

## NewsFlash!

**Announcement:** The Department of Contracts and Grants (DCG) is pleased to announce a new Subaward [webpage](#) that identifies the Subaward process from start to finish. Please review the guidance and update your department and School procedures to be consistent with the requirements and process. With the implementation of the Omni Guidance, the combined version of the eight previous Circulars, the importance of subrecipient issuance and monitoring is reinforced with the following specific obligations identified:

### Pre-Award:

- Definitions and obligation to appropriately classify subrecipients vs. vendors
- Explicit prior approval requirement for fixed priced subawards, as well as a new limit on the size (\$150,000)
- Obligation to include subrecipients F&A costs either by their negotiated F&A rate or a minimum of 10% MTDC
- Obligation to assess risk of each potential subrecipient prior to issuing a subaward
  - Review of subrecipient's audit report: threshold for annual audit requirement raised from \$500k per year in federal expenditures to \$750k
  - Explicit obligation to assess risk of each potential subrecipient, with list of factors to consider
- Requirement to identify and include reporting requirements in the subaward agreement

### Post-Award:

- Increased subrecipient monitoring requirements:
  - Requirement to document review and approval of subrecipient's performance and financial reports
  - Requirement to document review and approval of subrecipient's invoices
- Requirement to pay subrecipient invoices, under cost reimbursement subawards, within 30 calendar days after receipt of the billing (unless a cost is deemed improper, unusual or unallowable)
- Timely closeout of subawards. Subawards must be closed out to ensure USC can meet its obligation to closeout our Prime Award within 90 days. Closeout would include documenting receipt of final reports and deliverables, as well as review and approval of final invoice.

To ensure we meet the new and reinforced obligations, please review our Subaward webpage. Topics include:

- Differences Between a Subaward vs. Vendor Contract
- Initiating Subawards
- Monitoring Subrecipients
- Reviewing, Approving and Paying Subrecipient Invoices
- Modifying Subawards
- Closing Out Subawards

**Questions?** Please refer to the Subaward webpage or contact the [Contracts and Grants Officer](#) assigned to your unit.