

How do I complete a Research Subaward?

May 2022



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

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Interactive Polling

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What are the biggest challenges with the subaward process?

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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

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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.

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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

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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

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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

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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



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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

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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.

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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.

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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

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Who is responsible for reviewing subawardee invoices?

Sponsored Projects

Controller

Principal Investigator

Department Administration

None of the above

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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/>

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Reference Materials

- URI Controller Vendor/Supplier Information - <https://web.uri.edu/controller/accounts-payable/suppliers/>
- URI Purchasing PeopleSoft Subcontract Requisition Manual - <https://web.uri.edu/purchasing/files/8.2019-PeopleSoft-Purchasing-SC-Requisition.pdf>
- Sub-Recipient Monitoring Press Steps: <https://web.uri.edu/research-admin/submit-a-proposal/subcontract-requisition-po-internal-processes/>
- Supplemental Requisition Information Form: <https://web.uri.edu/research-admin/files/Supplemental-Requisition-Information-Form-112019.pdf>

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Questions?

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