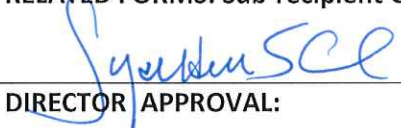
		<p align="center"><b>Center for Research Compliance and Development (CRECED)</b></p> <p align="center"><b>SUB-AWARD SUBMISSION PROCEDURES</b></p>	
<p><b>PROCESS:</b> Sub-Award Submission Policies and Procedures</p>			
<p><b>POLICY REFERENCE:</b> Office of the Vice President for Research and Technology, University of Puerto Rico: Handbook of Policies and Procedures for Sponsored Programs</p>			
<p><b>PURPOSE:</b> Set out best practices for handling the development of research agreements and contracts with the University of Puerto Rico, Medicals Sciences Campus</p>			
<p><b>ISSUE DATE:</b> September 2016</p>	<p><b>LAST AMENDED DATE:</b></p>	<p><b>EFFECTIVE DATE:</b> 9/1/16</p>	
<p><b>RELATED FORMS:</b> Sub-recipient Commitment Form</p>			
<p><b>DIRECTOR APPROVAL:</b></p> 		<p><b>APPROVAL DATE:</b></p> <p align="center">3/7/17</p>	

**INTRODUCTION:**

Since September 2016, the Center for Research Compliance and Development (CRECED) is in charge of all the research. CRECED has the commitment to enforce the regulations established by the University of Puerto Rico and in the same way continue to promote research in our institution. Also, the center will continue to promote a research culture by partnering with other programs/units to enhance research education across all MSC schools and aligning efforts to promote research.

**PURPOSE:**

- Establish the procedure for submission of a proposal to the Center for Research Compliance and Development (CRECED).

**DEFINITIONS:**

- **Applying F&A (Indirect Cost) rates to sub-awards** - There are two types of F&A costs on sub-awards, those earned by the Sub-recipient, and those earned by campus/unit. A Sub-recipient is expected to apply its own federally negotiated F&A rates and bases when preparing its sub-award budget. If a Sub-recipient does not have a federally approved F&A rate, it must either have its proposed indirect cost rate approved by campus/unit or elect not to recover indirect costs. Campus/unit applies the OMB A-21 "life-of-the-award" policy with respect to its sub-awards and will use the approved F&A rates authorized at the time of issuance of the sub-award. When campus/unit's prime award uses an F&A rate that is based on a Modified Total Direct Cost Base, campus/unit will recover its own F&A on the first \$25,000 of each sub-award on a project. This recovery is calculated on the life of the sub-award<sup>1</sup>.
- **Contract:** A legal agreement used to procure goods or services; referred to as a subcontract if the award is a pass-through from a prime contract.
- **F&A:** Otherwise known as indirect costs, "IDC" or F&A are costs incurred by the institution which support the research projects.
- **Sub-award** - a formal written agreement made between campus/unit and a "Sub-recipient" (as defined below) to perform a portion of the Statement of Work under a sponsored project. A sub-award must include a clearly defined, intellectually significant Statement of Work (SOW) to be performed by the Sub-recipient. The Sub-recipient's SOW is performed by its personnel, using its own facilities and resources. Work is usually performed at the Sub-recipient's site. The Sub-recipient takes full responsibility for adhering to the terms and conditions of the sub-award (including those flowed down from campus/unit), and assumes creative and intellectual responsibility and 56 leadership as well as financial management for performing and fulfilling the Sub-recipient's SOW within the Sub-recipient's approved budget. Sub-awards differ from procurement contracts used to acquire goods or services from vendors<sup>2</sup>.
- **Sub-recipient** - a non-campus/unit entity that expends awards received from campus/unit to carry out a portion of campus/unit's programmatic effort under a sponsored project. There must be an arms-length relationship between campus/unit and its sub-recipients. The Sub-recipient may be another educational institution, an independent laboratory, a foundation, a for-profit corporation, a non-profit corporation or other organization, and may be a domestic or foreign

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<sup>1</sup> University of Puerto Rico., (2012), Handbook of Policies and Procedures for Sponsored Programs, Office of the Vice President for Research and Technology. Page 56. Retrieve from: <http://creced.rcm.upr.edu/wp-content/uploads/sites/9/2017/01/Handbook-Policies-Procedure-Sponsored-Programs.pdf>

<sup>2</sup> University of Puerto Rico., (2012), Handbook of Policies and Procedures for Sponsored Programs, Office of the Vice President for Research and Technology. Page 56. Retrieve from: <http://creced.rcm.upr.edu/wp-content/uploads/sites/9/2017/01/Handbook-Policies-Procedure-Sponsored-Programs.pdf>

entity. For both federal and non-federal sponsored projects, campus/unit adheres to the federal government's definition of a Sub-recipient as defined in OMB Circular A-133<sup>3</sup>.

**PROCEDURE:**

**Step 1**

1. The contract is received in CRECED and the accountant confirm that the sub-award is authorized.
2. The accountant verifies the budget and F&A, and then the account is created.
3. The accountant register the budget in the system.

**Step 2**

1. The accountant will proceed to prepare an:
  - a. Expense report
  - b. Indirect Cost adjustment in the account
  - c. Account Invoice
2. Sen an invoice to the Principal Investigator (PI) or the administrator of the project.
3. Obtain signature of the Financial Director
4. Send the invoice by mail or electronically (email)

**Step 3**

1. Deposit Checks
2. Verify wire transfers
3. Match invoices with checks or wire transfers
4. Register the payments in the accounts

**Step 4**

1. Reconcile cumulative expenditures for final invoice
2. Verify closeout documents
3. Send final invoice to the administrator of the project for review and approval
4. Obtain signatures of the Financial Director
5. Send final invoice (marked as final) by mail or electronically (email)

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<sup>3</sup> University of Puerto Rico., (2012), Handbook of Policies and Procedures for Sponsored Programs, Office of the Vice President for Research and Technology. Page 56. Retrieve from: <http://creced.rcm.upr.edu/wp-content/uploads/sites/9/2017/01/Handbook-Policies-Procedure-Sponsored-Programs.pdf>

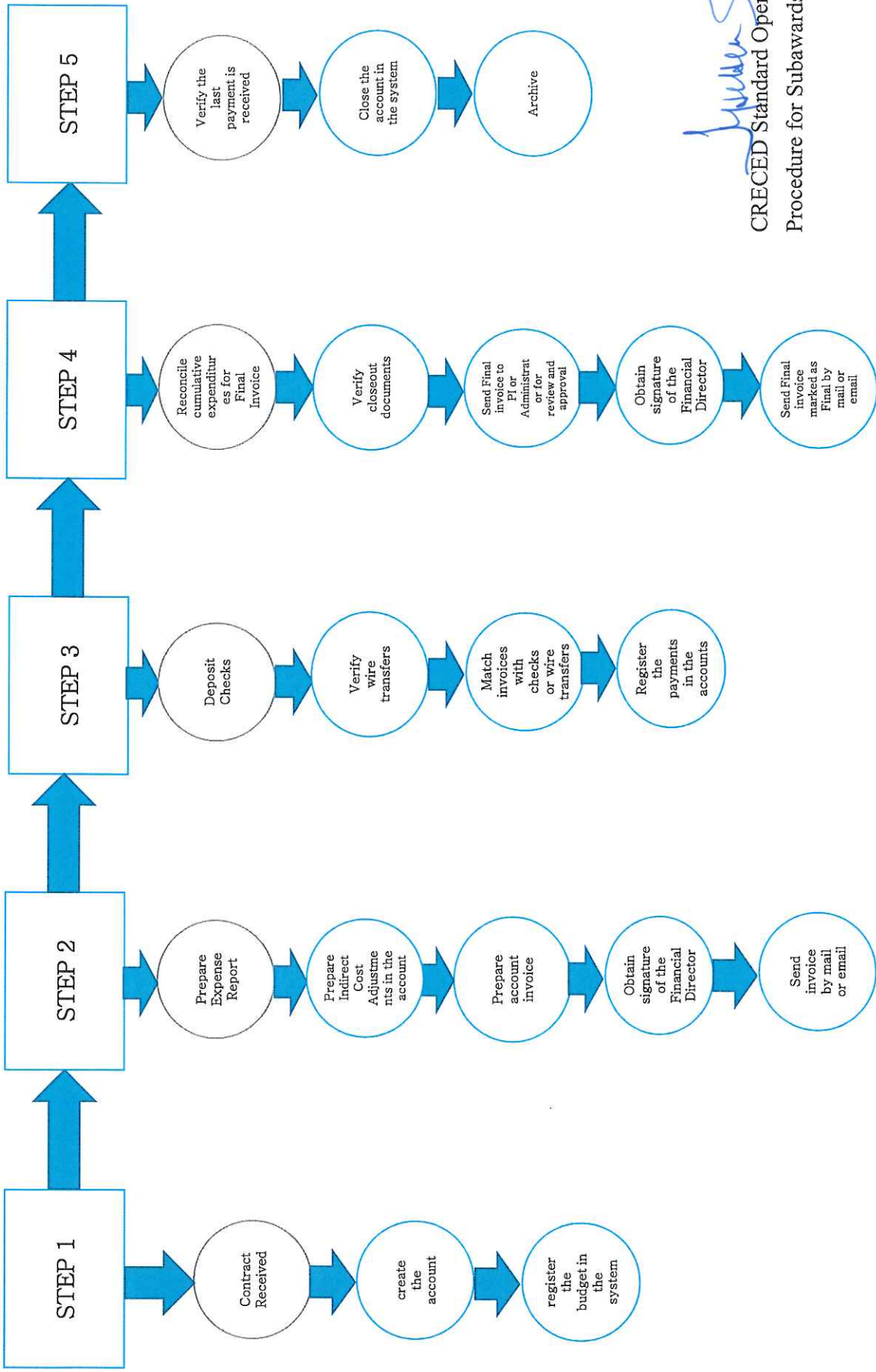
**Step 5**

1. Verify the last payment is received
2. Close the account in the system
3. Archive case

**SUBRECIPIENT COMMITMENT FORM**

- All sub-recipient should complete the form available at <http://creced.rcm.upr.edu/>
- Under the PRE-AWARD section
  - Templates





*James S. C.*  
 CRECED Standard Operating  
 Procedure for Subawards