MISSION ACCOMPLISHED:
Effective Subrecipient Management
Session Objectives

- Understand the lifecycle of external subrecipient agreements
- Outline department roles & responsibilities
- Identify the process of establishing a new award & new external subrecipient and distinguishing the difference in process when adding a new external subrecipient to an existing award
- Define closeout expectations between budget periods & at project end
- Demonstrate the benefits of using the subrecipient management tools in SAP and Duke@WORK
Establishing & Managing an External Subrecipient

Duke receives award from sponsor

Duke processes & executes award (NOA)

Duke initiates agreement with external sub

Duke processes fully executed sub agreement

Post Award management & closing

Preaward Receives notification of award

Preaward Processes & approves award

TBS Creates WBSE(s) & plan

External Sub plan assigned to G/L 99650; Duke F&A assigned to G/L 694600

Preaward Receives & executes signed agreement

Preaward Generates external subrecip. agreement

OSP-Sub T Enters sub agreement details in SAP

Rebudgets sub plan from 99650 into categorized 6935xx G/Ls based on agreement

OSP-Sub T Reviews & processes all invoices from sub

OSP-Sub Team Requests agreement from preaward office (SIR / email)

OSP-Sub Team Rebudgets plan from parent to new WBSE set up for ext sub

Preaward Sets up WBSE

Preaward Modifies /Amendments

Enters in SAP & assigns plan in categorical G/Ls (6935xx)

OSP-Sub Team Enters in SAP & assigns plan in categorical G/Ls (6935xx)

Dept. Validates award details & set up

Dept. Share new award details as appropriate

OSP-Sub Team Requests WBSE for new ext sub

TBS Sets up WBSE

Dept. Requests agreement from preaward office (SIR / email)

Dept. Rebudgets plan from parent to new WBSE set up for ext sub

Preaward Generates & sends agreement to new sub; processes fully executed agreement when returned from sub

Preaward Processes & approves any changes to existing agreements

OSP-Sub Team Updates plan & SAP master data per changes in agreement

If NEW external sub added to an existing award at Duke

Dept. Requests WBSE for new ext sub

TBS Sets up WBSE

Dept. Requests agreement from preaward office (SIR / email)

OSP-Sub Team Rebudgets plan from parent to new WBSE set up for ext sub

Preaward Generates & sends agreement to new sub; processes fully executed agreement when returned from sub

Preaward Processes & approves any changes to existing agreements

OSP-Sub Team Updates plan & SAP master data per changes in agreement

Modifications/Amendments

OSP-Sub Team Enters in SAP & assigns plan in categorical G/Ls (6935xx)
Group Activity

Order the stages in the lifecycle of external subrecipient agreements

1. Review the cards identifying the stages
2. Place the cards in order as they would occur when establishing and managing an external subrecipient
Dr. Sanderson’s Project Timeline

New NIH project awarded at Duke, includes 1 external subrecipient (UNC)
Dr. Sanderson Receives a New NIH Award

Award details: 2 year project, 1 external sub with UNC for $50,000 (directs, 52% IDC)

1. Award notification from sponsor processed by preaward office
2. TBS sets up new codes in SAP
   - Assigns WBSEs for parent & UNC sub
   - Establishes budget for new WBSEs
     - Parent budget entered based on details provided by preaward office (SPS, NOA or revised budget document)
     - Subrecipient total budget is loaded into G/L 99650 and Duke F&A budget is allocated to 694600 during WBSE set up

<table>
<thead>
<tr>
<th>Cost elements</th>
<th>ITD Plan</th>
<th>Curr Mo Actual</th>
<th>YTD Actual</th>
<th>ITD Actual</th>
<th>Balance</th>
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<tbody>
<tr>
<td>99650 UNALLOCATED SUBAWARD PLAN</td>
<td>76,000.00</td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>* Obligations/Restrictions</td>
<td>76,000.00</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>** TOTAL DIRECT COSTS</td>
<td>76,000.00</td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>694600 INDIRECT COSTS - FULL COST</td>
<td>15,000.00</td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>** Indirect Expense</td>
<td>15,000.00</td>
<td></td>
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<td></td>
</tr>
<tr>
<td>*** TOTAL PROJECT COSTS</td>
<td>91,000.00</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>**** Sponsored Programs Award &amp; Exp</td>
<td>91,000.00</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>***** Cost element group</td>
<td>91,000.00</td>
<td></td>
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</tr>
</tbody>
</table>
Dr. Sanderson’s new NIH Award & UNC sub

3. Preaward office sends external subrecipient agreement to UNC
4. UNC signs & returns agreement for $76,000 to preaward office
5. Preaward office sends fully executed agreement to the OSP Sub Team
6. OSP Sub Team enters agreement details into SAP & rebudgets UNC plan into categorized G/Ls (6935xx)*
   - $76K allocated to categorized G/L based on budget in subrecipient agreement (including subrecipient F&A G/L)
   - Duke F&A has already been allocated to the Duke F&A G/L (694600) *(not visible with SP_SUBRPT)*

*Use Duke@WORK reports to view subrecipient agreement details
External Subrecipient Categorized G/Ls

NOTE: G/Ls 691660 & 697160 provide historical record of invoices that posted prior to September 2017 which are not allocated to categorized expense G/Ls. The categorical breakdown of expenses on these invoices can be found in Duke@WORK reports.
Understanding Values in G/L 99650

G/L 99650 displays unallocated subaward budget that may be awaiting the negotiation of a new subaward agreement or modification, or pending a rebudget by the GM.

If the Value is negative (-$19,200)

- Indicates that plan awarded to a subrecipient exceeds the allocated budget amount
- Can be resolved with a rebudget of additional plan from the parent to balance the subrecipient shortage

<table>
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</tr>
</thead>
<tbody>
<tr>
<td>99650 UNALLOCATED SUBAWARD PLAN</td>
<td>70,809.00-</td>
</tr>
<tr>
<td>* Obligations/Restrictions</td>
<td>70,809.00-</td>
</tr>
<tr>
<td>693541 SUB - SALARIES &amp; WAGES</td>
<td>101,333.00</td>
</tr>
<tr>
<td>693542 SUB - FRINGE BENEFITS</td>
<td>21,913.00</td>
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<tr>
<td>693558 SUB - INDIRECT COSTS</td>
<td>66,552.00</td>
</tr>
<tr>
<td>* Contractual Costs</td>
<td>189,798.00</td>
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<tr>
<td>** TOTAL DIRECT COSTS</td>
<td>118,989.00</td>
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<tr>
<td>694600 INDIRECT COSTS - FULL CX</td>
<td>14,250.00</td>
</tr>
<tr>
<td>** Indirect Expense</td>
<td>14,250.00</td>
</tr>
<tr>
<td>*** TOTAL PROJECT COSTS</td>
<td>133,239.00</td>
</tr>
</tbody>
</table>

Additional plan may be needed

If the Value is positive ($67,979)

- Indicates action is needed: (situation examples below)
  - Plan amount awarded to a subrecipient via the subrecipient agreement is less than the allocated budget amount
  - OSP Sub Team has not yet reallocated plan into the 6935XX g/l's
  - Additional plan may be distributed in the future
- Resolution will vary by situation, in some cases a rebudget from the subrecipient code to parent will resolve the amount in 99650, other cases allow the plan to remain in 99650 until a modification is processed

<table>
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</tr>
</thead>
<tbody>
<tr>
<td>99650 UNALLOCATED SUBAWARD PLAN</td>
<td>67,979.00</td>
</tr>
<tr>
<td>* Obligations/Restrictions</td>
<td>67,979.00</td>
</tr>
<tr>
<td>** TOTAL DIRECT COSTS</td>
<td>67,979.00</td>
</tr>
<tr>
<td>694600 INDIRECT COSTS - FULL CX</td>
<td>14,750.00</td>
</tr>
<tr>
<td>** Indirect Expense</td>
<td>14,750.00</td>
</tr>
<tr>
<td>*** TOTAL PROJECT COSTS</td>
<td>82,729.00</td>
</tr>
</tbody>
</table>

Reduction of plan may be needed

Amounts remaining in 99650 after all agreements are fully executed should be reviewed and managed based on departmental & institutional policies.
Post Award: OSP Sub Team Responsibilities

• Compliance review of subrecipient invoices
  ✓ Includes subrecipient’s signature
  ✓ Accuracy of information (e.g. sub’s F&A amount)
  ✓ Confirm dates are within period of the subaward & amount is within budget

*Invoices not meeting review criteria are returned to subrecipient, copying the Department Administrator and Grant Manager listed in master data*

• Submit invoices via AP Check Request to department for review and approval for payment
Post Award: Department Responsibilities

• Review & approve subrecipient invoices
  ✓ Confirm expenses are in line with programmatic progress
  ✓ Verify spending aligns with expectations/projections
  ✓ Determine that all expenses are A/A/R compliant
  ✓ Consult with PI to determine there are no concerns (e.g. unsatisfactory subrecipient performance / unmet deliverable timelines)

• Standard post award management review
  ✓ Reconciliation / resolution of erroneous charges
  ✓ Confirmation that routine invoices are being received and processed
  ✓ Verification that expenses align with budget
  ✓ Monitor projections / burn rates
Dr. Sanderson’s Project Timeline

Existing project at Duke, adding a new external subrecipient (FSU)
Dr. Sanderson begins to collaborate with FSU on the NIH project

FSU award details: $35,000 directs (FSU has a 53% IDC)

1. Dept requests WBSE for new subrecipient agreement with FSU

2. Dept requests agreement with FSU from preaward office,
   - Must have WBSE for the new sub before subagreement is sent to FSU
   - Request mechanism: MNMC: submit SIR / PAMC: send email to ORS

3. Dept submits a rebudget to reallocate plan from parent WBSE to the new WBSE for FSU
   - PI and GM determine parent G/Ls impacted
   - Total rebudget amount should be $68,550; FSU portion: $53,550 (DC & IDC) and Duke F&A portion: $15,000 (our IDC)
     - Account for committed effort requirements
   - FSU budget should be moved into the 99650 G/L until the fully executed agreement is processed
New Collaboration with Florida State (cont.)

4. Preaward office initiates agreement with subrecipient (FSU) & sends to them for review & approval

5. Subrecipient (FSU) returns signed agreement to Duke’s preaward office

6. Preaward office processes the fully executed subrecipient agreement, then sends file to OSP Sub Team

7. OSP Sub Team enters subaward information and reallocates sub plan from 99650 into the categorical G/Ls (6935xx)
   - Allocation based on subrecipient agreement
New Collaboration with Florida State (cont.)

8. Department allocates appropriate plan amount of Duke F&A
   • Send email to OSP Sub Team requesting appropriate plan amount to move into Duke IDC G/L (694600)

If this email is not sent, the Duke F&A plan amount will remain in the G/L 99650
Group Activity

Set up SAP for the new FSU agreement:

1. Evaluate the parent budget and determine how to move plan from the parent WBSE to the FSU WBSE
2. Complete the rebudget by moving plan from parent WBSE to FSU WBSE
3. Compose email to OSP Sub Team requesting allocation of Duke F&A
Budget Period 1 Ending

• Department executes closeout for all 3 WBSEs (parent & subs)
  • Closeout deadlines apply
  • Plan for final invoice deadlines (due date & status visible in Duke@WORK reports)
  • Consider balance type at period end: unobligated or overdraft

• Project Netting at **budget period end** applies
  • OSP will distribute unspent plan amounts to cover overdrafts, if allowed by Rebudget Class, in the following order:

  ![Diagram]

  • Subcodes not owned by the same 10 digit parent BFR will not be covered by surplus

*If balances should be managed differently than outlined above, departments should complete a rebudget prior to submission of closeout documents*
Budget Period 2

• TBS sets up WBSEs for parent, UNC sub and FSU sub prior to beginning of budget period 2 & provides dept with WBSEs
  • Plans are based on NOA details for period 2 details
  • New subawards are issued for UNC & FSU

• PI decides to end FSU sub 6 months into the 2nd budget year
  • Dept communicates early termination of agreement with preaward office
  • Subrecipient (FSU) is notified of early termination
  • Dept processes & submits closeout (Tasklist & PI Attestation)
    • Monitor for receipt of final invoice
Dr. Sanderson’s Project Timeline

DUKE
- Project awarded & setup

UNC
- Ext Sub agreement
- New NOA sent by NIH
- Final invoice & report; Closeout

FSU
- Ext Sub agreement
- New ext sub agreement
- Ext Sub agreement ends early

DUKE
- New NOA sent by NIH
- NOA sent by NIH

UNC
- Ext Sub agreement

FSU
- New ext sub agreement

Budget Period 1
- Project Start
- Budget period 1 WBSEs closed

Budget Period 2
- Project End & Closing
Ending FSU Subagreement 6 Months Early

1. Department communicates early termination of agreement with preaward office
2. Preaward office notifies early termination of agreement with the subrecipient (FSU)
   • Modification is issued and sent to subrecipient for review/approval
3. Preaward office sends fully executed modification to OSP Sub Team to update the information in SAP (will also be reflected in the Duke@WORK reports)
4. Department processes and submits closeout
   • Closeout deadline will still reflect the parent due date, recommended that the closeouts be submitted once the final invoice has posted
Dr. Sanderson’s Project Ends

• Closeout Parent & UNC Sub at project end date
  • Standard closeout process applies
  • External subrecipient closeout can be submitted as soon as the final invoice amount is communicated
    • Consider final invoice due date per external subrecipient agreement
      • If subrecipient is unable to meet the due date, refer to Duke’s late final invoice policy
      • Final invoice due date & status available in both Duke@WORK subaward reports

• Project Netting at project period end applies
Project Netting at Project End

• Project Netting at **project period end** applies
  • At project period end, OSP will distribute available award funds to cover overdrafts order shown to right (if allowed by Rebudget Class)

• Priority based on ascending numeric order by WBSE & BFR

Refer to Balance Netting QRG for additional information
Reports & Resources

• Reports
  • Duke@WORK:
    • Subaward Report: Master data & subrecipient data; Agreement & categorized budget details; Balance information by category
    • Subaward Invoice Report: Individual invoice details; Final invoice status & details
  • SAP:
    • ZFR1E (ITD Report): Detailed financial information; Use cost element "SP_SUBRPT" for a categorical view of plan and expenses

• Multiple resources for guidance:
  • Preaward Offices - ORA / ORC / ORS
  • OSP Sub Team & Liaisons
  • Award Management Office/Teams
Key Takeaways

• Understand the external subagreement lifecycle
  • Central offices manage different phases of the subagreement process
  • Set up process varies depending on when external subrecipient is added (new award & new external subrecipient or existing award & new external subrecipient)

• Use the categorized G/Ls for efficient management of external subrecipients

• Complete accurate rebudgets and consider impact to Duke F&A
  • Take appropriate action to ensure correct Duke F&A allocation

• Utilize the Duke@WORK reports and SAP cost element groups to assist with effective subaward management
QUESTIONS?