Subawards
Contents

• Subaward basics
• Department subaward process
• Sponsored Program subaward process
• Subaward agreements
• Subrecipient Invoices
• Subrecipient Monitoring

Who is this for?

Department and Grant Administrators who are involved in grants with outgoing subawards who need to better understand the process and key responsibilities.
**Subaward definitions**

**Subaward**: An award provided by a pass-through entity to a subrecipient for the subrecipient to carry out part of a Federal award received by the pass-through entity.

**Pass-Through Entity (PTE)**: A non-Federal entity that provides a subaward to a subrecipient to carry out part of a Federal program.

**Subrecipient**: A non-Federal entity that receives a subaward from a pass-through entity to carry out part of a Federal program.
**The basics**

**Subaward vs Contractor**

A **subaward** is for the purpose of carrying out a portion of a Federal award and creates a Federal assistance relationship with the subrecipient.

**Contractors** (Vendor, including individuals or entities that act as a vendor of consultant services). A contract is for the purpose of obtaining goods and services for the pass-through entity (BU)’s own use and creates a procurement relationship with the contractor.

- There are a variety of reasons why the University would enter into a subaward agreement. (E.g., Subrecipient has resources or skills necessary to complete a task that are not readily available at BU).
- Treating entity as a subrecipient or a contractor is determined at Pre-Award stage.
### BU Subawards at a Glance

- **3** person subaward team in SP & **13** people in PAFO covering **103** CRC/MED departments

#### The basics

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#### 2019 STATS

- **988** subs, **82** SP sub actions per month
  - All sub actions triaged first-in, first-out (based on date of AN)
- PAFO receives over **3,000** subrecipient invoices annually
Step 1: Making initial decisions about subawards for a proposal
Many applications submitted to federal agencies rely on collaborations with Investigators from outside organizations; as such, an agreement to collaborate will need to be established at time of submission.

**Who?**
Work with PI to identify who their collaborator is & their administrative contact

**Where?**
Confirm which institute will be leading & submitting the project

**What?**
Review funding opportunity to confirm what will be needed from collaborating institutes

**How Much?**
The Prime Institution should always receive at least 51% of direct costs—if it looks like the sub site has higher directs, reevaluate the “Where”

**Initiate**
Once the previous questions have been answered, the submitting Institution will send a formal request for a subaward
Once the Who, Where, What, and How Much have been established, the **submitting Institution** will organize the collection and review of required subaward components.

### Project Info
- [ ] Funding Announcement
- [ ] Project Title
- [ ] Sub Award Project Period

### Budget
- [ ] Direct Costs per Year
- [ ] Effort Requirement
- [ ] Project Specific Expenses

### Documents
- [ ] Letter of Intent
- [ ] Scope of Work
- [ ] Budget & Justification
- [ ] Biosketches
- [ ] Facilities and Resources
- [ ] Letter of Support
  - + Any Funding Announcement
  - Specific Requirements (e.g. IP Letter)

### Application Info
- [ ] Performance Site Location
- [ ] Key Personnel Information
- [ ] Human Subjects (if applicable)
- [ ] Vertebrate Animals (if applicable)
- [ ] Select Agents (if applicable)
Common challenges for the Department

Adherence to Deadlines:
- Sending and Receiving Subawards adds additional approval cycles to submission timelines: a delay in one institution will delay all institutions.

Hierarchy of Review:
- Each Sub Site is beholden to their internal institutional review process → appropriate advance notification is crucial for successful collaboration.

Missed Deadlines at Sub Site → Will Delay Approvals at Prime → Not Enough Lead up Time for Sub Request → Will Delay Approvals at Sub Site
Step 2: Creating and completing the sub agreement
High-Level Subaward Process Overview

BU proposal submitted that contains subaward proposal documentation

Award received by SP and set up in Kuali/SAP

Subaward action kicked off by Set-Up Team, routed to Sub RA

Sub RA actions

Subrecipient reviews, negotiates, signs and returns to Subaward team

Executed Subaward uploaded into Kuali, distributed to BU PI, DA

FFATA report submitted if required

The amount budgeted at this stage for a sub in Kuali/SAP directly ties to the maximum amount we can obligate to a subrecipient without another account update
Sub RA Actions

- Locates subaward proposal documents
- Obtains PI concurrence for sub action
- Performs subrecipient risk analysis (for new and some current subrecipients)
- Obtains funds commitment from PAFO
- Creates subaward/ modification
- Sends subaward/ modification to subrecipient
The first point of contact for subaward questions should be your usual pre-award SP RA, who will answer your question or direct you to the correct person.

For questions such as:

- Has this sub action been kicked off?
- Does this subrecipient need carryover approval?
- Can you use these updated budgets/documents in my pending sub agreement?

http://www.bu.edu/researchsupport/contact/departmental-contacts/
Roles & Responsibilities

PI Responsibilities
• Confirms and approves issuance of outgoing subaward

DA Responsibilities
• Facilitates communication with PI and answers administrative questions as needed
• Works with PI to obtain updated subaward documents from subrecipient as needed
• Submits documents to SP for review and approval

SP Responsibilities
• Conducts risk assessment for subrecipients
• Drafts outgoing subaward agreement incorporating required flowdown of terms and conditions
• Obtains PI authorization and institutional approval
• Documents and shares executed subaward with PI, DA, and related parties
New Agreements:

• Face Page Identifies Parties, Dates, Dollars, Financial Reporting, Roles
• Attachment 1 Certs and Assurances
• Attachment 2 Terms and Conditions Specific to parent award
• Attachments 3A/3B PTE/Sub Contacts, Entity Identifiers (DUNS)
• Attachment 4 Reporting Requirements
• Attachment 5 SOW/Budget/Budget Justification
• Attachment 6 NOA(s) and any other documentation
• Attachment 7 (rare) DUA (if incorporated at sub’s request)

Amendments:

• Face Page Identifies Parties, Dates, Dollars, Term Changes
• Additional Attachments NOA(s), Revised Budgets, SOW, Updated Contacts (all as applicable)

http://thefdp.org/default/subaward-forms/
FAQs from DAs

What does the Sub Team need for every subaward?

- **Statement of Work**: It’s up to the PI to determine (and get word to us) if there ever needs to be a change in scope.
- **Letter of Intent**
- **Budget**: will need an updated budget if the actual awarded amounts differs more than 25% from the proposal budget, even if the reduction only appears come Yr 02 or 03 or 07.
- **Budget Justification**
- **3B Contact Form**: the Sub RA will obtain this at time of award if it isn’t part of Sub Proposal package.
FAQs from DAs

Why does it take so long for a subaward to be issued?

• Sub actions don’t enter the queue until the BU account is set up
• Sub RA has to obtain documents and attestations from the subrecipient – often requiring a great deal of follow-up
• Subs under uncommon or non-fed prime sponsors require custom agreements
• Last minute edit requests are often more laborious than they sound and may require account updates or greatly altered agreement language
How do I get my subaward processed faster?

• Be on the lookout for a confirmation email from a Sub RA and respond right away
  • We send one for every action

• Forward any updated sub budgets/documents to your SP RA as soon as you get them

• If you’ve been working with a contact not listed in the sub proposal, send those contact details to your SP RA
FAQs from DAs

How can I help foreign/small entity subrecipients avoid hold ups?

• If under a federal sponsor, ask sub to register at SAM.gov ASAP

• Make sure SP has the appropriate sub administrative contact person

• Take extra care in reviewing sub SOWs and budgets

• If sub cannot work on a cost-reimbursement basis and will need advance payments, ask your SP RA how to kick off that process ASAP
FAQs from DAs

Why does this subaward get a new FRN every year?

One IO for all years of the award; one subaward; one FRN

Different IO for all years of the award; one subaward; different FRNs for each year

IO = Internal Order, also called SP (Sponsored Program #)
FRN = Fund Reservation Number, also called subaward #
Where’s My Award and Where’s My Outgoing Sub

On this page: When will the set-up of my award action, or my outgoing subaward agreement, be completed by Sponsored Programs?

When will the set-up of my award action, or my outgoing subaward agreement, be completed by Sponsored Programs?

CHECK YOUR AWARD SET-UP STATUS

CHECK YOUR OUTGOING SUBAWARD STATUS

https://www.bu.edu/researchsupport/tools-services/wheres-my-award-or-outgoing-sub/
Where’s My Outgoing Sub? Use this page to view the status of your outgoing subaward. You can search by querying the search box located above the list items (you can search by any word - PI name, lead unit, subrecipient, etc.) or by using the filters (hover over any of the headers and click the arrow to see filter options).

The current average time to fully execute a subaward action is 60 business days from the date you received your Award Notification from the award set-up team, assuming the sub team has all required subaward documentation at the time they start their review. The subs are sorted by Date Received. Common subaward statuses are:

- **Sub RA Initial Review**: In the queue, waiting to be reviewed. The sub team triages on a first-come, first-served basis
- **Temporarily Cancelled**: Essential documents or details missing. Respond promptly to SP requests so we can get your subaward moving for you!
- **PI-DA or Pending FRN**: The sub team is working on it (coordinating with the BU PI, the subrecipient, and PAPF, and drafting the agreement). PI or DA on the PI’s behalf is expected to answer at least one “approval” email per subaward
- **Sent to Subrecipient**: The subaward is prepared but awaiting the subrecipient’s formal signature
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Common Challenges for the Sub Team

- Obtaining proposal **documents** from the subrecipient
- Obtaining updated **budgets** throughout the life of the award when there are changes
- Hugely **different processes** at similar institutions
- Confusion about the “**nicknames**” for awards/subawards – we reference every award primarily by SAP grant number* since we have large portfolios (*Grant #s start with a 5)
Step 3: Invoicing and monitoring the subrecipient
PAFO receives over 3,000 subrecipient invoices annually

- Subrecipient invoices sent directly to PAFO (subinv@bu.edu)
- PAFO emails invoice to PI, DA, and PAFO RA

If subrecipient sends invoice directly to you, please forward to Craig Gerome (cgerome@bu.edu)
- He will provide to Subinv@bu.edu and inform subrecipient to send invoices to Subinv@bu.edu
Invoice Approval Process

PI completes initial review of invoice, raises any issues with DA and PAFO RA

PI must approve the invoice: Signature on invoice or via email

DA completes and submits the online Subrecipient Invoice Disbursement Form with invoice & PI approval

PAFO RA receives Form, invoice, and PI approval via Workflow. Once approved, it’s routed to AP for final processing

- Sufficient technical progress has been made to justify payment
- A brief review of the invoice, with special attention to salary and wage costs invoiced
- A review of travel expenses to verify need for the travel during the billing period
- A review of material and supply charges for reasonableness

PAFO located on the AP forms website: [http://www.bu.edu/ap/resources/forms/](http://www.bu.edu/ap/resources/forms/)
Departments should:

• ensure invoices are sent directly to subinv@bu.edu
• work with subrecipient and PAFO RA to get the final invoice
  • Final subrecipient invoices must be paid and posted to the account in order to be included in the final financial report

Review “four corners of the invoice”

- Correct FRN
- Correct dates covered
- One line expense descriptions
- Expense categories
- Cumulative amounts
PI and DA receive email from Invoices, Subaward to process payment

**DA checks for**

- **DATES**
  - Within project period
  - No overlap with previous invoice

- **SUFFICIENT FUNDS**
  - To cover amount of invoice

- **CUMULATIVE AMOUNT**
  - Matches total of new invoice plus previous amount billed

- **SIGNED CERTIFICATION**

**ALL GOOD**
- contact PI for approval

**PROBLEMS**
- contact PAFO RA

Receive an invoice directly from a subrecipient?
Send it to Craig Gerome (cgerome@bu.edu)
Are we receiving invoices?

Review your subawards to ensure they are spending accordingly

- PAFO conducts a periodic review (bi-annually) of all active Fund Reservation Numbers:
  - If a FRN has had $0 expenditures charged against it and has no pending invoice within six (6) months of the execution date.
  - PAFO contacts the PI and DA for additional information as to why spending has not occurred.
F&A is only charged on the first $25,000 in subaward expenses (unless F&A is waived).

**GL 517510**: Used to pay the first $25,000 in subrecipient invoices. F&A charged.

**GL 517520**: Used to pay subrecipient invoice expenses in excess of the first $25,000. F&A excluded.

**Fund Reservation Number (FRN)** is the subaward number (45xxxxxxxxxx).

Ensure name and email are spelled correctly in order for proper processing through Workflow.
Sample Subrecipient Invoice

Subrecipient (Subaward) Invoice Disbursement Form

This form may take a moment to load…

If the form does not load in Internet Explorer, please try using another browser like Firefox or Chrome.
PAFO conducts an annual subrecipient monitoring review as required by Uniform Guidance.

Review of every subrecipient with an expense in the given fiscal year:

If subrecipient is subject to UG:
Review and assess any UG audit findings

If subrecipient is not subject to UG:
Subrecipient must complete an Audit Certification and Questionnaire

Over 200 subrecipients are reviewed and logged annually.
PAFO conducts desk reviews of subrecipient invoices for a variety of reasons:

| **All high risk and foreign subrecipients are subject to desk review** | • Based upon Risk Analysis completed by SP. Works with PAFO to mitigate risk.  
• E.g. additional subaward terms and/or desk review |
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<td><strong>At the request of the PI, DA, or PAFO RA</strong></td>
<td>• E.g. certain charge(s) do not appear appropriate, charges not commensurate with science</td>
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Desk reviews audit an individual invoice received from the subrecipient.

Subrecipient must provide supporting documentation for all costs associated with the invoice.

Compliance Team reviews the invoice and documentation for accuracy and content.

Compliance Team informs subrecipient of changes needed for invoice presentation and/or disallowed costs.

- DA/PI/PAFO RA on both initial email and conclusion email from Compliance Analyst
- If subrecipient is unresponsive may lead to nonpayment of invoices. Compliance Analyst informs RA/DA/PI
**Advances**: Most subawards are **cost reimbursable**. If a subrecipient requests advance payments a specific approval process is used. Desk review often conducted.

Subaward issued on cost reimbursement basis.

Subrecipient must submit invoice (advance requests) to receive advance payments.

All advances are paid from a Departmental Funds Center using:

1) Standard AP Disbursement Request form (Not PAFO subrecipient Disbursement Request form); and

2) GL Account 517525 (SP Advance Payments)

As costs are actualized, subrecipient sends an itemized financial analysis to the Department, on a monthly basis, detailing actual costs incurred against the advance payment.

The Department processes a cost-transfer journal entry to move the costs onto the grant. If the Subrecipient does not provide appropriate back up to substantiate the advance payment, no charges will be allowed on the grant.
Subaward Advance Request Form

Subaward Advance Request Form must be completed and submitted to Sponsored Programs

1. Subrecipient submits request and justification for advance payments to BU PI
   • Request should provide a justification for the advance and detail the method of the advance payments

2. PI and BU Departmental Financial Head must approve advance payment, the payment plan, and the source of the advance funds

3. Department emails this signed form and appropriate subaward documentation to Sponsored Programs RA for review

**Note:** We strongly recommend that not all funds be advanced: a hold-back of at least 10% is recommended. This final 10% would be paid only on receipt and approval of subrecipient’s final report, final invoice and final financial report.
• Reach out to your SP RA with any sub agreement questions
• Reach out to PAFO RA to confirm final balance with subrecipient
• Don’t worry – if your set-up budget contained sub funds, the action has been kicked off
• Sub actions go on hold until the sub team has all proper proposal/budget documentation, so send those documents to your SP RA ASAP if they weren’t part of the original proposal.
• We need a corresponding budget for *every* sub action that includes not-originally-proposed funding, even if it’s just a $100 supplement.
• Expect your sub to be executed about 60 business days after you get an AN
• Department should ensure invoices are sent directly to subinv@bu.edu