## Appendix A

### SUBAWARD RISK ASSESSMENT

<table>
<thead>
<tr>
<th>% of Subaward on Award</th>
<th>Subaward</th>
<th>Importance</th>
<th>Phase-year Spending</th>
<th>FAR Award</th>
<th>Single audit needed</th>
<th>Substantial Similarity</th>
<th>Action Plan for Substantial Similarity</th>
<th>Training Provided</th>
<th>Subcontractor</th>
<th>Subcontractor Education</th>
<th>Interagency Agreement</th>
<th>Interagency Agreement approved</th>
<th>Risk Level</th>
</tr>
</thead>
<tbody>
<tr>
<td>Low Risk</td>
<td>0%</td>
<td>Low</td>
<td>Less than $10k</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>Low</td>
</tr>
<tr>
<td>High Risk</td>
<td>50%</td>
<td>High</td>
<td>$10k-$100k</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>High</td>
</tr>
</tbody>
</table>

Notes:
- FAR: Federal Acquisition Regulations
- Interagency Agreement: Agreement between two or more federal agencies
- Interagency Agreement approved: Indicates whether the interagency agreement has been approved by all parties involved.

*High Risk indicates a significant risk level requiring immediate attention and action to mitigate potential losses.*
Authorization & Establishment of a Subaward

The Office of Legal Affairs should receive the following prior to preparation of a subaward agreement:

- Subrecipient Commitment Form (Contract Manager only);
- Statement Work; and
- Budget and Budget Justification in awarding agency format

If the documentation appears complete, Office of Legal Affairs will process the subaward. The primary steps in the workflow are as follows:

1. Prepare a subaward agreement according to the terms of the sponsored project;
2. Obtain fiscal approval to proceed from the Project Administrator handling the account in the Grants & Contracts department, documenting that there are sufficient funds in the account to pay for the work as budgeted by the PI and that the proposed work is allowable under the prime award;
3. Forward the proposed subaward agreement to the subrecipient for review;
4. If necessary, negotiate the proposed subaward agreement as required;
5. Obtain a signed copy of the subaward agreement from an authorized agent of the subrecipient; and
6. Approve the subaward agreement for execution by the RF.

The Compliance Manager will be responsible for communicating with the subrecipient and obtaining certain information on an annual basis, as described in the “Annual monitoring” section.
Requirements for Reviewing Invoices

The PI or authorized signatory must review and approve all invoice submissions from the subrecipient for payment. To facilitate payment of the invoice(s), the PI or authorized signatory must access the RF’s electronic Payment System to create and submit individual Payment Requests issued to the subrecipient entity with an invoice attached. The invoice must be signed and dated by authorized personnel from the subrecipient entity. Payment Request transactions will be reviewed and processed by staff from the Department of Procurement and Payables (P&P). Payment Request submission with an unsigned invoice from the subrecipient entity will not be processed.

Subrecipient invoices should contain at least the following information:
- the period of performance covered by the invoice;
- a description of services reflected by billings (e.g., major expenditure categories);
- current period costs, including cost sharing (in sufficient detail to enable comparison to the project budget);
- cumulative project costs, including cost sharing, as compared to the project budget; and
- certification as to the truth and accuracy of the invoice.

If, after review of any invoice, a concern with respect to the subrecipient’s performance or the inclusion of any unusual, excessive or unexplained charges is identified, the PI should request detailed justification from the subrecipient. PIs may also periodically request, particularly from high-risk subrecipients, detailed support for selected invoice charges to verify their appropriateness and reasonableness. Examples of detailed justifications that may be requested from subrecipients include:

- payroll record data;
- copies of paid invoices showing the cost of items purchased and Sole Source Justification forms, if required by Federal contract;
- descriptions of services rendered by consultants including hourly rates and time reports; and
- details of incurred travel charges, stating the purpose, airfare, meals, ground transportation, unallowable costs, etc.

If the explanation from the subrecipient remains insufficient to render prudent judgment on the allowability of the cost or compliance with the terms of the subaward agreement, the PI should notify the Grants Officer as soon as possible. The Grants Officer will inform the Compliance Manager about any unresolved issues. The Compliance Manager will review and discuss such matters with the CFO and Deputy CFO. If it is agreed the award should be terminated, Finance will notify the Office of Legal Affairs.
Unreasonable, unallowable or unallocable costs should be disallowed by the PI or authorized signatory. The reason for disallowance should be documented (e.g., progress reports not filed, expenses not in line with Statement of Work, etc.) and subrecipient should be contacted to issue a revised invoice.

Invoices should be submitted within 45 days of invoice date to the Department of Procurement and Payables for review and payment via the RF’s electronic Payment Request submission system.