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;
- they are responsible for applicable program compliance requirements.

Collect Proposal Documents from Subcontractor
- Signed Letter of Intent
- Statement of Work
- Budget and budget justification
- Biographies for key personnel
- Institutional Information (from institution’s website)

Pre-Award

Award Stage

Allocate Funds to the Subrecipients after NGA
- 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 Issue vs/Executes Subcontract
- An enforceable agreement, made under a prime award, between a prime recipient and a subcontractor for the performance of a substantive portion of the program.
- Flow down applicable terms and conditions from prime award
- Determine type of subaward (cost reimbursement, fixed price, etc.)
- Establish payment schedule (if applicable)
- Establish time line for deliverables (if applicable)
- Insert special clauses for high risk sub or unique conditions

Post Award

Receive and 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

Closeout Stage

Receive Final Invoice by 60 Days of the End of the Budget Period
- 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 submitted
- Obtain PI’s signature “Okay to Pay” on final invoice

Ensure Correct Object Code and Overhead was Applied for all Invoices Payments
- Indirect costs are charged on only the first $25,000 of each subcontract in a federal proposal.
- Journal any incorrect object code or OH costs for sub-contract invoices accordingly.

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

Special Considerations for Foreign Subcontracts
- Considerations may be required for int’l institutions due to factors such as different law, time zones, and language export control, and less familiarity with U.S. federal awards
- Make sure int’l subcontractor has an active CCR in Sam.gov and SPA screens the specially designated nationals list.
- HMS always uses a long-form int’l subagreement template. The template incorporates special terms e.g. English as the official language, U.S. laws apply and optional language if advanced payment is required.
- Provide example invoice templates in USD and English.

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.

Budgeting Indirect Costs
- Budget/asses IDC on first $25K of each subcontract.
- For multiple subcontracts to the same institution, assess IDC on first $25K for each separate scope of work.
- Foreign Subs may take 8% IDC.
- If domestic subcontractor 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.