

RESEARCH CORPORATION

PROCESSING SUBAWARD

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Updated on 11/7/2025

Training Objectives

- ✓ Understand what a Subaward is.
- ✓ Identify the key roles and responsibilities involved in the subaward process (PI, GO, Kristen Webb, AOR, etc.)
- ✓ Learn the step-by-step process for initiating and setting up subawards at both the proposal and award stages.
- ✓ Gain familiarity with required documentation, forms, and Banner screens
- ✓ Know how to track, code, and process payments for subaward agreements.

Terms/Roles to Know

Proposal Development Officer (PDO)

Pre-Award Grants Officer (GO)

Principal Investigator (PI)

Notice of Award (NOA)

Authorized Organization Representative (AOR)

Purchase Order (PO)

What is a Subaward?

A subaward is a formal, legally binding agreement issued by a prime recipient (MURC) of a grant to another organization—called a subrecipient—to carry out a portion of the programmatic work described in the prime award.

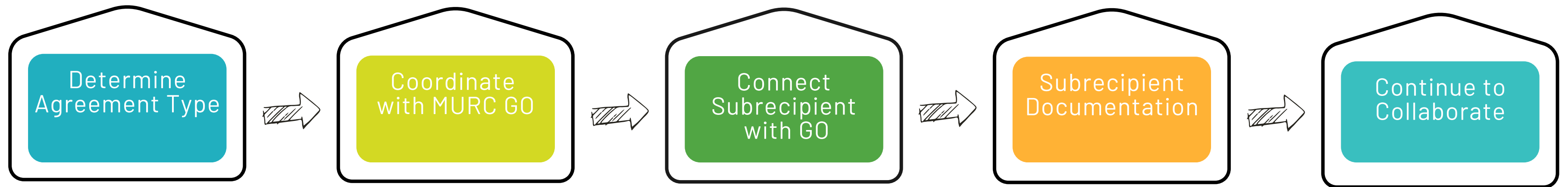
Key Characteristics of a Subaward:

- The subrecipient is responsible for conducting part of the funded project's scope of work.
- The subrecipient's work is programmatically significant and contributes directly to the project goals.
- The subrecipient:
 - Helps design or conduct research or project activities
 - May make decisions about how to use awarded funds
 - Must adhere to federal regulations and sponsor terms
 - Is subject to performance monitoring, financial oversight, and audit requirements

Example:

If Marshall University receives a \$1 million grant from NIH to study public health and issues \$150,000 to Sunshine University to run part of the clinical trials, that \$150,000 is a subaward, and Sunshine is a subrecipient.

Proposal Stage - Getting Started



Step 1: Determine Agreement Type

Determine if you are working with a Service Agreement or a Subaward. The [subaward vs. contract checklist](#) can be used to help make the determination (this is not a required document).

Subaward vs. Service Agreement (Contract):

- A subaward supports the project's objectives through a collaborative partnership.
- A vendor provides services that are ancillary to the project (e.g., catering, data analysis, printing).

Proposal Development Steps:

Determine Agreement Type

Coordinate with MURC GO

Connect Subrecipient with GO

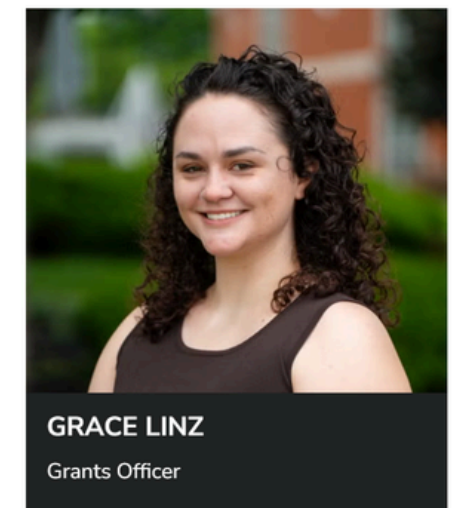
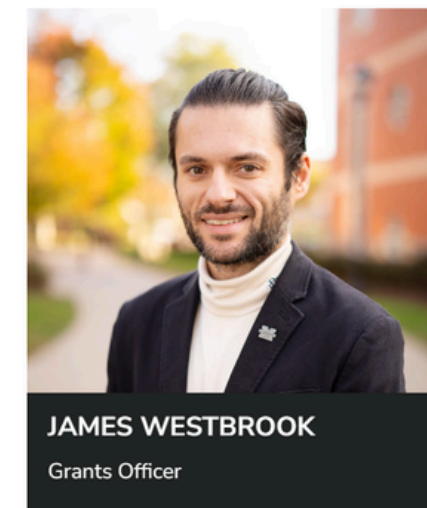
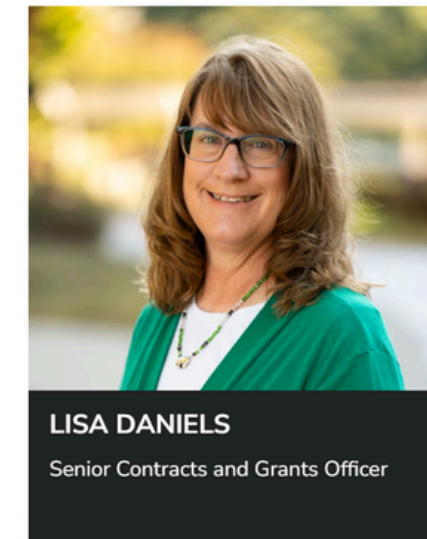
Subrecipient Documentation

Continue to Collaborate

Step 2: Coordinate with MURC Pre-Award Officer (GO)

Once it's determined that a subaward is required as part of your project, it's essential to connect with your Pre-Award Grants Officer (GO), as early as possible in the proposal development process.

If the subaward isn't included properly in the proposal, it may require a post-award budget modification or justification—so involving your GO early helps keep everything compliant and on time.



Proposal Development Steps:

Determine Agreement Type

Coordinate with MURC GO

Connect Subrecipient with GO

Subrecipient Documentation

Continue to Collaborate

Step 3: Connect Subrecipient with Pre-Award Grants Officer

Once it's been determined that a subaward is needed, it's important for the Principal Investigator (PI) or department administrator to introduce the subrecipient to your GO.

How to facilitate this connection:

- Send an introductory email to both the subrecipient and the GO, outlining the project and timeline.
- Include GO's contact information and key deadlines.
- Let the subrecipient know that the GO will serve as their point of contact for proposal-related questions and ensure they're compliant with MURC and sponsor guidelines.

Proposal Development Steps:

Determine Agreement Type

Coordinate with MURC GO

Connect Subrecipient with GO

Subrecipient Documentation

Continue to Collaborate

Step 4: Subrecipient Documentation – What is needed?

Once the subrecipient has been introduced to the GO, the next step is to ensure that the required documentation is collected and submitted for inclusion in the proposal. These documents help MURC verify the subrecipient's scope, budget, and institutional commitment to the project. GO will ask the subrecipient for the following:

- Statement of Work (SOW)
- Subaward Budget & Justification
- Subaward Commitment Form completed and signed.
- Any other documentation required by the agency. GO will advise what's needed based on sponsor guidance or RFP requirements.

Best Practice: Encourage the subrecipient to submit all documents well before the internal deadline to allow your GO time to review, request revisions, and finalize submission materials.

Proposal Development Steps:

Determine Agreement Type

Coordinate with MURC GO

Connect Subrecipient with GO

Subrecipient Documentation

Continue to Collaborate

Step 5: Continue to Collaborate with Subrecipient

After the initial documentation is submitted to the GO, collaboration with the subrecipient doesn't stop—it continues throughout the proposal development phase to ensure a well-aligned and competitive submission.

Why It Matters:

- A subaward is a partnership. The subrecipient's portion of the proposal needs to integrate seamlessly with the lead proposal being submitted by MURC.
- Clear communication prevents inconsistencies or last-minute confusion that could delay submission or raise concerns with the sponsor.

Pro Tip: Keep Lisa informed of updates and changes from the subrecipient. Make sure she receives all final documents in the correct format and by the internal deadline.

Proposal Development Steps:

Determine Agreement Type

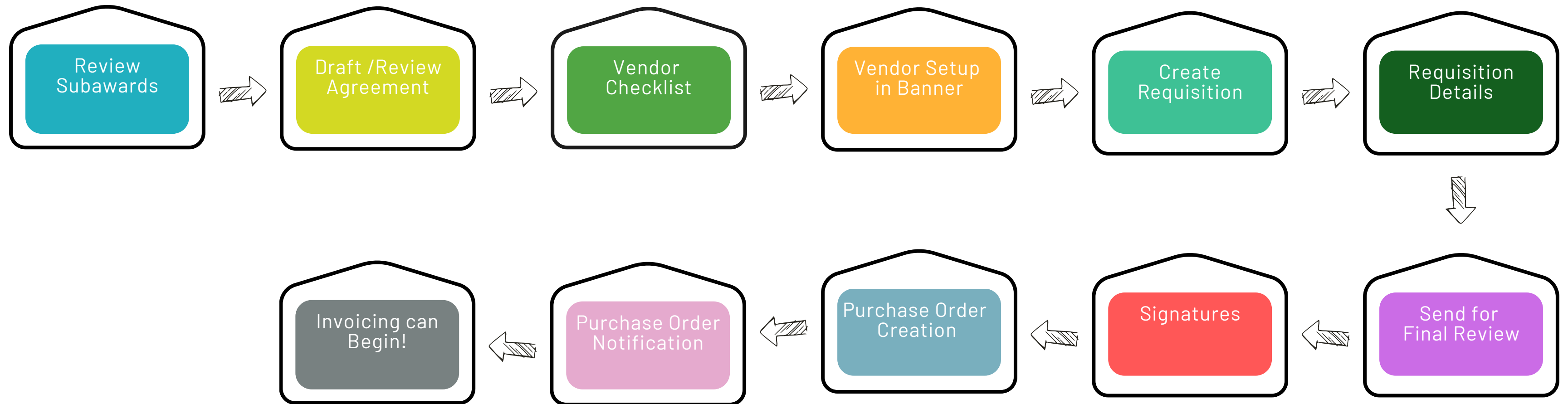
Coordinate with MURC GO

Connect Subrecipient with GO

Subrecipient Documentation

Continue to Collaborate

After Award - Setting up Subaward



Step 1: Review Subawards in Proposal

Once a Notice of Award (NOA) is received from the sponsor, it's time to shift from proposal planning to award implementation. One of the first and most critical steps at this stage is for the PI to work with the GO to review all subawards listed in the funded proposal.

Purpose of the Review:

- Confirm accuracy of the subaward scope, budget, and roles.
- Identify any updates needed based on sponsor negotiations or changes made during the award process.
- Ensure that only approved subrecipients move forward into agreement drafting and setup.

After Grant Award Steps:

Review Subawards

Draft/Review Agreement

Vendor Checklist

Vendor Setup in Banner

Create Requisition

Requisition Details

Send for Final Review

Signatures

Purchase Order Creation

Purchase Order Notification

Invoicing can Begin!

Step 2: Draft and Review Subaward Agreement

Once the subaward has been reviewed and confirmed, your GO will begin drafting the formal Subaward Agreement. This agreement legally defines the relationship between MURC and the subrecipient and is essential before any work or spending can begin.

Once the draft is ready, it's sent to the PI for review.

- The PI should carefully check:
 - Project deliverables and timeline
 - Budget details
 - Scope of work language
 - Any expectations for collaboration or reporting
- If the PI identifies any issues or changes, they should notify the GO immediately.

After Grant Award Steps:

Review Subawards

Draft/Review Agreement

Vendor Checklist

Vendor Setup in Banner

Create Requisition

Requisition Details

Send for Final Review

Signatures

Purchase Order Creation

Purchase Order Notification

Invoicing can Begin!

Step 3: Vendor Checklist Completion

Before a subaward agreement can be processed or executed, the [Vendor Checklist](#) must be completed. This form is critical for ensuring that MURC complies with federal, state, and institutional purchasing regulations. The subaward cannot move forward until this form is completed and approved.

It's the **PI's responsibility** to complete the Vendor Checklist accurately and completely, with guidance and review from your GO and, when needed, the Marshall University Purchasing Department.

Why the Vendor Checklist Is Required:

- Confirms whether the subrecipient was named in the original agency-approved proposal budget
- Helps determine whether competitive bidding or sole-source justification is needed
- Supports proper documentation of vendor selection to ensure MURC remains in compliance with procurement policies

After Grant Award Steps:

Review Subawards

Draft Agreement

Vendor Checklist

Vendor Setup in Banner

Create Requisition

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Purchase Order Notification

Invoicing can Begin!

Step 3: Vendor Checklist Completion - Two Scenarios

Two Scenarios for Completing the Vendor Checklist:

✓ Scenario 1 – Subrecipient Was Named in the Agency Approved Budget (Most Common)

- If the subawardee was explicitly listed in the sponsor-approved budget at the time of proposal submission:
 - **Select "Yes"** on the checklist to indicate the subrecipient was named.
 - **Skip all remaining questions** on the form—no additional justification is required.
- This satisfies the competitive process requirement because the sponsor has already reviewed and approved the subrecipient's involvement.

⚠ Scenario 2 – Subrecipient Was Not Named (Less Common)

- If the proposal included a **generic subaward line item** (e.g., “TBD subrecipient” or “External collaboration”) without naming a specific organization:
 - The PI must work closely with your **GO** and the **Marshall Purchasing Department** to complete the rest of the checklist.
 - This step ensures that MURC follows proper **procurement thresholds** and **competitive quote** procedures based on the subaward amount.

After Grant Award Steps:

Review Subawards

Draft Agreement

Vendor Checklist

Vendor Setup in Banner

Create Requisition

Requisition Details

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Invoicing can Begin!

Expanding on Requirements Scenario 2: Unnamed Subrecipient in Proposal Budget

In this less common but important situation, the proposal included a general budget line for a subaward (e.g., "External Collaboration – \$50,000") but did not specify the name of the subrecipient. This triggers a procurement compliance process to ensure fairness and proper vendor selection.

At this point, the PI must work closely with the GO and the MU Purchasing Department to complete the required documentation based on the dollar threshold of the agreement.

Agreements Between \$0 and \$24,999

- No Vendor Checklist is needed.
- A competitive quote process is not required.
- Subaward Agreement.

Agreements Between \$25,000 and \$49,999

- Vendor Checklist is required.
- Choose one of the following:
 - **3 Quotes** from different vendors
 - The department may gather their own quotes.
 - Select the vendor with the lowest reasonable price.
 - Direct Award Form
 - Used when there is only one qualified vendor (e.g., a sole-source provider or specialized expertise).
- Complete the **Subaward Agreement** with the selected vendor.

Agreements Greater Than \$50,000

- Vendor Checklist is required.
- Choose one of the following:
 - **Formal Bidding Process**
 - Conducted by the MU Purchasing Office (departments are not allowed to collect their own quotes at this level).
 - Direct Award Form
 - Used when there is only one qualified vendor (e.g., a sole-source provider or specialized expertise).
- Complete the **Subaward Agreement** with the selected vendor.

Recap of Scenario 2:

When is Scenario 2 Required?

When the proposal included a general budget line for a subaward (e.g., "External Collaboration – \$50,000") but did not specify the name of the subrecipient.

What's Required in Scenario 2?

You must complete the Vendor Checklist and either:

- Solicit competitive quotes/bids, or
- Complete a Direct Award Form, if only one vendor is available.

✓ You are only required to complete one of the two (quotes/bid OR Direct Award Form), not both.

Step 4: (Subrecipient) Vendor Setup in Banner

Before a subaward requisition can be processed, you must confirm that the subrecipient (vendor) is properly set up in **Banner**, Marshall's financial system. This ensures that the institution is ready to receive payments once the subaward is executed and the Purchase Order (PO) is created.

Step 1: Check for Existing Vendor Setup

Use the FTIIDEN screen in Banner to check if the vendor already exists in the system

- Once found, note the Vendor ID. You'll need this for later steps.

Step 2: Verify Vendor Address in Banner

Use the FTMVEND screen to confirm the correct address is active:

- Review the list of addresses and make sure the one you plan to use is active (i.e., not marked as "Inactivate Address").

⚠ If multiple addresses exist, use the arrows to navigate and locate the correct, active one.

After Grant Award Steps:

Review Subawards

Draft Agreement

Vendor Checklist

Vendor Setup in Banner

Create Requisition

Requisition Details

Send for Final Review

Signatures

Purchase Order Creation

Purchase Order Notification

Invoicing can Begin!

Step 4: (Subrecipient) Vendor Setup in Banner

If Vendor Is Not in Banner – Initiate Setup

If the vendor does not appear in Banner, the PI/PD must initiate vendor registration by contacting the subrecipient directly.

Send the following instructions to the vendor via email:

Subject: Action Required: Vendor Registration with Marshall University

Hello,

In order to process your subaward agreement with Marshall University Research Corporation (MURC), you must be registered in our payment system. Please complete the Vendor Registration Form available here: <https://www.marshall.edu/purchasing/resources/vendor-registration/>

Once on the page, click “Complete Vendor Registration Form.” You will also need to upload a completed W-9 form.

Please notify us once registration is complete.

*Thank you,
[Your Name]*

It is the PI or project director’s (PD’s) responsibility to:

- **Follow up** with the subrecipient to ensure the registration is submitted.
- **Check back in Banner** to confirm when the vendor appears and is active.
- Only proceed to create the requisition once the vendor setup is confirmed.

 **Tip:** Don’t delay the registration step—vendor setup is one of the most common causes of processing delays.

Step 5: Creating the Requisition – Entering the Subaward into Banner

Once the subrecipient has been approved, the Vendor Checklist has been completed, and your GO has returned the **partially executed agreement and all approved documents** the next step is to **create a requisition in Banner** using the **FPAREQN** screen.

This requisition officially begins the internal purchasing process and is essential for establishing the **Purchase Order (PO)** that authorizes payments to the subrecipient.

Who Creates the Requisition?

- The PI/Project Director/Department Admin completes the requisition using Banner.

After Grant Award Steps:

Review Subawards

Draft Agreement

Vendor Checklist

Vendor Setup in Banner

Create Requisition

Requisition Details

Send for Final Review

Signatures

Purchase Order Creation

Purchase Order Notification

Invoicing can Begin!

Step 5: Creating the Requisition – Subaward Account Coding

Subawards have to be coded correctly as only the first \$25,000 can be charged indirects.

How to Code Based on Subaward Timing and Amount

✓ First-Time Subaward During a Grant Cycle:

- Total award = \$100,000
- Code first \$25,000 to 71282
- Code remaining \$75,000 to 71283

Example:

You have received an award from NIH with a 5 year grant cycle.

A subaward in the amount of \$100,000 is going to be issued to Sunshine University in year 1 of this NIH award.

Since this is the first time in your grant cycle that a subaward will be issued to Sunshine University, the requisition should be coded as follows:

- \$25,000 should be coded to account 71282- Subrecipient Disbursement < \$25,000
- \$75,000 should be coded to account 71283- Subrecipient Disbursement > \$25,000

After Grant Award Steps:

Review Subawards

Draft Agreement

Vendor Checklist

Vendor Setup in Banner

Create Requisition

Requisition Details

Send for Final Review

Signatures

Purchase Order Creation

Purchase Order Notification

Invoicing can Begin!

Step 5: Creating the Requisition – Subaward Account Coding

How to Code Based on Subaward Timing and Amount

Subsequent Subawards to Same Subrecipient (Same Grant Cycle):

- Already hit \$25,000 threshold from previous subaward
- Entire new subaward = \$150,000
- Code entire amount to 71283

Examples:

Scenario 1

You have an additional subaward to be issued to Sunshine University in year 1 of the award cycle. The amount of this subaward is \$150,000. Since the first subaward already met the \$25,000 threshold, you will not code any funds to account 71282. The total amount of the subaward (all \$150,000) will be coded to account 71283.

Scenario 2

You have additional subawards to be issued to Sunshine University in years 3 and 4 of the award cycle. The amount of each of these subawards is \$150,000. Since the first subaward in year 1 already met the \$25,000 threshold, you will not code any funds to account 71282 on either additional subaward in year 3 or in year 4. The total amount of each subaward (all \$150,000 of each subaward) will be coded to account 71283.

After Grant Award Steps:

Review Subawards

Draft Agreement

Vendor Checklist

Vendor Setup in Banner

Create Requisition

Requisition Details

Send for Final Review

Signatures

Purchase Order Creation

Purchase Order Notification

Invoicing can Begin!

Step 5: Creating the Requisition – Subaward Account Coding

How to Code Based on Subaward Timing and Amount

Subaward Under \$25,000:

- First subaward = \$20,000
- Code all \$20,000 to 71282
- If a second subaward = \$50,000:
 - Code \$5,000 to 71282 (to bring cumulative total to \$25,000)
 - Code remaining \$45,000 to 71283

Example:

In Year 1, you are issuing a subaward to Thunder University. The amount of this subaward totals \$20,000.

In this case, the subaward does not total \$25,000, so you would need to code the total amount of \$20,000 to 71282.

A second subaward to Thunder University is going to be issued in this grant cycle (in year 1, 2, 3, 4, or 5) in the amount of \$50,000.

The remaining \$5,000 to reach the \$25,000 threshold should be coded as 71282. (\$25,000-\$20,000 issued in the first subaward=\$5,000).

The remaining amount of \$45,000 from the second subaward (\$50,000-\$5,000 coded to 71282) should be coded to 71283.

Any additional subawards after this one to Thunder University in the grant cycle should have the total amount of the subaward coded to account 71283.

After Grant Award Steps:

Review Subawards

Draft Agreement

Vendor Checklist

Vendor Setup in Banner

Create Requisition

Requisition Details

Send for Final Review

Signatures

Purchase Order Creation

Purchase Order Notification

Invoicing can Begin!

Step 6: Requisition Details

Once the requisition has been successfully entered into Banner (FPAREQN), the next step is to attach the requisition details to the subaward agreement. This is crucial for tracking, processing, and ensuring accurate financial documentation.

Why This Step is Important:

- The requisition serves as the agreement number for the subaward, which is required to generate a Purchase Order (PO).
- Properly linking the requisition to the agreement ensures smooth processing and avoids delays in issuing payments to the subrecipient.
- Missing or incorrect requisition details can cause compliance issues, financial reporting errors, or rejected invoices.

Where to Document the Requisition Number

- The requisition number generated in Banner should be recorded on the first page of the Subaward Agreement in the designated field:
 - "Subaward Number" = Requisition Number
- This step ensures that the finance and purchasing teams can correctly associate the subaward agreement with the approved requisition in Banner.

After Grant Award Steps:

Review Subawards

Draft Agreement

Vendor Checklist

Vendor Setup in Banner

Create Requisition

Requisition Details

Send for Final Review

Signatures

Purchase Order Creation

Purchase Order Notification

Invoicing can Begin!

Step 7: Send for Grant Officer Review

Once the requisition has been created and all required documentation is gathered, it's time to submit the full subaward package for review by your Grant Officer. Email all related documents in separate .pdfs, including the agreement with the subaward number. Your GO will review, sign vendor checklist (if applicable) and send an approval emailed to Kristen Webb.

This is a critical quality control step that ensures the subaward agreement is complete, accurate, and compliant before it is routed for signature and Purchase Order (PO) creation.

What to Send to your GO:

Forward the following documents and materials in a single, organized email:

1. Fully Completed Subaward Agreement

- This includes all attachments and exhibits, and the Requisition number should be clearly listed on the first page.

2. Vendor Checklist (Agreements \$25,000 and over)

- Make sure it's signed and that any required quotes or Direct Award Forms are attached (Scenario 2 only).

Pro Tip: Be Organized

- Send the materials in one clean, complete email (single PDF's that are clearly named attachments).
- Use a clear subject line like: "Final Subaward Package for Review – Sunshine University – Req#R25****"

GO Review & Verification

- GO will:
 - Confirm that the correct scenario (1 or 2) has been selected.
 - Verify that all required backup documentation is included based on the subaward amount and procurement threshold.
 - Ensure everything complies with MURC purchasing policies and sponsor requirements.

After Grant Award Steps:

Review Subawards

Draft Agreement

Vendor Checklist

Vendor Setup in Banner

Create Requisition

Requisition Details

Send for Final Review

Signatures

Purchase Order Creation

Purchase Order Notification

Invoicing can Begin!

Step 8: GO send to Kristen Webb for Final Review

Kristen Webb will review and send to Dr. Maher for final signature.

**If the requisition number was not created/provided, Kristen will flag for you to provide.*

Kristen's Role in the Review

During the final review, Kristen will:

- Confirm that all required documents are present and accurate
- Verify that the agreement amount matches the requisition
- Ensure proper account coding (71282 vs. 71283) was used
- Review for compliance with federal, sponsor, and MURC policies
- Check that the vendor is fully set up in Banner for payment

Why This Step Is Important

- Kristen's review is the last compliance checkpoint before the subaward is executed.
- If any required documentation is missing or incorrect, it can delay the process and hold up the issuance of the PO and payments.
- This review ensures that MURC remain audit-ready and compliant with sponsor terms.

After Grant Award Steps:

Review Subawards

Draft Agreement

Vendor Checklist

Vendor Setup in Banner

Create Requisition

Requisition Details

Send for Final Review

Signatures

Purchase Order Creation

Purchase Order Notification

Invoicing can Begin!

Step 9: Signatures – Final Authorization by the AOR

After Kristen Webb completes her final compliance review and confirms that the subaward package is complete and accurate, the agreement moves into the signature phase. This is where the subaward becomes a legally binding contract.

What Happens During This Step?

1. Kristen Webb routes the finalized subaward agreement to Dr. Maher for signature.
 - Dr. Maher serves as the Authorized Organization Representative (AOR). The AOR is the only individual authorized to legally bind MURC in grant and contract agreements.
 - This is typically done electronically (e.g., via PDF or secure signing platform).
2. No changes should be made to the agreement at this point.
 - If the PI or department has revisions, those must be addressed before the agreement is sent for signature.
3. Once signed, the agreement becomes fully executed and ready for the next step: Purchase Order (PO) creation by the MU Purchasing Office.

Timeline Considerations

- Allow adequate time for Dr. Maher's review and signature—especially during peak submission periods.
- Delays at this stage are rare but can occur if materials are incomplete, inconsistent, or if prior steps were skipped.

After Grant Award Steps:

Review Subawards

Draft Agreement

Vendor Checklist

Vendor Setup in Banner

Create Requisition

Requisition Details

Send for Final Review

Signatures

Purchase Order Creation

Purchase Order Notification

Invoicing can Begin!

Step 10: Purchase Order Creation – Activating the Subaward

Once the subaward agreement has been fully executed (signed by both MURC and the subrecipient), the final agreement is sent to the Marshall University Purchasing Office to generate a Purchase Order (PO). This is the final step in activating the subaward for payment and financial tracking.

What Is a Purchase Order?

A Purchase Order is an official document issued by MU Purchasing that authorizes the subrecipient to begin work and allows MURC to begin processing payments against the subaward agreement. The PO:

- Ties the executed agreement to Banner's financial system
- Serves as the financial control mechanism for tracking disbursements
- Allows for the submission and payment of invoices

What Happens During This Step:

1. Kristen Webb sends the fully executed subaward agreement and all required documentation to MU Purchasing.
2. The Purchasing Office reviews the documents and creates the PO in Banner, using the requisition and vendor information.

Why This Step is Important:

- Without a PO, no invoices can be processed, and no payments can be made to the subrecipient.
- The PO establishes the financial structure that allows MURC to encumber funds and track subaward spending accurately.

✉ If you're unsure of the PO status or haven't received confirmation within a reasonable timeframe, contact Kristen Webb to follow up with Purchasing.

After Grant Award Steps:

Review Subawards

Draft Agreement

Vendor Checklist

Vendor Setup in Banner

Create Requisition

Requisition Details

Send for Final Review

Signatures

Purchase Order Creation

Purchase Order Notification

Invoicing can Begin!

Step 11: PO Notification – Final Confirmation and Communication

Once the PO is created in Banner by the MU Purchasing Office, official email notifications are sent out to both the PI/Department and the subrecipient institution to confirm that the subaward is fully set up and ready for invoicing and project activity.

What the Notification Includes:

- Copy of the Fully Executed Subaward Agreement
 - This serves as the official record of the agreement between MURC and the subrecipient.
- Purchase Order Number
 - This is the internal tracking number that links the agreement to Banner and must be referenced on all subaward invoices.

Pro Tip: Save a copy of the PO for your project records.

After Grant Award Steps:

Review Subawards

Draft Agreement

Vendor Checklist

Vendor Setup in Banner

Create Requisition

Requisition Details

Send for Final Review

Signatures

Purchase Order Creation

Purchase Order Notification

Invoicing can Begin!

Next Step: Invoicing Can Begin – Moving into the Payment Phase

Once the Purchase Order (PO) has been issued and notifications have been sent, the subrecipient is now authorized to begin invoicing MURC for the work performed under the subaward.

This phase officially activates the financial relationship, and timely, accurate invoicing is key to ensuring smooth payments and sponsor compliance.

For invoicing the subrecipient must have:

- A copy of the executed subaward agreement
- The PO number
- An understanding of the invoicing expectations and requirements outlined in Term 2 of the agreement.

You can view the step-by-step guide for Processing Subaward Invoices [here](#).

After Grant Award Steps:

Review Subawards

Draft Agreement

Vendor Checklist

Vendor Setup in Banner

Create Requisition

Requisition Details

Send for Final Review

Signatures

Purchase Order Creation

Purchase Order Notification

Invoicing can Begin!