

FDP Subaward Forms Frequently Asked Questions

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Categories of Questions (click hyperlink below):

- [Invoicing & Final Statement of Cumulative Costs](#)
- [Uniform Guidance \(UG\) data elements contained in the FDP Subaward Templates](#)
- [Cost Reimbursement vs Fixed Price](#)
- [Other](#)

Invoicing and Final Statement of Cumulative Costs

1. Why is the final statement of cumulative costs submitted to the PTE no later than 60 days? Can I edit this number on the subaward templates to accommodate my institution's policies?

Except under rare, extenuating circumstances, the 60 days should not be edited. The FDP's position, after significant discussion in previous FDP meetings and on the listserv, is that 60 days is adequate time for the subrecipient to prepare its final statement of costs, while also providing sufficient time for the PTE to meet the Federal sponsor's financial closeout requirements. NIH and NSF have published in their Terms & Conditions a 120-day closeout period, and the FDP will encourage the other Federal sponsors to adopt the same requirements. Many FDP member institutions are unable to submit a final invoice in less than 60 days. Some of the reasons include:

- Institutions that distribute to their campuses expenditure reports 10-15 days after the end of month will not be able see their final subaward charges until the end date + 15 days, and then may need to make some corrections. In this scenario, that institution would not be able to verify that their corrections were correctly processed until they receive the subsequent monthly expenditure report – which would already be 40-45 days after the subaward end date. The purpose of the 60 days after subaward end due date for the final invoice is to allow this review, correction, re-review/verification, and then invoice preparation and submission process to properly occur. If sufficient time does not exist, it greatly increases the need for revised invoices and potentially revised financial reports. This in turn results in undue administrative burden and unnecessary tension between the PTE and the subrecipient.
- When a subrecipient receives their first monthly financial expenditure report after the subaward end date, they may recognize that certain costs remain encumbered but a final charge has not yet posted to their financial system. Using a 60 day due date allows the subrecipient to promptly and aggressively follow-up on open encumbrances to make sure that by the next month, costs are properly charged and can be collected from the PTE on the final invoice.

An exception to the 60-day rule would be for the issuance of 2nd-tier subawards. The 2nd tier PTE may edit the template to a lower # of days for the final invoice, if agreed to by both entities, in order to meet the sponsor's financial closeout requirements.

2. What are the elements that are required in an invoice for cost reimbursement subawards? - NEW

All invoices must be submitted using the subrecipient's standard invoice, but at a minimum must include the following:

- Current and cumulative costs (including cost sharing) broken down by major expenditure categories (the names of the expenditure categories may vary depending on your financial system);
- Subaward number (invoices that do not reference the pass-through entity (PTE) subaward number could be returned to subrecipient by the PTE); and
- A certification, as required in the Uniform Guidance 2 CFR 200.415 (a). The certification states: "By signing this report, I certify to the best of my knowledge and belief that the report is true, complete, and accurate, and the expenditures, disbursements and cash receipts are for the purposes and objectives set forth in the terms and conditions of the Federal award. I am aware that any false, fictitious, or fraudulent information, or the omission of any material fact, may subject me to criminal, civil or administrative penalties for fraud, false statements, false claims or otherwise." (U.S. Code Title 18, Section 1001 and Title 31, Sections 3729-3730 and 3801-3812).

The FDP understands that institutions have varying systems that may automate invoicing. The following data elements are recommended in addition to the above:

- Date of Invoice;
- Invoice Number – Identify each payment request by a unique invoice number, which can only be used one time;
- Subaward Period of Performance – as it appears on the subaward agreement;
- Invoice/Billing Period – the beginning and end dates (month, day and year) of the period in which costs were incurred and for which reimbursement is claimed;
- Subrecipient Name, Address, Point of Contact for questions;
- Remittance address – if different from the business address; and
- Program Income (if any).

3. How should the PTE reflect specific instructions for invoicing in the subaward templates? - NEW

PTEs can reflect invoicing instructions by doing the following:

- Reflect the invoicing address in Attachment 3A under "PTE Financial Contact." A new textbox has been added to in this section to include the invoicing address, if different from the financial business contact.

- Include any special invoicing instructions in Attachment 2, such as format (electronic PDF or mailed hard copy), number of copies, etc.
 - In special and limited circumstances, the PTE may indicate other invoicing instructions to meet sponsor requirements or to address high-risk concerns, if necessary. PTEs should be sure to provide explanation for additional requirements to subrecipients.

4. If the remittance address differs from the business address, where should that be reflected in the subaward templates? - NEW

Subrecipients should:

- a. Reflect the remittance address on page one of Attachment 3B under “Subrecipient Financial Contact.” Additional space has been added to include a remittance address, if different from the financial business contact’s address.
- b. Always include a “remit to” address as part of its standard invoice.

Uniform Guidance (UG) data elements contained in the FDP Subaward Templates

5. What is the definition of *Subaward Period of Performance Start and End Date*, per UG §200.331(v)?

On the UG FDP Face Page and Amendment templates, the ***Period of Performance*** meets the requirements of ***Subaward Period of Performance Start and End Date***. It is the period for which the subaward agreement or amendment is being made. It is at the discretion of the PTE whether to award the full project period as the ***Period of Performance***, or to award incrementally. The ***Period of Performance*** may or may not match the Estimated Project Period if the subaward is incrementally funded. In no event should the ***Period of Performance*** end date exceed the end date of the ***Estimated Project Period***.

6. When issuing an amendment, what should be the *Start Date* under Subaward Period of Performance? Is it the start date of this action? Or, the original start date of the agreement? - NEW

It depends!

Sponsor-specific terms may drive the start date of the ***Subaward Period of Performance*** in an amendment. Additional factors may be the pass-through entity’s (PTE’s) financial systems and institutional policies. In general, the start date of the ***Subaward Period of Performance*** on the amendment template should match the start date of the ***Subaward Period of Performance*** dates included on the original subaward agreement. The ***Effective Date*** of the amendment will indicate the date the amendment takes effect. Therefore, if you have a project that is incrementally funded

in annual installments, the PTE may choose to use the start date of the annual budget period as the ***Effective Date***.

For certain projects that do not allow automatic carryover of previous budget period funds, the PTE may elect to issue new subaward agreements, instead of amendments, to make it clear to the subrecipient that funds are to be treated separately from any other budget period.

7. Are the *Estimated Project Period* and *Incrementally Estimated Total* required fields?

The FDP's position is that these elements should always be completed on the Face Page in order for subrecipients to track anticipated funds. PTEs and subrecipients should be aware that completing these fields does not constitute a commitment from the PTE, but rather, is just an estimate of future years funding.

8. Can you define the *Incrementally Estimated Total*?

The ***Incrementally Estimated Total*** is the total amount estimated to the subrecipient for the full project period.

Example: PTE plans to issue subrecipient \$100,000 per year for five years, the ***Incrementally Estimated Total*** would be \$500,000.

Future versions of the FDP templates may revise this language to state ***Project Period Estimated Total*** to avoid confusion over the word *Incrementally*.

9. Can you verify how the new subaward templates incorporates UG §200.331 (a) (vi) - Amount of Federal Funds Obligated by this action? Is this interpreted as the amount to the PTE, or the amount obligated to the subrecipient?

This was interpreted to mean the amount obligated to the subrecipient, not to the PTE. This is captured on the Face Pages of both the Cost Reimbursement (CR) and Fixed Price (FP) subaward templates under the field **Amount Funded This Action**. This is also captured on the **Amendment** templates.

10. Does the subrecipient need the FAIN number? Most times unless it's an award from NIH, the FAIN number is not identified in the award.

Yes! The subrecipient needs the FAIN#. It is a requirement per UG in [§200.331 \(a\) \(iii\)](#). However, it is only required if the prime award is subject to UG, per the prime Notice of Award (NoA). The Federal sponsors are required to include the FAIN # in the NoA per UG [§200.210 \(a\) \(3\)](#). PTEs should pay close attention to when the NoA was issued, the terms and conditions included, and if that NoA obligates new or incremental funding subject to UG. If yes, the NoA has to have a FAIN number. If a Federal sponsor did not include the FAIN or any other required data

elements, and they should have (because it is subject to UG) then it is the responsibility of the PTE to contact the sponsor to obtain a corrected NoA.

- 11. I see that the Subaward Face Page has a space for the total amount of Federal award to the PTE as is required by the UG. However, the Amendment does not have this space for when the prime award is modified. If we are using the obligated amount on the original subaward, which seems to be the most appropriate since the out years may be cut from the anticipated amount, there should be a space on the amendment for revised total amount of the prime award. Thoughts?**

The required data elements to flow-down to subrecipients per UG could potentially change during the project period of the award. An example is the “**Total Amount of Federal Award to PTE.**” In the interim, PTEs can attach a copy of their prime NoAs, which contain the required data elements, and redact information as desired. During future FDP meetings, we’ll discuss ways to incorporate changes of the required data elements into Amendments to make this easier for PTEs. The UG requires a change in any of the required data elements be included in subsequent subaward modifications. The PTE has the option of issuing unilateral modifications to subrecipients to update basic information when the prime award is modified, or the PTE may choose to include any relevant updates in the incremental award.

- 12. Some of our subrecipients request that we, as the PTE, include a copy of the prime award with our subaward agreement. What should we do? - REVISED**

The FDP strongly recommends including the full NoA with redacted information as necessary. If your NoA contains information that you do not wish your subrecipient to view (examples include restrictions specific to the primary PI) then you can redact information by blacking out information on the NoA. As a PTE, you have privity with your subrecipients and the prime Federal agency. The subrecipient does not have privity with the Federal agency. The subrecipient may request the PTE to flow down certain clauses or request that you attach the NoA, but they cannot require it.

- 13. How are you incorporating the new Uniform Guidance (UG) data elements into your lower tier subaward agreements? This would be the situation when your institution receives Federal flow through funds from a Pass Through Entity (PTE) and will pass a portion on to a third lower tier institution. I’m not sure how to reflect the required data elements to a third tier entity.**

Each PTE, regardless of tier, is responsible for flowing down all required data elements under the UG, plus any other additional elements. See [Attachment 1](#) on the FDP website for a listing of all required data elements and their location in the FDP subaward templates.

- 14. Can you clarify “Is this Award R&D?” on the Face Page of the Subaward Agreement? Is it meant to identify the primary award as R&D? Or, the subrecipient’s subaward as R&D? - NEW**

PTEs should indicate whether the prime Notice of Award (NoA) is a Research & Development (R&D) award in this question. The definition of R&D is in UG §200.87. "R&D means all research activities, both basic and applied, and all development activities that are performed by non-Federal entities. The term research also includes activities involving the training of individuals in research techniques where such activities utilize the same facilities as other research and development activities and where such activities are not included in the instruction function." The Federal agencies are required to include whether the award is R&D in the prime Notice of Award (NoA).

Cost Reimbursement vs Fixed Price

15. What is the difference between cost reimbursable and fixed price subaward agreements? - NEW

A *cost reimbursable* subaward agreement is used to pay for actual expenses incurred in the performance of the statement of work. The risk associated with this type of agreement is typically borne by the pass-through entity (PTE), as there is no guarantee of an outcome or deliverable. Cost reimbursable agreements include a detailed line-item budget with a not-to-exceed amount, which the subrecipient must follow closely depending on the terms of the agreement. In a cost reimbursable agreement, any funds remaining at the end of the project cannot be collected by the subrecipient and any advanced funds must be returned to the PTE if there are no corresponding actual expenses. Generally, a final invoice is required detailing all cumulative costs incurred.

A *fixed price* subaward is one where a price or rate is determined up front for a specific deliverable and is only paid if the deliverable is met. The risk associated with this type of agreement is borne by the subrecipient, since a deliverable is required to obtain payment even if the cost to meet the deliverable exceeds the agreed-upon rate. Fixed price agreements will have a payment schedule instead of a detailed budget and should include specifics on the deliverable and corresponding payment amount. Fixed price payments are generally inclusive of all costs, including F&A. The payments are not tied to actual expenses or costs incurred, do not require financial reports, and any residual balance should remain with the subrecipient institution. However, the subrecipient must certify in writing (Certificate of Completion) to the PTE at the end of the award that the project, activity, or service was completed. For most fixed price agreements, this would include a statement that personnel service was delivered as specified in the scope of work, or a product was completed. If the required deliverables were not carried out, the amount of the subaward must be adjusted, as per Uniform Guidance [2 CFR 200.201\(b\)\(3\)](#).

16. When should I use a fixed price subaward agreement? - NEW

Fixed price agreements are appropriate when the work to be performed is specific and can be priced with a reasonable degree of certainty. Samples of appropriate mechanisms to establish an appropriate price include the subrecipient past experience with similar types of work for which outcomes and their costs can be reliably predicted or the subrecipient can easily obtain price estimates for significant cost elements. Under the Uniform Guidance, fixed price subaward agreements must be approved by the sponsor prior to issuance up to the Simplified Acquisition Threshold (\$150,000). Prior approval requirements vary by federal agency and may be subject to change, so it is important to verify the current policy directly with the sponsor. Payments are generally based on meeting specific requirements or deliverables of the subaward scope of work. Accountability and payment are based on performance and results. It is important that the PTE principal investigator monitor and approve progress on deliverables for payments.

Most of the subaward agreements between FDP institutions utilize the cost reimbursable methodology. However, there may be some occasions where a fixed price agreement is appropriate, even though the prime agreement is cost reimbursable to the PTE. Some institutions prefer to issue fixed price subaward agreements to foreign entities, or entities identified as high-risk. Fixed price subaward agreements cannot be used in programs that require a mandatory cost-share or match.

It is not appropriate to issue a cost reimbursable agreement utilizing a payment schedule/deliverable type budget in order to circumvent the Uniform Guidance prior approval requirement. Refer to additional guidance on the use of fixed price subaward agreements for the FDP Foreign Subaward Agreement and the future Clinical Trial Agreement templates.

Other Subaward Questions

17. Have you had a situation where 30-45 days has passed for an award subject to FFATA, and the award is not posted on the FSRS site? What are suggestions for getting the information posted so that a report can be filed? Do we call the agency and remind them to report?

We recommend calling FSRS directly to report it. Sometimes you will get an error message that another entity is reporting the award (for example, this could happen when PIs transfer their grants from one institution to another). Depending on what the error is, you may have to also contact the sponsor agency, who will need to update the system. When calling FSRS, it should be documented in your files that you've tried to get the agency to post, and you can't submit a FFATA report until they do.

18. Does the FDP provide subaward templates for non-federal sponsors? - NEW

The FDP does not provide templates for non-federal awards. As an option, PTEs can review the **FDP Subcontract Template** as a guide in the development of customized templates. These templates contain a full listing of clauses, such as intellectual property (IP) and indemnification, that may be helpful. If the PTE chooses to modify these templates for non-federal awards, the templates should not be presented as FDP templates. Federal contract terms should be removed, and the PTE may choose to include a copy of the prime award Notice of Award as an attachment.