

Welcome Packet for New Arizona State University Subrecipients Receiving Subawards

Dear Subrecipient,

We are pleased to welcome you as a subrecipient to Arizona State University (ASU) under this federal award! As the recipient of a federal subaward from ASU, there is a great deal of information that your organization will need in order to be successful. This welcome packet provides guidance to help ensure that ASU protects the funds it disburses and that subrecipients are in compliance with applicable federal laws, rules and regulations.

Information contained in this packet is critical to those with responsibility for the administrative and fiscal management of these subawards.

The packet serves several purposes:

1. To ensure that subrecipient funds are used for the purposes for which they were awarded and to safeguard public monies to the greatest extent possible
2. To explain the documentation required from subrecipients
3. To provide next steps after subaward agreement is fully executed
4. To explain the processes and procedures of operating a subaward under ASU

While this resource packet highlights or summarizes important issues, it does **NOT** serve as a substitute for the terms set forth in your Subaward, ASU policies or any prime sponsor requirements or provisions.

Specific topics that the packet addresses include:

- Subaward resources
- Registrations
- Subaward documentation necessary to initiate the subaward agreement
- Management and monitoring
- Closeout

Subaward Resources

<https://researchadmin.asu.edu/subawards>

Registrations

UEI

UEI stands for “Unique Entity Identifier” and identifies a company as being unique from any other. This number helps business partners to predict the reliability and/or financial stability of the company in question. It is a federal requirement for all subrecipients to have a UEI number in order to participate in projects funded by US government funds. If

your institution doesn't already have a UEI number, please register using the link below.

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Register for a UEI number [here](#).

SAM

SAM stands for "System for Award Management" and is a federal requirement for all subrecipients to be registered in this system. This is an annual registration, and your organization's registration must remain current throughout the project. If your institution isn't registered in SAM, please register using the link below. If you are not sure if your institution is registered in SAM, you can use your UEI number to verify at the link below or log in to SAM to ensure your account is still current.

[Verify your institution is currently registered in SAM here.](#)

[Register a SAM account here.](#)

Workday

Arizona State University utilizes Workday for our financial management. All subrecipients will need to be registered in Workday as suppliers in order to receive invoice payments. If your institution has never received payment from ASU, it is likely that your entity is not registered in this system.

To register in Workday, please select the [Register Now Link](#) and follow the registration instructions.

Registration in Workday takes approximately one week after the subrecipient submits the registration form, so it is critical that this step is completed early. Even if your institution has worked with ASU in the past, it is best to verify with subawards@asu.edu that your organization is registered in this system if your organization hasn't recently worked with ASU.

Subaward Documentation Necessary to Initiate the Subaward Agreement

Subrecipient Commitment Form or Letter of Commitment

[The Subrecipient Commitment Form](#) is required for organizations that are not a part of the FDP Expanded Clearinghouse while the [Subrecipient Letter of Commitment](#) is required for organizations that are. These forms are the first step in establishing a project partnership between ASU and the subrecipient. It ensures that the subrecipient is registered in the necessary, federally required platforms, that the subrecipient is compliant, and that additional documentation is acquired early in the process.

Fringe Benefit Rate Agreement

If your institution has a federally negotiated, fringe benefit rate agreement, please provide it at this time. This document displaying your negotiated rate provides additional documentation for amounts provided in the budget.

Indirect Cost Rate Agreement

If your institution has a federally negotiated, indirect cost rate agreement, please provide it at this time. This document displaying your negotiated rate provides additional documentation for amounts provided in the budget.

If your organization does not have a federally negotiated indirect cost rate agreement, and there isn't a sponsor limitation, your institution may elect to charge a de minimis rate of 10% of modified total direct costs (MTDC) according to [2 CFR 200.414\(f\)](#).

§200.68 Modified Total Direct Cost (MTDC).

MTDC means all direct salaries and wages, applicable fringe benefits, materials and supplies, services, travel, and up to the first \$25,000 of each subaward (regardless of the period of performance of the subawards under the award). MTDC excludes equipment, capital expenditures, charges for patient care, rental costs, tuition remission, scholarships and fellowships, participant support costs and the portion of each subaward in excess of \$25,000. Other items may only be excluded when necessary to avoid a serious inequity in the distribution of indirect costs, and with the approval of the cognizant agency for indirect costs.

IRB Approval

If the subrecipient is conducting human subjects research on this project, IRB approval documentation will need to be provided. If this approval is annual, the subrecipient organization will need to provide updated documentation each year.

IACUC Approval

If the subrecipient is conducting animal subjects research on this project, IACUC approval documentation will need to be provided. If this approval is annual, the subrecipient organization will need to provide updated documentation each year.

Statement/Scope of Work

The scope of work is required for all subaward agreements and should not be a reiteration of the overall proposal being submitted. Rather it should define only the specific work to be performed by the Subrecipient. Within this scope of work, it is important that the tasks to be performed are clearly outlined and that any expectations for reports or deliverables are listed. The scope of work is going to be part of the legally binding agreement that will be issued. This document is the basis for determining the timeline for expected progress and how the research will move forward. If the scope of work is unclear, it can lead to confusion, misunderstandings, or grants that cannot/do not meet their objectives.

There is no specific format for this document, but a scope of work [guidance document](#) is available.

Budget

A detailed line-item budget is a required document for all subaward agreements under ASU. This budget is typically completed in Excel and contains sections for faculty, staff, and student salaries and wages, fringe benefit rates, travel, other direct costs, facilities and administration costs, and other costs as they apply. Each of these cost items should also be broken out by year. The below budget worksheet template contains tabs for both federal and cost share budgets. Other budget templates are acceptable, but must contain thorough documentation of costs.

[Budget Worksheet Template](#)

Budget Justification

A budget justification is a required, written document that details and explains the costs that are displayed in a line-item budget. This document is typically broken into the same sections displayed in the budget (Salaries, Fringe Benefits / ERE Travel, Other Direct Costs, and Facilities and Administration) and justifies each cost and why this specific cost is necessary for the project. The budget narrative should not merely describe budget items, but should describe how these expenses are necessary for the successful execution of the project AND the cost basis for each budget item (i.e. current institutional salaries, vendor quote, historical knowledge, internet search). Additionally, the budget narrative should address any significant budget changes from one year of the project to the next (i.e. salary escalations, increase/reduction in level of effort, etc.).

The Cost Price Analysis, explained below, can also be used as the Budget Justification, but the Budget Justification cannot be used for the Cost Price Analysis.

Cost Price Analysis

Federal and state regulations require that a Cost Price Analysis be performed for all subawards. For subawards that are over \$100,000 for the entire project, it is the subrecipient's responsibility to complete this form. For subawards that are under \$100,000 for the entire project, this document is completed within the unit by the ASU Principal Investigator (PI). Separate cost elements must be explained and justified and cost or pricing data must be documented as reasonable and competitive.

Documentation may be based on current price lists, quotations, catalogues, and negotiated rate agreements. Since this document provides further explanation, justification, and documentation of budget costs than a typical budget justification, the Cost Price Analysis can be used in place of a budget justification.

If your subaward is over \$100,000, you can get started on completion by clicking on the appropriate form below:

[US University or Non-Profit Subrecipients](#)

[Commercial or International Subrecipients](#)

Financial Statements

During our verification process, a risk assessment is conducted, which reviews several documents from your institution. Part of this assessment involves reviewing your organization's financial statements. If your institution is subject to the Single Audit, that's all that we need to complete this.

However, if you are not subject to the Single Audit, we will need a copy of your most recent financial statements in order to conduct this assessment. Financial Statements needed for this review include the Income Statement, Balance Sheet, Cash Flow Statement, and Statement of Retained Earnings. If you're a smaller organization and not all of these financial statements are produced, don't worry – just provide us with as many statements as you can. In addition to your financial statements, we will need you to complete the Subrecipient Certification, discussed below.

Subrecipient Certification

The Subrecipient Certification is a brief questionnaire that asks questions about your institution's auditing process, financial system, accounting procedures and institutional policies. This form needs to be completed if your organization is not subject to the OMB Circular A-133 or also known as the Single Audit. This document provides us with more insight into your financial and institutional practices, which is crucial during our verification process.

For questions concerning the Subrecipient Certification, please contact Subrecipients@asu.edu.

[Subrecipient Certification Form](#)

Management & Monitoring

Communication

When an initial agreement or a modification to that agreement is drafted and ready for your review, you will be contacted by a Subaward Grants and Contracts Specialist/Officer who will request for your institution's review and signature. At this time, any questions about the subaward agreement can be directed to them.

Thereafter, your main contact will be either our ASU PI or the Post-Award Research Administrator (Post-Award RA) that is assigned to the PI or project to help manage the administrative aspect of the subaward. They are who you would contact to process a no-cost extension or any modification to the agreement. If you have a question and are unsure where to go, these two individuals are your best resource. You can find the ASU PI's contact information on the subagreement. The Post-Award RA will be copied on all email communications from the Subaward Grants and Contracts Specialist/Officer or found by searching the ASU PI's unit through "[Who Can Help Me?](#)".

Invoices

All invoices and, if required, supporting documentation should be sent as a PDF document to awards.management@asu.edu. Awards Management reviews the invoice at this point and sends it to the ASU PI for review and approval. Once approved, an Awards Management Specialist/Officer will send the invoice to Accounts Payable (AP) for payment.

We accept all forms and layouts of invoices as long as they include your institution's name, the Invoice Date, Invoice Number, Subaward Number (beginning with ASUB and followed by eight digits), Project Period, Invoice Period, and a detailed accounting of the costs incurred this period.

If you are unsure if your standard subrecipient invoice form fits our requirements or your institution doesn't have an invoicing form currently in place, please contact the Subaward Grants and Contracts Specialist/Officer who worked with you to negotiate the agreement. They will be able to provide you with a template.

Reports

There are a few different types of reports that can be required throughout the duration of your project, depending on prime sponsor requirements and ASU PI preference. The individual reports that are required will be outlined in your subaward agreement.

Technical/Progress Reports

Technical or Progress Reports can be required monthly, quarterly, and/or annually. There will also typically be a final technical report at the end of the project. This is dependent on the prime sponsor requirements and the ASU PI's preference. What is included in your technical report varies depending on the prime sponsor's requirements. Overall, this document provides information about the project to our ASU PI in order to conduct their research and submit the ASU technical report to the sponsor.

Invention Reports

If the subrecipient research conducted on this project results in an invention, your institution will need to submit an invention report that discloses the invention(s) in writing to the contact listed on your subaward agreement after it has been disclosed to the subrecipient's patent personnel. Depending on what is stated in your subaward agreement, a negative report—a report stating that no inventions have been created—may be required with your technical reports.

Annual Subrecipient Auditing Process

As mentioned previously, the Subrecipient Certification is a brief questionnaire for institutions not subject to the Single Audit that inquires about your institution's auditing process, financial system, accounting procedures and institutional policies. This document provides us with more insight into your financial and institutional practices, which is crucial throughout the subaward project and is to be completed annually.

Institutional financial statements should also be submitted annually with the Subrecipient Certification.

Closeout

The following items are required for Subaward Closeout (Closeout Documents) and will be submitted along with a Final Technical Report, if applicable, and a Final Invoice supported by a summary accounting report not later than sixty (60) days after Subaward termination date:

- Subrecipient Closeout Form (required)
- Inventory of Property (if applicable)
- Report of Inventions and Subawards (if applicable)

Closeout documents will be provided to subrecipient on or about the project termination date. Closeout documents must be completed and submitted prior to payment of Final Invoice.