Subaward Entry

A subaward is an agreement with a third-party organization performing a portion of a research project or program. This means that a grant is awarded to IU, who in turn contracts out portions of work related to the grant to other schools or other agencies, known as subrecipients. The Office of Research Administration (ORA) reviews subaward requests and negotiates these agreements. Request a new subaward or amendment to a subaward using the forms available on ORA’s website.

This document walks through how to request a new subrecipient, establish a subaward Purchase Order, and review Invoices in BUY.IU, IU’s procure-to-pay system.

Before you follow the steps in this document, make sure you have the following materials:

- Completed and signed subaward agreement from ORA
- Full name and contact information for the subrecipient

You will need the above information to complete the processes outlined in this document.

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Supplier

The supplier is the school or researcher who will perform work associated with the subaward and will invoice your department for the work performed. The supplier must be active and available in BUY.IU before you can establish your order.

Search for a supplier

Search for the supplier in the supplier module in the left hand menu. Enter the supplier name in the search field or click Search for a Supplier.

Active suppliers, which have a green checkmark next to their name, can be used in subawards. Inactive suppliers are signified with a red x.
If the supplier you need is inactive or not available in BUY.IU, request their invitation to join the supplier network using the Non-Catalog (Purchase Order) supplier request form.

**Request a supplier**

Inactive or new suppliers are requested using the Non-Catalog (Purchase Order) supplier request form. [This written guide walks through how to complete the form and monitor the supplier’s progress.](#)

When completing the form be sure to select ORA from the commodity code drop-down menu. This ensures your request routes to the correct group for invitation and review.

When you have received the email notification stating that the supplier record is approved and ready to use, proceed to the Requisition section.

**Requisition**

**Enter Line Items**

Subawards are established as recurring orders, which start as a non-catalog item order. Click the Non-Catalog Item shortcut on the Shopping home page, or use the Non-Catalog Item shortcut in the Shopping module to get started.
A new window opens. Click **Supplier Search** to search for the supplier in a new window.

Click **Select** next to the fulfillment address you wish to use.

Most subawards contain a 3B form attachment or similar form which contains contact information. If this information is not available in the subaward documentation, contact the supplier to collect correct contact information.

If the fulfillment address you need is not available, submit a **Supplier Edit Request form** to request the appropriate address be added to the supplier record and continue.
Next, check the box in the Distribution Methods section. New fields appear. Uncheck each new box except the box next to Email (HTML Attachment). Enter the email address of the subaward contact in the corresponding field.

Now we will enter the line items which will appear on the Purchase Order. Enter the following text in the Product Description field:

Subaward: 1st $25K: [supplier name] – Period of Performance MM/DD/YYYY – MM/DD/YYYY, Subaward #[subaward number]. Subaward costs under ORA Account #[account number] awarded to Indiana University PI Dr. [name]. Subrecipient’s work will be overseen by Dr. [name].

The Product Description field offers 254 characters. Additional text can be entered in the Shopping Cart.

Enter the ORA Account number associated with the subaward in the Catalog No. field and “1” in the Quantity field.
Next, enter the value of the subaward in the **Price Estimate** field.

If the subaward’s value is $25,000 or less, enter the subaward amount in the Price Estimate field. Leave the **Packaging** drop-down as “Each” and click **Save and Close**.

Subawards with a value greater than $25,000 must be broken down into two item lines. Click **Save and Add Another** and enter the following text in the **Product Description** field:

Subaward: After 1st $25K: [supplier name] – Period of Performance MM/DD/YYYY – MM/DD/YYYY, Subaward #[subaward number]. Subaward costs under ORA Account #[account number] awarded to Indiana University PI Dr. [name]. Subrecipient’s work will be overseen by Dr. [name].

Remember, if the full description above does not fit in the **Product Description** field additional characters may be entered in the Shopping Cart.

Leave the **Packaging** drop-down as “Each” and click **Save and Close**.
The item lines have been added to your Shopping Cart. Click the **Shopping Cart icon** in the upper right-hand corner, then the **View My Cart** button to access the Cart.

**Shopping Cart Review**

Enter the following information in the **Cart Name** field:

[subrecipient name]_[subaward #]_[account #]

Click **Save** to save your changes.
If the additional characters need to be added to the Product Description lines, add the information by clicking **add note** next to **External Note**.

<table>
<thead>
<tr>
<th>Product Description</th>
<th>Catalog No</th>
<th>Size / Packaging</th>
<th>Unit Price</th>
<th>Quantity</th>
<th>Ext. Price</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>1</strong> Subaward: 1st $25K: Purdue - Period of Performance 01/01/2019 - 12/31/2020, Subaward #7000, Subaward costs under ORA Account #4687980 awarded to Indiana University PO Dr. Smith. Subrecipient's work will be overseen by Dr. Jones. more info...</td>
<td>4687980</td>
<td>EA</td>
<td>25,000.00</td>
<td>1 EA</td>
<td>25,000.00 USD</td>
</tr>
<tr>
<td><strong>2</strong> Subaward: After $25K: Purdue - Period of Performance 01/01/2019 - 12/31/2020, Subaward #7000, Subaward costs under ORA Account #4687980 awarded to Indiana University PO Dr. Smith. Subrecipient's work will be overseen by Dr. Jones. more info...</td>
<td>4687980</td>
<td>EA</td>
<td>50,000.00</td>
<td>1 EA</td>
<td>50,000.00 USD</td>
</tr>
</tbody>
</table>
Next, update the commodity code of each line item. Enter “ORA1” in each commodity code field. This field is case sensitive; be sure to use all capital letters. Click Save to save your changes.

This commodity code must be entered in order for the subaward to route to ORA for review. The ORA1 commodity code is used with subawards only. Missing this step impacts invoice approvals associated with the order as well.
Click **Proceed to Checkout** to move on to the Requisition part of the process.

Requisition Review

First, select **Shipping** from the left-hand menu to enter a shipping address.
Click **edit** in the upper right hand-corner to add an address.

If you have saved addresses to your profile, they are available from the **drop-down menu**. Otherwise, click **select from org addresses** to search for an address.

A shipping address is required for all orders, even if items will not be shipped as part of that order. Enter your office address, including a room number, in this section.

Click **Save** to save the address to the Requisition.
Next, visit the **Accounting Codes** section in the left-hand menu.

**Funding information must be added at the line item level.**

**DO NOT enter funding information in the header.**
Instead, click **edit** next to a line item to enter funding information.

First, click **edit** next to line item one, the line which contains the first $25,000 of the subaward. Enter the account number in the **Account-SubAccount** field. Enter the appropriate object code from the table below in the **Obj Code** field.

<table>
<thead>
<tr>
<th>Object Code</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>4073</td>
<td>Subcontract Not Subject to ICR (First $25,000)</td>
</tr>
<tr>
<td>4074</td>
<td>Subcontract Subject to ICR (First $25,000)</td>
</tr>
</tbody>
</table>

Finally, enter the chart and org code associated with the account in the **Org** field. Your department may use **Project Codes** or **Org Ref Ids**. Check with your department to see what, if anything, should be entered in these fields. Click **Save** to save your work.
If the subaward is greater than $25,000, click **edit** next to the second line item and repeat these steps, being sure to use the appropriate object code from the table below.

<table>
<thead>
<tr>
<th>Object Code</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>4075</td>
<td>Subcontract After the First $25,000</td>
</tr>
<tr>
<td>4077</td>
<td>Subcontract Amount Over $25,000 Charging ICR</td>
</tr>
</tbody>
</table>
After all funding information is entered, visit the **External Notes and Attachments** section in the left hand menu.

Click **Add Attachments** and upload a copy of the fully executed subaward agreement.

A copy of the agreement will be sent to the subawardee with the Purchase Order.
Next, navigate to the **Recurring Payments** section in the left-hand menu.

Here we will mark the order as recurring and enter the beginning and ending dates of the subcontract. Click **edit** in the upper right-hand corner to make changes.
Check the box under Recurring Payment?

This box must be checked to establish the recurring order. If left unchecked, the subaward Purchase Order will close after the first payment is processed.

Next, click Select from all values... under the Type of Recurring Payment field and choose the appropriate option from the drop-down menu based on the information in the table below:

<table>
<thead>
<tr>
<th>Recurring Payment Type</th>
<th>Used with</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fixed Schedule/Fixed Amount</td>
<td>Used with fixed price subawards.</td>
</tr>
<tr>
<td>Fixed Schedule/Variable Amount</td>
<td></td>
</tr>
<tr>
<td>Variable Schedule/Variable Amount</td>
<td>Used with cost reimbursement subawards.</td>
</tr>
</tbody>
</table>

Enter the beginning and ending dates of the subaward in the PO Begin and PO End Date fields, respectively.

If the subaward previously existed in KFS, enter the KFS PO number in the Previous PO # field. Click Save to save your changes.
Click here if all work associated with the subaward will be performed within the United States.

If the subawardee will perform work outside of the United States, complete the Tax Information section of the Requisition. Click edit in the upper right-hand corner to make changes.

Click Select from all values... under the Services Provided (in what Country) field to search for the code associated with the country in which work will be performed.
Enter the name of the country in the **Description** field and click **Search**, or leave both search fields blank and click **Search** to return a full list of countries. Click **select** to return that country’s code to the Requisition.

Click **Save** to save your work.
If an edit to the supplier is needed, add a comment to the Requisition stating what changes are needed. Click **Comments** in the left-hand menu, then **Add Comment**.

The information logged in your comment should mirror what was requested on the Supplier Edit Request form. It is not necessary to add an email recipient. Click **Add Comment** to save your comment.
Expand the Requisition menu by clicking **Requisition**, then click **Final Review** in the left-hand menu.

Scroll through the Final Review page and review the Requisition. **You are not able to make changes to the document after it has been submitted.** Click **edit** in the upper right-hand corner of a section to make changes, or visit the subsection in the left-hand menu.

When you are ready to submit the Requisition, click **Place Order**.
You will see a confirmation screen like the one below. The subaward is now enroute and under review.

![Confirmation Screen](image-url)

<table>
<thead>
<tr>
<th>Requisition number</th>
<th>2800469 [Quick View]</th>
</tr>
</thead>
<tbody>
<tr>
<td>Requisition status</td>
<td>Pending</td>
</tr>
<tr>
<td>Cart name</td>
<td>Purdue,97000,4687980</td>
</tr>
<tr>
<td>Requisition date</td>
<td>10/25/2019</td>
</tr>
<tr>
<td>Requisition total</td>
<td>75,000.00 USD</td>
</tr>
<tr>
<td>Number of line items</td>
<td>2</td>
</tr>
</tbody>
</table>