Subagreements

The Johns Hopkins University Research Administration, JHURA 2016
Who we are: Debra Brodlie, Gene Rutherford, Zack Bjorkman, Eva Lenoir, Sandra Fink—
Come visit us: JHU at Eastern
Our Work

• What does the Subagreements Team in JHURA do:
  – Draft, Negotiate, Execute outgoing subagreements under sponsored awards and outgoing agreements off discretionary accounts
  – Screen sub sites for debarment, sanctions
  – Get the PO for new Subagreements from SPSS and include when we send out F/E,
  – Update Purchase Orders for Sub mods
The Determination Form needs to be uploaded to the Checklist as an attachment! Dept. PI analyzes and signs.

JHURA always signs. The question is—Who signs from JHURA? That depends on when the form is sent to JHURA:

FOR EXAMPLE:

If Subrecipient is known at Proposal Stage, this form must be submitted to JHURA at that stage and signed by either the Grants Associate or Contracts Associate. **Upload the fully executed Determination Form to the checklist.**

If Collaborator is not named during Proposal Stage, attach form to checklist and it will be reviewed and analyzed and signed by Sub team member to whom the checklist has been assigned.

If you are uncertain about the classification of the collaborator, please call one of our Sub team members to discuss!!!
Difference between Subagreement and Service /Contractor Agreement (see 2 CFR 200.330)

A Subagreement should be used when the site will:

• Perform work which satisfies a direct objective or deliverable of the Prime Award
• Be responsible for programmatic decisions or design related to the project/study under the Prime Award
• Be held accountable to the compliance regulations of the Prime Award (e.g. conflict of interest)
• Have specific PI on site managing work
• Seek to publish
• Have rights in created Intellectual Property
A Service/Contractor Agreement (signed by Purchasing, templates on Purchasing website, PO set up by Dept.) should be used when the site will:

- Provide standard services as normal operations which are marketed to a variety of customers
- Perform work that involves routine or repeated activities
- Not seek to publish or co-author or seek ownership of IP
Types of Prime Sponsor Funding

• Subawards can be issued under JHU’s many different kinds of Prime Awards:
  – Federal, state or local grants/contracts
  – Other private organizations
  – Foundation grants
  – Commercial contracts
JHU Subaward Request Checklist System

• Requests for new subawards or modifications to existing subawards are submitted through the checklist system.
  https://my.jhsph.edu/Offices/ORA/Subagreements/Pages/Dashboard.aspx

• Requests for access to the checklist system should be sent to Inash Pohkarel (inash@jhu.edu) with the following information:
  
  Full Name
  EMAIL Address
  JHSPH ID and/or JHED ID
  Hopkins ID (found on the JHED ID page)
  School and Department

• Requests for the addition of a PI to checklist system should also be sent to Inash Pohkarel (inash@jhu.edu).

• Requests may take several days so please plan accordingly. Always copy Debra on emails to Inash.
JHURA Subawards Process Chart

Subaward paper work
Dept. enters data into checklist system for a new subagreement or modification to existing.
Dept. uploads all relevant documents to checklist- budget, justification, payment schedule, scope of work.
Dept. requests 96 IO number to set up a shopping cart (SC) if a new subagreement.

Subaward Preparation
JHURA receives notice that checklist submitted, evaluates paperwork and assigns checklist to subs team member (STM).
STM analyzes checklist, attachments, reviews prime award.
STM drafts subagreement and submits draft for internal review.

Subaward Negotiation
STM sends draft to subsite for review and negotiation.
Subsite returns revisions for STM approval
STM approves/rejects revisions, emails site with explanation/clean draft (repeat until draft is satisfactory to both parties)

Subaward Execution
STM receives signed copy from subsite (PE), to Assoc. Director for final review and signature.
Assoc. Director reviews, signs and dates agreement (FE). STM then approves SC for PO for new; updates PO for mod by adding line.
STM sends FE to dept. & subsite.
Information Necessary for JHURA to write the Subagreement

• **For new Subawards:**
  – The Subaward Determination Form
  – A Subaward budget and budget justification for the amount obligated or milestone payment schedule if fixed price
  – A statement of work for the subsite
  – IRB/ IACUC approval (if applicable)
  – Banking Information for foreign sites

• All new domestic or foreign sites **that JHU has not done business with previously** must upload a Financial Questionnaire found on the Controller’s website. If you are unsure if JHU has done business with site, search risk assessment spreadsheet found on Controller’s website. Note* FDP project

• **For modifications:**
  – A budget for the subsite reflecting amount obligated this action or update milestone payment schedule
  – A statement of work (but **only** if it has changed) and to add $ to F/P
Information Necessary for JHURA to write the Subagreement

Info needed: (Subagreement Checklist found at JHSPH.edu)

- JHU contact information
  - The “Financial Contact” is the person who processes invoices and goods receipts
  - The administrative contact is from JHURA
- Most recent subrecipient contact information (person and address)
  - Verify that it is current for every year a checklist is submitted
- SAP grant number (PO too if mod)— what if G to a P account?
- Sponsor name and award number and title of award.
- Deliverables and due dates/time-lines for new/revised SOW’s
- Whether animal and/or human subjects research is going to be conducted at the subsite and protocol approval #
- Budget Period for the sub and amount to pay the subsite (PO amount)
- If extending date of Subagreement, make sure Prime Award covers the extended period of performance
Budgets and payment schedules

• **Cost Reimbursement** budgets for subs should include:
  – Names of personnel, percent effort
  – Breakdown of costs for equipment, supplies, and “other expenses”
  – travel costs
  – IDC rate for sub site

• **Fixed Price** - In place of a budget, upload a milestone payment schedule with measurable deliverables
Statement of Work

- Alternately known as a “scope of work”, the SOW is a paragraph describing what the subrecipient is doing for the applicable period. The SOW should only include what the sub site is doing. Do not submit the proposal document.
- The SOW should state what the subrecipient is going to provide to JHU in exchange for being paid (“deliverables”).
- SOW should be understandable to non-scientists
- SOW is used in a dispute to determine whether the subrecipient is performing in accordance with the agreement, so be clear and specific
Special Considerations for High Risk Subrecipients

• High Risk Subrecipients: Sites JHU has never done business with before, foreign sub sites and for-profit entities.

  High Risk Subrecipient Monitoring

  – Dept. sends the Financial Questionnaire to the identified subrecipient and returns it to JHURA, upload to checklist

  – JHURA rates the subrecipient and notifies the dept. and Internal Audits who confirms the rating and performs subrecipient audits

  – High Risk Subrecipients with cost reimbursable agreements have specific language added to the Subagreement

  – Dept. must complete additional invoice audits per the new risk management regulations which took effect on 7/1/14 –see Controller’s website
The 96 IO Number

• The 96 IO number is the account number for the sub site, tied to the SAP account number

• A 96 IO number is a “child” of a “parent” Internal Order number (IO), which will always start with “900”

• Finance will set up the 96 IO Number with the sub amount, plus whatever IDC JHU is entitled to take

• As soon as you receive your 96 IO—SET UP YOUR SHOPPING CART!!!
The Federal Funding Accountability and Transparency Act (FFATA)

• Federal Funding Accountability and Transparency Act ("FFATA")
  – A 2006 federal law intended to hold the government accountable for its spending by allowing individuals to track information on federal grants and contracts on a searchable website
  – www.USASpending.gov

• Under FFATA, recipients of federal grants and contracts must report Subaward and Subcontract spending.
  – JHURA subs team will handle the reporting
  – **This is why we need the Subrecipient’s DUNS number!**
What’s in a Subagreement?

- Payment Information
- Intellectual Property
- Technical and Financial Reporting
- Certifications to the Grantor or Sponsor
- Indemnification
- Contact Information
- Confidentiality
- Termination
- Governing Law
- Period of Performance
Managing Purchase Orders. *Set up shopping cart as soon as you have 96 IO!*

What JHURA does in relation to purchase orders:

**Creation**
- Approve SC when the subagreement is fully executed and central establishes the PO number

**Modification**
- Time and/or money added when sub is modified on a new line under the PO

**Close-out**
- PO is closed when project period of grant/contract ends, or sub is terminated early.
- If money is left on 96#, the close out process will unencumber it
Managing Purchase Orders

- Dept.’s role with purchase orders, invoices, goods receipts

What Departments do in relation to purchase orders:

- Create SC for amount of subaward (SC does not include JHU IDC)
- Process and pay invoices
- Complete goods receipts
- Ensure consistency with Real Time Grant Report and BW reports
Invoice Process

- Per the terms of our agreements, subrecipients should send invoices to the dept. financial contact on the sub checklist.
- If JHURA receives an invoice erroneously, it will be forwarded to the dept. financial contact.
- Dept. confirm with the PI that the work has been performed and that any necessary reports have been submitted.
- Certification of Payment must be completed and signed by PI.
- Departmental contact sends invoice and Certification to Accounts Payable via e-mail.
  - Make sure to keep a copy.
Invoice Review: Standard Items

- Name of the subrecipient
- JHU purchase order number
- Date of the invoice
- Invoice number and project title
- Period of performance covered by the invoice
- Breakdown of costs in accordance with expenditure categories
- Current period costs and cumulative project costs
- Cost sharing (if applicable)
- Program income (if generated)
- Contact person for invoice questions
- Certification as to the truth and accuracy of the invoice
- Shouldn’t overlap with previous invoice and should NEVER exceed the termination date.
Invoice Review: Financial Accuracy

- Review for standard invoice elements as required by current policy (e.g., cumulative costs, certification etc.)
- Expense in line with budget category amounts
- Amounts are not round dollars solely based on a percentage of budget
- Previous expense + Current expense = Cumulative expense for each budget category
- Column totals equal the amount of individual column amounts in total
- Fringe cost are in line with salary expense for the agreed upon fringe rate
- Facilities and Administrative (F&A) costs are in line with applicable costs for the agreed upon F&A rate
- Period of performance invoiced is not in advance of the current calendar date unless immediate cash needs are being met. If so, cash balances and interest must be tracked and reconciled before additional payments can be made.
- Be sure that cumulative amount invoiced is less than or equal to total amount of the subaward/subcontract.
Invoice Process: Certification for Payment Form

- Certification for Payment and Performance must be completed for all invoices
- Confirm with the PI that the work has been performed and that any necessary reports have been submitted. PI should be aware of payments.
- Approval by both Financial Analyst and Principal Investigator is required
- Form must be included with invoice in order to process payment in SAP
Invoice Process: High Risk Monitoring

• High-risk subrecipients will be required to submit general ledger summary and detailed financial reports along with all invoices
• Departmental personnel will be responsible for completing a summary comparison of the invoice to the financial reports
• Every six months, departmental personnel will complete a more detailed review of a subrecipient financial report supporting one invoice, including obtaining supporting documentation for a selection of charges
• The Certification for Payment and Performance form has been revised to evidence these reviews
  – A summary review is required to be performed and must be documented on the Certification for Payment and Performance
  – Date of last detailed review must also be documented
• Problems identified with billings must be resolved and the resolution documented
How long till my Subaward goes out the door to the subrecipient?

• Subawards take approximately **3-4 weeks** from the time the checklist is submitted until it is sent to the subrecipient
  – This assumes the Sub writer has all the necessary information to complete a comprehensive and accurate agreement
• Remember, JHURA’s subs group handles well over 1200 sub checklist requests each year and each one is a priority to the person/PI/Dept. who submits it!
• The site should not work without a subaward. If they do, they assume the risk.
# JHURA Contacts

If you have any questions about the sub checklist, info required, timelines or anything sub related, please call or e-mail us

<table>
<thead>
<tr>
<th>Name</th>
<th>Title</th>
<th>Contact Information</th>
</tr>
</thead>
<tbody>
<tr>
<td>Debra Brodlie, JD</td>
<td>Associate Director</td>
<td>443-997-1923</td>
</tr>
<tr>
<td></td>
<td></td>
<td><a href="mailto:dbrodlie@jhu.edu">dbrodlie@jhu.edu</a></td>
</tr>
<tr>
<td>Zack Bjorkman</td>
<td>Subawards Specialist</td>
<td>443-997-1902</td>
</tr>
<tr>
<td></td>
<td></td>
<td><a href="mailto:zbjorkman@jhu.edu">zbjorkman@jhu.edu</a></td>
</tr>
<tr>
<td>Sandra Fink</td>
<td>Subawards Specialist</td>
<td>443-997-1896</td>
</tr>
<tr>
<td></td>
<td></td>
<td><a href="mailto:sfink6@jhu.edu">sfink6@jhu.edu</a></td>
</tr>
<tr>
<td>Gene Rutherford</td>
<td>Contracts/Subawards Associate</td>
<td>443-997-1905</td>
</tr>
<tr>
<td></td>
<td></td>
<td><a href="mailto:gene@jhu.edu">gene@jhu.edu</a></td>
</tr>
<tr>
<td>Eva Lenoir</td>
<td>Sponsored Projects Specialist</td>
<td>443-997-1907</td>
</tr>
<tr>
<td></td>
<td></td>
<td><a href="mailto:elenoir1@jhmi.edu">elenoir1@jhmi.edu</a></td>
</tr>
</tbody>
</table>