

SANREM CRSP

Procedures for Setting Up US University-Administered Host Country Subaward Contracts

The initiation and establishment of host country subawards requires special attention. The US-based lead university is responsible for overall management of these contractual relations. However, the SANREM CRSP Management Entity (ME) at Virginia Tech is required to provide oversight and verification of compliance with USAID regulations and contractual obligations. Coordination between four partners is required:

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

As a reminder, the following numbered list outlines the primary budgetary requirements and terms for managing SANREM CRSP subaward contracts:

1. At least 50 percent of SANREM CRSP funds must be expended in or on behalf of proposed host countries or regions. Travel to host countries in the development of partnerships and long-term research applications is considered a host country-related expense.
2. 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.

3. 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. Host country organization indirect cost rates are limited to a maximum of 10 percent. No indirect costs are allowed on equipment and student tuition.
4. The SANREM CRSP subaward policy is designed to maximize the amount of funding going to host country institutions. Lead institutions that waive indirect costs and are prepared to make needed cash advances on subawards to host country organizations may administer the host country organization subawards and the subawards with indirect costs to other participating US partners and IARCs. If the lead institution is unable to waive indirect costs on host country institution subawards, the ME (OIED/VT) will manage subawards for the host country institutions, US partners, and IARCs for the lead institution. In the latter case, please notify the SANREM CRSP Management Entity at Virginia Tech.

Initiating Subaward Relations

5. Once the ME informs a RAL that his/her research application has been accepted, CRSP policy requires that the lead university establish a Memorandum of Understanding (MOU) with each host country institution with which it will be contracting a subaward. Once established, a copy of this MOU should be forwarded to the Management Entity at Virginia Tech.
6. The lead university should then set up a subaward contract and invoicing system according to their standard procedures. The Management Entity encourages lead universities to use our invoice form (find on the “Partners Access Only” webpage of the SANREM CRSP website). All SANREM CRSP subawards and sub/subawards will be tracked by line item (see below). As with the overall activity budget, scopes of work, budget, cost share, and budget narrative should be organized according to fiscal period. USAID funds are only allocated on a yearly basis - 1 October through 30 September - and SANREM CRSP is required to adhere to this annual reporting time frame as well.
7. 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 also be obtained and retained by the lead university.
8. See “Procedures for Setting Up Virginia Tech-Administered Host Country Subaward Contracts” as an example of standardized procedures that Virginia Tech follows.

Management of Subawards

9. Line item invoices need to be submitted to the Virginia Tech ME for lead university and their subawardee expenses. The following are brief descriptions of each line item category:
 - a. Salaries and Wages – name of person paid and the pay period (month/yr);
 - b. Graduate Assistantships – name of the person, institution, and period (month/yr);
 - c. Graduate Tuition – name of the person, institution, and tuition period;
 - d. Travel, International – authorization number, name of person, dates of travel, and destination (see note below);
 - e. Travel, Domestic – name of person, dates of travel, and destination;
 - f. Equipment – type of equipment (see note about equipment below);
 - g. Supplies – list of supplies purchased;
 - h. Contractual Services – description of services (such as postage, telephone, fax);
 - i. Subcontractors – name of subcontractor and description of types of expenditures it incurred;
 - j. Other Direct Costs – specify the nature of the expenditure (for example, bank charges); and
 - k. Indirect Costs/Administrative Fee – SANREM CRSP approved Indirect Costs (or in the case of host country institutions, Administrative Fee) calculated on the basis of the Total Direct Costs less equipment and tuition expenditures.
10. Equipment Notes:
 - a. Any purchase of equipment (use your institution's definition of equipment and cost threshold or USAID's \$5,000 threshold, whichever is less) will require detailed equipment information to be entered on the Equipment and International Travel Detail worksheet before reimbursement will be made (on the "Partners Access Only" webpage of the SANREM CRSP website).
 - b. In addition, any equipment purchased with USAID funds must contain at least 50% US source and origin. A statement from the vendor may be required to confirm this status.
11. International Travel Note: All international travel must have a travel authorization number submitted with the invoice for reimbursement. Travel authorization numbers will be forwarded to the Research Activity Leader (RAL) by the ME. Authorization numbers will only be issued for international travel approved in the annual plan of work.
12. Invoices from lead universities and their subawardees (US, international, and host country) need to be submitted no more frequently than monthly and at least quarterly. If no expenses were incurred within a 3-month period then a no-expenses invoice needs to be submitted for that period.

13. All payments to lead universities are contingent upon satisfactory progress toward achieving the planned scope of work objectives and the following of proper invoicing procedures.

TECHNOLOGY REQUIREMENTS

Subawardees should have access to and knowledge of the following software:

- Microsoft Excel (a recent version to complete and submit invoices);
- Microsoft Word (a recent version to draft cover letters and read ME correspondence); and
- Adobe Acrobat (in order to scan and read documents, and send receipts).

Subawardees must also have computer equipment and communications infrastructure to:

- have access to the Internet;
- process email with attachments; and
- scan documents for electronic transfer.

As electronic communications are vital to efficient implementation, host country institutions will be authorized to make moderate expenditures to secure minimum communication infrastructure. The ME must be kept informed of all communication breakdowns.

** Host country institutions must acknowledge receipt of communications immediately and communicate when a full response to the ME will be made. Failure to do so will result in delay in the processing of invoices and reimbursement of expenses.

US VISAS FOR INTERNATIONAL TRAINING PARTICIPANTS

All host country participants traveling to the US for SANREM CRSP training activities will be required to obtain J-1 visas. Advanced preparation is required to complete the USAID and Homeland Security registration requirements. The SANREM CRSP will be required to track all such participants through USAID's TraiNet system. Please contact the ME at least six months before any travel is expected. For instructions on registering for visas through the TraiNet System and acquiring HAC Insurance for participants see [TraiNet-HAC Instructions](#) (Form 10).

PATENTS/INVENTION REQUIREMENTS

If any patents or inventions are created while under contract with Virginia Tech, an invention disclosure report form must be completed and returned to Virginia Tech. This form will be available on the SANREM CRSP Partners Only Website to which you will be provided a password.

TAXES PAID REQUIREMENTS

Any value added taxes (other than sales taxes) or customs duties imposed on commodities purchased with foreign assistance funds (i.e., SANREM CRSP funds) shall be exempt from taxation by a foreign government, or, if it was taxed, those taxes must be reimbursed by the foreign government.

All questions concerning these instructions should be directed to:

SANREM CRSP Management Entity-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