

Procedures for Setting Up Virginia Tech-Administered Host Country Subaward Contracts

The initiation and establishment of host country Subawards requires special attention. The SANREM CRSP Management Entity (ME) at Virginia Tech is responsible for overall management of these contractual relations. However to create a smooth process, coordination among four partners is required:

- the US university's Research Activity Leader (RAL, or principle investigator);
- the host country institution (including principle researcher, signatory authority, and accountant);
- Virginia Tech's Office of Sponsored Programs; and
- the Management Entity office at Virginia Tech.

Although not part of the official contract, the RAL is crucial to the efficient establishment and implementation of Subawards. As the person in closest contact with all partners, the RAL is an active partner in establishing good working relations between the ME and the host country institution. Clarity in all communications is essential so that all partners attain the same level of understanding and are provided up-to-date information.

Initiating Subaward Relations

1. Once the ME informs a RAL that his/her research application has been accepted, an inventory must be taken of all host country institutions requiring funds. For each institution, the RAL should provide the following documents to the ME:
 - a. The [Subaward Information Sheet](#) (Form 6), including: the name and contact information (mailing address, courier delivery address, email, telephone and fax numbers for the following key personnel: (1) the primary researcher, (2) the legal authority who can sign for the institution, and (3) the accountant who will be responsible for managing the account), information concerning account record keeping practices, ability to maintain original receipts for 5 years after project completion, and communication infrastructure and capabilities (e.g., use of Excel, Adobe Acrobat, and scanners, and the quality of email connectivity).
 - b. The agreed *Scope(s) of Work* according to fiscal period (USAID funds are only allocated on a yearly basis, 1 October to 30 September) clearly specifying research tasks and expected deliverables.
 - c. The *Budget* organized according to fiscal period.
 - d. The *Budget Narrative* by fiscal period describing and justifying how budget line items were derived.

2. The RAL will also assist in establishing a working relationship between Virginia Tech and each identified host country institution. In order for Virginia Tech to set up a Subaward for a host country institution, each institution must sign and forward four (or five) required documents to Virginia Tech. They are:
 - a. The [Memorandum of Understanding](#) (MOU) must be established between each host country institution and Virginia Tech. A Microsoft Word version of each MOU has been prepared and accompanies these instructions. The host country institution must complete the section naming their authorized executive officer(s) who will sign the MOU. At least three copies should be completed, signed, and returned to the ME at Virginia Tech. Virginia Tech authorities will then sign and retain two copies, returning the remaining copies to the host country institution.
 - b. One copy of the [Subrecipient Data Sheet](#) (Form 5) must also be printed, signed, and forwarded with the MOU to the ME at Virginia Tech.
 - c. Required [USAID Certifications for Host Country Institutions](#) (Form 9):
 - i. Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion Lower Tier Covered Transactions; and
 - ii. Certification Regarding Material Support and Resources.
 - d. If the host country institution has received \$500,000 or more of US government funds per annum, a copy of the host country institution's most recent ***external audit statement*** of their financial records must be sent to the ME.

The RAL should forward the MOU, Subrecipient Data Sheet, and USAID Forms to the host country institution for review and a signature, and then return them to the ME at Virginia Tech. These documents must be returned directly to the ME before a Subaward contract can be issued and project activities initiated. (In instances where there is more than one institution in a host country, it would be most efficient if a single institution managed the funds for all institutions in that country.)

3. The RAL should advise the ME if the host country institution will require a cash advance in order to complete the assigned duties. The amount of the cash advance will be determined by the ME in consultation with the RAL, based on an assessment of the budget and scope of work. For cash advances, the host country institution must open a bank account dedicated to the SANREM CRSP activity to receive wire transfers from the ME at Virginia Tech. It is standard USAID policy that USAID funds must be kept separate from other funds (funds from two different projects cannot be co-mingled in the same bank account).
4. In order for any payments to be made (reimbursements or cash advances), the following information should be supplied to the ME: name and address of the bank, Swift code (or routing number), exact name of the account holder, and bank account number.

Setting Up the Subaward Contract

5. Once the Management Entity office has received the signed MOU, Subrecipient Data Sheet, and a copy of the financial audit (if required) from the host country institution, and

the Scope of Work, Budget, and Budget Narrative from the RAL, it will then request in writing that Virginia Tech Sponsored Programs issue a subaward contract to the host country institution.

6. When the subaward contract has been prepared, Virginia Tech Sponsored Programs Office will send the contract electronically to the host country institution for signature (through the SANREM CRSP Management Entity office). After signing the contracts, the host country institution will return the signature page electronically to the ME at Virginia Tech along with bank account wire transfer coordinates, as detailed in number 4 above. If the volume of the contract is too big to send electronically, Virginia Tech Sponsored Programs Office (SPO) will send it through a courier service for signature and will accept a signature page electronically.
7. If the host country institution requires a cash advance, a request for cash advance should be signed and included with the returned signed subaward contract. If requested, the Virginia Tech Accounting Office will wire the agreed cash advance (see number 3 above) to the host country institution's bank account.

Management of Subawards

8. The host country institution will receive additional funding beyond any cash advance only when it has submitted and the ME has approved an invoice(s) accounting for and requesting reimbursement of the funds expended. (A Virginia Tech information sheet explaining accounting and invoice reporting procedures will accompany the subaward contract.)
9. All payments to host country institutions are contingent upon satisfactory progress toward achieving the planned scope of work objectives as attested to by the RAL, and the following of proper invoicing procedures. The ME will forward an electronic copy of each invoice to the RAL for review and email approval.

All questions concerning these instructions should be directed to the:

SANREM CRSP Management Entity
OIREB/Virginia Tech
526 Prices Fork Road, Suite 211
Blacksburg, Virginia 24061-0378

sanrem@vt.edu

Phone: +1 (540) 231-1230

Fax: +1 (540) 231-1402