

Pre-Award

Identify Subcontracts Collaborators in Proposal

- Substantive, programmatic work or an important or significant portion of the research program or project is being undertaken by the other entity;
- Their performance is measured against meeting the objectives of the program
- They have authority for administrative and programmatic decisions
- Will retain ownership rights in potentially patentable or copyrightable technology
- Responsible for applicable compliance requirements

Collect Proposal Documents from Subcontractor

- Signed Letter of Intent
- Statement of Work
- Budget and budget justification
- Biosketches for key personnel
- Institutional Information (from institution's website)
- *Look up subrecipient in Risk Assessment Database

Budgeting Indirect Costs

- Budget/asses IDC on first \$25K of each subcontract. For Multiple subcontracts to the same institution, asses IDC on first \$25K for *each separate scope of work*.
- Foreign Subs may take 8% IDC
- If domestic subrecipient does not have a negotiated rate, it may apply a de minimis 10% rate.
- Some non-federal sponsors allow IDC on total direct costs, assessment on subs over 25K

Special Considerations for Foreign Subcontracts

- Considerations may be required for int'l institutions due to factors such as different laws, time zones, and language; export control; less familiarity with U.S. federal awards.
- Make sure sub has active CCR in Sam.gov and SPA screens specially designated nationals list (Visual Compliance)
- HU uses a long-form int'l subagreement template, which incorporates special terms: English as the official language, U.S. laws apply, arbitration, and optional language if advanced payment is required.
- Provide example invoice templates in USD and English.

Award Stage

Allocate Funds to the Subrecipients after NoA

- If there is a large reduction in the subcontract budget or programmatic changes from proposal, a re-budget and/or revised scope of work from subcontractor may be needed
- Inform SPA of the subawards and amounts to be issued and to allocate funds in GMAS
- For subs not initially part of the proposal, obtain documents listed in proposal stage and enter a new sub request in GMAS in addition to sponsor approval when required

SPA Issues/Executes Subcontract

- An enforceable agreement, made under a prime award, between a prime recipient and a subrecipient for the performance of a substantive portion of the program.
- Flow down applicable terms and conditions from prime
- Determine sub type (cost reimbursement, fixed price, etc.)
- Establish payment schedule (if applicable)
- Establish time line for deliverables (if applicable)
- Confirm risk assessment, discuss with department reps, factor in project-specific risk factors if Red or Yellow.
- Insert special clauses for high risk sub/unique conditions

For Standard Domestic Cost-Reimbursable Subs

- Standard Federal Demonstration Partnership (FDP) Subaward Agreement (for FDP member agencies)
- Automatic carry-forward granted if allowed in NGA
- Special affiliate template for affiliates allowing for unilateral changes to POP or additions to budget

Issuing Subsequent Year Funds to Subcontract

- Obtain all personnel report and other support for key personnel at time of progress report
- Provide SPA with budget and amount to allocate for new year at time of NGA
- SPA will confirm risk assessment, no issues with sub
- SPA will issue a modification to subaward

Tip for Providing Financial Contacts to Subcontractor

- Ensure early in the award that all subrecipient invoices are sent not only to the primary point of contact but also **subinvoices@harvard.edu** to prevent missing invoices.

Post Award

Monitor Sub Invoices to Ensure Proper Use of Funds

- The subrecipient's invoices must show both current period and cumulative expenses-to budget
- Ensure allowability of charges and that expenses were incurred within the dates of agreement
- Verify cumulative expenses within the overall approved budget amount
- Determine if the invoice expenses per budget category in agreement with the budgeted amount per line item category
- Confirm IDC rate calculated correctly and total costs are added properly
- Ensure institutional signature on invoice
- Seek clarification from sub for any discrepancies on invoices
- Obtain PI's signature "Okay to Pay" on invoice

Sample PI Attestation When Signing Off On Invoices

"I have reviewed the attached invoice. The PI listed on this invoice is still involved with this project. Both the work being performed and the expenses reflected on this invoice are to my satisfaction."

Ongoing Monitoring Questions for Principal Investigators

- Is the subrecipient's progress on track according to your expectations?
- Do the amounts billed in the subrecipient's invoices match the work performed?
- Do you have any other concerns about this subaward for any reason?

Escalate Problems

- Request the subrecipient to provide clarification of invoiced charges that appear unusual, excessive, or otherwise questionable.
- Contact OSP for continued late billing, communication difficulty, performance issues resulting in stopping payment, or any other factor related to noncompliance or potential non-compliance.
- Questions/concerns may be sent to the HMS Subrecipient Monitoring Committee at HMS_SubMonitoring@hms.harvard.edu

Closeout Stage

Receive Final Invoice by 60 Days of Budget Period End

- Follow up with sub-awardees on invoices not received to be sure they are paid
- Ensure invoice is marked final
- Confirm that final cumulative expenses do not go over the total budget
- Ensure from PI project deliverables and reports have been met
- Obtain PI's signature "Okay to Pay" on final invoice

Ensure Correct Object Code and Overhead was Applied for all Invoice Payments

- Indirect costs are charged only on the first \$25,000 of each subcontract in a federal proposal.
- Journal any incorrect object code or OH costs for subcontract invoices accordingly:

Object code	When to use it
8190	For the first \$25,000 of subcontract expenses that takes overhead
8191	Used for subcontract expenses that exceeds the threshold for assessing overhead
8192	For expenses over \$25,000 that takes overhead

Resources

Subrecipient Monitoring Policy:
<http://osp.finance.harvard.edu/subrecipient-monitoring-policy>

OSP Tips and Tricks for Monthly Grant Reconciliation:
<http://osp.finance.harvard.edu/closing-out-award>

Subrecipient monitoring related issues:
HMS_SubMonitoring@hms.harvard.edu

Subrecipient Monitoring on HLCRA:
<http://hlcr.harvard.edu/subrecipient-monitoring>