

# COURSE 5



## SUBAWARD

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The Office of Research

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**UC SANTA BARBARA**  
Office of Research

# STAR Course Announcements

- STAR Certificate consists of 11 courses. To obtain a certificate, you normally must complete all 11 courses with two (2) years.
- For any STAR Program questions: Contact Betsy Lazarine and/or Clarissa Cabrera at [training@research.ucsb.edu](mailto:training@research.ucsb.edu)
- Reminder to complete the STAR Evaluation that will be emailed to registered participants via email used in UCLC.

**For questions during this presentation, please use 'Chat' feature and post to 'Everyone'**

# Agenda

- Definitions
- Characteristics
- Subaward Stages
- Forms

# Subawards

## Definitions

- **Subaward:** A formal binding legal agreement between the University of California (“UCSB”) and a non-UCSB entity.

*Note: Also known as a Subgrant, Subcontract or Subagreement.*

- **Multiple Campus Award (MCA):** A formal agreement between UCSB and another UC campus.

# Subawards

- A defined portion of UCSB's statement of work is assigned to another entity/UC campus to fulfill and take full responsibility. In other words, we transfer a portion of the programmatic effort to another entity.
- The award terms and conditions that were accepted by UCSB as part of the prime award will automatically be flowed down to the Subrecipient.

# How does a Subaward get started?

- PI realizes the need for expertise of a non-UC employee.
- PI is either familiar with someone who can perform this work, or shops around for someone with the expertise.
- Subrecipient is sent UCSB's Subrecipient Commitment Form.
- UCSB PI requests: SOW, Budget, Budget Justification, as well as other documents that might be required.
- PI compiles his/her proposal.
- Department sends all Subrecipient's documents to the Office of Research as part of the proposal.



# Subawards

## Characteristics

- Services are specialized in nature and cannot be performed by a UC employee.
- Subrecipient may direct a portion of the research.
- Subrecipient may co-author publications and reports.
- Office of Research administers
- All Subawards will be issued a number. For Subawards they start with KK for identification (ex: KK2316).

# Subawards

## Characteristics continued...

- Indirect Costs are charged on the first \$25,000  
Note: See IDC Rate Agreement for details
- Renewal = New Subaward  
Note: See Contract and Grant Manual 8-516
- DOE Labs LLNL and LANL include IDC on the first \$25,000  
Note: See Contract and Grant Manual 8-540

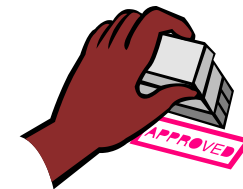




# Subawards

## Why does it matter?

- If you do not determine the correct award mechanism at the proposal stage, it can affect your budget since subawards incur IDC on the first \$25,000.
- You may need to go back to the Sponsor and seek approval to add a subaward.
- May require prime sponsor forms.
- Requires Sponsored Projects forms.



# Multiple Campus Awards (MCA's)

A subaward is a contractual arrangement between the Regents of the University of California and another separate legal entity. Because the Regents comprises all ten campuses, it is inappropriate for an individual UC campus to issue a Subaward to another UC campus. Therefore a multi-campus is issued.

# MCA's continued...

- A Multiple Campus Award (MCA) is used to transfer the programmatic work between UC campuses.
- The campus which receives the prime award will be responsible for overseeing all work performed under that award. Any other involved UC campus will be responsible only for their portion of work.

# MCA's continued...

## Characteristics

- The total amount of the MCA's does not incur IDC.
- MCA's are issued an MC number for identification. (ex: MC2301).
- **MCA Commitment** form is required along with SOW, budget and any other required forms.
- The Department will not receive invoices. The Accounting Offices from each UC campus will communicate with each other through **Intercampus Request for Reimbursement** form.

# Subaward vs. Procurement Action

- Not sure if it should be a Subaward or Procurement?



- Look at the Subaward Determination Tip Sheets located at:  
<http://www.research.ucsb.edu/spo/subawards/>
- Gather as much information from your PI and contact your Sponsored Projects Team or call the Contracts and Property Unit for assistance.

# Purchasing Actions

What might a purchasing action be?

- Commercially available supplies.
- Consultants
- Survey firms
- Handled by Contracts and Property Unit.
- Incur IDC on the full amount.
- If the action does not require the Subrecipient to be responsible for a portion of the UCSB's work, its more likely a procurement of service.

# Subawards to Individuals

Can we issue a subaward to an individual?

- UCSB is not able to issue Subawards to individuals.
- An individual is not equipped to meet federal accounting standards.

# Fixed Price Subawards

- May require prior approval.
- Each fixed price subaward is limited the Simplified Acquisition Threshold (currently \$250,000).
- Can not be issued if mandatory cost sharing or match is required.



# Office of Research Responsibilities

- Ensures that Subrecipient can comply with laws and regulations flowed down.
- Confirms that the Subrecipient has a Federally negotiated indirect cost rate agreement, if IDC is requested. If they do not have a Federally Negotiated Rate they can use:
  - A rate that has been approved by the DCAA (Defense Contract Audit Agency);
  - The de minimis rate of 10% MTDC; or
  - Rates as required by the prime sponsors policies/guidelines.
- Ensures Subrecipient has an acceptable financial monitoring system in place.

# Principal Investigator's Responsibility

## Proposal Stage:

- Completes and sign's the **Part A-1/A-2** form certifying that the costs proposed by the Subrecipient are allowable, allocable and reasonable for the sub's statement of work.
- Completes and sign's the Subrecipient vs. Contractor Determination Sheet

*Note: this form is not needed for MCA's*

# Principal Investigator's Responsibility

## During the life of the Subaward:

- Monitors Subrecipient's activities;
  - to make sure the subaward is being used for the authorized purpose;
  - following the terms and conditions
  - Meeting the performance goals
  - Monitoring expenses.
- Approves Invoices
- Completes the Subaward Invoice Certification (Department keeps).
- Ensures receipt of reporting.

# Principal Investigator's Responsibility

- **Close-out:**
  - Ensures receipt of all required reports and deliverables.
  - Approves Final Invoice.
  - Completes and signs **Close-out Certification** form.

# Subrecipient Responsibilities

- Fulfills the Statement of Work.
- If Federal Funds, spends in accordance with applicable costs principles.  
*Office of Management and Budget 2 CFR 200 “Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards”*
- Complies with applicable terms and conditions of the prime award. (e.g. reporting, re-budgeting, prior approvals, etc.)
- Monitors both program and financial aspect of the subaward.
- Research Compliance (e.g. Human/Animal Subjects).

# Questions....



# Where to Start?

## Guess what...It's all Online

- Visit the Office of Research website at [www.research.ucsb.edu/spo/subawards](http://www.research.ucsb.edu/spo/subawards)
- On the website you will find, Policies; Procedures; Tip Sheets and Forms.









# Subawards Webpage

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## Subawards

- [Research Circular D.7: Policy on the Administration of Subagreements Under Extramurally Funded Projects](#) 
- [Multi-Campus \(MCA\) Processing Procedures \(UCSB/OR MCA SPP\)](#) 
- [Subaward Processing Procedures \(UCSB/OR SPP\)](#) 
- [Subaward Determination Tip Sheet](#) 
- [Business Contract Purchase Order Determination Tip Sheet](#) 
- [Subaward Invoice Payment Checklist](#) 

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[UCSB now part of the FDP Expanded Clearinghouse](#)

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[NEW: International Subrecipients on NIH Grants](#)


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### PROPOSAL PREPARATION

Documents required by SPO for review prior to endorsement of a proposal containing a Multi-Campus Agreement (MCA) or Subaward. Required for new, renewal, and supplemental proposals.

**Subrecipient to provide:**

**MULTI-CAMPUS AWARD (MCA) WITH SISTER UC CAMPUS**

- [Multi-Campus \(MCA\) Commitment Form](#) 
- Subrecipient's Statement of Work (SOW)
- Budget

**SUBAWARD**



# Forms...

## **Subaward and MCA Processing Procedures**

- The life of a subaward or MCA is described.
- Includes what should be done by:
  - Subrecipient
  - PI
  - Department
  - Sponsored Projects Office
  - Accounting Department

# What forms are needed for a new Subaward?

At Proposal Stage, **Subrecipient** is responsible for completing and providing to UCSB Department:

- Subrecipient Commitment Form (Subs NOT part of the FDP Clearinghouse
  - If required, based on answers on Commitment Form
    - Financial Management Systems Questionnaire
    - Certification of Compliance with A-133/Uniform Guidance
    - F&A Rate and Fringe Benefit Rates Agreement
    - Vendor Information Form

OR

- Subrecipient Commitment Form – Short Form (subs part of the FDP Clearinghouse)
- Subrecipient's Statement of Work (SOW)
- Subrecipient's Detailed Budget and Justification

# What forms are needed for a new Subaward?

At Proposal Stage, **UCSB Department** is responsible for completing and forwarding to SPO:

- If a Grant or Cooperative Agreement is anticipated:
  - SK Form 800 Part A-1
- If a Contract is anticipated:
  - SK Form 800 Part A-2
  - Sole Source Justification SK Form 200
- Subrecipient Commitment Form Including:
  - Sub's SOW, budget and any additional documents as required
- Review Subrecipient's budget against their Indirect Cost Rate and Fringe Benefit Rate Agreement to make sure that the calculation is correct.

# What forms are needed for a new Subaward?

At Award Stage, **UCSB Department** is responsible for completing and emailing SPO Subaward Officer (subawards@research.ucsb.edu):

- Part B From SK Form 800 Part B
- Compliance Approvals (Human Subjects; Animal Subjects; Stem Cell)

# What forms are needed for a new MCA?

At Proposal Stage, **Recipient Campus** is responsible for completing and providing to UCSB Department:

- MCA Commitment Form SK101
- Recipient Campus' Statement of Work
- Recipient Campus' detailed budget and budget justification

*Note: UC Campus receiving MCA is allowed to charge the appropriate IDC, however under MTDC, UCSB is not allowed to charge IDC on the MCA amount.*

# What forms are needed for a new MCA?

At Proposal Stage, **UCSB Department** is responsible for forwarding to SPO:

- MCA Commitment Form SK101
- Recipient campus' Statement of Work
- Recipient campus' Budget and Budget Justification
- Any other forms as required by the prime sponsor

# What forms are needed for a new MCA?

At Award Stage, **UCSB Department** is responsible for completing and emailing SPO Subaward Officer ([subawards@research.ucsb.edu](mailto:subawards@research.ucsb.edu)):

- Part B Form SK Form 800 Part B

# Renewal or Continuation?

- A new subaward may have to be issued.
- The determination of whether it's a renewal or continuation usually follows the mechanism of the prime award.
- Contact your SPO team during the proposal pre-review period to determine the course of action.



# Subaward Modifications

Use the SK Form 800 Part B to:

- Extend the Period of Performance
- Increase or Decrease funds
- Change reporting requirements
- Any other changes (PI Change/Change in Terms and Conditions)

*Note you only need to fill out sections A and E*

# How do I know if the subaward was issued?

For Subawards: Department Liaison, PI and Accounting will get an e-mail from [subawards@research.ucsb.edu](mailto:subawards@research.ucsb.edu) with a:

- Notice of Subaward (SK Form 810)
- Fully Executed Subaward Agreement

For MCA's: Department Liaison, PI and Accounting will be copied on the email that is sent to the sister campus from [subawards@research.ucsb.edu](mailto:subawards@research.ucsb.edu) with a:

- Fully Executed MCA

# Processing Time

- With new and modifications of Subawards and MCA's, Subaward Officer aims for a turn around of three weeks after receiving all documents.
- Negotiations can make this process lengthier.

# Subrecipient Monitoring

**UCSB PI** and **Department** are responsible for:

- Reviewing invoices to ensure that:
  - Costs are allowable, allocable and reasonable.  
See OMB Circular 2 CFR 200
  - Period of the invoice is within the Subawards period of performance.
  - Cumulative amount of invoices does not exceed the total obligated amount of the Subaward.
- Certifies that the project or activity have been completed or the level of effort was expended.

# Invoices

Invoices must be approved by the PI

- Is the PI satisfied with the subrecipient's progress?
- Are the costs on the invoice allowable, allocable and reasonable

Subaward Invoice Certification Form must be completed and signed by PI

- Certification can also be obtained by email using the language on the form
- Kept in Departments files

Invoices must be sent to Accounting

- attn: Lakshime

Invoices must include:

- Subaward Number (KK####)
- Subrecipient's Name
- Period of Performance
- Cumulative Amount
- Date stamped upon receipt
- Approved by departments authorized representative
- For a cost reimbursement subaward we must make payment within 30 calendar days after receipt unless we reasonably believe that the request is improper.

# Final Invoices

- Final Invoices must be sent to SPO (Attn: Daniela)
- Final Invoices must include:
  - State “Final”
  - Approved by departments authorized representative
  - Period of Performance
  - Subaward Number
  - Cumulative Total
- Completed and signed Subaward Close-out Certification (UCSB/OR Form 330)
  - UCSB PI must verify all required reports and deliverables were received.
  - Attach any reports as indicated on form.  
Note: Refer to subaward agreement for required reports/deliverables.
- If incomplete, we will contact department for clarification and the final invoice may be held.
- SPO will approve and send to Accounting

# Subaward Forms Matrix

| Forms   | PI/Dept. | Subrecipient FDP Clearinghouse | Subrecipient Non-FDP Clearinghouse | Sister Campus | Proposal Stage | Award Stage | Close-Out |
|---|----------|--------------------------------|------------------------------------|---------------|----------------|-------------|-----------|
| Multi-Campus (MCA) Commitment Form                                      |          |                                |                                    | X             | X              |             |           |
| Subrecipient Commitment Form (Non-FDP Clearinghouse member)             |          |                                | X                                  |               | X              |             |           |
| Subrecipient Commitment Form – ShortForm (FDP Clearinghouse member)     |          | X                              |                                    |               | X              |             |           |
| Statement of Work (SOW)   |          | X                              | X                                  | X             | X              |             |           |
| Budget  |          | X                              | X                                  | X             | X              |             |           |
| Facilities and Administrative Rates (F&A Rates)*                        |          |                                | X                                  |               | X              |             |           |
| Fringe Benefit Rate Agreement*  |          |                                | X                                  |               | X              |             |           |
| Human Subjects Approval*  |          |                                | X                                  |               |                | X           |           |
| Animal Subjects IACUC Approval*   |          |                                | X                                  |               |                | X           |           |
| Stem Cell Approval*   |          |                                | X                                  |               |                | X           |           |
| Conflict of Interest Disclosure*  |          |                                | X                                  |               | X              |             |           |
| Business Information Form*  |          |                                | X                                  |               | X              |             |           |
| Financial Management Systems Questionnaire*                             |          |                                | X                                  |               | X              |             |           |
| Certification of Compliance with OMB Circular A-133/UG Audit*           |          |                                | X                                  |               | X              |             |           |
| Form A-1 (when prime award is a Grant/Cooperative Agreement)            | X        |                                |                                    |               | X              |             |           |
| Form A-2 (when prime award is a contract)                               | X        |                                |                                    |               | X              |             |           |
| Sole Source Justification*  | X        |                                |                                    |               | X              |             |           |
| Request to Issue a New or Modification of Subaward (SK Form 800 Part B) | X        | X                              | X                                  | X             |                | X           |           |
| Subaward Close-Out Certification (Only for Subawards)                   | X        |                                |                                    |               |                |             | X         |

\*These forms are only required depending on how the Subrecipient is answering the questions on the Subrecipient Commitment Form (Non-FDP Clearinghouse Members).

**Note:** If the subaward is being added after the prime award has been issued, the forms that are completed at the proposal stage will need to be completed and forwarded to the SPO Team.

# Questions....





# Contact Information

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