Subawards

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Overview

- Proposal/Award Cycle
- Definitions
- Subawards vs Personal Services Agreements
- Changes from the “Uniform Guidance”
- Roles and Responsibilities
- Risk Assessment
- Subrecipient Monitoring
- Examples of Audit Results

Proposal/Award Cycle

- Proposal Development
- Closeout
- Proposal Submission
- Award Administration
- Award Acceptance & Setup
Definitions

What is a 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.”

What is a subrecipient?
- “…a non-Federal entity that receives a subcontract from a pass-through entity to carry out part of a Federal program; but does not include an individual that is a beneficiary of such program.”

Uniform Guidance 2 CFR 200

Subaward vs. Personal Services Agreement – ORSO Guideline 22

<table>
<thead>
<tr>
<th>Subrecipient</th>
<th>Vendor</th>
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<tbody>
<tr>
<td>• Carries out SOW/Co-PI</td>
<td>• Provides a service available to many</td>
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<td>• Performance measured w/meeting objectives</td>
<td>• Operates in a competitive environment</td>
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<td>• Authority for administrative decisions</td>
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<tr>
<td>• Responsible for program compliance</td>
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Remember!
When making your determination, the substance of the relationship is more important than the form of the agreement.

“I have been awarded, now what?” – Subaward Initiation Process

1. Check ORSO’s approved subrecipient list
2. If subrecipient is not on list, perform financial review: audits, financials,
3. Send completed forms to ORSO
   1. Sub initiation form
   2. SOW
   3. Budget
   4. Budget justification
   5. F&A rate agreement if applicable
   6. FCOI/RCR form as applicable
New Form Coming Soon!
- Minimize back and forth questions
- Provide proper tools for accurate subaward writing
- Increase overall university compliance
- Fillable form with links
- Will be moving towards online submission form, i.e. the Change Request Form

Responsibilities
- SPS
- Dept.
- ORSO

Departmental Responsibilities
1. Approves all expenditure requests
2. Reviews budget statements for consistency w/proposal
3. Ensures that expenditures are Reasonable, Allowable, Consistent, Allocable
4. Certifies effort
5. Certifies cost sharing
6. Initiates & approves subcontract agreements
7. Verifies expenditure postings
8. Reviews invoices
Departamental Responsibilities
Reviewing Invoices

Ensure that subaward invoice includes:

- Contract #
- Invoice time frame
- Invoice total & cumulative totals are clear
- Expenses are w/in period of performance
- Correct math
- Expenses itemized
- Certification
- Deliverables/reports have been met or submitted

Departmental Responsibilities
(continued)

9. Verifies appropriate signatory signs invoices & returns to SPS
10. Reviews technical reports
11. Requests additional documentation on questioned costs
12. Monitors subrecipient compliance w/regulations
13. Ensures subrecipient’s equipment has proper controls
14. Routes property, invention, & cost share reports to SPS
**ORSO Responsibilities**

1. Receive the subaward initiation form and backup documents.
2. Check Visual Compliance Database (EPLS).
4. Check that subaward is within scope of work, within dates of the Prime Award and that funding allocation has been set aside.
5. If needed, do risk assessment for post-award monitoring.
6. Acts as advocate for PI and University in subaward issues.

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**SPS Responsibilities**

After subaward is signed and received at SPS:

1. Review subaward and translate into computer systems.
2. Verify the rate agreement, Single Audit response, and completion of all documents.
4. Close out the subaward according to the Award.
5. Annually review the subaward’s most current audit document.
7. Alert all parties if the audit review demonstrates a concern for WSU.

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**Subaward Invoice**

- We need the following on the invoices in order to pay them in a timely manner. SPS only has 30 days to pay an outstanding invoice.
- Period of performance
- Invoice number (good to have for reference)
- Reference the subaward
- Expenses such as salaries etc.
- Contact information
- Current address
- Amount for period
- Certification Statement
According to the Uniform Guidance all new subcontract invoices need the following certification statement.

"By signing this report, I certify to the best of my knowledge and belief that the report is true, complete, and accurate, and the expenditures, disbursements and cash receipts are for the purposes and objectives set forth in the terms and conditions of the Federal award. I am aware that any false, fictitious, or fraudulent information, or the omission of any material fact, may subject me to criminal, civil, or administrative penalties for fraud, false statements, false claims or otherwise. (U.S. Code Title 18, Section 1001 and Title 31, Sections 3729-3730 and 3801-3812)."

SPS is using Jira to keep track of subaward invoices.

- Since Spring 2018, SPS is keeping track of subaward invoices in "Jira".
- When SPS receives a subcontract invoice, SPS checks it for the major components, uploads it into Jira and sends it to the dept.
- The department verifies the expenses and approves the invoices.
- According to the UG the invoices need a specific certification statement.
Close Out Procedures

- SPS will send an e-mail to the department, asking if the close out reminder can be sent.
- When the department gives the permission, SPS will send the close out reminder to the subaward.
- Ensures all subaward’s invoices have been received/paid, including a final marked “final”.
- All progress reports/deliverables have been received.
- Ensure close out documents have been received.

Example of a close out reminder

Subrecipient Monitoring

- Under §200.207 WSU can impose additional specific award conditions (for more details see UG §200.207)
- For example:
  - Applicant has a history of failure to comply and fails to meet expected performance goals.

Conditions must be removed once the condition has been corrected.
Subaward Monitoring

§200.338 "Remedies for noncompliance," allows WSU to take one or more of the following actions for subawards who are unwilling or unable to comply with the monitoring requirements:

For example:

- Temporarily withhold cash payments pending correction.
- Disallow all or part of the cost for action not in compliance.
- Wholly or partly suspend or terminate the Federal award.
- Initiate suspension or debarment proceedings.

Possible Indicators of High Risk

- A qualified audit report or failure to have a current audit report
- History of non-compliance or non-performance (failure to use funds for authorized purposes)
- New subrecipient (or new to this type of project)
- Award size relative to sub-recipient’s sponsored research portfolio

Possible Mitigations to High Risk Assessment

- Special Monitoring Plan (PI/Dept./ORSO/SPS)
  - More frequent contact with sub-recipient or
  - More frequent technical reports
- Add more detailed or frequent invoicing requirement.
  - Backup documentation
- Tie receipt of technical progress reports to payments.
- Add more stringent language in subaward to comply with award requirements.
Audit Results
June 2016 report
University of Wyoming
- Did not provide a schedule of expenditures that clearly identifies as Federal funds, and this impacted the reported funds in SEFA (Schedule of Expenditures of Federal Awards).
- Any auditee is to prepare a schedule of expenditures of Federal awards for the period covered by the financial statement including notes that describe the significant accounting policies used.

Audit Results
February 10th report
Colorado State University;
- The audit found that the University did not report in a timely manner under the Transparency Act.
  - Required sub information was not reported for four of the 29 Sub awards.
  - One subaward was 10 months late and 2 were submitted with incorrect dates.
  - The problem occurred because of lack in the review process.

Audit Results
Fiscal Year 2016
University of Pennsylvania
- Transfers were not clearly documented and the equipment inventory were not retired in a timely manner.
  - Every transfer should be clearly documented and saved according to the award detail.
  - The University should the equipment purchased and include timely recording of transaction.
If you attended this live training session and wish to have your attendance documented in your training history, please notify Human Resource Services within 24 hours of today's date:
hrstraining@wsu.edu

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