with subrecipient PI to monitor progress on the project
☐ Monitor receipt of technical reports for timeliness and content
☐ Communicate with SPA if changes need to be made to statement of work, reporting requirements, budgeting

☐ PI/Dept. monitor subrecipient’s adherence to terms

☐ PI/Dept. verify compliance approvals are current for subrecipient’s portion of statement of work (human subjects, animal subjects, biosafety)

PI/Dept. review, monitor receipt of invoices
☐ Are they arriving on schedule?
☐ Do they contain the right level of detail to allow adequate review?

PI reviews and signs invoices
☐ Ensure all costs are allowable, allocable, and reasonable
☐ Ensure all costs were incurred within the period of performance of the subaward
☐ Confirm that expenses are aligned with technical progress
☐ Cost sharing is appropriately reflected, if required
☐ If acceptable, PI signs and dates invoice

☐ PI/Dept. send approved invoice to SPA for processing or returns to subrecipient for more detail

SUBAWARD AMENDMENT ISSUANCE:

PI assesses need to modify statement of work, budget, period of performance
☐ Notify SPA in a timely manner to request amendment
☐ Provide information to SPA (budgets, dates, reporting requirements, etc.)
☐ Assist SPA in negotiating changes, if needed

SUBAWARD CLOSE-OUT

PI/Dept. plan for timely closeout
☐ Check status with subrecipient 90 days before end date
☐ Follows up on late or missing reports or deliverables
☐ Obtain final invoice (marked FINAL) from subrecipient
☐ Send final invoice to SPA
<table>
<thead>
<tr>
<th>DEPARTMENTS/PRINCIPAL INVESTIGATORS</th>
<th>SPONSORED PROJECTS ADMINISTRATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>✓ PI requests proposal package from proposed subrecipient</td>
<td>✓ SPA reviews and submits proposal</td>
</tr>
<tr>
<td>✓ PI evaluates subrecipient</td>
<td>✓ SPA negotiates with sponsor and accepts prime award</td>
</tr>
<tr>
<td>✓ PI prepares proposal and sends to SPA</td>
<td>✓ SPA follows-up with PI/Dept to obtain any additional required documentation/data required for subaward</td>
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<tr>
<td>✓ PI/Dept. provide additional information required for subaward issuance</td>
<td>✓ SPA assesses risk levels</td>
</tr>
<tr>
<td>✓ PI monitors subrecipient technical progress</td>
<td>✓ SPA prepares, negotiates, issues and distributes subaward agreement</td>
</tr>
<tr>
<td>✓ PI/Dept. monitor subrecipient’s adherence to terms</td>
<td>✓ SPA activates/encumbers subaward funds in financial system</td>
</tr>
<tr>
<td>✓ PI/Dept. verify compliance approvals are current for subrecipient’s portion of statement of work (human subjects, animal subjects, biosafety)</td>
<td>✓ SPA assists PIs and departments with monitoring subawards</td>
</tr>
<tr>
<td>✓ PI/Dept. review, monitor receipt of invoices</td>
<td>✓ SPA requests and reviews annual audit reports</td>
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<tr>
<td>✓ PI reviews and signs invoices</td>
<td>✓ SPA verifies corrective action plans are implemented (if necessary)</td>
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<tr>
<td>✓ PI/Dept. send approved invoice to SPA for processing or returns to subrecipient for more detail</td>
<td>✓ SPA reviews risk levels and, if necessary, modifies subaward agreements</td>
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<tr>
<td>✓ PI/Dept. review expenditure statements and ensure cost sharing commitments are met</td>
<td>✓ SPA processes invoices with PI approval</td>
</tr>
<tr>
<td>✓ PI assesses need to modify statement of work or budget</td>
<td>✓ SPA prepares, negotiates, issues, and distributes amendments</td>
</tr>
<tr>
<td>✓ PI/Dept. plan for timely closeout (follow up on missing reports, receipt of final invoice)</td>
<td>✓ SPA modifies subaward encumbrances in the financial system</td>
</tr>
<tr>
<td>✓ SPA completes closeout</td>
<td></td>
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</tbody>
</table>

University of Minnesota – Office of Sponsored Projects Administration

SUBAWARD PROCESSING – ROLES AND RESPONSIBILITIES
University of Minnesota – Office of Sponsored Projects Administration

SOLE SOURCE JUSTIFICATION (SAMPLE)

Date: __________________________

Prepared by: _______________________

Sponsor: __________________________

I request that ________________________________
be named as a subrecipient under this grant/contract.

This subrecipient is unique because:

________________________________________________________________________

________________________________________________________________________

________________________________________________________________________

________________________________________________________________________

________________________________________________________________________

The reasons (other than cost) that this subrecipient was selected over others are:

________________________________________________________________________

________________________________________________________________________

________________________________________________________________________

________________________________________________________________________

Signature below indicates my certification that in procurements other than full and open competition, in accordance with federal and university policy, neither I nor any relative of mine will benefit financially from this subaward.

Signed: (PI Name and Title) _____________________________________________

Dated: __________________________
Resources on the Web

Circular A-110, Subpart A.2 (ff) (subaward definition):
http://www.whitehouse.gov/omb/circulars/a110/a110.html

Circular A-133, Subpart B, 210 (subrecipient and vendor
determinations):
http://www.whitehouse.gov/omb/circulars/a133/a133.html

Federal Demonstration Partnership (FDP)
http://thefdp.org/Subawards.html

FDP Statement on Subawards:

FDP Subaward Agreement Forms
http://www.thefdp.org/Subawards_Forms.html

Federal Audit Clearinghouse Home Page
http://harvester.census.gov/sac/

Financial Reports on the Web
https://financial.reports.umn.edu/

FFATA
http://www.usaspending.gov/
http://www.ffata.org/ffata/
TOP TEN QUESTIONS ASKED ABOUT SUBAWARDS

1. How do I tell if it is a Subaward or Other Procurement (CPS)?

**SUBAWARD:**
- A defined portion of the sponsored project is assigned to another entity to fulfill
- Work is generally performed by the subrecipient’s personnel (including graduate students) using their resources, usually at their site
- The subrecipient takes full responsibility, including intellectual leadership, for the portion of your work statement that they will undertake
- The award terms and conditions are ‘flowed down’ to the subrecipient, who must also agree to comply with them
- Entity is using human subjects or animal subjects to do their portion of the work
- Entity might be a legitimate author or co-author of a paper done on the project
- An invention might arise from the work done by the subrecipient

**OTHER PROCUREMENT:**
- Commercially available supplies and expendable materials
- Expert consulting
- Non-University labor or services
- Equipment or component parts for fabricated equipment
- Entity regularly sells the goods or services as a part of their routine business operation
- Entity performs a test on data we (UofM) provides to them, and gives us the results to analyze, or provides routine professional services in analyzing the results (note: if entity uses professional expertise to contribute to generalizable knowledge in new ways it is a subaward)

2. What information is needed at time of proposal?
- Subrecipient statement of work
- Subrecipient budget and budget justification
- Subrecipient commitment signed by institutional official
- Any other documents required by U of M or Sponsor

3. Do I need to provide an original signed copy of the commitment letter and budget, or can I email as an attachment to the GA?
   Unless the sponsor requires it, we do not need an original. An email or fax is sufficient.

4. How should the selection of a subrecipient be documented?
   Currently, the PI/Department documents the technical and financial assessment of the subrecipient and reason for selection (including "sole source" justification). When a subaward is proposed under a grant or cooperative agreement proposal and subsequently approved by a sponsor, source justification may be handled via the PI’s documentation of the selection criteria used. A separate Sole Source Justification Form will be required for all subawards under contracts and for all subawards under grants or cooperative agreements requested after UofM’s proposal was submitted to a sponsor. (This form is in the development stage.)

5. What F&A rate do I apply to a subaward?
   There are two types of F&A costs on subawards – those earned by the subrecipient, and those earned by UofM. A subrecipient is expected to apply its own federally-negotiated F&A rates and bases when preparing its subaward budget, unless a lower rate or base has been agreed to by the subrecipient’s institutional official (sponsor’s F&A rate limitation). If a subrecipient does not have an approved F&A rate, it must either negotiate a rate with the U of M or elect not to recover F&A. Subrecipients should submit their rate proposal and supporting documentation to SPA at least one month before the proposal is due to the sponsor. UofM applies the OMB A-21 "life-of-the-award" policy with respect to its subawards and will use the approved F&A rates authorized at the time of issuance of the subaward. The UofM will apply its federally approved F&A rate or the sponsor-allowed F&A rate to any subaward issued.

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TOP TEN QUESTIONS (continued)

6. What should be the period performance of my subaward?
The period of performance of a subaward (including any requested extensions) may not be outside of UofM period of performance for a competitive segment under the prime award. Subawards may, however, be issued for shorter periods of time than the UofM's full period of performance.

7. How can I tell if the subrecipient's invoice has been paid?
Check the financial system or call the GA.

8. How do I modify a subaward?
Send the SPA GA the necessary information for the change needed (workscope, budget, performance period, deliverables, additional terms, etc.).

9. What is FFATA and how does it affect me?
The Federal Funding Accountability and Transparency Act passed 9/2006. It requires a searchable website for public funding by data elements for awards 1/1/2008 and subawards by 1/1/2009. Departments may be called upon to assist in the collection of the following data: name of the entity receiving the award, subaward amount obligated, transaction type, pass through entity, CFDA or NAIC #, federal budget code, title of subaward project, location of the entity (city, state, county, congressional district), primary location of performance of subaward, DUNS+4, parent entity of the recipient.

10. What is Risk Analysis?
A-133, section 525 requires a risk analysis to evaluate the likelihood that a subrecipient will fail to comply with the requirements of the subaward. This will be done by SPA during the issuance process and monitored during the life of the subaward. The criteria used in evaluating risk can include the subrecipient's audit experience, the prior oversight and monitoring the subrecipient has received, the nature and complexity of the proposed research project, and fiscal maturity of the subrecipient.
(EXAMPLE)

UNIVERSITY OF MINNESOTA

STATEMENT OF INTENT TO ESTABLISH A SUBAWARD AGREEMENT

DATE:

PRIME AGENCY SPONSOR:

PRIME INSTITUTION: Regents of the University of Minnesota

PRINCIPAL INVESTIGATOR:

COLLABORATING INSTITUTION:

PROPOSED AMOUNT:

PROPOSED PROJECT PERIOD:

The appropriate programmatic and administrative personnel involved in this application are prepared to establish and administer the necessary inter-institutional agreement(s) consistent with prime agency policies.

By: ________________________________

Name: ______________________________

Title: ________________________________
   (Institutional Official)

Date: ________________________________

Please return this form to the University of Minnesota’s principal investigator or department administrator with the approved budget and statement of work.