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BEST PRACTICES FOR SUBAWARD MANAGEMENT

P R E S E N T E R : A L I C I A M A R T I N E Z
C O - P R E S E N T E R : C H L O E C A M P B E L L

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Title: Best Practices for Subaward Management

Name: Alicia Martinez & Chloe Campbell

Department: UF Research Contracts & Grants

Contact Information: alicia.martinez@ufl.edu
chloecampbell@ufl.edu

Session Topic:

- Key definitions.
- Subrecipient vs Contractor/Vendor/supplier.
- Roles and responsibilities.
- Subaward flowchart.
- Subawards' review process.
- Subaward risk management.
- Case Studies.

Session Learning:

- a) Recognize key definitions related to post-award subaward management.
- b) Compare different subawards based on sponsor.
- c) Identify types of risk related to foreign and domestic subawards.

Session Description:

This session covers key definitions and best practices involved in successful post-award subaward management from execution to close out, including subaward monitoring modifications and financial reports.

The session will cover best practices for Federal and Non Federal Sponsors, domestic and foreign, low and high-risk subawards.

Target audience: This session is designed for those who assist research faculty and colleagues by managing and monitoring subawards.

CxUF Conference May 11 – 12, 2021

www.learn-and-grow.hr.ufl.edu/connected-by-uf-conference/

Key Definitions: “Post Award”

Sponsor

- Organization that is issuing the funds to University of Florida. It may be Federal or Non Federal.

Budget Justification

- The portion of a proposal that communicates how the funds requested will be used to accomplish the scope of work. The budget justification can be thought of as a narrative version of the budget.

Award

- A defined scope of work that is sponsored or funded by an external organization, such as a federal, state, or private organization or agency. It is also the umbrella in UF’s financial system under which a project(s) sit.

Direct Cost

- Costs which are necessary to the performance of the scope of work and are easily identifiable and allocable to the project.

Project

- The bucket under which financial transactions accrue. Allows segregation under an award for purposes of tracking individual award activities, budget periods or unit/project manager level administration of a portion of an award.

F&A Indirect Cost

- Indirect costs represent the expenses of doing business that are not readily identified with a particular project or activity but are necessary for the general operation of the organization and the conduct of activities it performs.

Key Definitions: “Post Sub-Award”

<p>PTE</p>	<ul style="list-style-type: none"> • Pass-through Entity, means a non-Federal entity that provides a subaward to a subrecipient to carry out part of an award. 	<p>Language</p>	<ul style="list-style-type: none"> • A principal method of communication used for award information. English language meaning will control the prime award and subawards.
<p>Agreement</p>	<ul style="list-style-type: none"> • An agreement is a general term used to refer to a variety of funding instruments that UF negotiates with subrecipients. A subaward may be provided through any form of legal agreement, including an agreement that the pass-through entity considers a contract. 	<p>Currency</p>	<ul style="list-style-type: none"> • It’s a system of money in general use in a particular country. Subawards must be submitted in terms of U.S. dollars. Foreign currencies different to USD will be converted to U.S. dollars using the currency conversion rate based on the terms of the agreement.
<p>Subaward</p>	<ul style="list-style-type: none"> • It is a portion of an award provided by a pass-through entity to a subrecipient to carry out part of an award . It does not include payments to a contractor or consultant. A subaward creates assistance relationship with the subrecipient. 	<p>Dates</p>	<ul style="list-style-type: none"> • Using the Gregorian calendar, which is a solar calendar with 12 months of 28–31 days each. The year in this calendar consists of 365 days, with a leap day being added to February in the leap years. Recommended format MM/DD/YYYY
<p>Subrecipient</p>	<ul style="list-style-type: none"> • Means an entity, usually but not limited to non-Federal entities, that receives a subaward from a pass-through entity to carry out part of an award. 	<p>Modifications</p>	<ul style="list-style-type: none"> • A change from the original Subaward workplan and budget processed in UFIRST. Modifications may or may not require prime sponsor approval. The Division of Sponsored Programs (DSP) will review all Modification Requests. Typical types of modifications include budget adjustments, no cost extensions, key personnel adjustments, etc.
		<p>Key Personnel</p>	<ul style="list-style-type: none"> • Individuals whose specific expertise and involvement is necessary for completing the scope of work.

Key Definitions: “Post Sub-Award Reports”

Subrecipient Cost Template

- It's the template for a financial report/ invoice used by a subrecipient to report expenses.

Equipment

- Clearly identify type of equipment purchased and include invoice.

Salaries

- Clearly identify the personnel involved, title and description of work performed, salary rate, percent effort or hours/time spent on the project. Submit timesheets or effort certifications to substantiate time worked.

Other Expenses

- Materials, supplies, computers, and all other expenses must be documented by itemizing the items and including copies of receipts or invoices.

Contractual

- Reimbursement of requests for payments to contractors and consultants must be substantiated by copies of invoices.

Subrecipient

- Expenses category used to request for reimbursement of payments made to subrecipients must be substantiated by a subrecipient invoice.

Travel

- Name of traveler, location, purpose and dates of travel must clearly be documented. Copies of receipts/invoices for actual costs must be provided. Use of **per diem rates** must be clearly documented and supported.

Disallowed costs

- Means those charges to an award that the sponsor or pass-through entity determines to be unallowable, in accordance with the applicable regulations or the terms and conditions of the award.

Subrecipient vs Contractor/Vendor/supplier

Category	Subrecipient	Contractor
Nature	Based on a scope of work. Involves Analysis and Interpretation	Provide goods or services
Legal Instrument	Contract or Agreement	Procurement PO (Purchase Order)
Participation	Participates substantially in the design and direction of the overall scope of work	It's "Limited. Has not participated significantly in the design of the work.
Decision Making	Has the freedom within the terms of the agreement	Has little or no independent decision making
Payment Method	Based on the terms of the agreement	Paid for deliverables only; not on a reimbursement for actual costs incurred
Publication	Likely co-author on overall reports and publications ✓IP	Unlikely to be a coauthor on publications ×IP

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The background of the slide features a faded, light gray image of several high-voltage electrical transmission towers and power lines stretching across the horizon. The towers are lattice-structured and support multiple power lines.

CASE STUDIES BREAKOUT ROOM

15 Minutes (5 Minutes per case)

CASE STUDY #1 FEDERAL-DOMESTIC

UF has an NSF Award, the start date is 01/01/2015 and the end date 12/31/2019. On 06/01/2017 UF signed an agreement with Eastern New Mexico University. Total Amount \$45,000

The Invoice #1 including salaries and wages for \$15,000 and equipment for \$25,000, facilities and administrative (18%) \$7,200. Total amount due \$47,200. The reporting period for this invoice is 10/01/2019 to 12/31/2019.

The final technical report from the subrecipient hasn't been completed.

Please identify red flags for this case and opportunities to apply best practices.



**EASTERN
NEW MEXICO
UNIVERSITY**



BILL & MELINDA
GATES *foundation*



CASE STUDY #2 NON-FEDERAL FOREIGN

UF has an Award from BMGF and has signed an agreement with Universidad de San Carlos de Guatemala to improve agriculture.

UF receives the financial report #1 in Spanish from 01/01/2018 to 12/31/2019 total amount Q715,000 which includes PI salaries Q450,000 and travel expenses: a lump sum payment Q200,000 for the CO-PI in Aug 2019, IDC (10%) Q65,000.

Please identify red flags for this case and opportunities to apply best practices.



CASE STUDY #3

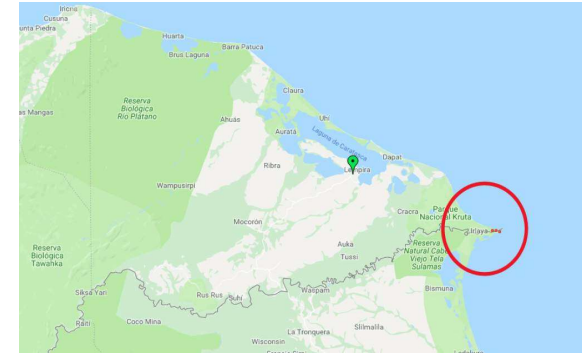
CLAS has an Award from Moore Foundation. As part of the scope of work, they're planning to organize a Workshop to reduce women poverty in "La Mosquitia", Honduras.

This is a very **poor community** with a difficult access and communication. All the transactions in this community are done cash.

UF is looking for a **partner** that provides a **base line study** of economic indicators from the community and organize **logistic and transportation** for the workshop in Honduras that include: PI, Co-PI, 8 students and 25 participants.

The total cost budgeted for the workshop is **\$35,000**

Does this apply for a Subaward or contractor?



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