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# Subawards Proposal Preparation

UCLA DEPARTMENT OF MEDICINE  
OFFICE OF RESEARCH ADMINISTRATION  
ZOOM TRAINING

# Subawards: Terms & Definitions

# What is a Subaward?

- An agreement that transfers a portion of the research or substantive effort of the prime award to another institution or organization. Subs are written under the authority of a prime award and are consistent with the terms and conditions of the prime award.
- A **formal binding legal agreement** between the University of California, Los Angeles (“UCLA”) and a non-UCLA entity in which:
  - A defined portion of the UCLA work statement’s **intellectually significant activity** is assigned to another entity (“the subrecipient”) to fulfill;
  - Work is generally performed by the **subrecipient’s personnel** using **their resources**, usually at **their site**;
  - The **subrecipient takes full responsibility**, including **intellectual leadership**, for the portion of UCLA’s work statement that they will undertake;
  - Many of the **award terms and conditions** UCLA has accepted from our funding agency are **“flowed down”** to the subrecipient, who must also agree to comply with them (e.g. audit requirements, restrictions on rebudgeting, human and animal subjects approvals, conflict of interest, clean air and water, etc.).
  - Has its **performance measured** against whether the objectives of the project are met

# Common Terms

- Prime
  - Usually refers to the **Sponsoring Agency** of the contract, grant or cooperative agreement awarded to Institution.
- Subawarder (aka “parent”)
  - The **Institution that receives the award directly from the Prime** Sponsoring Agency and flows down the terms and conditions down to a “child” Institution. It oversees the overall project while apportioning a part of the research/effort and associated funding to the “child” Institution.
  - Also referred to as:
    - **Pass-Through Entity (PTE)**
    - Recipient
    - Prime Recipient
    - Prime Awardee
    - Prime Grantee

# Common Terms

- Subrecipient/Subawardee (aka “child”)
  - The **legal entity to whom a subgrant or subcontract is made** and who is accountable for the use of funds provided. A subrecipient has its own PI who will carry out a substantive, scholarly portion of the scope of work described in the proposal.
  - Also referred to as:
    - Subgrantee
    - Consortia
- “Incoming” Subaward = award **coming into UCLA**
  - i.e. funding coming into UCLA **from a PTE/subawarder**; this makes **UCLA the subawardee**
- “Outgoing” Subaward = award being **sent out of UCLA**
  - i.e. funding coming **from a Prime Sponsor** to UCLA; **UCLA is the PTE/subawarder**

# Common Terms

- Multi-Campus Award (MCA)
  - Subaward between 2 UC campuses
  - Sometimes referred to Multi-Campus Agreements
- Offices Involved in Subawards:
  - [OCGA](#) – Office of Contract & Grant Administration
  - [TDG](#) – Technology Development Group
  - [Campus Purchasing](#)

Prime/Sponsoring Agency



PTE/Subawarder/Parent\*

*sending an **outgoing** subaward*



Subrecipient/Subawardee/Child\*

*Receiving an **incoming** subaward*

*\*UCLA can be either parent or child, depending on the flow of funding.*

# Subawards: Types



# Different Types of Subawards

## 1) Subcontract

- When Parent receives a CONTRACT, and then transfers a portion of the research or substantive effort of that contract to another institution.
- Issuing Office: UCLA Purchasing Office
- BruinBuy Order Class: S
- MTDC Object Codes: 7310 ( $\leq$ \$25K), 7300 ( $>$ \$25K, excluded from overhead)

# Different Types of Subawards

## 2) Subgrant

- When Parent receives a GRANT or COOPERATIVE AGREEMENT, and then transfers a portion of the research or substantive effort of that grant or cooperative agreement to another institution.
  - At UCLA, it is often referred to as a “subaward.”
- Issuing Office: OCGA (most instances)
  - TDG – only if Prime is for-profit and subgrant is with another UC campus/MCAs
- BruinBuy Order Class: G
- MTDC Object Codes: 7310 ( $\leq$ \$25K), 7300 ( $>$ \$25K, excluded from overhead)

# NON-Subawards 3<sup>rd</sup> Party Agreements

- Other type of 3<sup>rd</sup> party agreements that you may see under a prime award that are **NOT types of subawards:**
  - Vendor
  - Contractor
  - Consultant
- A contract is for the purpose of obtaining goods and services for UCLA's own use and creates a procurement relationship between UCLA and the third party contractor.

# Difference between Subaward & Contractor

## SUBRECIPIENT

- Intellectually significant portion of overall programmatic effort
- Sub PI responsible for making programmatic decisions
- Work could result in development of intellectual property
- Expected to author publications on results of work
- Will need animal/human subject approval
- Provides cost sharing or matching
- Will use funds to carry out program for public purpose

## CONTRACTOR (VENDOR)

- Provides goods/services within normal business operations
- Provides similar goods/services to many different purchasers
- Performs series of repetitive tests or activities require little or no discretionary judgment
- Normally operates in a competitive environment
- Provides goods/services that are ancillary to the operation of the program

## Sub vs. Vendor Matrix

<i>Incoming to UCLA</i>	<b>Grant/Cooperative (Assistance)</b> OCGA Grants Team (Kathy Kawamura, AD)		<b>Contract (Acquisition)</b> OCGA Contracts Team (Jim Fong, AD)	
<i>3<sup>rd</sup> Party SoW</i>	<b>Programmatic for the Project:</b> Intellectually significant programmatic effort, including intellectual decision-making, in a portion of UCLA's proposed project work	<b>Goods/services for UCLA:</b> goods or services are used by UCLA in order for UCLA to accomplish of its project	<b>Programmatic for the Project:</b> For a very specific scholarly or programmatic task under a portion of UCLA's proposed contracted work	<b>Goods/services for UCLA:</b> goods or services are used by UCLA in order for UCLA to accomplish of its project
<i>Outgoing</i>	<b>Subaward to Subrecipient</b>	<b>Contract to Contractor Vendor*</b>	<b>Subcontract to Subcontractor</b>	<b>Contract to Contractor Vendor*</b>
<i>Outgoing Handled by</i>	Subaward Team**	Purchasing	Purchasing	Purchasing

*\* Also consulting, professional services, other agreement all done by Purchasing.*

*\*\*UC Multi-Campus Award (MCA): at proposal stage treated similar to a third party agreement (except UCLA IDC); however, technically not a "third party" since all UC campuses part of the same legal system (UC Participating Campus/Site). Each of the three UCLA Sponsored Projects offices handle all outgoing MCAs under their own awards.*

# Subawards: In/Direct Cost Calculations

# Total Direct Cost vs. DC Limitation/Ceiling

- UCLA's Total Direct Cost =
  - UCLA's Direct Cost, plus (+)
  - Subaward's Direct Cost, plus (+)
  - Subaward's F&A

*\*\*This is also what your OCGA analyst and/or DRA's signature authority is based on. Example: DRA's cannot sign off on any proposal where UCLA's Total Direct Cost exceeds \$500,000 in any given budget period. In Cayuse/S2S, Budget tab #3, Letter G. Direct Costs.\*\**

- Direct Cost Ceiling/Limitation = (excludes Sub's F&A)
  - UCLA's Direct Cost, plus (+)
  - Subaward's Direct Cost
  - NIH Notice [NOT-OD-04-040](#): This is to encourage collaborations outside of the PI's own institution, and not penalize a PI by counting the subaward's F&A towards the ceiling.

# Direct Cost Definitions

- UCLA's Total Direct Cost =  
UCLA's DC + Sub's DC + Sub's F&A
- NIH Direct Cost Limitation/Ceiling =  
UCLA's DC + Sub's DC



# Indirect Cost Calculations for Modified Total Direct Cost (MTDC)

- Only the first \$25,000 of each subaward *scope of work* for the *entire project period* is subject to indirect cost. In other words, any amount above the first \$25K is excluded, regardless of which year it occurs.
- Exception – Other UCs: *Entire amount* (not just the first \$25K) of *sister UC campus* subawards are *excluded* from indirect cost calculations.
  - This is because the Federal government sees all The Regents of the University of California as a single entity. To provide UCLA IDC on another UC's cost is seen as double charging the government.
- Helpful Tool: [Budget Template](#) to help calculate MTDC

# Subaward F&A Exercise

# Scenario #1

- UCLA PI wants \$100,000 to use towards his own lab for 1 year.
- Subaward Direct Cost is \$50,000/yr and F&A is \$32,000/yr.
  1. What is UCLA's Total Direct Cost?
  2. Assuming the \$100,000 for the UCLA PI is for salary & supplies only,
    - 2a) What is UCLA's **MTDC base**?
    - 2b) What is UCLA **MTDC base** if the Sub is to another UC?
    - 2c) What is UCLA's **Indirect Costs** if the Sub is non-UC?
    - 2d) What is UCLA's **Indirect Costs** if the Sub is to another UC?
    - 2e) What is UCLA's **Total Cost** if the Sub is non-UC?
    - 2f) What is UCLA's **Total Cost** if the Sub is to another UC?
  3. What amount is counted towards the NIH's Direct Cost Ceiling?
  4. What amount is counted towards an SO's signature authority?

# Scenario #2

- UCLA PI wants \$100,000/yr to use towards his own lab for 3 years.
- Subaward Direct Cost is \$10,000/yr and F&A is \$5,000/yr.
  1. What is UCLA's Total Direct Cost?
  2. Assuming the \$100,000 for the UCLA PI is for salary & supplies only,
    - 2a) What is UCLA's **MTDC base**?
    - 2b) What is UCLA **MTDC base** if the Sub is to another UC?
    - 2c) What is UCLA's **Indirect Costs** if the Sub is non-UC?
    - 2d) What is UCLA's **Indirect Costs** if the Sub is to another UC?
    - 2e) What is UCLA's **Total Cost** if the Sub is non-UC?
    - 2f) What is UCLA's **Total Cost** if the Sub is to another UC?
  3. What amount is counted towards the NIH's Direct Cost Ceiling?
  4. What amount is counted towards an SO's signature authority?

# Subawards: Proposal Preparation

UCLA AS THE PTE/PRIME GRANT RECIPIENT/SUBAWARDER  
ISSUING SUBAWARD TO AN OUTSIDE INSTITUTION/OTHER UC

Scenario #1 – Outgoing Subaward  
NIH (Sponsoring Agency)



UCLA (as Subawarder/Parent)



Stanford (as Subawardee/Child)

# Steps - Outgoing Subaward

- 1) Confirm relationship/scope is indicative of a [subaward vs. contractor](#). If confirmed this will be a subaward follow below steps:
- 2) Obtain the name/email of the Subrecipient's Admin Contact
- 3) Provide Subrecipient with necessary information:
  - Sponsor Guidelines/Funding Opportunity Announcement (FOA)
  - Final Title
  - Project Period
  - [List of all information/documents](#) UCLA PI will need from Sub to submit to Prime Sponsor
  - Sub's budget guidelines – often max \$ direct costs (DC) as set aside by the UCLA PI
  - Sub's deadline to return all requested documents
- 4) Collect a “mini proposal” from the Subrecipient
- 5) Review all Sub's forms to ensure they comply with Sponsor guidelines
- 6) Incorporate the Sub's paperwork into UCLA PI's overall proposal

# Documentation Required

- [Subrecipient vs. Contractor Determination Checklist](#)
  - Used to determine if Entity is truly a subrecipient or contractor
  - Requires PI responses and signature
- [Subaward/Subrecipient Forms Checklist](#)
  - Email checklist to subrecipient to ensure correct versions of all required forms are obtained.
  - Suggest obtaining all non-signature forms in Word, rather than PDF whenever possible to enable flexibility in formatting/copying & pasting.
    - Exception is the budget which may come in Excel or SF424 PDF
  - [Subrecipient Commitment Form](#) or [MCA Commitment Form](#) (if to another UC) or [Letter of Intent](#) (if on [Federal Demonstration Partnership \(FDP\)](#)) required.
  - All forms must be completed/received **PRIOR** to proposal submission.
  - Give the subrecipient a realistic “hard” deadline. Remember – you have to incorporate all the sub’s budgets/forms into your PI’s proposal AND submit within DOM DRA’s 3 day/OCGA’s 5 day deadline!



# Subawards in S2S/Cayuse

- Do NOT forget to incorporate the following information from the subawards into your proposal:
  - Subaward's Performance Sites.
  - Subaward's Facilities and Other Resources information.
  - Subaward's Equipment.
  - Full Professional Profiles & Biosketches for all subaward Key Personnel.
  - Under Research Plan section:
    - [Consortium/Contractual Arrangements](#).
    - Letter of Support from subaward PI.
  - See [S2S Subaward Review](#) for requirements for various sections.

# Subawards in S2S/Cayuse

- For Both Detailed (RR Budget) and Modular Budgets:
  - Subaward budget mechanism always follows the parent proposal
    - i.e. If UCLA will submit detailed budget, subaward budget must also be detailed. If UCLA will submit modular, subaward is also modular.
    - Regardless, you should request the [SF424 RR Subaward Budget Attachment](#) (detailed budget) from the subawardee.
  - Always allow S2S to auto-calculate UCLA F&A (Section H).
  - Only overwrite the auto-calculated figures if you are 100% sure you are correct.  
*HINT: S2S/Cayuse is almost always right!*
  - Subawards to other UCs are entirely exempt from UCLA F&A calculations.
    - In this case, be sure to zero out the \$25k “Allocated to IDC Base” under RR Subaward Budget Attachment, as this is auto-filled by Cayuse.

# Subawards in S2S/Cayuse

- **Modular Budgets**

- Under the RR Subaward Budget Attachment, only need to complete a **Worksheet Row** for each subaward.
  - Manually enter the subaward's direct cost and F&A amounts provided to you by the subawardee in their SF424 RR Subaward Budget Attachment.
  - Do NOT mark the checkbox next to the RR Subaward Budget Attachment, as the Worksheet Row data should NOT be submitted to the agency.
- Under the PHS 398 Modular Budget, include the Consortium Justification. See [S2S Subaward Review](#) for items required to be included in the Consortium Justification.

- RR Budget  
1  
2  
3  
4
- PHS Human Subjects and Clinical Research Program  
1
- PHS 398 Modular Budget  
1
- RR Subaward Budget Attachment  
1

**R&R SUBAWARD BUDGET ATTACHMENT(S) FORM**

Subaward IDC Ceiling: 25,000

Period	In-active	Subaward Direct Costs	Subaward Indirect Costs	Subaward Costs	Allocated to IDC base
1					

# Subawards in S2S/Cayuse

- Detailed Budgets

- Make sure the RR Subaward Budget Attachment box is checked so the subaward's detailed budget is included with the proposal to the sponsor.
- 3 ways to enter a detailed subaward into Cayuse:
  1. Import an SF424 RR Subaward Budget Attachment Form (Grants.gov Adobe PDF) provided by the subawardee.
  2. Import the subawardee's Cayuse/S2S subaward proposal (applicable if the subawardee uses Cayuse).
  3. UCLA Fund Manager manually enters data into Cayuse using the budget information provided by the subawardee.

- Last Resort!

RR Budget  
 1  
 2  
 3  
 4  
 PHS Human Subjects and Clinical Investigations  
 1  
 PHS 398 Modular Budget  
 1  
 RR Subaward Budget Attachment  
 1

R&R SUBAWARD BUDGET ATTACHMENT(S) FORM

Subaward IDC Ceiling: 25,000

Period	In-active	Subaward Direct Costs	Subaward Indirect Costs	Subaward Costs	Allocated to IDC base
All Subawards					
1					

# Subawards: Proposal Preparation

UCLA AS THE SUBAWARDEE/SUBRECIPIENT/CHILD

Scenario #2 – Incoming Subaward

NIH (Sponsoring Agency)



Stanford (as Subawarder/Parent)



UCLA (as Subawardee/Child)

# What about when UCLA is the subawardee?

- Work closely with your contact at the Subawarder Institution. They may have their own set of requirements.
- Find out the Subawarder's proposal deadline, it will inevitably be prior to the Prime Sponsor deadline.
- **Best Practice:** Obtain and read through the Prime Sponsor's guidelines/FOA.
- For NIH grants, more than likely, you will be required to complete the Grants.gov SF424 RR Subaward Budget Attachment Form.
  - Download directly from the Grants.gov RFA/PA packet.
  - Available on the DOM ORA Website, under [Pre-Award Forms – Subaward SF424 Adobe Budget](#).

# What about when UCLA is the subawardee?

- Create a mini-proposal, which usually includes at least the following documents:
  - Subawarder's subrecipient commitment form/Face Page/Letter of Intent.
    - Requires OCGA's signature (Contract Officer)
  - Performance Site location information.
  - Biosketches & Key Person Profiles for all UCLA Key Personnel.
  - Resources & Equipment files for UCLA PI.
  - UCLA Statement of Work.
  - Letter of Support from UCLA PI.
  - Budget (for NIH, usually the SF 424 Subaward Budget Attachment Form) along with the Budget Justification.
- Once proposal is reviewed & Subrecipient Commitment Form is signed by OCGA, send the mini proposal directly to your contact at the subawarder institution. They will then incorporate your documents into their proposal, and will submit the proposal to the Prime Sponsor.



# Links from Today's Class

- OCGA
  - [Outgoing Subaward Home Page](#)
  - [Outgoing Subaward Required Forms](#)
  - [Outgoing Subaward FAQs](#)
  - [OCGA Monthly Training](#) – Outgoing Subaward Basics
- DOM Fund Manager Manual Chapters
  - [Subaward Forms Checklist](#)
  - [Cayuse \(S2S\) NIH Subaward Review Checklist](#)
  - [S2S Subaward Attachment Requirements](#)
  - [Subaward SF424 Adobe Forms Budget](#)

# Survey Link

<http://goo.gl/forms/C3gdjsL5y1>

We appreciate if you would take a few moments to complete a short 5 question anonymous survey to help us improve your training experience. Thank you!