# Departmental Subaward Management

MAKING ALL THE RIGHT MOVES

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# PTA and Subaward Setup

- Talk to your accountant about how you would like to manage the subaward PTA

- You can have a single subaward task for all subawards, but that will make management of the project much harder
  - A task for each subaward agreement will allow you to catch issues and identify the affected subaward quickly

- Once the NOA is in and subaward PTA's are set up, you can initiate a requisition as soon as possible
  - The later the req is submitted, the harder it is to get it in place for the Subrecipient to begin work, but subawards cannot be initiated off early PTA's so make sure the award has arrived

- Once a subaward PO has been set up, you can view the PTA's and manage the subaward through the Requisition and Purchase Order Query at https://ofweb.stanford.edu/apex/f?p=325:1:8751938565167:::::

# Requisition Tips

- Subaward period of performance should not exceed a year at a time (even if we are funded for longer) and must be within Stanford's Period of performance
  - Annual amendments allow for updates to the agreement based on performance/invoicing/reporting to date
  - We cannot give time or money that we do not have so make sure we have funding and time from the sponsor before initiating req
    - No subawards off early PTA's

- Make sure the expenditure types are correct for the sponsor

- The more accurate the requisition, the quicker the contract officers can draft the agreement
  - Make sure carryforward, HS & AS, Capital Equipment, and other fields are accurately filled out

- Include documents the contract officers will need to include in the agreement. The more information that has to be collected, the longer it will take
  - Scope of work
  - Budget (that matches amount funded)
  - Budget Justification
  - Form #33 (signed)
  - HS & AS approvals if you have them

# Subaward Agreement – Set it up to manage

- Let the contract officer know how you would like to manage the subaward so the terms of the agreement match management
  - How you intend to pay the Subrecipient
  - Restrictions on CF and rebudgeting to manage funding
  - Invoice frequency
  - Cost share reporting

- If you have worked with the Subrecipient before and are aware of any issues, the officer can adjust the terms to mitigate them

- Be familiar with the terms and conditions of the subaward agreement and the sponsor
  - We are just as responsible for complying with the terms of the subaward agreement as the Subrecipient so we want to monitor in accordance with the agreement
    - E.X. termination requirements, final invoice, etc.

# Budget and Scope of Work

- Know the budget and associated requirements. The more detailed the budget requirements, the more oversight it will require
  - Rebudgeting restricted – the Subrecipient will have to spend an invoice exactly in line with the budget
  - Milestone payments – make sure the milestone is completed prior to paying each invoice. And if the agreement is cost reimbursement, then the invoice will still need to reflect costs actually incurred.
  - Fixed Price – if Fed sponsored requires prior approval and can't exceed $250k. May need deliverable before payment

- The scope of work should be sufficiently detailed to know exactly what is expected of the Subrecipient in order to monitor appropriately
  - Most disputes will come down to the scope of work, so the clearer the expectations of the Subrecipient, the better

# Invoices

- Invoices should be received in a timely manner from the Subrecipient, especially final invoices for the period or project
  - Let Subrecipient know late invoices may not be paid if we cannot apply them within the task or award payment periods

- Do not pay invoices if progress is not satisfactory, reporting is not complete, milestones have not been reached, or the invoice does not include sufficient detail

- Make sure invoices have the following before uploading:
  - Dates of the current invoice costs as well as cumulative to date
  - Breakdown of costs by cost category
  - Dates of costs incurred are within the POP
  - Costs align with the budget and progress to date
  - Costs are allowable
  - If Fed sponsored, the required UG certification is on the invoice and it is signed
  - PI signature and certification is on the invoice
  - If there is more than one PTA on a PO, the line you want AP to match to is specified
  - The subaward number that corresponds to the subaward you are uploading to
  - Cost sharing if required for reporting

- Pay all outstanding invoices before you submit a change order
  - Change orders will open the PO and prevent payment of invoices until the subaward amendment is complete

# Invoices

- Check the Requisition and Purchase Order Query at https://ofweb.stanford.edu/apex/f?p=325:1:8751938565167::::: before uploading the invoice for the following:
  - There must adequate funding on the line you want the invoice applied to in order to cover the full amount of the invoice
  - The task and award must be open and active, and for the period of expenditure of the invoice
  - The PO should be in "Approved" status
    - If the PO is in "Requires Reapproval" status, you likely have a subaward amendment in process and the invoice will not be paid until it is complete. This can result in an invoice hitting the suspense PTA if it is uploaded near the end of a task.
  - If you are uploading a final invoice, it must be fully paid within the 90 day period
    - You must have it uploaded early enough to give AP time to match the invoice
  - Once uploaded, check the Requisition and Purchase Order Query within a couple days to make sure the invoice has not been placed on hold and has been paid to the correct line/task
    - Hold notifications are not always sent to the correct party, so do not rely on receiving tem
    - It is much easier to fix an issue if it is caught quickly

# Things to watch – life of award

- Is the Subrecipient invoicing on time?
  - If not, do you know why?

- Is technical progress as expected and in line with invoicing costs?
  - Should you pay the invoice if not?

- If there's cost share, are they reporting it and is it in line with expectations?
  - Don't wait until the last invoice to find out that the Subrecipient didn't meet the cost share commitment

- Are invoices correctly being applied to the appropriate award and task?
  - Invoices that hit the suspense PTA risk not being reported in the FFR because they don't show up on the award

- Is the PI in contact with the Subrecipient and aware of what is going on?

# Additional References

DoResearch Subawards - https://doresearch.stanford.edu/research-administration/financial-concepts/subawards

DoResearch Subaward Resources - https://doresearch.stanford.edu/research-offices/office-research-administration-ora/office-sponsored-research-osr/subaward-resources

DoResearch Subaward Requisition Tutorial - https://doresearch.stanford.edu/node/2222715/attachment/newest

DoResearch Subaward Requisition Tutorial Video - https://doresearch.stanford.edu/node/3154938

# Questions??

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