How do I complete a Research Subaward?

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Subaward Processing Steps

1. Department initiates process by submitting requisition in PeopleSoft
   • For subrecipients that are new to URI, Dept will need to set up subrecipient as a new vendor
2. OSP Post-Award reviews to ensure award includes a subaward and for required documentation
3. Subrecipients are screened and a Risk Assessment is conducted
4. OSP Pre-Award creates sub agreement, requests signatures
5. OSP creates Purchase Order
Interactive Polling

• Go to Pollev.com/theodoremyatt289 or text Theodoremyatt289 to 37607
What are the biggest challenges with the subaward process?
Step One – Initiate a Requisition

• Departmental Requestor initiates subcontract request when the grant funds have been awarded to the PI by completing the requisition with the following information:
  – Subrecipient Legal Information
  – Dates of subcontract budget period
  – Amount of subcontract for that period
  – Project number

• If the subrecipient has not previously worked w/ URI, Dept. is responsible to set up subaward entity as a vendor w/ URI Controller’s Office
Step One – Initiate a Requisition (cont.)

- Requestor must include the following documents:
  - Scope of Work
  - Budget
  - Budget Justification
  - Checklist to Determine Subrecipient/Contractor Involvement
  - Domestic or Foreign Subrecipient Monitoring Form
  - Negotiated Indirect Cost Rate Agreement (NICRA)
  - Supplemental req form

- Office of Sponsored Projects (OSP) receives the subcontract requisition through PeopleSoft for a new or amended agreement.
Which of the following are correct?

- A subrecipient provides making substantive, programmatic work
- A vendor/contractor provides specific services to support the research program
- A subrecipient makes independent decisions regarding how to implement the requested activities
- A vendor/contractor is not directly responsible for determining research results
- All of the above
Step Two – Review for Appropriateness

• The Subcontract Requisition goes to the Post-Award Grant Specialist
• Post-Award for that College/Department is responsible to ensure subrecipient agreements were approved by the grantor agency and verify all related documents are complete
• If the requisition is deemed incomplete, it will be denied in workflow and returned to the department
Step Three – Risk Assessment

• Pre-Award conducts a Risk Assessment and OSP conducts a screening on the entity and responsible parties to ensure establishing a subcontract with the subrecipient is appropriate

• Risk Assessment includes review of subrecipient audit/financial statements

• Steps are required by federal regulation (2CFR200.331) and information on this step is routinely requested during audits
What are potential indicators of a high risk subrecipient?
Potential Indicators of High-Risk

- Foreign Organizations
- Financially Insolvent
- Inadequate response to financial questionnaire
- Prior audit findings/does not qualify as a low-risk auditee
- History of non-compliance
- History of non-performance or failure to use funds for their authorized purposes
- Significant amount of $$$ to subrecipient
- No established policies & procedures
Step Four - Subaward Development

- 2CFR200.331(a): PTEs must include specific information in the subaward agreement (i.e., FAIN, Federal Award Date, Period of Performance, etc)

- Special Considerations:
  - Reporting requirements – ensure there is enough time to receive the Subrecipient’s report before NIH’s due date
  - Terms & Conditions in the NoA that are specific to the subrecipient
  - Additional terms & conditions for HIGH risk Subrecipients:
    - Additional monitoring/reporting requirements
    - Restrictions on advance payments/carryforward
    - Backup documentation for invoices
    - Payments tied to progress report submissions
    - Stop-work language
Step Four - Signature Process

• For initial subaward agreements, URI follows a bilateral signature process, meaning both parties sign the document.
• Amended Subcontract Agreements are typically issued as a unilateral modification which does not require a countersignature from the other agency. The subrecipient upon receipt immediately has a fully signed subaward amendment.
• The unilateral modification must be explicitly stated in the original subcontract agreement. If not, then a standard bilateral amendment must be used.
• PO’s for Unilateral Agreements are held for 14 days prior to issuing. If the subrecipient does not have any changes, the PO is issued.
Step Four – Agreement and Signature

• Pre-Award develops a subaward agreement and forwards to AOR for signature.

• Once the partially executed agreement is signed and returned by the AOR, Pre-Award emails it to the subrecipient contact for their review and signature.

• If the subrecipient requires changes to the agreement, they will contact the Pre-Award to negotiate the changes. This could lengthen the processing time of the agreement and Purchase Order.
Step Five - Purchase Order

• Following execution of the subaward, OSP will issue a Purchase Order (PO) to the subrecipient. The subrecipient is not authorized to perform work prior to issuance of PO.
• Subrecipient can then invoice for work performed
Who is responsible for reviewing subawardee invoices?

- Sponsored Projects
- Controller
- Principal Investigator
- Department Administration
- None of the above
Step Five - Invoicing

• After the subrecipient begins work, all invoices are sent directly to the PI.

• PI should confirm that the invoice:
  – References the correct PO and subrecipient award number
  – Describes good/services provided w/i project period
  – Includes the correct chartfield string
  – Describes goods/services provided according to the budget

• After the PI reviews and approves the invoice, it is then forwarded to the OSP Post Award Specialist for further review against approved budget line items before authorizing payment.

• Submission to Post Award is through the Post-Award Approval Portal - https://web.uri.edu/research-admin/post-award-approval-procedures/
Reference Materials

- URI Controller Vendor/Supplier Information - https://web.uri.edu/controller/accounts-payable/suppliers/
- Supplemental Requisition Information Form: https://web.uri.edu/research-admin/files/Supplemental-Requisition-Information-Form-112019.pdf
Questions?