

GUIDE TO SETTING UP SUBAWARDS

This guide is to provide assistance to the divisions with the process of setting up a Subaward in accordance with the [Subaward and Subrecipient Monitoring Policy](#).

REQUEST FOR SUBAWARD SET UP

The division must submit a [TechMart Research Subcontract Requisition](#) that includes the following:

- Subrecipient's contact information;
- Statement of Work;
- Budget and/or Budget Justification (including any cost sharing, if applicable);
- Period of performance (The period of performance of a Subaward may not be outside of the period of performance of the Sponsored Award; however, a Subaward may be issued for a shorter period than the Sponsored Award);
- Technical reporting requirements;
- Payment terms;
- Verification that Subrecipient is compliant with IRB, IACUC and IBC approvals (if applicable);
- Approval of funds to carryforward between budget periods (if allowed by the Sponsor);
- If Subaward was included in Caltech's proposal to the Sponsor, a Commitment Letter or Letter of Intent signed by the Subrecipient's Principal Investigator (PI) and/or the Subrecipient's authorized representative; and
- Other information as needed (e.g., Prior approvals required by Sponsor).
- Subrecipient's Proposal (if applicable)

ISSUING THE SUBAWARD

When the requisition is received by Purchasing Services, a Subaward file is created. The Subaward issued to the Subrecipient is dependent on the terms and conditions of the Sponsored Award, Subrecipient entity type, and the risk assessment results determined by the Purchasing Official.

Risk Assessment and Audit Review

As required by the Office of Management and Budget (OMB) Uniform Guidance, the Purchasing Official completes a risk assessment of the Subrecipient prior to issuing a Subaward. If a Subrecipient is determined to

be a high-risk to Caltech, then the Subaward may include additional terms and conditions such as:

- Issue as Fixed-Price instead of CREI
- Mini-Audits;
- Corrective Action Plans;
- On-site monitoring;
- More detailed invoicing;
- Receipt of technical progress reports tied to payments; and
- More stringent termination language for failure to comply with additional requirements.

Federal Funding Accountability and Transparency Act (FFATA) Reporting

As required by FFATA, the Purchasing Official will report all applicable Subawards and Modifications in the FFATA database on a monthly basis.

Special Circumstances

- If a Subrecipient was not included in the original proposal, prior written approval from the Sponsor may be required prior to issuing a Subaward;
- If the Subrecipient is a foreign or for-profit organization, the Purchasing Official may use a Fixed-Price Subaward and include terms and conditions that are consistent with the Sponsored Award; and
- Subawards issued under federal contracts may need additional documentation. The Purchasing Official will ensure that all documentation necessary is in accordance with the Sponsored Award and the Federal Acquisition Regulation (FAR).

Subaward Negotiation

The Subrecipient may want to negotiate changes or request clarification of the terms and conditions of the Subaward. The Purchasing Official will negotiate these changes with the Subrecipient and seek approval from the Caltech PI and/or division personnel as needed.

Once the Subaward is signed by the Subrecipient and the authorized representative from Purchasing

Services, a copy of the fully-executed Subaward will be sent via email to the Subrecipient with a copy uploaded to RADR.

MANAGING SUBAWARDS

Caltech's PI and/or division personnel is responsible for the following oversight:

- Ensuring fully and timely compliance with all requirements and obligations;
- Monitoring scientific progress and Subrecipients adherence to terms and conditions of the Subaward;
- Verifying that applicable cost sharing commitments are met;
- Verifying compliance approvals are current for Subrecipient's portion of statement of work (human subjects, animal subjects, biosafety, etc.); and
- Approving invoices for payment:
 - Ensuring all costs are allowable, allocable, and reasonable;
 - Ensuring all costs were incurred within the period of performance of the Subaward;
 - Confirming that expenses are aligned with the technical progress; and
 - Confirming that cost sharing is appropriately reflected, if applicable.

The division must ensure that each invoice includes a written PTA to be charged (or credited in the case of a credit) and the Caltech PI (or delegate's) signature prior to submitting to Payment Services for processing. Approval is granted through either a signature on the invoice or an email from the Caltech PI to Payment Services.

Purchasing Services is responsible for monitoring the following:

- Reviewing annual A-133 or other audit reports;
- Verifying that corrective action plans are implemented (if necessary); and
- Reviewing risk levels and, if necessary, modifying the Subaward agreement.

MODIFICATIONS

During the Subaward period of performance, it may be necessary to modify the amounts, dates or terms and conditions of a Subaward. Some changes may require prior approval from the Sponsor, including but not
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limited to a change to the scope of work or a change in the Caltech/Subrecipient PI.

The division must submit a ***TechMart Change Request Requisition*** to Purchasing Services when a modification is required and must provide all information needed to issue the modification:

- Revised statement of work (may require prior approval from Sponsor if federally funded);
- Revised budget and/or budget justification;
- Revised period of performance;
- PO number; and
- Other information as needed (e.g., Prior approvals required by Sponsor, approval for equipment purchases, etc.).

Prior to submitting a TechMart Requisition to modify a Subaward for incremental funding, the Caltech PI and/or division personnel should verify that Caltech has received the additional funds and the modified Sponsored Award as stated in a revised Award Summary from Caltech's OSR.

SUBAWARD CLOSEOUT

The Caltech PI and/or division personnel should contact the Subrecipient 90 days prior to the end of the period of performance to confirm the status of the project. To successfully close out the Subaward, the Caltech PI and/or division personnel must:

- Follow up on late or missing reports or deliverables;
- Obtain the final invoice – clearly marked “FINAL INVOICE;” and
- Send a copy of the approved final invoice with the 2 (two) required signatures to Payment Services for processing (NOTE: Any outstanding issues with the Subrecipient should be resolved prior to approving the final invoice for processing).

Purchasing Services closeout process includes:

- Reviewing the Subaward Release Forms submitted by Subrecipient;
- Reviewing and processing of the approved final invoice for payment;
- Releasing any encumbrances under the Subaward in Oracle (if necessary); and
- Conducting an audit of the Subaward (if necessary).
- Disposition of equipment (if necessary)