



UNIVERSITY *of* MARYLAND
BALTIMORE

Procedures for the Administration of Sponsored Projects Subawards

Sponsored Programs Administration
University of Maryland Baltimore
(Updated May 2019)

TABLE OF CONTENTS

INTRODUCTION	1
DEFINITION OF TERMS	1
AUTHORIZED OFFICIALS	1
PRIME SPONSORS	1
SUBRECIPIENT VS. CONSULTANT VS. CONTRACTORS	2
SUBAWARD TYPES	3
COST REIMBURSEMENT SUBAWARDS	3
FIXED PRICE SUBAWARDS	4
PREAWARD ACTIONS	5
SUBRECIPIENT SELECTION CRITERIA	5
SUBRECIPIENT METHOD OF SELECTION	5
SUBAWARD AT PROPOSAL STAGE	6
PRICE OR COST ANALYSIS	7
SUBMITTING PROPOSAL WITH SUBAWARD TO SPA	9
POST AWARD ACTIONS	9
SUBRECIPIENT MONITORING ASSESSMENT AND REVIEW TEAM (SMART)	9
SUBAWARD REQUEST FORM	10
NEGOTIATING AND EXECUTING THE SUBAWARD	11
SUBAWARD MODIFICATION	12
ON-GOING SUBAWARD MONITORING	12
TECHNICAL MONITORING	12
FINANCIAL MONITORING	12
ANNUAL AUDIT REPORTING	12
FFATA REPORTING	13
SUBRECIPIENT CLOSEOUT REQUIREMENTS	13
CLOSEOUT NOTICES	13
PRINCIPAL INVESTIGATOR’S SUBAWARD CLOSEOUT AUTHORIZATION	13
FINAL INVOICES	14
APPENDICES	14
APPENDIX A: FAR/DFAR CLAUSES	14
APPENDIX B: 2 CFR 200 – APPLICABILITY CHART	14
APPENDIX C: CERTIFICATE OF CURRENT COST OR PRICING DATA	14
APPENDIX D: ASSIGNING NUMBERS TO SUBAWARDS	14
APPENDIX E: CONTRACTOR’S ASSIGNMENT OF REBATES, ETC	14
APPENDIX F: PI’S SUBAWARD CLOSEOUT AUTHORIZATION	14

Introduction

The procedures in this manual lay out the processes established by the Sponsored Programs Administration office for requesting, monitoring, and closing out **Subawards** issued in support of research, development and/or training from grants/contracts funded by an outside sponsor and performed under a proposal submitted by the University of Maryland Baltimore (UMB).

The campus official authorized to execute Subawards /subawards on behalf of UMB is the Director, Sponsored Programs Administration or his/her designees within the Sponsored Programs Administration (SPA). The campus Authorizing Official for Purchase Orders and Consulting Agreements is the Assistant Vice President for Strategic Sourcing and Acquisition Services, or his/her designees.

Responsibilities at various stages of the process are shared by the Principal Investigator (PI), the Lead Financial Department, SPA, the Office of the Financial Services, and the Department of Strategic Sourcing and Acquisition Services. All SubAward activity will be conducted in accordance with the provisions of FAR 3.502-2 (Anti-Kickback Act of 1986). Any suspected violations thereof will be reported to the Director, SPA.

The applicable Prime Award terms must be "flowed down" to the first tier Subrecipient and include provisions for additional flow down to second tier Subrecipients. Under Federal contracts and other agreements, the flow-down requirements are mandatory (see [Appendix A](#) or [B](#) for examples). The procedures cited here, however, apply to all Subawards issued irrespective of the type of prime sponsor.

Most of the procedures described herein also apply to the processing of **Subawards** funded under private or federally funded Grants and Cooperative Agreements. Questions concerning any of the information contained herein may be directed to subteam@ordmail.umaryland.edu.

I. Definition of Terms

- A. **Authorized Official** refers to one or more individuals who are granted signature authority on behalf of a business, institution, or organization of any type and who are able to enter into legally binding agreements on behalf of the entity which they represent.
- B. **Prime Sponsor** refers to the entity that issues the initial award to UMB
 - 1. **Prime Award** is the *document* which outlines the contract terms and conditions attached to the funding received from a Prime Sponsor.
 - 2. **SubAward** may refer to an agreement (issued by SPA) to perform substantive portions of the research proposed. A Contractor (Vendor) is an entity providing goods and services in support of a Prime Contract via a Purchase Order issued by the

Department of Procurement and Strategic Sourcing. For the purpose of this manual, Subrecipient refers to the recipient of any SubAward issued by SPA.

3. **Pass-Through Entity (PTE)** is the organization which receives the award directly from the Prime Sponsor and flows down a portion of the work and a portion of the award funds to a third party using a SubAward agreement.

C. SUBRECIPIENT VS. CONSULTANT VS. CONTRACTOR

There is often considerable confusion at the proposal stage whether to treat a “collaborator” included in the UMB budget as a Subrecipient, Contractor (Vendor), or Consultant. In those cases, it is recommended the PI and/or Department Administrator discuss the matter with the SPA Team assigned to process proposals for the Investigator’s academic unit prior to finalizing the budget. Given that F&A rates are only applied to the first \$25,000 of a SubAward but applied to the total cost of goods and services provided by Contractors and Consultants, incorrect determinations may negatively impact the available dollars should an award be received. Additionally, Subrecipients which are not included in an original proposed budget often require the prior approval of sponsors before issuance which will delay the release of the SubAward.

1. A **Subrecipient** is distinguished from both a Contractor (Vendor) and a Consultant in that a **Subrecipient**:
 - a. Performs a substantive portion of the proposed Statement of Work incorporated into the Prime Award;
 - b. Has responsibility for internal programmatic decision-making and design;
 - c. Is responsible for assisting the PTE in meeting the goals of the project;
 - d. Is responsible for adhering to applicable Federal programmatic compliance requirements;
 - e. Retains intellectual property and copyright to the work produced by the **Subrecipient’s** personnel.
2. A **Contractor (Vendor)** is issued a Purchase Order based on a request sent by an administering unit to the UMB Department of Strategic Sourcing and Acquisition Services. The purchase of goods and services, including Consulting Services, are obtained from a commercial vendor. SPA does not normally issue **Subawards** to individual persons.
 - a. A **Contractor** provides similar goods and services to multiple customers as part of their routine business operations;
 - b. A **Contractor** competes for customers with other like providers;
 - c. A **Contractor** does not retain intellectual property or copyright to the deliverables;
 - d. Cost sharing is not required of a **Contractor**;
 - e. Joint authorship of publications and Intellectual Property Rights are not sought by a **Contractor**;
 - f. The general terms of the Prime Award do not flow down to the **Contractor**.

3. A **Consultant** may be an individual or a commercial entity and is a type of Contractor paid through a Purchase Order issued by the Department of Strategic Sourcing and Acquisition Services.
 - a. A **Consultant**'s deliverable may be intermittent throughout the project, is clearly defined and similar other work is performed by that Consultant commercially on a routine basis;
 - b. A **Consultant**'s deliverables do not ordinarily generate patentable or copyrightable results of an original or substantive nature;
 - c. A **Consultant** is not subject to the compliance requirements of the Prime Award;
 - d. A **Consultant**'s fee is based on an hourly or daily rate which is provided and explained in a Consultant rate proposal;
 - e. A **Consultant**'s services are on a "work for hire" basis and all intellectual property or copyrightable rights are assigned to UMB by the Consultant;
 - i. A **Consulting Firm** is a commercial entity whose regular business activity is to provide services similar to those proposed under the current project.
 - ii. An **Individual Consultant** is a non-UMB employee hired to provide technical expertise in support of a sponsored project. As a general rule, the activities performed by a non-UMB faculty member who is named as an individual **Consultant** in a proposal must fall outside of the individual's normal employment or academic duties and cannot make use of his/her employer's (institutional) facilities, personnel or students. If these criteria are not met, then the faculty member's home institution should appear as a Subrecipient in the UMB Proposal rather than naming an individual as a **Consultant**.

II. SUBAWARD TYPES

Any one of many contract types may be used to establish a **SubAward**, however, they fall into one of two basic categories: **Cost Reimbursement** and **Fixed Price**. Most Subawards issued by UMB under sponsored research accounts will be cost reimbursement subawards. Fixed Price Subawards may be used with foreign subrecipients or when issuing second tier Subawards under prime awards which are also Fixed Price. Under 2 CFR Part 200 (the "Uniform Guidance") Fixed Price Subawards may require prior approval of the Prime Sponsor. Individual agency regulations must be consulted to determine if this is necessary and if there is a limit on the total amount that can be awarded to a **Subrecipient** under a Fixed Price SubAward.

A. COST REIMBURSEMENT SUBAWARDS

1. **Cost Reimbursement** (also referred to as simply "Cost" type) subawards pay allowable, allocable, and reasonable costs which are incurred during the performance of the contract. Indirect costs may be paid in accordance with a Subrecipient's Federally-approved Negotiated Indirect Cost Rate Agreement (NICRA) or the de minimus rate as defined by 2 CFR Part 200. Cost principals which apply to

commercial entities will be as determined by the terms and conditions of the Prime Award, individual federal agency 2 CFR 200 implementation guidelines, or FAR 31.3. Cost subawards are often used to support research and development with nonprofit and commercial organizations. A SubAward issued under a Prime Award sets a total cost, or ceiling, that the Subrecipient cannot exceed without prior approval and agreement by UMB.

2. **Cost-Sharing** subawards require the Subrecipient to assume part of the cost of the project. Cost-sharing may be a requirement of the solicitation or offered voluntarily if permitted under the terms of the award or agency guidelines. Generally, the work provides some benefit to the Subrecipient which off-sets their share of project costs.
3. **Cost-Plus-Fixed-Fee** subawards reimburse the Subrecipient for their costs PLUS pay a predetermined fee which is not altered by actual costs for the original Statement of Work. If the Statement of Work changes, then a new fee may be negotiated. Many Federal sponsor guidelines generally **do not** allow fee or profit to be charged when collaborators are conducting fundamental research under 2 CFR Part 200.
4. **Cost-Plus-Percentage of Cost** subawards pay a fee that rises as the Subrecipient's costs rise. The Federal Acquisition Regulations (FAR Part 16.102) **prohibit this type of subaward under a federal award** as there is no incentive on the part of the recipient to control costs.

B. FIXED PRICE SUBAWARDS

1. **Fixed Price** subawards are based on a predetermined price which **may be adjusted** if the contract includes a ceiling price, a target price, or both based on a proposed budget which can be estimated with great accuracy. The terms under which a price adjustment could be considered would be stated in the subaward. Invoices do not show a detailed breakdown of costs. Payment is based on some predefined deliverables due throughout the period of performance. Typically, UMB would not generally issue a Fixed Price SubAward which authorizes full advance payment. An exception can be made when entering into a Cooperative Research and Development Agreement (CRADA) with a federal facility and with the approval of the Prime Sponsor, or on a case by case exception.
2. **Firm Fixed Price** subawards provide a price which **is not open to any adjustment** regardless of the final costs of the project. Firm Fixed Price subawards impose a significant risk on the receiving party should costs exceed the agreed upon price, but reduces administrative burden on both parties.
3. **Firm Fixed-Price Level of Effort** subawards are sometimes applied to research and development subawards where the results achieved cannot be clearly predicted and the ability to complete defined deliverables is also uncertain. This agreement requires the Subrecipient to devote a specific level of labor effort over a period of time at predetermined labor rates. It normally requires the Subrecipient to submit reports on results obtained plus Level of Effort required. Payment is contingent on effort expended rather than on results achieved. This type of SubAward is considered high risk by UMB under a Prime Award as the Subrecipient may invoice for payment based on labor hours worked even if the proposed deliverables are never completed.

III. PREAWARD ACTIONS

A. SUBRECIPIENT SELECTION CRITERIA

1. It is important to remember that UMB is ultimately responsible for a Subrecipient's performance. A large number of UMB's Subawards are with universities, research institutes of known reputation, and for-profit corporations of known capabilities. Increasingly, small businesses, private nonprofits, and foreign entities are also being selected to act as Subrecipients on sponsored awards. If this is the case, prior to executing a SubAward to a new subrecipient, a Subrecipient Monitoring Assessment is performed and the determination made as to the level of risk and qualifications of that Subrecipient (see Section IV. A.) is documented.
2. The viability of the Subrecipient must be considered by SPA including factors such as financial position and management capability. Factors entering into this decision include the following: type of organization; past performance (with other Federal awards or with the University); total anticipated subaward amount; required facilities; cost controls; personnel practices; and procedures for monitoring their Subrecipients.
3. If Human or Vertebrate Animal subjects are to be used in the performance of the Subrecipient's Statement of Work, certain Federal certifications and regulations are required. The entity will need a Federal Wide Assurance (FWA) number (for human subjects) or Institutional Animal Care and Use Committee (IACUC) number (for animal subjects), which are granted by the federal government. They must have the capacity to approve Institutional Review Board (IRB) and IACUC protocols before initiating such research or UMB must agree to serve as the IRB and IACUC of record overseeing and approving research protocols on behalf of the Subrecipient.
4. UMB's internal policy requires ALL subrecipients (including Subrecipients), **prior to being issued a SubAward under a federal award**, to be registered in the System for Award Management (SAM.gov), providing public view access and have an assigned DUN & Bradstreet Number (DUNS #).

B. SUBRECIPIENT METHOD OF SELECTION

It is the responsibility of the UMB PI to comply with federal procurement requirements in selecting a Subrecipient funded by federal flow-through dollars. There are two primary methods of selecting a Subrecipient: *sole/single source selection* or *competitive bidding*.

1. ***Single or Sole Source Selection*** is most common in research projects where a PI wishes to collaborate with an identified academic colleague or technical contact offering unique expertise or facilities who can be identified and included in a proposal to the Prime Sponsor.

The preselected Subrecipient will provide the PI with a proposed Statement of Work, Budget, Budget Justification, approved by an Authorizing Official to incorporate into

UMB's initial proposal to the Prime Sponsor. If awarded, the PI may or may not have to again obtain approval from the Prime Sponsor in order to issue a SubAward to that entity depending on the terms of the award.

In both Single and Sole Source selection, when completing a requisition to the UMB Department of Strategic Sourcing and Acquisition Services, the UMB PI is required to provide a justification identifying the need for the work and why the Subrecipient is the source selected.

- a. Single source selection occurs when a Subrecipient is a preferred Subrecipient for completion of the Statement of Work which may be available from more than one source, but for reasons of location, price, facilities, availability, etc., one of the qualified Subrecipients is preferred over the others.
 - b. Sole source selection occurs when a project requires performance from one particular Subrecipient for completion of the Statement of Work which cannot be obtained from any other source. Sole source selection in the second scenario is not justified simply by the fact that there has been continuing collaboration between scientists. A sole source justification in these situations must be further justified with respect to the unavailability of the services or expertise from other sources.
2. ***Competitive bidding*** is often used as the method of Subrecipient selection when purchasing goods or services or when the PI does not have a preferred Subrecipient in mind either at the time of proposal or post award. This method requires the PI to solicit proposals from non UMB sources and make a final Subrecipient selection from those responding based on technical merit and cost objectives. This may be based on a combination of price and qualifications. A formal Request for Proposal solicitation to obtain competitive bids must be coordinated through the UMB Department of Strategic Sourcing and Acquisition Services.

C. SUBAWARD AT PROPOSAL STAGE

1. When the work to be done by a Subrecipient is to be incorporated into a single UMB proposal, there must be adequate time between the receipt of the Subrecipient's proposal and the Prime Sponsor's proposal due date to allow UMB's PI time to discuss and negotiate the Scope of Work to be performed by the Subrecipient. If the SubAward involves human subjects, animal experimentation, the use of DNA, biological or environmental hazards, or poses a potential Conflict of Interest, certification of Subrecipient adherence to internal and federal policies on these matters must also be included in the proposal. Those issues must also be handled within UMB in a manner consistent with UMB institutional requirements.
2. The Subrecipient will submit to UMB PI a Letter of Support signed by the Subrecipient's Authorized Representative, Statement of Work, Annual and Cumulative Budgets and Budget Justification. The budget must include an itemization of budget categories, including appropriate salaries and wages, fringe benefits, materials, supplies, equipment, travel, and other direct costs necessary to

accomplish the Statement of Work that the Subrecipient is to perform. A copy of the Subrecipient's negotiated indirect cost rate agreement should be submitted to UMB as part of the Subrecipient's proposal. If the Subrecipient declines to furnish its negotiated indirect cost rate agreement, UMB will attempt to obtain a verification of the Subrecipient's rates or obtain audit information prior to issuing SubAward.

D. PRICE OR COST ANALYSIS

A *Price* or *Cost Analysis* must be performed in connection with every SubAward action. FAR 15.404-3 (b) states that the Prime Sponsor, PTE, or Subrecipient shall:

1. Conduct appropriate cost or price analyses to establish the reasonableness of proposed SubAward prices; and
2. Include the results of these analyses in the price proposal.
 - a. ***Price Analysis*** is a means of determining if the asking price for a service or product is fair without resorting to an examination of the Subrecipient's cost and profit calculations. It is basically a comparison of the price with known indicators of reasonableness. FAR 15.404-1 states that price analysis is the process of examining and evaluating a proposed price without evaluating its separate cost elements and proposed profit, and lists some examples:
 - i. Comparison of proposed prices received in response to the solicitation,
 - ii. Comparison of previously proposed prices and previous Government and commercial contract prices with current proposed prices for the same or similar items if both the validity of the comparison and the reasonableness of the previous price(s) can be established,
Use of parametric estimating methods/application of rough yardsticks (such as dollars per pound or per horsepower, or other units) to highlight significant inconsistencies that warrant additional pricing inquiry,
 - iii. Comparison with competitive published price lists, published market prices of commodities, similar indexes, and discount or rebate agreements,
 - iv. Comparison of proposed prices with independent Government cost estimates,
 - v. Comparison of proposed prices with prices obtained through market research for the same or similar items,
 - vi. Analysis of pricing information provided by the Subrecipient.
 - b. ***Cost Analysis*** is an element-by-element review of the estimated cost of the subaward performance. FAR 15.404-1 (c) (1) states that cost analysis is the review and evaluation of the separate cost elements and profit in an offeror's or Subrecipient's proposal (including cost or pricing data or information other than cost or pricing data), and the application of judgment to determine how well the proposed costs represent what the cost of the subaward should be, assessing reasonable economy and efficiency.
 - c. ***Verification of cost or pricing*** data and evaluation of cost elements includes:

- i. The necessity for, and reasonableness of, proposed costs, including allowances for contingencies;
 - ii. Projection of the offeror's cost trends, on the basis of current and historical cost or pricing data;
 - iii. Reasonableness of estimates generated by appropriately calibrated and validated parametric models or cost-estimating relationships; and
 - iv. The application of audited or negotiated indirect cost rates, labor rates, and cost of money or other factors.
 - v. Documentation of cost or price analysis is initially dependent on the PI's approval and close review by the assigned SPA personnel at the proposal stage. Upon receipt of an award, the PI's signature on the Subaward Request Form or separate email approving the subaward request confirms that the Subrecipient's costs are reasonable given the work proposed. These costs are closely reviewed a third time by the assigned Subaward personnel prior to issuing a new SubAward and additional back-up documentation is requested when necessary.
- d. ***SPA's review of proposed costs*** is necessary in order to carry out the requirements of 2 CFR 200 and FAR 15.404 as previously cited to determine the acceptability of the Subrecipient's proposed costs. This evaluation of acceptable costs may be accomplished in several ways depending on whether the Prime Award is a contract or a grant. **For contracts**, the appropriate methods used by SPA are:
- i. If the value of a SubAward issued under a Prime Contract is less than \$750,000 and UMB has had a successful prior experience with the Subrecipient, a review of proposed costs will be performed. Plainly stated, based on discussions with the UMB PI, the nature of work to be performed, and discussions with representatives of the Subrecipient, a determination is made as to the reasonableness of all proposed costs to the proposed effort.
 - ii. If the value of a SubAward issued under a Prime Contract is \$750,000 or more, the Subrecipient may be required by either the federal sponsor or SPA to provide more detailed pricing support data for purposes of determining acceptability of costs. Pursuant to FAR 15.403-4, \$750,000 is the threshold for obtaining current cost or pricing data.
 - iii. The Subrecipient will be required to provide a Certificate of Current Cost and Pricing Data (**Appendix D**) if the price negotiated between SPA and the Subrecipient is in excess of \$750,000 or such other amount as may be determined by Federal regulation.
 - iv. If the SubAward value is more than \$750,000, an assist audit may be requested through the appropriate cognizant federal agency in the event the federal government has not already performed an audit on the Subrecipient.

- e. **For grants**, the evaluation of proposed costs is conducted in accordance with 2 CFR 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, or 45 CFR Part 74 Appendix E, *Principles for Determining Cost Application to Research and Development under Grants and Contracts with Hospitals*.
- f. In all cases:
 - i. the Subrecipient will be asked to provide a copy of its most recently approved rate agreement if one has not been provided with the Subrecipient's proposal. Some commercial organizations are unwilling to provide copies of rate agreements to anyone other than governmental agencies. In this case, SPA will request rate verification from the Subrecipient's assigned cognizant audit agency (i.e. DHHS or DCMA) via the Contracting Officer.
 - ii. The Subrecipient may be required to submit an audit report in accordance with Subpart F of 2 CFR 200 or audited financial statement if the entity is not subject to the requirements of 2 CFR 200.

E. SUBMITTING A PROPOSAL WITH A SUBAWARD TO SPA

1. SubAward costs are included in the UMB budget as a single direct cost. When calculating UMB Facilities & Administrative (F&A) costs, exclude the portion of each SubAward contained in the proposal which exceeds \$25,000 as required by 2 CFR 200. Normally, UMB calculates F&A only on the first \$25,000 of each separate SubAward issued under any single sponsored Prime Award regardless of the number of budget periods involved during performance (Modified Total Direct cost method). If the Federal agency has a capped F&A rate based on a specific program announcement or solicitation, UMB calculations are based on the provisions of that agency, which could be based on MTDC or TDC.
2. During proposal processing by SPA, the SubAward portion of the UMB proposal is reviewed to ensure that items discussed in Section III, Part C above have been incorporated. It may be necessary to clarify costs or other items with the UMB PI and/or the Subrecipient's business official.

IV. POST AWARD –ACTIONS

A. SUBRECIPIENT MONITORING AND OVERSIGHT REVIEW ENGAGEMENT (SMORE)

A SMORE is required for any Subrecipient with no prior history of receiving a SubAward or subaward from UMB. Questions may sometimes arise as to a potential Subrecipient's ability to properly perform the work or to provide adequate financial management. Audit and financial information is requested

directly from the Subrecipient. In addition, UMB ensures the entity is in good standing and does not appear on the Excluded Parties List (www.epls.gov) (debarred or suspended from receiving federal funds) and reviews the annual audit report to see if it indicates no significant or material negative findings. If significant or material negative findings are reported, a close review of the audit and prior findings is conducted by the appropriate parties at UMB.

- a. Each Subrecipient is given an overall risk rating of Low or High. Entities falling into the High range based on a list of factors may be required to provide additional technical and/or financial reporting throughout the course of the project period.
- b. If, in connection with the Annual Audit Certification required under the Uniform Guidance (2 CFR 200), the Subrecipient reports that it has a material finding in its audit report, the decision whether to continue with the execution of the SubAward by UMB will be made on a case-by-case basis. The SubAward may be executed pending the correction of deficiencies; however, the SubAward may be terminated if the Subrecipient fails to correct the deficiencies in a manner acceptable to UMB.

A. SUBAWARD REQUEST FORM

1. ***Required Documentation:*** SPA assumes responsibility to prepare, negotiate, and execute the SubAward with the Subrecipient. Model SubAward Agreements are available upon request. The following must be received by SPA, prior to issuing a new subaward:
 - a. A completed Electronic Subaward Request Form submitted by the PI or his or her designee;
 - b. A Statement of Work describing in some detail the planned activities of the Subrecipient (distinguished from the overall proposal submitted by UMB);
 - c. A detailed budget broken out by basic cost categories which matches the value shown in the electronic Subaward Request Form;
 - d. A budget justification which includes any proposed cost sharing by the Subrecipient;
 - e. A copy of the F&A rate agreement or explanation of the overhead rate applied (as allowed by the terms of the Prime Award);
 - f. IRB or IACUC Protocol Approval (if Human Subjects or Vertebrate Animals involved in research) or Financial Conflict of Interest (FCOI) when required;
 - g. Export Control Information (if any such information is anticipated to be provided to UMB by Subrecipient);
 - h. A Small Business SubAwarding Plan is required from the Subrecipient if the total anticipated cost of the SubAward equals or exceeds \$700,000 and the Prime Award requires the plan, in accordance with FAR 52.219-9.

2. Documents are reviewed to ensure the following:
 - a. The proposed Statement of Work relates to the effort identified in UMB's prime award;
 - b. The proposed period of performance for SubAward effort falls within the prime award period;
 - c. The proposed SubAward budget corresponds to the budget that was included in SPA's proposal to the prime sponsor, and has been evaluated and determined to be fair and reasonable;
 - d. That the Subrecipient provided any required certifications voluntarily;
 - e. Whether the SubAward is to be issued to a for-profit or nonprofit organization;
 - f. Whether terms and conditions in the prime award text are applicable to the Subrecipient;
 - g. Whether any general provisions in the prime award are required flow-down clauses or clauses necessary to protect the interests of UMB or the prime sponsor, and;
 - h. Whether additional prime sponsor approval of the SubAward is necessary prior to issuance in accordance with FAR 52.244-2 and the terms of the contract.

B. NEGOTIATING AND EXECUTING THE SUBAWARD

1. The SPA SubAward Administrator or other designated SPA personnel prepares a SubAward based on an appropriate model agreement in accordance with the requirements of the prime award. SubAward numbers are assigned by the Subaward Administrators, in accordance with established guidelines (see [Appendix D](#)). The UMB Financial System will assign a Purchase Order Number to each SubAward when a requisition is entered into the system and approved by the Department of Strategic Sourcing and Acquisition Services.
2. If the contract between UMB and the Prime Sponsor requires prior approval before a SubAward can be issued, a copy of the SubAward is sent to the Prime Sponsor by the designated SubTeam personnel in SPA to obtain prior approval.
3. Copies of the SubAward are sent to the Subrecipient for signature via email, with a copy sent to the PI and lead financial unit.
4. During the approval or Subrecipient acceptance process, changes may need to be negotiated or clarifications provided in the SubAward. SPA will negotiate all changes to the SubAward in close coordination with, and upon receiving input from, the PI and the Subrecipient as appropriate.
5. Upon receipt of a signed document from the Subrecipient and receipt of prime sponsor approval, if required, the SubAward is signed by the Director, SPA or his/her designee on behalf of UMB.
6. After the SubAward has been executed by UMB, SPA will transmit one fully executed copy of SubAward via email to the Subrecipient, the lead financial unit, the UMB Department of Strategic Sourcing and Acquisition Services and the PI.

SPA will also retain one fully executed electronic document in the Kualu Research Subaward Module.

C. SUBAWARD MODIFICATION

1. If the PI/Department determines that additional effort is required from the Subrecipient during the period of the prime contract, or other changes are needed in SubAward terms, the PI/Department will complete an electronic Subaward Request Form, and submit it to their Assigned SubAward Administrator who will process the approved Principal Investigator modifications with the Subrecipient.
2. After the SubAward modification has been executed by UMB, SPA will transmit one fully executed copy of the SubAward modification to the Subrecipient and make a copy available internally to the appropriate Department administrator in the Kualu Research Subaward module. All supporting documentation for the issuance and negotiation of the SubAward modification will be maintained in SPA

V. ONGOING SUBAWARD MONITORING

A. TECHNICAL MONITORING

As prime award recipient, UMB assumes responsibility for the conduct and completion of the project. Subrecipient progress reports should be reviewed thoroughly by UMB's PI and discussed with the Subrecipient as needed. The Subrecipient's progress report will usually be incorporated into the progress report submitted by the UMB PI to the Prime Sponsor on behalf of UMB.

B. FINANCIAL MONITORING

Invoices from the Subrecipient are to be sent to Accounts Payable at UMB; If Invoice amount requested is less than \$5,000, Accounts Payable will process such invoice and submit for payment. Upon financial reconciliation of the Prime Award, the Department Administrator shall review all invoice payments and as PI designee confirms that charges are valid and allowable. UMB PI must sign all final financial reports. If greater than \$5,000, Department shall receipt such invoice in UMB's financial system before Accounts Payable will release payment. As noted above, UMB PI must sign all final financial reports to determine if costs associated with the award are reasonable and allowable for the scope of work that was accomplished by the subrecipient and in accordance with the Prime Award.

C. ANNUAL AUDITING REPORTING

As the prime recipient of federal funds, UMB must verify that Subrecipients are meeting their Annual Audit requirements, as apply to the particular type of entity receiving funding, and review annual audit reports for any findings which might

impact the Subrecipients ability to complete their portion of the project or which disqualify them to receive any federal funding.

D. FFATA REPORTING

1. Each month, SPA subteam personnel shall enter the FSRS.gov website to create any new or modify any existing FFATA report. A new report will be created for all federal subawards that meet the criteria for submitting FFATA reports and were fully executed in the prior month.
2. SPA Subteam personnel shall save a copy of the FFATA report from FSRS.gov and upload the document into the Kualu Research Subaward module record associated with this subrecipient and subaward.

VI. SUBRECIPIENT CLOSEOUT REQUIREMENTS

A. CLOSEOUT NOTICES

It is UMB's responsibility to ensure that the Subrecipient has submitted the required deliverables and documents following expiration. Within the first 90 days following termination, SPA will send a Subaward Release of Claims form to the Subrecipient and a Principal Investigator Subaward Closeout Authorization form to UMB's PI. Signature by a Subrecipient's Authorized Representative and UMB's PI confirms that all required Final Deliverables, a Final Invoice, and any Final Property and Invention Reports have been forwarded to the appropriate unit on campus. The returned certifications are uploaded into Kualu Research SubAward Module. While Prime Sponsors' reporting requirements will vary, SPA will take reasonable steps to complete the above process within 90 days after SubAward expiration. SPA will follow up as necessary to ensure that closeout has been completed in accordance with Prime Sponsor and UMB requirements. Documents required for proper closeout:

- Final Technical Report
- Final Invoice
- Subrecipient's Final Inventory of Property Report (if applicable)
- Final Report of Subrecipient Inventions (if applicable)
- Subaward Release of Claims ([Appendix E](#))

B. UMB PI's SUBAWARD CLOSEOUT AUTHORIZATION

By signing the UMB PI's Subaward Closeout Authorization form ([Appendix F](#)), the UMB PI indicates that all deliverables are received and satisfactory, and all costs have been submitted, reviewed and approved, including cost sharing requirements.

C. FINAL INVOICE

Invoices from the Subrecipient are to be sent to Accounts Payable at UMB; IF Invoice amount requested is less than \$5,000 Accounts payable will process such invoice and submit for payment. Upon financial reconciliation of the Prime Award, the Department Administrator shall review all invoice payments and as PI designee confirms that charges are valid and allowable. Principal Investigator must sign all final financial reports. If greater than \$5,000, Department shall receipt such invoice in UMB's financial system before Accounts Payable will release payment. As noted above, PI must sign all final financial reports to determine if costs associated with the award are reasonable and allowable for the scope of work that was accomplished by the subrecipient and in accordance with the Prime Award.

VII. APPENDICES

Appendix A: FAR/DFARS Clauses

A list of FAR/DFARS clauses typically incorporated by reference in UMCP Federal prime contracts (with certain exceptions and agency substitutions as appropriate)

Appendix B: 2 CFR 200 – Applicability Chart

This matrix shows which portions of the Uniform Guidance (2 CFR 200) apply to federal financial assistance awards, subawards, contracts, and Subawards issued to educational institutions, state, local or Federally recognized Indian Tribal governments, and other nonprofits.

Appendix C: Certificate of Current Cost or Pricing Data

The form which asks the Subrecipient to certify the validity of the SubAward budget when SubAward amount is \$700,000 (\$750,000 after 10/1/15) or more.

Appendix D: Assigning Numbers to Subawards

A brief explanation of the way subawards/Subawards are numbered.

Appendix E: Contractor's Assignment of Rebates, etc

Form required for close-out of SubAward.

Appendix F: PI Subaward Closeout Authorization

Statement from the Principal Investigator that the work is completed and all technical reports have been received and all costs submitted, reviewed, and approved, including cost sharing