

JOHNS HOPKINS UNIVERSITY
Krieger School of Arts and Sciences

Business and Research Administration

**Subaward Policies
and
Procedures Manual**



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Subaward Policies and Procedures Manual

Introduction

Sponsored project awards made to The Johns Hopkins University (“JHU” or “University”) are generally conducted within the physical boundaries of JHU by University faculty and staff. Occasionally, however, a significant portion of the required work may need to be provided outside the University by a third party. The third party is responsible for a discrete portion of the project, providing the leadership and direction of a responsible investigator and the resources necessary to conduct that portion of the work. Costs associated with this work may include personnel costs, supplies, equipment, travel, facilities and administrative (F&A) costs, etc. Such an arrangement is carried out through the issuance of a subaward agreement.

The guidelines and specific office procedures in this manual have been developed by Business and Research Administration (BARA) for establishing subawards for research, development, and services under prime grants and contracts awarded to the Krieger School of Arts and Sciences (KSAS) to assure compliance with prime sponsors’ regulations. This guide should be used in establishing federal, private and international subawards. For definitions of terms used in the guide, see the “Definitions” section.

Differentiating types of relationships

Independent Contractor vs. Contractor(formerly “Vendor”) vs. Subrecipient

The proper classification of a collaborator as an independent contractor, contractor or subrecipient during the proposal process is critical to ensure proper accounting for costs and compliance with requirements. The University follows the guidance in the [Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards \(“Uniform Grant Guidance,”](#) hereinafter referred to as “UG”), 2 CFR Part 200 Section 330 to determine subrecipient or contractor status in issuing subawards. Note that the term “vendor” as used in OMB Circular A-133 has been replaced with the term “contractor” in the UG.

Misclassification may result in delays of subaward processing, and failure to include or exclude facilities and administrative (F&A) costs will lead to significant errors in budget calculations. The Principal Investigator/Project Director (hereinafter referred to as “PI”), through the department’s administrative official, is expected to provide detailed information about the proposed contractor or subrecipient as well as a final Statement of Work to BARA so an accurate determination can be made. This information must be provided on the “[Subrecipient Determination Form,](#)” submitted with proposal documents. Any questions or concerns about this process should be directed to BARA.

Independent Contractor

Activities performed by private individuals who are not employees of JHU are normally administered through a “Contract for Personal Services Rendered by a Consultant/Independent Contractor” rather than a subaward agreement. For further information on [consultants](#) and [independent contractors,](#) please refer to the [Independent Contractor FAQ](#) issued by the [Office of the Controller.](#)

Contractor

In cases where purchased services involve an organizational entity but do not involve substantive scientific research, a purchase order may be appropriate. An example would be the performance of

repetitive tests or activities requiring no discretionary judgment on the part of the provider. The issuance of a purchase order may also be appropriate in purchaser-contractor relationships involving the procurement of goods or services which are related to the administrative support of the federal assistance program. Further information regarding contractor procedures and relationships can be found at the [Sponsored Project Shared Services Supply Chain](#) website.

Subrecipient

A subrecipient (also referred to as subawardee, subgrantee or lower-tier institution) receives an award of assistance from the prime awardee, conducts its own scope of work, and is responsible for its own compliance with applicable regulations/ terms of the [prime award](#).

Policy

A. JHU Responsibilities

As a recipient of sponsored research funding, the University is required to ensure funding is used for its authorized purposes in compliance with applicable grant/contract terms and conditions, Federal and State regulations and University policies and procedures. As a pass through entity, JHU remains ultimately responsible and accountable to the prime sponsor for funds management and compliance by its subrecipients.

To satisfy the requirements of the UG, it is the responsibility of prime recipients of sponsored funding to advise subrecipients of requirements imposed on them by laws, regulations, and the provisions of contract or grant agreements as well as any additional requirements imposed. The terms and conditions of the subrecipient relationship shall be thoroughly documented in an agreement executed by BARA and by an authorized representative of the subrecipient organization. A risk classification must be established for each subrecipient.

B. Advance Payments

In accordance with the policies governing cost reimbursable awards and the UG, JHU is generally prohibited from making [advance payments](#) to subrecipients. Therefore, the policy of prohibiting advance payments extends to subrecipients. Exceptions are made when language exists in our prime award specifically approving advance payments to subrecipients.

C. Audits

Recipients who receive \$750,000 or more in Federal funding, directly or indirectly, are required to have a single or program-specific audit in accordance with 2 CFR 200 section 501. The Controller's Office is responsible for obtaining and reviewing annual A-133 audit reports for subrecipients spending at least \$750,000 in Federal funding during their fiscal year.

Subrecipient entities expending less than \$750,000 in Federal funding during their fiscal year and entities which are exempt from Federal audit requirements, including foreign entities, are required to make financial records available for review or audit by Federal agencies or pass-through entities as requested, under the terms and conditions of their subrecipient agreements. For more information, consult Financial Research Compliance's [Summary of Audit Requirements](#).

D. Subrecipient Monitoring

The PI is ultimately responsible for ensuring compliance by reviewing all invoices and the technical progress of work completed by the subrecipient before payments are authorized. The PI is also responsible for monitoring

requests for re-budgeting and reviewing the technical and financial reports of the subrecipient. The PI shall work with BARA, through the appropriate departmental representative, to request modification of the existing subaward if increases or decreases in time and/or support, or changes in the Scope of Work, are necessary for the collaboration.

JHU, as prime awardee, must maintain records of the receipt and disposition of all related program income generated by sponsor-funded activities and verify how cost sharing commitments are met. Accordingly, the subrecipient shall include the receipt of program income and cost sharing documentation, if applicable, on invoices and financial reports submitted to JHU.

E. Federal Funding Accountability and Transparency Act (FFATA)

The Federal Funding Accountability and Transparency Act of 2006 (FFATA) ensures that the public can access information on all entities and organizations receiving Federal (grant and contract) funds. Central to the law was the development of www.USASpending.gov, a publically available website with searchable information on each Federal grant and contract over \$25,000. Moving one step further, reporting on executive compensation and first-tier subawards has been implemented as of October 1, 2010 with the development of the Federal Subaward Reporting System (FSRS). JHU is responsible for entering compensation and subaward information into FSRS.gov.

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Procedures

Summary of Procedures

PROPOSAL STAGE
<ul style="list-style-type: none">• Prospective subrecipient submits required documents (including but not necessarily limited to signed letter of intent, line item budget/budget justification, and statement of work) to PI; PI approves/negotiates changes.• Department forwards prospective subrecipient's final documents to BARA via Coeus.• BARA reviews budget for compliance with the UG and program requirements.• Department uploads completed and signed Subaward Determination Form as part of Coeus record (procedure effective July 1, 2014).• BARA reviews Subaward Determination Form and signs in concurrence that prospective subrecipient is properly classified as a subrecipient. <p>NOTE: For subawards not described in the approved proposal, the above process is followed; prime sponsor prior approval may be required to issue the subaward.</p>
AWARD ISSUANCE STAGE
<p><u>Award acceptance/set up</u></p> <ul style="list-style-type: none">• Prime award received and accepted on behalf of University.• SAP grant number requested and assigned.
<p><u>Subaward request</u></p> <ul style="list-style-type: none">• Department submits completed and signed "Request to Issue a Subaward," with final budget and statement of work to be incorporated into the subaward agreement, or acknowledgement that budget and statement of work are as detailed in the final proposal, to BARA.• BARA reviews request and prepares to enter into subaward negotiations:<ul style="list-style-type: none">○ Excluded parties list checked;○ F&A and fringe benefit rates budgeted checked against subrecipient's current rate agreement;○ Risk assessment performed:<ul style="list-style-type: none">▪ For those subrecipients with which the University has previously done business, BARA confirms risk rating;▪ For those subrecipients with which the University has not previously done business, BARA sends a questionnaire, assigns a rating, and informs Financial Research Compliance of the rating.

AWARD ISSUANCE STAGE -- continued

- Subaward internal order requested and assigned.
- Shopping cart process for PO completed /subaward number issued.

Subaward negotiations

- BARA determines the subaward document to be used: FDP template or JHU template (with or without special conditions, depending on risk rating)
 - For subrecipients with a “high” risk rating, BARA, in consultation with Financial Research Compliance and the PI (as necessary), determines special conditions to be included in subaward agreement

- Unsigned subaward agreement issued to subrecipient; negotiations begin.
- Semi-executed subaward agreement returned to BARA by subrecipient.
- Subaward signed on behalf of the University by Vice Dean or designee.
- Fully executed copy of subaward agreement returned to subrecipient.
- Fully executed copy of subaward forwarded to PI/department:
 - For high risk subrecipients, terms summarized and forwarded to department with signed subaward agreement.

SUBAWARD SET UP STAGE

- Fully executed subaward agreement scanned into Oculus with completed and signed Subaward Determination form.
- If subaward is subject to FFATA requirements, file marked as such.

CONTINUING SUBAWARD MONITORING

Reporting

- BARA submits FFATA reports, as required.
- PI reviews progress reports as submitted.

Invoice Review/Payment

- Subrecipient submits invoices to BARA, per schedule in agreement (monthly, quarterly, predetermined, based on milestones, etc.)
- BARA reviews and signs invoice, signifying that required elements are present, billing period does not “overlap” a previous invoice, and budget has been observed. BARA partially completes the “[Subrecipient Payment and Performance Certification](#)” form..
- BARA forwards signed invoice and partially completed “Subrecipient Payment and Performance Certification” form to department for PI’s approval. PI adds the date of subrecipient’s latest progress report and a description of work completed for the billing cycle to the form and signs it, indicating that costs are reasonable and work is acceptable.
- Department returns approved/signed invoice and completed and signed “Subrecipient Payment and Performance Certification” form to BARA; BARA completes a goods receipt in SAP, signs off on certification form, and submits invoice and cover sheet to Accounts Payable for payment to subrecipient.

CLOSEOUT STAGE

- BARA sends subrecipient a reminder of subaward closeout and required final deliverables/documents
- Final deliverables submitted by subrecipient, including but not limited to final progress report (submitted to PI), final invoice, patent report, equipment report, contractor's release.
- Subaward closed.
- Records retained per JHU record retention policy.

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A. Preaward/Proposal Stage

Selection of Subrecipient

The PI is responsible for ensuring that the selection of a [subrecipient](#) is conducted in a manner to provide, to the maximum extent practical, open and free competition. Solicitations for proposals from prospective subrecipients shall be based upon a clear and accurate description of the technical requirements for the services to be provided and shall clearly set forth all requirements the offeror must fulfill in order for the bid to be evaluated by JHU. Awards to subrecipients are made to the offeror whose bid is most advantageous to JHU, technical qualifications, price and other factors considered.

The PI is required to provide sole source justification when the required expertise and/or services are not available from other sources. In cases where the nature of the program is collaborative with one or more outside entities, such collaboration shall be clearly identified at the proposal stage.

Note: Documentation of free and open competition, to the extent possible, is required for subcontracts issued under prime Federal contracts (as opposed to subawards issued under Federal grants). For these subcontracts, BARA will require documentation concerning the selection (from a competitive bidding process or a written sole source justification) at the subaward issuance stage as part of the completed [Subaward Proposal Sheet](#). See JHU's [Purchasing Policy](#) for more information on free and open competition.

Cost and Price Analysis

Whether competitively bidding or using a sole source, the PI is responsible for conducting and properly documenting a cost and price analysis when selecting a subrecipient. This analysis must be performed each time a subrecipient is proposed or selected, in accordance with [the UG](#). The PI will make the final determination of the appropriate price for the work to be performed.

Questions to consider in conducting a cost and price analysis
• Have multiple quotes been received and compared for the services?
• Has cost/price been compared to similar services available in the marketplace/industry?
• Has the subrecipient provided a copy of their facilities & administrative (F&A) cost rate agreement?
• Have costs been evaluated for reasonableness, allocability and allowability?
• Have details been provided in response to the questions above?

Incorporating the Subrecipient Proposal into the Prime Proposal

The PI and the subrecipient negotiate the Statement of Work for the subaward and it is included as part of the proposal submitted to the prime agency. The Statement of Work should be a description of the work to be undertaken by the subrecipient. In the case of a [fixed price](#) subaward, the Statement of Work should also contain performance standards and deliverable/milestone schedules.

The costs related to the subrecipient's work are included in JHU's direct cost portion of the prime proposal. Within the proposal, a separate subaward budget should be attached providing a detailed breakdown of budget categories required for the subrecipient to perform the work. If cost sharing is required, costs should be itemized in the subrecipient's budget. BARA will review the subrecipient budget for overall reasonableness in light of the proposal activity.. The department should review the sponsor- and program-specific rules to ensure

all costs included in the subrecipient's budget are allowable under the applicable rules and regulations and the solicitation.

A [Letter of Intent](#), signed by the prospective subrecipient's authorized official, should be included as part of the subrecipient's proposal to JHU. The authorized official should be someone who can commit the entity's time and other resources toward the work described in the subrecipient's proposal. For [fixed price](#) subawards, the subrecipient should include a statement indicating the submitted quote will remain valid for a minimum of six (6) months from the date of its proposal. *Note:* For National Institutes of Health (NIH) proposals, a statement of compliance with financial conflict of interest regulations must be included in the letter of intent. See [sample letters](#) in Appendix.

If required under [FAR 52.219-9](#), JHU will also obtain a [Small Business Subcontracting Plan](#) from the prospective subrecipient and incorporate the Plan into the prime proposal.

BARA reviews the subrecipient's proposal to determine compliance with solicitation instructions and Federal and/or sponsor guidelines. An analysis of the subrecipient's proposed budget or price will be performed by the PI. An evaluation and verification may be necessary for each element of the cost/price to determine reasonableness, allocability and allowability.

Under Federal law, agreements should be made only with responsible entities that possess the potential ability to perform successfully under the terms and conditions of the proposed subaward. Consideration is given to matters such as subrecipient integrity, record of past performance, financial and technical resources and accessibility to other necessary resources. BARA will check the status of potential subrecipients and contractors in the [System for Award Management](#) to ensure the organization is not debarred or suspended from receiving federal funds and to ensure that the subrecipient is not otherwise considered a restricted party.

At this stage of the proposal process, BARA may require the subrecipient to submit a *Certificate of Current Cost or Pricing Data*, if applicable (required for subawards of \$750,000 and over on Federal proposals, per [FAR 15.4](#)).

The procedures outlined above are designed to accommodate the majority of subawards prepared by BARA. In some cases, however, it may be necessary to issue a subaward which was not planned for or listed in the approved proposal. In such instances, these guidelines shall be followed as closely as possible and in consultation with BARA.

B. Subaward Negotiation Stage

Submission of a Subaward Proposal Sheet

Once the JHU award is setup in SAP, the department completes and submits the [Subaward Proposal Sheet](#), with the final budget and statement of work, if different from those included in the approved proposal, to the appropriate Sponsored Projects Officer (SPO). Based on the information provided on this form, the SPO drafts a subaward to the subrecipient.

Each sponsor has its own approval requirements regarding subawards. The approval is often implied if the subaward was incorporated as part of the approved prime proposal budget. In certain instances, however, the prime sponsor may require either the approval of the subaward agreement prior to execution or a copy of the fully executed subaward agreement. It is strongly advised that the PI contact BARA well in advance concerning the required turnaround time for subaward approval from the sponsor.

Risk Assessments

[Financial Research Compliance](#) (FRC) in the [Controller's Office](#) has established a risk classification for many subrecipients; BARA will establish such a classification for those subrecipients with which the University has not previously done business. Before issuing any subaward, BARA consults the Subaward Risk Assessment Database. If no risk classification has been assigned to a prospective subrecipient, BARA will request that the subrecipient complete the Subrecipient Information Form and return it. BARA then reviews the information submitted and assigns a risk classification to the subrecipient. JHU's resources are focused on monitoring those subrecipients demonstrating the greatest potential for noncompliance based on the subrecipient's risk classification and the nature of the work to be conducted. To mitigate risk, special conditions (such as more frequent technical reports or required backup documentation with invoices) will be written into the subaward agreement defining the relationship between JHU and the subrecipient.

For each subaward, BARA considers the following factors when determining the terms and conditions to be imposed on the subrecipient.

Factors to Consider	
POSITIVE FACTORS:	
<ul style="list-style-type: none">• JHU has prior, favorable experience with the organization and staff	
<ul style="list-style-type: none">• Subrecipient has well documented procurement guidelines, policies and procedures	
<ul style="list-style-type: none">• Subrecipient is a member of the Federal Demonstration Partnership (FDP)	
<ul style="list-style-type: none">• Subrecipient has a policy and process to assure compliance with federal conflict of interest regulations	
RISK FACTORS:	
<ul style="list-style-type: none">• Subrecipient has start-up or for-profit status	
<ul style="list-style-type: none">• Subrecipient has a history of compliance problems as a recipient or subrecipient	
<ul style="list-style-type: none">• Subrecipient is a foreign entity	
<ul style="list-style-type: none">• Subrecipient will use a lower-tier subrecipient	
<ul style="list-style-type: none">• Performance location is foreign	
<ul style="list-style-type: none">• Prime award terms and conditions and applicable regulations with which subrecipient may have difficulty complying	
<ul style="list-style-type: none">• Amount of award – higher award amounts may warrant closer scrutiny	

Drafting and Negotiating the Subaward

BARA reviews the prime award to determine any budgetary constraints; whether the terms and conditions included in the prime award (special provisions) are applicable to the subrecipient; whether any general provisions incorporated into the prime award are required to be flowed down to the subrecipient; and whether there are any certifications required of the subrecipient.

BARA drafts a subaward consistent with the terms and conditions of the prime award (type and provisions of contract) and appropriate for the specific subrecipient (*i.e.*, non-profit vs. profit; risk category). Applicable general provisions of the prime award must be incorporated into the subaward agreement.

Only BARA is authorized to enter into negotiations and communicate directly with the subrecipient's administrative/contractual representative.

Depending on the results of the risk assessment of the individual subrecipient organization, additional terms may be included in the subaward. The ultimate decision on additional requirements will be made by BARA in consultation with FRC and with the department, as appropriate.

As required by the UG, the subrecipient shall be informed of the prime award's [Catalog of Federal Domestic Assistance \(CFDA\)](#) number and program name, Federal Award Identification Number (FAIN), award year, award type, and prime sponsor, as applicable.

If the subaward is in the amount of \$25,000 or more the subaward must be reported in the *Federal Subaward Reporting System (FSRS)* pursuant to FFATA. For all subawards that must be reported under FFATA, BARA includes an additional form in the subaward agreement to collect the necessary data to be reported in FSRS by JHU. This includes information about the organization's DUNS (Data Universal Numbering System) number and registration in the [System for Award Management \(SAM\)](#). It is a mandatory practice with non-compliance resulting in either forfeiture of the subaward or a delay until the organization becomes compliant.

As an institution participating in the Federal Demonstration Partnership (FDP), JHU shall utilize the standard FDP form "Research Subaward Agreement" whenever possible. *Note:* this document may be used for subawards issued to non-FDP organizations. The ability to conduct an audit should be included as part of the standard agreement language, regardless of the subaward document being issued.

BARA will maintain subaward records in accordance with the University's [records retention guidelines](#).

Human Subjects Research Conducted in Subaward

If the subrecipient's research plan involves human subjects' research, JHU is "engaged in human subjects research," even if the JHU PI is not directly conducting such research but is flowing money to an entity conducting the research. In such cases, the PI should contact the [Homewood Institutional Review Board](#) (IRB) well in advance of requesting a subaward to assure IRB approval has been obtained.

C. Subaward Administration

Subrecipient requests for post-award administrative actions (including, as applicable, rebudgeting, foreign travel, equipment purchase, lower tier subawards, entering into consultant agreements) on existing subawards are to be forwarded to BARA. BARA will consult with the PI, through the appropriate departmental administrative representative, before acting on such requests. Prime sponsor approval may be necessary for certain changes.

During the course of the subrecipient's work, it may be necessary to issue modifications to the subaward agreement. BARA is responsible for the issuance and execution of all subaward modifications. The department should request all modifications using the [Subaward Modification Sheet](#), attaching any documents to be incorporated into the modification (e.g., budget for supplemental funding, revised statement of work, etc.).

Communication with Subrecipient

Information contained in the subaward states the deliverables and administrative requirements and applicable laws and regulations (collectively "terms and conditions") with which the subrecipient must comply. This agreement and the referenced prime award define the subrecipient relationship. The PI and any designees administering the subaward should be familiar with the terms and conditions of the agreement. Communication between all parties should continue throughout the collaboration via telephone calls, emails, letters and site visits as necessary. Any potential conflicts or issues regarding non-compliance should be immediately brought to the attention of the PI and BARA. BARA will serve as the official contact with the subrecipient's administrative representative in such instances.

PI Subaward Monitoring Responsibilities

The PI is responsible for all technical aspects of the subaward. The PI is also responsible for reviewing subrecipient invoices and providing payment approval. This requires the PI to monitor the rate of expenditure to determine if costs are reasonable and to confirm the work is progressing as planned and in accordance with spending and that there will be sufficient funds for the duration of the project. The PI is responsible for monitoring all work in progress. Generally this will entail informal contact between investigators, unless the subaward agreement requires formal monthly or quarterly technical reports. The PI shall inform BARA of any instance of non-compliance with reporting requirements. PIs should use [the KSAS Subrecipient Monitoring Meeting or Site Visit Checklist](#) to document subrecipient progress.

Prior to issuing a subaward modification, the PI must determine if the proposed modification will involve a change in scope of work or objectives. In such a case, BARA may be required to obtain prime sponsor approval prior to issuing a subaward modification.

Invoice and Payment Processing

When approving subrecipient payments under cost reimbursable awards, the PI must verify the validity of expenses and achievement of scientific and technical progress. This verification includes PI sign off on the [Subrecipient Payment and Performance Certification](#) form. Unless there are extenuating circumstances that are documented in writing, BARA will not accept "per" or "for" signatures on this form. Furthermore, detailed review of the time period being invoiced is important since the majority of advance payments are prohibited. Subrecipient invoices shall include information that conforms to the administrative requirements as prescribed in the UG.

The PI should closely monitor the subrecipient's progress and notify BARA of subrecipient's failure to submit any deliverables, to complete any tasks, or to meet any milestones by the due date. This failure, if not corrected, is considered just cause for JHU to withhold any payments due. Invoices submitted with incomplete or inadequate information will be rejected by BARA and/or the PI. In cases of incomplete/inadequate invoices, BARA will request a new invoice with all required information or additional information to be attached to the original invoice when processing for payment. No subaward invoices will be approved if the review notes discrepancies; those discrepancies and any other questions should be directed to the PI and BARA for resolution. Inadequate/incomplete invoices and any discrepancies are to be resolved within forty five (45) days of original review so as not to unnecessarily delay payment.

All subrecipient invoices must include the following. See sample invoices for [cost reimbursable](#) and [fixed price](#) invoice template

Invoice Checklist <i>Required Information for Fixed Price Subrecipient Invoices</i>	
Invoice Number:	<input style="width: 95%;" type="text"/>
<input type="checkbox"/>	Date of the invoice
<input type="checkbox"/>	Name/Address of the subrecipient
<input type="checkbox"/>	JHU subaward number <i>(formerly Purchase Order No.)</i>
<input type="checkbox"/>	Prime award number
<input type="checkbox"/>	Amount invoiced is in accordance with the payment schedule
<input type="checkbox"/>	Invoice number <i>Note: in most cases the number should be in sequential order</i>
<input type="checkbox"/>	Cost sharing <i>(if applicable)</i>
<input type="checkbox"/>	Program income generated <i>(if applicable)</i>
<input type="checkbox"/>	Authorized Official's signature and contact information
<input type="checkbox"/>	Certification: As an authorized representative of the organization, I certify that all payments requested are for appropriate purposes and in accordance with the Statement of Work, Approved Budget and other requirements as set forth in the Subaward Agreement.

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Invoice Checklist

Required Information for Cost Reimbursable Subrecipient Invoices

Invoice Number:	<input style="width: 95%;" type="text"/>
<input type="checkbox"/>	Date of the invoice
<input type="checkbox"/>	Name/Address of the subrecipient
<input type="checkbox"/>	JHU subaward number <i>(formerly Purchase Order No.)</i>
<input type="checkbox"/>	Prime award number
<input type="checkbox"/>	Total amount awarded matches the amount stated in the subaward agreement
<input type="checkbox"/>	Invoice number Note: in most cases the number should be in sequential order
<input type="checkbox"/>	Billing Period covered by the invoice. Note: there should be continuity and no overlap in periods covered by invoices. No invoice shall be for services provided beyond the current expiration date. The FINAL invoice must be MARKED as such. Alert SPO if the final invoice is received beyond 60 days of the termination date.
<input type="checkbox"/>	Cost are in accordance with the approved budget
<input type="checkbox"/>	Prior cumulative expenditures
<input type="checkbox"/>	Current period billed amounts
<input type="checkbox"/>	Cumulative total project expenditures Note: ALERT SPO of billings in excess of the approved budget
<input type="checkbox"/>	Cost sharing <i>(if applicable)</i>
<input type="checkbox"/>	Program income generated <i>(if applicable)</i>
<input type="checkbox"/>	Authorized Official's signature and contact information
<input type="checkbox"/>	Certification: As an authorized representative of the organization, I certify that all payments requested are for appropriate purposes and in accordance with the Statement of Work, Approved Budget and other requirements as set forth in the Subaward Agreement.

Program Income and Cost Sharing

JHU, as the prime awardee, must maintain records of the receipt and disposition of all grant-related income generated by sponsor-funded activities and documentation regarding how cost sharing obligations are met. The subrecipient shall maintain appropriate records to support JHU in fiscal compliance and responsibility under the prime award. The subrecipient shall include the receipt of program income and cost shared expenses on invoices submitted to JHU.

D. Subaward Close-out

The subaward closeout process shall begin promptly upon the conclusion of the period of performance. Final invoices must be submitted to JHU in accordance with the time period specified in the subaward agreement. Deliverables include but are not limited to programmatic and financial reports. Final payments to subrecipients may be withheld until all closeout documents and deliverables have been received by JHU.

Principal Investigator/Department Responsibilities

The PI is responsible for obtaining the final technical report from the subrecipient. BARA should be notified if the required programmatic close-out documents are not received by the date specified in the subaward agreement (usually sixty (60) days after the termination date).

After BARA's review, the PI reviews and approves the final invoice for authorization of the final payment to the subrecipient.

The department and BARA each shall retain all records (electronic and paper) for a period of seven (7) years from the date of submission of all deliverables. This includes, but is not limited to, financial, patent, technical and equipment reports.

BARA Responsibilities

BARA reviews the subaward agreement to determine what is required to finalize the subaward close-out process. The following documents are typically required for close-out by the date specified in the subaward agreement (usually within sixty (60) days of termination):

- Final technical report – subrecipient submits to JHU's PI
- Final equipment report – requested by and sent to department, if necessary
- Final invention report – sent to BARA
- Final invoice -- submitted to BARA and sent to PI after BARA review/approval
- Release documents – requested by BARA as necessary

BARA performs a final desk audit of the final invoice and, if necessary, may request additional supporting documentation.

Appendices

[Definitions](#)

[References](#)

[Sub vs. Contractor Quick Guide](#) (guidance on determining if an entity should be treated as a sub or contractor)

[Links to forms](#)

[Samples/Templates](#)

Definitions

- **Advance Payment.** A payment made by Treasury check or other appropriate payment mechanism to a recipient upon its request either before an outlay is made by the recipient or through the use of predetermined payment schedules.
- **Consultant.** An individual or entity that offers services, advice and assistance, on a limited basis. Consultants are usually paid a fee for their service.
- **Contractor.** An organizational entity that does not perform substantive scientific research
- **Cost Reimbursement/Reimbursable.** An agreement for which the sponsor pays for the actual costs incurred in the conduct of the work, up to a ceiling amount stated in the agreement.
- **Federal Acquisition Regulations (FAR).** The FAR is *Title 48 of the Code of Federal Regulations (CFR)*. As the primary regulation used by Federal agencies when procuring supplies and services (contracts), it is intended to provide coordination, simplicity, and uniformity in Federal acquisitions. Most Federal agencies also have supplements to the FAR.
- **Federal Demonstration Partnership (FDP).** A cooperative initiative among Federal agencies and institutional recipients of Federal funds. It was established to increase research productivity by streamlining the administrative process and minimizing the administrative burden on principal investigators while maintaining effective stewardship of federal funds. The National Science Foundation (NSF) serves as the official host of participating agency documents relating to the FDP.
- **Federal Funding Accountability and Transparency Act of 2006 (FFATA).** Federal legislation ensuring public access to information on all entities and organizations receiving Federal funding.
- **First tier subaward.** Subaward made directly under a prime award.
- **Fixed Price Agreement.** A contract or grant where the sponsor agrees to pay a predetermined price, regardless of actual costs, for services rendered. Includes fee-for-service agreements.
- **Independent Contractor.** An individual who renders a service and meets [criteria established by IRS guidelines](#). Independent Contractors usually have a separate workplace, are unsupervised when working within the organization and have a separate skill-set that is not available within the organization. Independent Contractor fees should be paid through the purchasing/accounts payable system.
- **Letter of Intent.** A letter advising a funding agency that an application will be submitted in response to its solicitation. The letter may contain general program information, unofficial cost estimates, and a request for specific application guidelines, instructions and forms.
- **Prime Award.** Project support issued directly from the sponsor to a recipient.

- **Small Business Subcontracting Plan.** Required for federally funded contracts and subcontracts exceeding \$700,000. It is a formal plan of purchases to be made under a prime contract and reported annually and semi-annually by business size and status.
- **Subrecipient.** The legal entity to which a subaward agreement has been issued and is accountable to the recipient for the use of the funds provided. May also be called a subgrantee or subawardee.
- **Subrecipient Monitoring.** Process by which awardee ensures that the subrecipient remains in compliance with the terms and conditions of the award.
- **Uniform Grant Guidance (UG).** “Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards.” Supersedes requirements from OMB Circulars A-21, A-87, A-110, and A-122 (which have been placed in 2 C.F.R. Parts 220, 225, 215, and 230); Circulars A-89, A-102, and A-133; and the guidance in Circular A-50 on Single Audit Act follow-up.

References

- **Federal Subaward Reporting System:** FSRS.gov
- **Sponsored Project Shared Services website:** <http://ssc.jhmi.edu/sponsoredprojects/index.html>
- **System for Award Management:** www.sam.gov
- **Uniform Grant Guidance (2 CFR Part 200):** http://www.ecfr.gov/cgi-bin/text-idx?tpl=/ecfrbrowse/Title02/2cfr200_main_02.tpl
- **USA Spending website:** www.USASpending.gov

Links to Forms

External

The following forms may be accessed on the University Finance Web site in the “[Forms](#)” section of the [Subrecipient Monitoring Policies & Procedures Index](#) (click on “SP-SUB-GS-03”).

Subrecipient Financial Information Survey

Foreign Subrecipient Questionnaire

Annual Audit Request

International Annual Audit Request

The following University-wide forms may also be accessed on the “[Forms and Documents](#)” page of the Sponsored Projects section of the KASPER (Krieger School of Arts & Sciences Pathways to Electronic Resources) web site:

Subrecipient Determination Form

Certification Form to Accompany Subrecipient Invoices

Internal

[Sub vs. Contractor Quick Guide](#)

The following BARA forms may be accessed on the “[Forms and Documents](#)” page of the Sponsored Projects section of the KASPER web site:

Subaward Proposal Sheet

Subaward Modification Sheet

SPO Checklist for Issuing/Administering Subawards

KSAS Subrecipient Monitoring Meeting or Site Visit Checklist

Samples/templates

Letters of Intent

[JHU as prime – subrecipient without compliant Financial Conflict of Interest Policy](#)

[JHU as sub](#)

Sample Invoices

[Cost reimbursable](#)

[Fixed price](#)