

Procedures for Setting Up Virginia Tech-Administered US and International Subaward Contracts

The initiation and establishment of 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 between four partners is required:

- the US university's Research Activity Leader (RAL, or principle investigator);
- the subaward 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

Once the ME informs a RAL that his/her research application has been accepted, an inventory must be taken of all collaborating 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 (extracted from original proposal with recommended revisions, if any).
- d. The *Budget Narrative* by fiscal period describing and justifying how budget line items were derived.
- e. The *Cost Share Budget* organized according to fiscal period.
- f. The *Cost Share Budget Narrative* by fiscal period.

Please inform the collaborating institution that they will be required to submit the following:

1. One signed copy of the [Subrecipient Data Sheet](#) (Form 5A for US recipients, 5B for host country recipients).
2. The latest year-end audited financial statement, the latest A-133 audit report, or a certified (signed) letter stating that the institution has been audited in accordance with A-133 and whether there were any findings.
3. Required [USAID Certifications](#) (Form 8) for US Universities. IARCs and international NGOs only need to submit items *iii* and *vi* ([USAID Certifications for Host Country Institutions](#), Form 9)
 - i. Part I – Certifications and Assurances
 - ii. Part II – Other Statements of Recipient
 - iii. Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion Lower Tier Covered Transactions
 - iv. Key Individual Certification Narcotics Offences and Drug Trafficking
 - v. Participant Certification Narcotics Offences and Drug Trafficking
 - vi. Certification Regarding Material Support and Resources
 - vii. Self Certification Letter
 - viii. Negotiated Indirect Cost Rate Agreement (NICRA).

Setting Up the Subaward Contract

1. Once the Management Entity office has received the Subrecipient Data Sheet and a copy of the financial audit from the collaborating 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 collaborating institution.
2. When the subaward contract has been prepared, Virginia Tech Sponsored Programs Office will send the contract to the collaborating institution electronically for signature (through the SANREM CRSP Management Entity office). After signing the contracts, the collaborating institution will return the signature page to the ME at Virginia Tech. U.S. institutions need to provide a mailing address for reimbursements. Non-U.S.-based organizations need to provide bank account wire transfer coordinates, as detailed in number 3 below.
3. In order for any international payments to be made (reimbursements), 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.
4. U.S. and international institutions are required to provide a 25 percent matching commitment. Cost sharing may include, but is not limited to: 1) faculty participation in providing technical direction and management of the CRSP; 2) in-kind contribution(s); and 3) other cost sharing arrangements. The cost share must consist of **non-federally funded contributions that meet all the criteria detailed in 22 CFR 226.23** and must be

described in detail within the budget narrative. The cost-sharing requirement for CRSPs is **25%** of non-exempted USAID funds as described in the cooperative agreement.

The cooperative agreement exempts the following from cost-sharing:

- a. Funds committed under the terms of a formal CRSP host country sub-agreement, including funds for facilities, host country personnel services, and equipment and commodity purchases by a participating U.S. institution for use by a host country entity or by the U.S. institution in a host country. Funds for these costs may be held apart in reserve by the participating U.S. institution until expended directly to a vendor for the goods and services described. Also, the funds may be passed to the host country for its purchases and use in accordance with the agreement;
 - b. Costs for training of participants as defined in ADS 253.
5. For all applications, indirect costs are limited to the lesser of federally negotiated off-campus research rates (NICRA) or 30 percent of modified total direct costs for U.S. universities, international centers, and non-host country organizations. No indirect costs are allowed on equipment and student tuition.

Management of Subawards

6. All payments to collaborating 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:

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