

Subawards Terminology

Allocable Costs – A cost is allocable when the benefit to a project is commensurate with the portion of the cost charged. For example, a cost that is incurred solely for the purpose of a sponsored project may be charged 100% to the project. If two or more projects or activities benefit from a given cost, the cost must be split based on the proportionate benefit each project or activity will receive. When possible, allocability should be based on a quantifiable factor (e.g., I am buying a box of cylinders for my lab, and I *expect* to use 40% of them for Project A so I will charge 40% of the cost to Project A.)

Allowable Costs - Costs that the sponsor will reimburse under the subaward (i.e., subcontract, subagreement, subrecipient agreement, subgrant) to which they are charged. In general, a cost is allowable if it is reasonable, allocable, applicable to subaward work, in conformity with the requirements and limitations of the subaward, and in conformity with generally accepted sound business practices. A cost that requires the sponsor's prior consent is not an allowable cost until that consent has been obtained.

Animal and/or Human Subject Approval - An approval obtained by a Principal Investigator to conduct research that involves experiments on, or treatment of, animal or human subjects. If animals are involved, approval is obtained from the Institutional Animal Care and Use Committee (IACUC). If humans are involved, approval is obtained from the Institutional Review Board (IRB). No work involving humans or animals (including recruiting human subjects or ordering animals) may be conducted until an approval covering that work is finalized.

Audit (A-133 / Single Audit) – This is an annual audit of non-profit organizations, and state and local governments which expend a certain threshold of federal funds each year.

Authorized Organization Representative (AOR) – The individual, named by the subrecipient organization, who is authorized to act for the subrecipient and to assume the obligations imposed by the Federal laws, regulations, requirements, and conditions that apply to grant applications or grant awards.

Award Amount - Funds that have been obligated by a funding agency for a particular project. This term is used both for original award and additional funding (incremental funding or supplemental funding) added by the sponsor.

Award Notification – Used in its generic sense, an award notification includes award paperwork sent to the University by an external sponsor to tell us we have an award.

Bilateral Agreement – A legally-binding agreement signed by both an authorized institutional official of the grantor of the funds and the authorized institutional representative of the recipient of the funds, documenting the terms under which they will work together.

Budget - Detailed statement outlining estimated project costs to support work under a grant or contract.

Budget Justification - A narrative explanation of budgetary costs. Budget narratives usually cover how the costs were calculated and why they are needed to benefit the project.

Closeout (of Subaward) – This is the University of Maine’s internal process of balancing and discontinuing the spending account(s) of a subaward. Once the subaward has terminated or completed, the University of Maine ensures all funds have been paid or returned under the subaward agreement and closes the spending lines to the University’s purchase order.

Co-Principal Investigator (Co-PI) - Individual who shares responsibilities with the PI by conducting a part of the scientific portion of the project. This individual must meet the same criteria as that of a PI. On projects that have multiple subprojects, the individual may be considered a co-principal investigator if he or she has designated responsibilities across the entire suite of subprojects, or if he or she is responsible for one or more subprojects.

Commitment Form (See Subrecipient Commitment Form)

Conflict of Interest (COI / Financial Conflict of Interest (FCOI) – When a relationship between an individual’s private business or financial interests, or those of family members, overlaps with the employee’s expertise and/or responsibilities.

Contract (Procurement) - A legally-binding agreement used between a sponsor and a recipient (i.e. University of Maine) detailing the obligations of two or more parties over the course of a defined project period. Typically, the contract outlines specific deliverables and milestones to be met and dictates how the parties will interact with each other during the course of the project.

Cost Analysis - Review, evaluation, and analysis of each of the elements of the subrecipient’s cost proposal, including lower-tier subawards/subcontracts, and purchase orders proposed.

Cost Reimbursement (CR) - A type of agreement whereby payments are based on

actual allowable costs incurred in performance of the work. Typically, payments are based on invoices submitted after costs are incurred; however, if there is a payment schedule that allows for payment to be made in advance of costs incurred, a final reconciliation of costs and payments will result in the sponsor paying the recipient or the recipient reimbursing the sponsor so that costs and payments match.

Cost Share/Matching - Cost sharing represents that portion of the total project costs (direct or indirect) of a sponsored agreement borne by the University, rather than by the sponsor. Matching or cost sharing may be required by statute or program regulation. Costs used to satisfy matching or cost sharing requirements are subject to the same policies governing allowable ability as other costs under the approved budget.

Dean - Academic leader with programmatic, managerial, and fiscal responsibilities for a college or school. The deans' offices are responsible for overseeing the activities in the units, and reports to the Executive Vice President of Academic Affairs and Provost.

DUNS# - The **Data Universal Numbering System**, abbreviated as **DUNS**, is a proprietary system developed and regulated by [Dun & Bradstreet](#) (D&B) that assigns a unique nine digit number identifier, referred to as a "DUNS number" to a single entity. In 2003, OMB announced that a DUNS# would be required on all grant applications.

Facilities and Administrative Costs (F&A / Indirect Costs / Overhead) - Actual costs incurred during the normal business activities of an organization that cannot be readily identified with a specific project or activity. Included are instruction and departmental research, library services, public service, and other institutional activities. F&A costs are real, auditable costs incurred by the University each time it accepts an award for a sponsored project. For federally funded projects, if the subrecipient does not have a federally negotiated F&A rate, then the subrecipient is entitled to 10% of modified total direct costs as its F&A rate (called a "de minimus rate" in government regulations). There is an exception if the sponsor has decided and published in its Request for Proposal (RFP) a different F&A rate. If that occurs, the sponsor's defined F&A rate must instead be used.

F&A Cost Rate (or Indirect Cost Rate) - Composite rate applied to sponsored projects as a percentage of the sponsored project's direct costs for the purpose of charging the sponsored project its share of the University's indirect/F&A costs. The federally negotiated Indirect/F&A Cost Rates for research and other sponsored activities are developed by the University in accordance with the Uniform Guidance 2 CFR 200 and negotiated with the Department of Health and Human Services (DHHS), the University's

federal cognizant agency. Example: “The indirect costs for a project are computed by multiplying the applicable direct costs by the indirect cost rate.” The University uses the term F&A cost rate on its forms. The Federal Government requires that certain costs are excluded before the rate is calculated; other sponsors may allow all direct costs or only certain costs to be included before the rate is calculated – see “MTDC”.

Federal Award Identification Number (FAIN). This number is a unique identification number assigned by a federal agency to identify its award throughout the competitive segment of that award. The FAIN may be a part of or identical to an agency award number, or it may be different at the discretion of the agency. The federal agency provides this number to the University, and the University must also include it on any subawards that it issues. This number becomes the master tracking number in federal government databases.

Federal Acquisition Regulations (FAR) - Established to codify the uniform policies for the acquisition of supplies and services by executive agencies, normally applied to RFPs and federal contracts.

Federal Demonstration Partnership (FDP) - A cooperative initiative among federal agencies and institutional recipients of federal funds. It was established to increase research productivity by streamlining the administrative process and minimizing the administrative burden on PIs while maintaining effective stewardship of federal funds. Under the FDP, a recipient of federal grants has management flexibility that includes ninety-day pre-spending authority, institutionally approved no-cost extensions up to one additional year, and automatic carryover of unobligated funds from one budget period to the next.

Federal Funding Accountability and Transparency Act (FFATA) – This federal requirement mandates that information on federal awards (federal financial assistance and expenditures) be made available to the public via a single, searchable website. Federal awards include grants, subgrants, loans, awards, cooperative agreements, and other forms of financial assistance, as well as contracts, subcontracts, purchase orders, task orders, and delivery orders. The Federal Government loads information into this database on the awards it makes; prime recipients must upload data on first tier subawards they make within approximately one month of the execution of, or amendments to, those subawards.

Financial Questionnaire and Audit Certification Form – When a subrecipient entity is not subject to A-133 or Single Auditing, the University of Maine requests this document from the entity. This form provides information regarding an entity’s financial

and accounting systems, and is used by the University of Maine in its monitoring obligations as a government entity.

Fixed Price— A form of award that establishes a fixed dollar amount for a fixed deliverable. Payment is based upon successful completion of the deliverable, usually within a set period of time. Some fixed price awards establish milestones that allow interim payments to be issued based on progress toward the project’s ultimate goal (e.g., “a progress report after 3 months” or “delivery of the prototype device” or “after 3 patient visits are completed”). If the work is not completed within the agreed upon time period, the sponsor has the option to terminate the work (without payment) or may agree to extend the time to allow the work to be completed (usually at no additional cost). If the work costs more than the agreed upon price to complete, the recipient is responsible to pay the extra costs. If the work costs less than the agreed upon price to complete, the recipient may keep the unexpended balance. See also “cost reimbursement.”

Fully Executed - An agreement which is signed and dated by the authorized organization official(s) allowed to legally bind every party to an agreement. In a standard two party agreement, this means that the authorized officials of both parties must sign and date the agreement.

Grant – Funds or products disbursed by one party (typically from an arm of the Federal Government, State, or non-profit entity) to another (i.e. University of Maine) for a specific purpose. Most grants are received following submission of a proposal (see Proposal) or application and require a set level of compliance and reporting throughout the duration of the grant.

Grant/Contract Officer- Sponsor’s employee who is officially responsible for the project’s business management.

Health Insurance Portability and Accountability Act (HIPAA) - Some subawards involve protected health information (PHI) as defined by HIPAA regulations. In these cases, the subrecipient must acknowledge in its subaward that it may receive protected health information (PHI), as defined by HIPAA regulations, regarding subjects involved in the study. The subrecipient agrees that such information: will be used only for purposes of conducting the study consistent with both the protocol and the subject consent form signed by study subjects; that the PHI may be disclosed to the U.S. F.D.A. and/ or other regulatory agencies to gain regulatory approval; and that the PHI will not be disclosed or utilized for any other purpose. The subrecipient contractually agrees to use appropriate safeguards to ensure conformance with these obligations and to promptly inform prime recipient of any inappropriate use or disclosure of such information.

Indirect Costs – (See Facilities and Administrative (F&A))

Institutional Review Board (IRB) - Reviews research projects that involve human subjects to ensure that two broad standards are upheld: first, that subjects are not placed at undue risk; second, that they give uncoerced, informed consent to their participation. Award funds may not be used for the recruitment, enrollment, or involvement of human subjects without an active IRB approval. In most cases, subrecipients will obtain human subjects approval from their own IRB and furnish that approval to the University.

Intellectual Property (IP) - Refers to any product of the human intellect. Such ideas or expressions of ideas, translated into tangible form can be considered "owned" by an individual, or by the University as their employer, and are therefore protectable under the law. Having a patent gives the intellectual property owner the legal right to sue others to prevent replication or any unauthorized use of the owner's invention. The intent of intellectual property law is to encourage innovation by giving the creators of new ideas ample time to profit from their ideas. Intellectual property registration exists so that you can make an official record of your ideas and more easily protect them should a conflict ever arise. Intellectual property can be protected under federal and state law. Although intellectual property is protectable, it may or may not have commercial value.

The three basic forms of intellectual property protection are:

- Copyright - A copyright protects the *specific form* in which ideas are recorded, and is the form of protections used to protect literary and artistic works such as books, music and articles. Whatever an author writes, even blog posts on the internet, are presumed immediately protected under copyright law unless the author specifically places it in the public domain for sharing, or sometimes as a condition in order to post - to a website for instance, such as comments or product feedback.
- Trademark - Trademarks protect a brand or a specific product and distinguishes it from another. Note that the protection of a trademark is only within one field of business and not across all fields of business.
- Patent - Patents protect an exclusive invention that is "novel" and "nonobvious" to a person who has technical expertise in the applicable field. This can apply to goods and devices as well as designs, formulas, and computer software algorithms.

Invoice – A document issued by one party to another, indicating expenses incurred during a set period of time for specified services, procedures, milestones, benchmarks, etc. Invoices submitted by a subrecipient to the University of Maine must include specific information, as outlined in the subaward agreement. All invoices will be reviewed and approved by ORA and UM PI before payment is issued.

Key Personnel - Personnel considered to be of primary importance to the successful conduct of a research project. The term usually applies to the senior members of the project staff who are responsible for the design, conduct, or reporting of a project.

Modification - Any written change made to an existing sponsored agreement or subaward. Typical modifications include change to period of performance, scope of work, budget, etc. To change an existing agreement (subaward) the subrecipient should discuss with the UM PI any issues and then the PI will communicate to Office of Research Administration (ORA). ORA will then process the necessary modification to the subaward.

Modified Total Direct Cost (MTDC) - Under MTDC only some categories of expenses are assessed F&A costs. (If you are unfamiliar with F&A or Indirect Costs refer to this glossary for more information.) For most entities, indirect costs are calculated on Salaries and Wages, Fringe Benefits, Materials and Supplies, Services, Travel and Subawards (first \$25,000 of each subaward). Some entities have a different modified total direct cost base, such as salaries and wages only. The applicable base is described in the entity's F&A agreement with the federal government.

Office of Management and Budget (OMB) – An agency of the Federal Government that evaluates, formulates, and coordinates management procedures and program objectives within and among departments and agencies of the Executive Branch. It also controls the administration of the federal budget, while routinely providing the President of the United States with recommendations regarding budget proposals and relevant legislative enactments.

Office of Research Administration (ORA) - The University of Maine's office authorized to submit research proposals and receive awards from external sources on behalf of the University of Maine. ORA is also the fiduciary for the University on grant-related matters. The unit assesses subrecipients at the time of subaward issuance, and is responsible for monitoring and managing the subaward during its lifecycle.

Office of the Vice President for Research (OVPR) – This University office oversees all aspects of research at the University of Maine, including 16 Research Centers and Institutes, Office of Research Administration, Office of Research Compliance, and Office of Grant Development. OVPR is also responsible for policy and oversight related to the research policy and oversight related to the research process. The Vice President for Research reports directly to the President of the University.

Overhead (See Facilities and Administrative Costs)

Pass-Through Entity – A nonfederal entity that provides a subaward to a subrecipient to carry out part of a specific program.

PostAward Staff – Award Review staff member who is the liaison between the sponsor and the department. Award Review staff are responsible for negotiating and finalizing awards. Post Award staff and grant accountants assist in management of the sponsored project. Staff perform duties (monitor compliance with sponsor and UM requirements, assure reimbursement of project expenditures, coordinate award documentation and approval process, and answer questions and provide information to UM research department staff in order to safeguard project funds and to maintain relations with the PI to facilitate the progress of the sponsored project.

PreAward Staff - Assists and advises the PI in reviewing proposals, communicating with the sponsor, editing budgets, and editing proposal narratives. The PreAward staff submits the proposal to the sponsor.

Prime Award / Prime Agreement – The grant or contract between the sponsor and the University of Maine is referred to as the Prime Award or Prime Agreement. Typically, the terms and conditions in the subaward to the subrecipient flow down from the Prime Award/Prime Agreement to the subaward. This flow of the terms and conditions enables the University of Maine to adhere to the terms and conditions set forth in the Prime Award/Prime Agreement with the sponsor.

Principal Investigator (PI) - The PI is the primary individual in charge of a research grant, cooperative agreement, training or public service project, contract, or other sponsored project. The PI has primary responsibility for technical compliance, completion of programmatic work, and fiscal stewardship of sponsor funds.

Progress Report (Programmatic Report) - Periodic, scheduled reports required by the sponsor, summarizing research progress to date. Uniform Guidance requires pass-through entities to specify any required financial or programmatic reports needed from their subrecipients, and they are responsible for reviewing and retaining such reports.

Technical, fiscal, and invention reports may be required.

Proposal (Proposal Package) - All necessary documents required to be submitted when responding to a sponsor's solicitation for funding make up a proposal package. This typically includes: a statement of work (SOW), budget and justification, and a signed commitment letter from a subrecipient if a subaward is involved. Note: proposal documents from a subrecipient are submitted to the UM PI. Some agencies require that proposals be submitted on preprinted forms, whereas others have no specific format.

Proposal Approval Routing System (PARS) - Internal University of Maine routing system. Its function is to ensure that all necessary approval signatures are obtained prior to proposal submission and to facilitate the compliance process. ORA uses this system to assist with the proposal submission process and award setup.

SAM (see System for Award Management)

Sponsor - An external funding agency that enters into an agreement with the University to support research, instruction, public service, or other sponsored activities. Sponsors include private businesses, corporations, foundations, and other not-for-profit organizations, other universities, and federal, state, and local governments.

Sponsored Projects - Funding for research, training, or public service programs provided by federal or private sources outside the University, usually requiring formal acceptance of terms and conditions by the University related to the performance of the research (See also Grants / Contracts).

Statement of Work (SOW) - The detailed description of the project to be performed.

Subaward (Subcontract, Subgrant, or Subagreement) – A binding legal agreement provided by a pass-through entity to a subrecipient for the subrecipient to carry out part of a sponsored project received by the pass-through entity. A defined portion of the University of Maine work statement's intellectually significant activity is assigned to another entity (the subrecipient) to fulfill. A complete subaward includes a statement of work, budget, terms and conditions, and other documentation as required by the sponsor.

Subaward Closeout Form – A document confirming/acknowledging that all amounts payable under the subaward agreement have been invoiced for and/or paid, that any intellectual property arising from the subaward agreement has been

disclosed, and whether or not equipment was provided by or purchased with funds from the Federal Government. This document is completed by the subrecipient and provided to the University of Maine following completion or termination of the project.

Subrecipient – Uniform Guidance 2 CFR 200 defines a subrecipient as follows: A nonfederal entity that expends federal awards received from a pass-through entity to carry out a federal program, but does not include an individual that is a beneficiary of such a program. A subrecipient may also be a recipient of other federal awards directly from a federal awarding agency to conduct a portion of the work.

Subrecipient Commitment Form/Letter of Commitment - Indicates commitment to a Statement of Work. Must be signed by an authorized official of the subrecipient and assures:

- Reasonableness and accuracy of proposed costs
- Provides checklist of documents and certification required by the prime sponsor
- The UM PI should ask each potential subrecipient to complete a Subrecipient Commitment Form. This form will then be submitted by UM PI to UM Office of Research Administration at the proposal stage. The information will be considered valid for 12 months from the date the form is signed by the subrecipient's authorized official

Supplemental Proposal - A request to the sponsor for additional funds for an ongoing project during an already approved performance period. A supplemental proposal may result from increased costs, modifications in design, or a desire to add a closely related component to the ongoing project.

System for Award Management (SAM)– An official website of the U.S. government. There is no cost to use SAM. You can use the site for FREE to:

- Register to do business with the U. S. government
- Update or renew your entity registration
- Check status of an entity registration
- Search for entity registration and exclusion records

Terms and Conditions of Award - All legal requirements imposed on a recipient by the sponsor, whether by statute, regulation(s), or terms in the award document. The terms of an agreement may include both standard and special provisions that are considered necessary to protect the sponsor's interests.

Tier – Describes the flowdown of terms and conditions from entity to another. Example: Prime Award to pass-through entity (recipient), pass-through entity to subrecipient (first tier); subrecipient to its own subrecipient (second tier).

Total Direct Cost (TDC) - Total of all costs that can be identified specifically with a particular sponsored project, an instructional activity, or any other institutional activity, or that can be directly assigned to such activities relatively easily with a high degree of accuracy.

Uniform Guidance - The Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) were released on December 26, 2013. Also known as 2 CFR 200, the Uniform Guidance streamlines and supersedes guidance that was previously contained in eight different OMB Circulars. Included in the new guidance are definitions, uniform administrative requirements (both pre- and post- award), cost-principles, and audit requirements.