

Guidelines for ICAP Subrecipients

Revised 2018



ICAP

GLOBAL. HEALTH. ACTION.

**Columbia University
Mailman School of Public Health**

ICAP SUBRECIPIENT GUIDELINES

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APPENDICES

The following appendices are referenced in these ICAP Subrecipient Guidelines and are available at <https://www.mailman.columbia.edu/icap-sops/related-guidelines-and-policies> in their original format – Microsoft Word or Excel – so that Subrecipients may use the digital version, if they prefer, or simply print out hard copies.

- *Subaward Certification Form*
- *Subrecipient Annual Time and Effort Certification Template*
- *Subrecipient Audit Status Form*
- *Subrecipient Biographical Data Sheet (Biodata Form)*
- *Subrecipient Contact Information Form*
- *Subrecipient Financial Package (Monthly)*
- *Subrecipient Financial Package (Quarterly)*
- *Subrecipient Fly America Exception Checklist*
- *Subrecipient International Travel Authorization Form*

- *Subrecipient Monthly Timesheet Template*
- *Subrecipient Procurement Approval Request Form*
- *Subrecipient Procurement Conflict of Interest Declaration Form*
- *Subrecipient Property Log*
- *Subrecipient Single/Sole Source Procurement Form*
- *Subrecipient SOW Template*
- *Subrecipient Staff Advances Mobile Money Transfer Form*
- *Subrecipient Technical Performance Report Template*
- *Subrecipient Trainings Mobile Money Transfer Form*

KEY LINKS ON THE INTERNET

- http://www.ecfr.gov/cgi-bin/text-idx?tpl=/ecfrbrowse/Title02/2cfr200_main_02.tpl for USG Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, referred to as the Uniform Guidance – 2 CFR 200
- <http://www.sam.gov/> for the USG System for Award Management (SAM)
- <https://www.treasury.gov/resource-center/sanctions/SDN-List/Pages/default.aspx> for the USG OFAC Specially Designated Nationals list
- https://www.un.org/sc/suborg/en/sanctions/1267/aq_sanctions_list for the United Nations Security Council Resolution 1267 list
- www.oanda.com for foreign exchange data

ACRONYMS

AIDS	Acquired Immune Deficiency Syndrome
CDC	Center for Disease Control and Prevention (U.S. Government)
CFR	Code of Federal Regulations (U.S. Government)
CMER	Certified Monthly Expenditure Report
CQER	Certified Quarterly Expenditure Report
EFT	Electronic Funds Transfer
FIFO	First In First Out
HIV	Human Immunodeficiency Virus
MMT	Mobile Money Transfer
MTDC	Modified Total Direct Cost
NCE	No-Cost Extension
NICRA	Negotiated Indirect Cost Rate Agreement
NIH	National Institutes of Health (U.S. Government)
NY	New York
OFAC	Office of Foreign Assets Control
PEPFAR	President's Emergency Plan for AIDS Relief (U.S. Government)
SAM	System for Award Management (SAM)
SA-MMT	Staff Advances Mobile Money Transfer
SOW	Scope of Work
TA	Technical Assistance
T-MMT	Trainings Mobile Money Transfer
USAID	U.S. Agency for International Development
USD	U.S. Dollar
USG	U.S. Government
VAT	Value Added Tax
WAER	Weighted Average Exchange Rate

1 INTRODUCTION

1.1 ICAP

Since its inception in 2003, ICAP at the Mailman School of Public Health at Columbia University in New York City has delivered transformative solutions to strengthen health systems in over 20 countries in Africa and Asia. ICAP's central goal is to improve the health of families and communities by addressing major public health challenges and strengthening health systems. Funded by public and private sources, ICAP touches every part of the health system in focus countries, improving health governance, human resources, health financing, infrastructure, laboratory services, supply chain and pharmacy services, clinical services, and health information.

ICAP works at every level of the health system, collaborating with national governments, district health management teams, and individual health facilities, and partnering with educational institutions and NGOs, to strengthen the health system. ICAP helps local partners tackle pressing health threats by providing:

- **Technical Assistance:** Leveraging its experienced staff, ICAP delivers tailored technical assistance (TA) to in-country partners, working with them to apply the latest knowledge and evidence-based practices to improve health outcomes. This includes national policy development, supportive supervision, clinical mentorship, and quality improvement collaboratives.
- **Implementation Support:** ICAP provides hands-on operational and project support to ministries of health and other partners, supporting planning, budgeting, health service delivery, monitoring and evaluation. ICAP brings intellectual, technical, human, and material resources needed to achieve program results.
- **Capacity Building:** Central to ICAP's approach is building system-wide, institutional, and individual capacity, to ensure sustainable outcomes. ICAP's capacity-building approaches include training and mentoring health workers, institutional twinning, and developing and transferring contextually appropriate systems and processes.
- **Thought and Innovation Leadership:** ICAP is led by a team of distinguished researchers and health professionals who are recognized in-country and globally as subject matter experts. ICAP informs global health policy through its peer-reviewed publications and its participation in the world's preeminent health bodies, from the World Health Organization to the National Institutes of Health. ICAP's country-based staffs combine technical expertise with unsurpassed experience implementing programs, combining best practices with in-depth knowledge of the local context in order to develop effective state-of-the-art programs.

ICAP works effectively in partnership with host-country governments, local NGOs, affected populations, and multilateral agencies. As one of the largest implementing partners for the President's Emergency Plan for AIDS Relief (PEPFAR), ICAP's support has spanned almost 5,000 health facilities globally and has included the large-scale design,

implementation, and evaluation of programs, as well as the expansion of access to life-saving interventions.

For more details on our program, see [How We Help](#) and consult with in-country and NY Implementation staff.

1.2 OVERVIEW OF THE GUIDELINES

These guidelines are important for helping achieve uniformity, quality, effectiveness, and efficiency of operations. In addition, they ensure that the subrecipient's operations are in compliance with all relevant rules and policies of ICAP and Columbia University and all applicable laws and regulations of the sponsors (funding agencies), U.S. government (USG), and host-country governments.

Note: If ICAP issues a subaward to a subrecipient organization based in a country where ICAP has no presence, ICAP-NY will perform all the functions that an ICAP Country Office would typically perform.

1.3 GENERAL REQUIREMENTS

Subawards are issued by ICAP from its sponsored projects (grants, cooperative agreements, and contracts) to international or local organizations for the purpose of supporting and implementing specific activities. These organizations are referred to as *subrecipients*, which encompass both subgrantees and subcontractors. *Subagreements*, which encompass both subgrant agreements and subcontracts, are the mechanism for engagement with those organizations. (See definitions in [Part 9.2.](#))

Columbia University and ICAP are responsible for monitoring subrecipients for compliance with all sponsor regulations and award conditions. For U.S. government (USG) funding, ICAP and subrecipient personnel are responsible for the administration of subawards in accordance with the [USG Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards](#) (commonly referred to as the Uniform Guidance – 2 CFR 200).

These guidelines for ICAP subrecipients are written explicitly for subawards made with USG funding. However, most of the policies and procedures apply as well to subawards made with resources from non-USG sources.

1.4 VENDOR RESTRICTIONS AND DEBARMENT

ICAP will only issue subawards to responsible organizations that possess the ability to perform successfully under the terms and conditions of the proposed subaward.

Consideration shall be given to such matters as institutional integrity, record of past performance, and financial and technical resources or access to other necessary resources.

In addition, ICAP cannot issue subawards to organizations that the U.S. government has listed as debarred, suspended, or excluded parties. For a subaward funded by the U.S. government, ICAP is required to obtain certification from the subrecipient that they have not and will not support terrorist acts. Such certification is included as part of the terms and conditions found in the ICAP subaward or contract that the subrecipient signs.

Subrecipients are required to follow the restrictions and confirm that each vendor they engage is not debarred or associated with terrorist financing.

1.5 CONFIDENTIALITY OF PATIENT AND STUDY PARTICIPANT DATA

ICAP encourages subrecipients to safeguard patient or study participant information and other sensitive data, in line with the UNAIDS guidelines. This involves preventing damage, loss, or unauthorized disclosure of patient or study participant information and ensuring the individuals' right to confidentiality.

Of particular concern is protection of types of information which can by itself, or in combination with other information, reveal the identity of patients or study participants. This includes information such as:

- The patient's or study participant's name
- Address/home location
- Telephone number
- Email address
- Age or date of birth
- Sex
- Ethnicity
- Occupation
- Employer information
- Photographs
- Biometric identifiers

Subrecipients are encouraged to put in place measures and procedures to protect patient and study participant data. The procedures should ideally cover:

- Collection, storage, and destruction of data with patient or study participant information, including physical security, electronic security, transmission of data, transport of physical records, and destruction of old data/records
- Staff training
- Mentorship and site support
- Confidentiality agreements

- Appointment of a Confidentiality and Security Point Person
- Breaches of confidentiality of patient and study participant information

ICAP staff can provide support to subrecipients in developing and implementing these procedures.

As a general rule, email should *not* be used to communicate patient or study participant information, personally identifiable information, or other sensitive data. This includes any individually identifiable health information, where data is explicitly linked to a particular individual or where the data could reasonably be expected to allow individual identification. Subrecipients seeking an exception to this rule should make clear arrangements with ICAP to ensure that required safeguards are implemented.

2 SUBAWARD DEVELOPMENT

The subrecipient is responsible for taking the lead in developing a *Scope of Work, budget, and budget justification* for an ICAP subaward. ICAP's Technical Advisor and Subaward Representative are responsible for providing support and assistance in the development of these documents.

2.1 SCOPE OF WORK (SOW)

All subawards must include a scope of work statement for the period of performance associated with the corresponding award year. The dates of the period of performance should be clearly indicated at the top of the SOW. Once agreed upon by the subrecipient and ICAP, the SOW must be signed by an authorized official of the subrecipient organization.

The following items are typically included in the SOW:

- Purpose or objective(s) of the work to be performed
- An explanation of the work to be performed inclusive of special personnel, supplies, materials, equipment, or travel needed (see definitions for *supplies* and *equipment* in [Part 9.2](#))
- Timetable or schedule of work to be performed
- Specification of how the work's progress or results are to be measured
- Identification of deliverables, products, or expected outcomes

ICAP offers a *Subrecipient SOW Template* for use by subrecipients.

2.2 BUDGET DEVELOPMENT

The subrecipient should also take the lead in developing the program budgets, working collaboratively with the ICAP Subaward Representative and Technical Advisor.

Prorating

As with the SOWs, budgets must reflect the period of performance associated with the corresponding award year and the period for which ICAP will be supporting the subrecipient's program. The dates of the period of performance should be clearly indicated at the top of the budget. If the period is less than a full year, the budget must be prorated. For instance, a subagreement that will only be in effect for eight months of the corresponding award year should have a prorated annual budget indicating expenses for eight months.

Bank Fees

Subrecipients may budget for fees that their bank may charge to open an account, to maintain an account, and to convert currency. However, loss on currency may not be charged to an ICAP subaward (see [Part 3.2](#)).

Procurements

A budget threshold of 15% of the overall subagreement value is set for the procurement of supplies and/or equipment. Allocations in this category should be carefully planned and managed so that purchase orders for goods are liquidated at least nine months in advance of the expiration date of the subagreement. Procurement actions should be prioritized so items are delivered in time to be of benefit to the project.

Value-Added Tax (VAT)

Subrecipient organizations that do not have tax-exempt status should budget for supplies, materials, goods, and equipment inclusive of value-added taxes and custom duties. When formulating a subaward budget, non-exempt subrecipients should include a line item in the budget for unreimbursed VAT expenses. ICAP will accept the charge of these expenses, but the subrecipient still must pursue reimbursement for all VAT payments.

See [Part 4.4](#) for information on reporting VAT payments. Subrecipients may not charge an additional VAT on the total amount of subaward services that they provide to ICAP.

Indirect Cost Rates

In certain cases, the subrecipient may include a line item in their budget for indirect costs, which are *costs incurred for a common or joint purpose benefiting more than one cost objective and not readily assignable to the cost objectives specifically benefited*.

If the subrecipient has a negotiated indirect cost rate agreement (NICRA) with the U.S. government, this rate may be used in the subaward budget. Documentation of the rate must be submitted to ICAP as part of the prior approval review process.

If the subrecipient has never negotiated a rate with the U.S. government, the *de minimis* rate of 10% of modified total direct costs (MTDC) may be used for the subaward, as per 2 CFR 200.414 in the [USG Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards](#), which is commonly referred to as the Uniform Guidance – 2 CFR 200. This rate should not be construed to be a fee. The subrecipient must maintain documentation of the costs included in its MTDC and of its indirect costs that are not readily assignable, all of which is auditable.

Unit Costs and Quantities

Whenever possible, the subaward budget should include unit costs and quantity of units. For example, if the subaward budget includes cost for three computers, it should note the cost per computer and the number of computers to be purchased. If the subaward budget includes a full year of an employee's salary, the budget should include the monthly salary and quantity of months (usually twelve).

Budgets for renovation projects have special requirements. See [Part 2.4](#).

2.3 BUDGET JUSTIFICATION

The subrecipient, in collaboration with the ICAP Technical Advisor, Subaward Representative, and other ICAP staff, as relevant, must develop a written budget line-item justification to attach to all budgets for subawards. The budget justification should provide a detailed listing of information related to each line item in the budget, according to the following guidance:

Personnel: A listing of the actual personnel working on the subaward and a description of their responsibilities in the implementation of the subaward and number of hours to be worked per week and for the budget period (level of effort)

Fringe Benefits: Additional information or explanation needed related to the fringe benefits claimed in the budget, including a breakdown of the elements in the fringe rate and how they are calculated

Supplies: An explanation of why the supplies requested are necessary based on the planned activities to be implemented

Minor Equipment: An explanation of why the equipment requested is necessary based on the planned activities to be implemented, as supported by copies of quotes related to procurement

Major or Capital Equipment (items with a unit cost of US\$5,000 or more): An explanation of why each item requested is necessary based on the planned activities to be implemented; also, if approval is sought with approval of the subaward, a statement to that effect and copies of quotes and bid analysis, as well as lease vs. purchase analysis

Travel: Explanation of travel costs, including information regarding personnel and the business purpose for travel, and, for international travel, each traveler's name, scope of work, number of travel days, estimated cost of travel (i.e., lodging, meals and incidental expenses, transportation, and other travel-related expenses) and the basis for the estimate provided

Contractual: A detailed explanation of the following information for each non-employee professional individual or independent organization/company providing services to the subrecipient:

- Contractor name (may be generic, e.g., trainer, attorney)
- Method of selection
- Period of performance
- Scope of work and relevance to the project
- Method of accountability
- Itemized budget

Other Direct Costs: Budgeted amounts for rental of meeting rooms, utilities, and other miscellaneous costs, as supported by copies of quotes and pro forma invoices

2.4 RENOVATION BUDGETS

The subaward budget for renovations must include the cost of all materials, labor, and applicable taxes as detailed in the subrecipient's bid. A VAT line item should be included, as per the procedures described in [Part 2.2](#). Renovation subaward budgets may not include contingencies or funds to cover exchange rate or cost fluctuations. An authorized official of the subrecipient organization must sign the budget.

Renovation subawards do not require a budget justification; rather, a bill of quantity and/or budget detail should provide the level of information required for ICAP to approve and oversee a renovation subaward.

2.5 PRE-AWARD ASSESSMENT

The subrecipient should expect to receive an on-site pre-award assessment from ICAP. The purpose of this process is to assess the subrecipient's capacity to manage the subaward, especially as related to financial management, budgeting, and internal controls. Typically, the ICAP Subaward Representative conducts the assessment.

All results of the pre-award assessment are documented on the *Subrecipient Assessment Form*, and both the subrecipient representative and ICAP staff members who have completed the assessment must sign at the bottom. ICAP retains the right to implement additional controls or requirements on subrecipients that are deemed high risk. All

additional requirements will be communicated to the subrecipient in writing prior to their implementation. ICAP also retains the right to remove these controls and requirements once the subrecipient displays improvement and increased capacity.

3 SUBAWARD EXECUTION AND PAYMENT

ICAP will not make any payments on new subawards until all the following conditions are met:

- Authorized officials of Columbia University and the subrecipient organization have both signed and executed the subagreement.
- Columbia University Sponsored Projects Administration has created a purchase order containing the allocated funds.
- The subrecipient has opened a separate bank account for the purposes of the subaward and provided the requisite information to the ICAP Subaward Representative (see [Part 3.1](#)).
- ICAP has received an advance request (see [Part 3.4](#)) signed by the subrecipient's authorized official and approved by the Finance and Administration Director in the ICAP Country Office.

The execution of a new subagreement or amendment of an existing subagreement may take between two and four weeks once the documentation arrives at ICAP-NY. Payment of an advance or an invoice typically takes 10 business days from the date ICAP receives the documentation from the subrecipient (or vendor), provided that the advance request or invoice is in the proper format, contains accurate information, and is signed by the appropriate parties.

3.1 SUBRECIPIENT BANK ACCOUNTS

All formalities associated with ICAP's bank account requirements must be addressed before a subagreement may be drafted and executed. Subrecipients are required to have a separate bank account to hold ICAP funds. If the subrecipient is receiving more than one subaward from ICAP, separate bank accounts must be established for each subaward. An exception to this rule applies, however, if the subrecipient is working on a cost-reimbursement method rather than a cash-advance schedule.

If the subrecipient is unable to meet the requirement to open a separate bank account and cannot work on a cost-reimbursement schedule, the subrecipient must submit a memo explaining its circumstances and request a waiver, which will authorize payment on a cash-advance schedule. Such waivers are granted by the ICAP Chief Operating Officer.

The following guidelines apply to subaward bank accounts:

- The local bank account must be in the subrecipient's legal name (e.g., XXX District Hospital).
- Account signatory power must only be assigned to the subrecipient's Project Director and his/her designees.

ICAP requires formal notification of any change to the subrecipient's bank accounts. This applies to opening and closing accounts, replacement or new signatories on the account, and revised bank information that is required for wire transfers. By keeping ICAP informed, the subrecipient will avoid mishaps with wire transfers not arriving in subrecipients' bank accounts in a timely fashion.

3.2 RELATED BANK FEES

The subrecipient is allowed to charge bank fees to the subaward, including fees associated with opening the account and converting U.S. dollars to local currency. However, if the funds are converted between USD and local currency, the subrecipient is not allowed to charge losses on currency conversion to the subaward. If currency conversion leads to gains for the subrecipient, these additional funds must be returned to ICAP.

3.3 ACCOUNT WITHHOLDING

All subawards are subject to the Columbia University policy on account withholding. Ten percent (10%) of the total subaward or US\$25,000, whichever is less, is withheld by ICAP until the end of the subaward. This is subject to the assessment of the subrecipient's performance in adequately satisfying reporting targets and milestones. To receive payment of the amount withheld, the subrecipient must fulfill ICAP's documentation requirements and the procedure for final payment, as described in [Part 8.1](#).

3.4 ADVANCE REQUESTS

In accordance with USG regulations and ICAP policies, advance payments to a subrecipient are limited to the minimum amounts needed and timed in accordance with the subrecipient's actual, immediate cash requirements for carrying out the activities identified in the executed subagreement.

Initial 75-Day Advance Request

The initial payment for any new subaward will cover a 75-day period or other period as defined in the subaward provisions. Start-up costs such as purchases of large equipment and payments on leases should be considered when determining the advance amount.

The subrecipient must calculate the advance factoring in the cost of activities for the scheduled period and complete a *Cash Request and Expense Projection Form*, which is

provided in the ***Subrecipient Financial Package***. If no cash flow projection is available, an average daily amount should be calculated for each line item and estimated for the 75-day period.

The 75-day advance request should not exceed 25% of the total amount awarded. If the advance request is expected to exceed this percentage, e.g., because of high start-up costs, the subrecipient should draft a detailed justification to accompany the advance request. The justification should explain, for example, why a certain line item might be substantially expensed during the first months of operation.

90-Day Advance Requests

Advance requests after the initial 75-day advance must be based on a 90-day cash needs forecast. The accompanying expenditure report must indicate previously advanced amounts, and account for any unspent funds. ***The 90-day advance request in the form of a completed Cash Request and Expense Projection Form must be submitted with a Quarterly Technical Performance Report (see [Part 3.6](#)) and Certified Quarterly Expenditure Report (CQER) (see [Part 3.7](#)).***

Advance Procedure

In order to ensure timely payment of the advance, the *Cash Request and Expense Projection Forms* and other required documents, should be submitted early. The procedure is as follows for either a 75-day or 90-day advance request:

1. The subrecipient forecasts expenses for the timeframe, with help from the ICAP Subaward Representative as needed.
2. The subrecipient completes and signs the *Cash Request and Expense Projection Form*, which is provided in the ***Subrecipient Financial Package***. When needed, the subrecipient attaches a justification for the advance exceeding 25% of the total amount awarded.
3. The subrecipient sends the request, the *Certified Quarterly Expenditure Report*, and the *Quarterly Technical Performance Report* to the ICAP Subaward Representative.
4. The ICAP Subaward Representative then processes the advance request through the ICAP system.

Note: Subrecipients mandated to report ***on a monthly basis*** are to submit an initial cash advance request to cover a 60-day period. Subsequent advance requests must also cover a 60-day period.

Cash Advance for Procurements

Subaward funds advanced to suppliers should not exceed 50% of the total value of the order. Cash advance requests to ICAP for equipment and/or supplies should be guided by this requirement.

3.5 OFF-CYCLE REQUESTS

If a subrecipient runs out of advanced funds before the next advance period, the subrecipient may submit an off-cycle advance request. The request must be submitted on a *Cash Request and Expense Projection Form* (see the ***Subrecipient Financial Package***) and be accompanied by a signed expenditure report accounting for the period following the previous advance request. The expenditure report should use the subrecipient's regular financial reporting format, but must have at the top the correct dates for the time period covered by the report.

Off-cycle advance requests will not be processed any earlier than one month following the last advance to the subrecipient.

3.6 TECHNICAL PERFORMANCE REPORTS

To fulfill its monitoring obligations and for enhanced program performance, ICAP requires routine *Technical Performance Reports* from all subrecipients, as indicated in the subagreement. The ICAP Country Office typically requires these reports on a quarterly basis, but may choose, in special circumstances to require more frequent submission than this, e.g., monthly reporting.

As stated in the ICAP subagreement, the subrecipient must provide ICAP with a ***Quarterly Technical Performance Report*** (progress report) within 30 days following the end of each calendar quarter. The subagreement specifies the contents of the report, such as:

- A descriptive analysis of the project activities conducted during the reporting period
- A comparison of actual achievements with the goals and objectives established for such quarter
- Reasons that established goals were not met, if applicable
- Other pertinent information, including an analysis and explanation of any cost overruns or high unit costs

The ***Subrecipient Technical Performance Report Template*** provides the standard to follow.

Exception: In the case of **renovations subawards**, the contents should also include:

- A brief description of the project activities undertaken during the quarter
- A comparison of actual achievements against the project plan, including the timeline, and reasons for any delays or deviations
- Other pertinent information, including an analysis and explanation of any cost overruns or high unit costs

In addition, within 60 days of the subaward's termination date, the subrecipient must submit a *Final Technical Performance Report* with the same information as a quarterly report.

3.7 QUARTERLY AND MONTHLY EXPENDITURE REPORTS

Frequency: As stated in the subagreement, subrecipients are required to submit routine expenditure reports, typically on a quarterly basis. *Monthly Expenditure Reports* may be required as a special condition of the subaward or may be used when the subrecipient is seeking an off-cycle request for an advance of funds.

Contents: Financial reporting templates are provided in the *Subrecipient Financial Package*. The submission of *Certified Quarterly/Monthly Expenditure Reports* should include the bank reconciliations, including for any MMT trust accounts.

In order to complete the *Quarterly/Monthly Expenditure Report*, the subrecipient should take the following steps:

1. Enter the name of the subrecipient organization, address of headquarters or site, invoice number, prime award number (provided by the ICAP Subaward Representative), award name, and budget period.
2. Determine the period of expenditures being reported and enter the month, year, and day in the "Reporting Period" section.
3. Enter today's date in the "Date" section.
4. In the "Exchange Rate Method" section, enter the exchange rate used as per instructions in [Part 4.2](#) and present documentation to support that rate. Check the "FIFO" or WAER box to reflect the method used. This method must be consistent from period to period.
5. Using the budget in the subagreement, enter the names of the major line items of the budget in the first column of the table ("Line Item"). Revise the line item names in the template to reflect those in the subagreement budget, if they do not match. Examples of major line items are personnel, supplies, equipment, travel, and other direct costs. Line items for renovation subagreements will reflect stages or activities of a renovation. If the subrecipient has questions regarding the subagreement budget, the ICAP Subaward Representative should be contacted.
6. Enter the total subagreement line item budget in the "Budget" column of the table. If the subagreement has been amended and the budget or time period changed, the budget should reflect the amended total subagreement amount. If the subrecipient has requested a budget realignment that has been approved by ICAP, the realigned budget should be used in the budget column.
7. Enter total expenses by line item for the reporting period noted above the table. When necessary, provide detailed line-item expenditures on additional pages. Also, provide back-up documentation, bids, receipts, and invoices to support expenditures.

8. If there are expenses that should be charged to or deducted from the previous report's expenditures amount, create a new column labeled "Adjustments" and enter the necessary adjustments, noting if the adjustments are positive (adding) or negative (subtracting).
9. Enter the sum of the total expenses by line item and the cumulative expenses from the previous expenditure report in the "Cumulative Expenses to Date" column. If the report being prepared is the first expenditure report of the subaward, the "Expenses this Period" will be the same as "Cumulative Expenses to Date." Include any adjustments made in the "Adjustments" column, if necessary.
10. Calculate and enter the balance by subtracting the "Cumulative Expenses to Date" line-item total from the "Budget" line-item total.
11. Enter in the "Cash Report" section all payments from ICAP to the subrecipient for activities and costs associated with the subaward Scope of Work. Include the month and year that funds were received.
12. Enter the total from the "Cumulative Expenses to Date" column in the "Cash Report" table.
13. Calculate the difference between the total "Cash Received" and the "Cumulative Expenses to Date" to find the balance of cash on hand.
14. Enter the name and title of the subrecipient authorizing official. Procure the signature of the authorizing official. Enter the date of the signature. Print on subrecipient letterhead.
15. Send the report and accompanying documents to the ICAP Subaward Representative, and keep a copy on file.

3.8 REIMBURSEMENTS

Some subrecipients are funded under a cost-reimbursement method rather than a cash-advance method.

For payment by reimbursement, the subrecipient must submit a signed invoice for subaward expenses for the previous month(s), including supporting documentation for all invoiced expenditures. In addition, the subrecipient must submit a *Quarterly/Monthly Expenditure Report* to document current and past expenditures and all payments from ICAP. The expenditure report must be signed by an authorized official of the subrecipient organization and must conform to all specifications above.

4 FINANCIAL MANAGEMENT AND ACCOUNTING

4.1 SUBRECIPIENT PAYMENT OF EXPENSES

While subawards must be requested in U.S. dollar (USD) amounts, subrecipients will generally use local currency for their transactions. Subrecipients may not open USD

accounts without the approval of ICAP nor incur expenses in a currency other than the local currency.

Subrecipients must track payments and expenses in both the local currency and USD amount for the duration of the subaward. Subrecipients must maintain an up-to-date check register and cash journal and make them available for review during Subrecipient Financial Site Visits.

All payments made by the subrecipient must be in compliance with all relevant rules and policies of ICAP and Columbia University and all applicable sponsor regulations and subaward conditions. For reasons of security and cash management compliance, subrecipients should give preference to electronic payments by electronic funds transfer (EFT) or mobile money transfer (MMT) over payments by cash. Details on MMT requirements and references to the standardized forms may be found in [Part 4.5](#).

Signatory approval when manually provided requires all of the following:

- Printed name
- Title
- Full signature (not initials)
- Date of signing

4.2 CURRENCY CONVERSION

The subrecipient is responsible for reporting currency conversions in their ICAP financial reports and presenting documentation to support the rate used. If the subrecipient's bank uses a conversion rate that differs from the rate posted on the [OANDA website](#), the bank's rate may be used so long as the subrecipient provides proper documentation, e.g., an official letter from the bank stating the rate. (OANDA is ICAP's source of reliable foreign exchange data.)

Ideally, an organization will have a multi-currency accounting system that can automatically record transactions in local currency and generate reports in local currency and equivalent USD. For organizations that do not have a multi-currency system, there are two methods suggested to account for the exchange rate:

- **First in, first out (FIFO):** The “first in, first out” method uses the oldest exchange rate to account for expenses until funds received at that exchange rate have been fully expensed.
- **Weighted average exchange rate (WAER):** In locations where the exchange rate fluctuates significantly during a month, using the weighted average is the preferred method to calculate a realistic exchange rate. The weighted average exchange rate is the average of the exchange rates over a given period of time. It is calculated by multiplying each rate by the amount exchanged at that rate, adding the subtotals together and dividing by the total USD amount exchanged.

Example:

- Funds brought forward from the previous period: US\$12,500 or 7,500,000 in local currency at US\$1 = 600 local currency
- New payment received: US\$52,000 at US\$1 = 590 local currency = 30,680,000 in local currency
- Total expenses for the reporting period in local currency: 33,760,000
- Conversion of expense amounts into USD calculations:
 - Calculation of the WAER for the reporting period:

$$\text{WAER} = \frac{(600 \times 12,500) + (590 \times 52,000)}{12,500 + 52,000} = 591.94$$

Or

$$\text{WAER} = \frac{7,500,000 + 30,680,000}{12,500 + 52,000} = 591.94$$

Total expenses in USD for the period: 33,760,000/591.94 = US\$57,033

Whatever method used by the subrecipient, it must achieve an accurate or fair valuation of the activities or transactions reported at the time they occurred, and be consistent with GAAP and compliant with sponsor regulations.

4.3 UNALLOWABLE AND UNALLOCABLE EXPENSES

In accordance with sponsor requirements, all expenses charged against the subawards must be *allowable* and *allocable*.

Allowable expenses are those not prohibited. The following items are prohibited; that is, they cannot be charged to the funders, in accordance with U.S. government and Columbia University/ICAP policies and regulations:

- Alcohol
- Cakes
- Charge card delinquency assessments or interest charges
- Construction
- Contributions or donations (political or otherwise)
- Entertainment
- Fines, penalties
- Flowers
- Food or coffee (unless pertaining to a valid business meeting or while traveling out of town)
- Gifts
- Household staff payments
- Laundry
- Lobbying
- Medical expenses for international assignees and non-employees

- Parties (including retirement parties)
- Personal (non-business-related) items
- Personal loans
- Taxes, including VAT (unless incurred in a state or country where exemption is otherwise not granted or available – see [Part 4.4](#))
- Travel accident insurance premiums
- Traveler’s checks’ fees
- Any items for which prior approval (see [Part 5.6](#) for more information) is required but has not yet been received from the sponsor.

Allocable expenses are defined as *costs incurred to advance the work under the award, or costs that are necessary to the overall operation of the institution and are deemed assignable in part to the funded projects*. For example, if a subrecipient’s approved subaward budget does not include a line item for training and the subrecipient reports training expenses, these expenses are not allocable to the subaward. Also, the cost of supplies or equipment not necessary for the implementation of the subaward Scope of Work is not an allocable cost.

ICAP will seek reimbursement from the subrecipient for any unallowable and unallocable expenses reported by the subrecipient.

If a subrecipient reports unallowable or unallocable expenses:

- The ICAP Country Office will request that the subrecipient resubmit their expenditure report with the unallowable or unallocable expenses removed.
- ICAP may withhold the amount of the disputed expense from the next advance.
- If the unallowable or unallocable expense occurs at the end of the subaward period, ICAP will request reimbursement.

ICAP reserves the right to notify in-country sponsor personnel (where applicable) with concerns about subrecipient expenses.

4.4 VALUE-ADDED TAX (VAT)

Subrecipient organizations that do not have tax-exempt status may charge VAT expenses against the ICAP subaward budget, but still must pursue reimbursement for all VAT payments. In their financial reports, subrecipients must report VAT payments on the VAT Tracking Sheet as per the instructions and format provided with the ***Subrecipient Financial Package (Monthly) / Subrecipient Financial Package (Quarterly)***. Subrecipients may not charge an additional VAT on the total amount of subaward services that they provide to ICAP.

4.5 PAYMENT OF ALLOWABLE EXPENSES BY MOBILE MONEY TRANSFER (MMT)

ICAP strongly encourages and on a case-by-case-basis will require subrecipients to enter into an agreement with a mobile money transfer service provider, where available. The subrecipient will use mobile money transfers in lieu of cash disbursements to pay advances to staff, per diems, and allowances to training participants, and any other payments where this modality can be used.

MMT written requirements: To ensure good management of payments by money mobile transfer, the subrecipient must have written MMT requirements that should:

- Specify the users of any trust account, their access rights, and change procedures
- Have separate people designated as initiators and as approvers, to maintain segregation of duties
- Allow for only authorized bank account signatories to serve as approvers for disbursement accounts
- Specify the required supporting documentation

Providing advances to staff: One or more staff members requesting an advance should complete, sign, and submit to the finance team a ***Subrecipient Staff Advances Mobile Money Transfer Form (SA-MMT Form)*** with supporting documentation attached.

Making payments to training participants: Following are instructions for the person providing administrative support for a training event and arranging the MMT payments:

1. For every planned payment, complete a ***Subrecipient Trainings Mobile Money Transfer Form (T-MMT Form)*** with a list of all participants' names and organizations, as well as the payment amount
2. Have participants fill in their mobile phone numbers on the form and sign in the indicated column to confirm that their personal details are correctly recorded
3. Have the MMT recipients sign an attendance form every day as evidence of their participation in the training event
4. For multi-day events (more than two days), give part of the allowance to training participants on the first day and give them the balance on the last day; prior to paying the balances due to participants, first review the attendance forms to confirm that each person's attendance warrants the payment on the final day
5. Sign at the bottom of the ***T-MMT Form*** to confirm that all the individuals on the list have participated in the training event and the amounts paid are correct
6. Provide all required supporting documentation for attachment to the payment voucher, including itemization of how the amounts paid to participants was calculated

To maintain segregation of duties, the person completing these tasks should not be involved in processing the payments.

Trust Accounts with Third Parties: If the service provider is not a bank but a mobile telephone service provider or other party, they establish both a trust account into which the subrecipient deposits funds to be disbursed and a disbursement account. The Finance and Administration Director/equivalent should serve as the subrecipient's contact person for these accounts.

The guidelines on bank accounts in [Section 3.1](#) apply to such trust accounts, including the procedures for changes in signatories and preparation of monthly reconciliations.

Funding the Trust Account: There are two payment options for trust accounts: (1) pre-funding based on estimated expenses and (2) funding based on actual expenses. The subrecipient, if possible, should fund the account based on actual expenses. In the case of pre-funding based on estimated expenses, the event's administrative support person or other initiating staff member will need to estimate well in advance (more than one week prior to the event) the amount due for per diems and other allowances and communicate that to their finance team.

If a training event or staff travel is unexpectedly canceled and funds transferred to the trust account will not be used within 10 business days, the funds should be transferred back to the subrecipient's bank account.

As the transfers to the trust account will be planned and done based on the amount to be disbursed, the expectation is that at the end of the activity or month, the balance in this account will be minimal. All balances should be retired by the subaward expiration date.

5 POST-AWARD MANAGEMENT

5.1 SUBRECIPIENT TRAINING

Initial Training: The ICAP Country Office will provide all subrecipients with formal training in subaward management at the initiation of that organization's first ICAP-funded subaward. The ICAP Subaward Representative will ensure the training takes place.

The initial training will cover:

- The ICAP Country Office as first point of contact, and the roles and responsibilities of the ICAP Subaward Representative and ICAP Technical Advisor
- The terms and conditions of the subaward (review of the subagreement documentation)
- The content of these *ICAP Subrecipient Guidelines*
- The ICAP process for subaward advances and payments (including the *Cash Request and Expense Projection Form* and the *Certified Quarterly/Monthly Expenditure Report (CQER/CMER)*, linkages to technical reporting, and off-cycle requests)

- Standards for financial management of subaward funds
- Requirements for payments by mobile money transfer
- Compliance with U.S. government regulations, as applicable to the subaward
- Unallowable and unallocable expenses (see [Part 9.2](#) for definitions)
- Restricted expenses (equipment, vehicles, travel, subawards, service providers, renovations)
- Assets and property tracking
- Timekeeping and effort reporting
- ICAP site visits (scheduling, what to expect)
- Financial and technical reporting requirements (including Property Logs)
- The subagreement execution process
- Subagreement amendments
- Audits

Additional Training: During the course of subaward implementation, ICAP may determine through its monitoring mechanisms that additional training is required for either an individual subrecipient or a group of subrecipients. The ICAP Subaward Representative will ensure that a training program to address the subrecipients' needs is implemented in a timely way.

5.2 SITE VISITS

Technical Visits

The ICAP Technical Advisor will make arrangements with the subrecipient to conduct program site visits several times per year.

The purpose of technical visits is to:

- Monitor the program performance of the subrecipient
- Provide technical assistance to the subrecipient
- Ensure subrecipient conformance with the terms, conditions, and specifications of the SOW and of the subagreement
- Document ICAP's fulfillment of its oversight responsibilities

The site visit will be documented by the completion of a *Technical Site Visit Report*, for which ICAP requests a subrecipient representative's signature to confirm the visit. ICAP will provide the subrecipient with a final copy.

Financial Visits

The ICAP Subaward Representative will make site visits to the subrecipient no less frequently than quarterly. The schedule of site visits should be planned with the subrecipient ahead of time.

The purpose of financial site visits is to:

- Ensure subrecipient conformance with the terms, conditions, and specifications of the subaward
- Ensure subrecipient conformance with USG regulations (as applicable) and Columbia University and ICAP requirements for procurement and financial activity
- Provide financial, administrative, and other assistance to the subrecipient
- Monitor subrecipient performance and, in the case of special conditions applied to mitigate risks associated with the subaward, monitor progress made in reducing the risks
- Review financial records such as check registers, cash journals, bank reconciliations, and back-up documentation for financial reports (e.g., receipts, bids)
- Review time and effort-reporting procedures and records
- Review the Property Log in comparison to existing equipment
- Check files, receipts, and documentation for adequate data retention and compliance with records management policies
- Document ICAP's fulfillment of its oversight responsibilities

The site visit will be documented by the completion of a *Financial Site Visit Report*, for which ICAP requests a subrecipient representative's signature to confirm the visit. ICAP will provide the subrecipient with a final copy.

5.3 CHANGES TO SUBAWARD BUDGETS OR SOWs

Programmatic Changes: Subrecipients should discuss programmatic changes with the ICAP Technical Advisor and Subaward Representative. The purpose of such discussions is to keep ICAP informed, in the case of minor changes, and to request ICAP approval, in the case of more significant changes.

Budget Revisions: Subrecipients that want to make budget revisions may proceed in accordance with the conditions in the subaward, which allow for reallocation among line items within the approved budget for that Budget Year, ***provided that*** no line item is increased by more than the percentage provided in the subaward (typically 10% with USAID funding and 20% with CDC funding, for example) and no new line items are added. Any increase greater than the stipulated percentage or any addition of line items requires the prior written approval of the ICAP Country Director and the appropriate ICAP official in New York.

To request budget reallocation or realignment, the subrecipient must send a request to the ICAP Subaward Representative with a revised budget and justification for the proposed changes. Once ICAP procures any necessary approvals, the Subaward Representative will send a letter of approval and the revised budget to the subrecipient. All future financial reports and advance requests should be based upon the revised budget.

See [Part 6](#) on subaward amendments for more details.

5.4 GENERAL PURCHASING PROCEDURES

Competitive Procurement

Most subrecipients have established procurement guidelines, and ICAP supports and encourages the usage of these established protocols as long as they are within the agreed upon terms of the subaward and approved budget. ICAP requires competitive bids for the procurement of *goods or non-consultant services* when the value of a transaction is US\$500 or greater or the equivalent amount in local currency. Competitive bids are also required for the procurement of *service provider/consultant services* of US\$25,000 or more.

- All bids/quotes must be in writing on the company's letterhead, and must be in English or key elements must be translated.
- The quotes should include a full description of the goods and/or services, the unit price, and other associated costs such as delivery costs .
- The required bids/quotes must be attached to the purchase requisition and written explanation must be provided for the supplier selection.

Note: Pro forma invoices may be used as quotes, but are not acceptable for payment. Instead, stamped receipts from the vendor are required.

Single- or Sole-Source Procurement

In the event that competitive bidding is not viable for a requested product or service, the subrecipient must complete a *Subrecipient Single/Sole Source Procurement Form* for each transaction that meets the above criteria. (For definitions of sole source and single source, see the form itself.)

Subrecipients are advised to negotiate with suppliers payment terms that minimize risk of delayed delivery, non-delivery, and the loss of funds. The subrecipient should seek to obtain goods and services on credit, then pay after delivery or performance of the service. However, should a supplier require an advance, then this should not exceed 50% of the total value of the order. Loss of subaward funds and goods in the procurement delivery chain is the sole responsibility of the subrecipient.

5.5 PROCUREMENT COMMITTEES AND CONFLICT OF INTEREST

Procurement Committees have a role to play in large procurement transactions, where "large" is defined as any purchase over US\$7,500. Subrecipients without established procedures for these committees should seek ICAP's guidance on size, composition, and

recomposition of these committees, their scope and role, and handling of potential or actual procurement conflict of interest.

All voting members of a Procurement Committee should complete a ***Subrecipient Procurement Conflict of Interest Declaration Form*** or an equivalent template prior to evaluating bids.

5.6 ITEMS REQUIRING ADDITIONAL SPONSOR APPROVAL

Under some sponsors' regulations and requirements, including USG sponsors, certain items are restricted and their procurement requires prior sponsor approval. For USG sponsors, these items include:

- Agricultural commodities
- Fertilizer
- International consultants (see below)
- International travel (see below)
- Lower-tiered subawards or contracts (see below)
- Pesticides
- Capital equipment as per sponsor policies (see below)
- Pharmaceuticals
- Renovations
- Used equipment
- USG-owned property
- Vehicles (see below)

Capital Equipment: Subrecipients procuring capital equipment, also known as major equipment, must comply with the special approval, procurement, and inventory regulations associated with capital equipment.

Sponsor approval is required for purchases of capital equipment, as defined by the sponsor. For example, [USG Uniform Guidance](#) (2 CFR 200.439) requires approval for all equipment with a unit price of US\$5,000 or more.

For procurement with USG funds, the U.S. legislation “Buy American Act” mandates preference for the purchase of U.S.-produced and/or U.S.-provided goods over goods from foreign sources. Therefore, ***USG policy*** requires that approval be obtained for purchase of capital equipment that is not sourced from the United States.

- Note that PEPFAR awards are exempt from the “Buy American Act.”

USG funding entities generally require that equipment and products purchased with USG funds be U.S.-produced and/or -provided to the greatest extent practicable. In addition, use of U.S. shipping companies may be stipulated, and USG sponsor approval required for exceptions.

To secure approval for purchase of capital equipment, the procedure is as follows:

1. The subrecipient obtains at least three quotes/bids for the equipment and submits them to ICAP with a completed and signed ***Subrecipient Procurement Approval Request Form*** that identifies the selected vendor. *Note: The three quotes must be for the same or materially identical piece of equipment.*
2. Alternatively, a ***Subrecipient Single/Sole Source Procurement Form*** is completed and submitted along with the quote/bid, if the subrecipient is unable to obtain at least three quotes.
3. If the sponsor requires additional information, the ICAP Country Office corresponds with the subrecipient to obtain what is needed.
4. Once the subrecipient receives notification from the ICAP Country Office of sponsor approval of equipment purchase, a purchase order is generated for the selected vendor.
5. Once approval is obtained from the sponsor and this is communicated to the subrecipient, the subrecipient maintains files with copies of the entire package, including:
 - All correspondence with the ICAP Country Office regarding approvals
 - The quotes and/or ***Subrecipient Single/Sole Source Procurement Form*** with all attachments

This same process applies to ***motor vehicles*** purchased under a subaward.

Travel: Subrecipients must request approval for international travel. See [Part 5.7](#) for more information.

Subawards: Third-party subawards (between the subrecipient and a new subrecipient) require approval from ICAP and may require approval from the sponsor.

International Service Providers/Consultants: ICAP approval and, if applicable, sponsor approval are required for all international consultants (i.e., a consultant who is traveling from another country to provide technical support). If the subrecipient plans to hire an international consultant, a request for approval with supporting documentation – a consultancy Scope of Work and budget and a completed ***Subrecipient Biodata Form*** – must be submitted to the ICAP Country Office prior to contracting the consultant and on an annual basis thereafter.

5.7 TRAVEL

International Travel

All subrecipient international travel should be in compliance with ICAP's guidelines and must be approved by the ICAP Country Director. The subrecipient should begin by submitting documentation in the form of a Scope of Work for the trip, a ***Subrecipient***

International Travel Authorization Form, and, where required, a ***Subrecipient Fly America Exception Checklist***. The ICAP Country Office will review and approve all subrecipient international travel requests and work with ICAP-NY to obtain sponsor approval when required (e.g., for travel to international conferences).

The ICAP Country Office will give guidance on the per diem rates that are applicable for the planned travel.

Air Travel

All airline travel supported through USG funds is subject to the “Fly America Act,” under which all flights must be booked on U.S. flag carriers or “code share” carriers to the maximum extent possible, unless specific exceptions apply. Code share arrangements allow tickets to be printed in the name of their partner carriers, even though the actual vessel might be from another airline, thus conforming to the U.S. government regulation. Note that when code share is available, the ticket must be booked through the U.S. carrier, even if the air ticket is more expensive than booking through the U.S. carrier’s code share partner.

Travelers are in compliance with the “Fly America Act” if the two-letter designator code and flight numbers on their itineraries and tickets are flight numbers for American carriers for each leg of their trip for which an American carrier flight number is available.

The following exceptions to the “Fly America Act” requirements apply ***for travel between two points outside the United States***. Use of a foreign-flag air carrier is permissible if:

- No U.S. flag air carrier provides service on a particular leg of the route;
- Travel by foreign aircraft would eliminate two or more aircraft changes en route;
- Travel by U.S.-flag air carrier would require a connecting time of four hours or more at an overseas interchange point; or
- Travel by U.S.-flag air carrier would extend the time in travel status by at least six hours more than travel by a foreign-flag air carrier.

If U.S. carriers or code share airlines are not used, the subrecipient should attach a ***Subrecipient Fly America Exception Checklist*** to the invoice for the ticket.

Air travel should be booked as far in advance as possible (preferably one month) to obtain low fares and reservations in coach/economy class and, where required, on U.S. carriers.

Subrecipients must select the lowest-cost carrier and most direct route for air travel. Tickets purchased must be for coach or economy class travel, with exceptions allowed under only a few circumstances (e.g., because of an employee’s disability or medical condition, as supported by a physician’s note) and with prior ICAP approval.

For all air travel, the subrecipient must attach the following air travel documentation to the invoice(s):

- The original airline ticket receipt or print-out of the electronic ticket (the original passenger ticket or e-ticket statement **must include the dates and points of departure and arrival, the travel “class,” and the total cost of the ticket**)
- Proof of payment in cases where travelers paid for their tickets
- Boarding passes (copies or originals), electronic ticket, website statement or confirmation, or itinerary issued by a travel agent
- If a U.S. carrier was not used, the ***Subrecipient Fly America Exception Checklist***

5.8 PROPERTY MANAGEMENT AND REPORTING

All supplies and equipment purchased under the subaward are to be used to benefit ICAP’s prime award and may be dispositioned only following consultation with ICAP and with the full approval of the sponsor. Funds allocated in the budget for capital equipment (items with a unit cost of US\$5,000 or more) are restricted for these purposes solely and may not be used for any other purpose without the prior written approval of ICAP.

Property Title: Conditional title of equipment vests in the subrecipient organization as per the conditions set in 2 CFR 200.313. The subrecipient will make known to ICAP the location and condition of property until a disposition plan for the asset has been fully approved.

Property Tagging: In accordance with ICAP policy and its requirement of strict accounting of assets, all equipment acquired by subrecipients under a subaward must have a label affixed to it on a visible outside surface.

Property Log: Subrecipients must maintain a Property Log of:

- Property items with a total cost of equal to or greater than US\$5,000, including taxes, shipping, duties, installation, and related charges
- Property items with a total unit cost less than US\$5,000 and more than US\$200, including taxes, shipping, duties, installation, and related charges (which includes non-expendable property such as desks, chairs, and other office furniture, and electronic items such as laptop computers, electronic storage devices, and other computer accessories)

The subrecipient’s Property Log must provide in a clear format all the information required to meet the needs of ICAP and its sponsors, as shown in the ***Subrecipient Property Log***. For details on exactly what must be included, see the definitions provided in the second worksheet of the ***Subrecipient Property Log***.

Each subrecipient must submit its Property Log to the ICAP Country Office’s finance staff **every six months** as per instructions provided by the Country Office.

Insurance: All equipment must be insured against loss, damage, or theft. Therefore, the subrecipient must have insurance that covers fire, theft, injury to third parties (public liability), general liability, riots, and other uncontrollable perils. ***For motor vehicles, the subrecipient must have comprehensive insurance coverage.***

When deciding on the insurance value, the subrecipient should consider the cost and expected useful life of the equipment, as well as damage sustained from wear and tear.

- As a guide, the subrecipient may use an annual depreciation rate of 33% for computers, 25% for other equipment, and 20% for furniture. The suggested annual depreciation rate for motor vehicles is 20%, when depreciation is used in lieu of valuation.

If local law dictates a higher level or more comprehensive insurance coverage than ICAP and its sponsors require, the local law must be followed.

In the event of loss of equipment through theft or any other means, the subrecipient must immediately report the loss to ICAP, no matter the dollar amount. The subrecipient should obtain a police report, where available, and other documentation of the loss or damage, and send the report to the ICAP Country Office as soon as it is available.

If the loss or damage involves a vehicle, ***it must be reported to ICAP*** even if the local insurance policy may cover the loss. If the local insurance company provides compensation for the loss or damage, ***these funds may not be spent without prior written approval from the ICAP Country Director.***

The subrecipient may not replace a lost asset without consultation with ICAP and sponsor approval.

Personal Use of ICAP-Funded Property: Equipment purchased with ICAP funds may not be used for personal use, either for an employee or non-employee of the subrecipient. Equipment may only be used for program-related activities, unless specific ICAP approval is obtained.

Changes in Status of Equipment: Whenever there is a proposed change in the status of equipment procured with USG funding through ICAP, e.g., through disposal, the subrecipient should notify the Subaward Representative. ICAP will then determine if the change in status requires approval from the sponsor and if so, will seek that approval.

Change of Location: Subrecipients should notify the Subaward Representative of any permanent change in equipment location, even if the move is from one subrecipient site to another within the same region.

Disposition of Property: For procedures on disposition of assets, see [Part 8.2](#).

5.9 TIMEKEEPING SYSTEM AND DOCUMENTATION

Subrecipients receiving salary support from ICAP must have in place a timekeeping system to facilitate the management and documentation of employee time and effort. For each employee receiving salary support, a timesheet must be prepared at least monthly and should be signed by the individual employee and the supervisor.

The *Subrecipient Monthly Timesheet Template* is recommended for use by subrecipients. Documents supporting employee timekeeping must be consistent with the requirements of the [USG Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards](#) (commonly referred to as the Uniform Guidance – 2 CFR 200).

5.10 ANNUAL TIME AND EFFORT CERTIFICATION

The subrecipient must comply with ICAP's Annual Time and Effort Certification requirement, which exists to verify (1) that funding for staff salaries was used to support staff as per the Scope of Work in the signed subagreement, and (2) that the amount of funding provided to each staff member reflects the percentage of that person's time spent on the ICAP-funded activity.

While certification typically occurs on an annual basis, the Finance and Administration Director may choose to require quarterly or monthly Time and Effort Certification reports. See the *Subrecipient Monthly Time and Effort Sheet* as one suggested format for subrecipient use.

Examples for time and effort certification:

- If the ICAP subaward Scope of Work and budget specify that a certain researcher is to work full-time on the activity and is to receive a full-time salary from the subaward for that work, then ICAP would ask that the subrecipient certify that the full-time salary was paid and that the researcher did indeed work full-time on the activity.
- Suppose that the ICAP specifies that two technicians are to work part-time on the activity at a level of 20%, and are to be paid 20% of their salaries from the subaward. In that case, ICAP would ask that the subrecipient certify that the technicians were indeed paid for 20% of their effort and that they did indeed work 20% of their time on the activity.

The time and effort certification process is as follows:

1. Near the end of each budget year, ICAP requests the Annual Time and Effort Certification from each subrecipient.
2. The subrecipient uses the *Subrecipient Annual Time and Effort Certification Template* to provide the name of each staff member that received salary from the ICAP subaward and the percentage of each person's time that was devoted to subaward activity over the course of the preceding year.

3. An authorized official of the subrecipient organization reviews and certifies the form, then submits it to the ICAP Country Office.

5.11 DISPUTE RESOLUTION

Columbia University seeks to resolve amicably all disputes or controversies that may arise in the interpretation or implementation of an ICAP subaward. If such resolution does not occur, the matter shall be referred to a panel of arbitrators elected by Columbia University and the subrecipient, and the decision of the arbitrators shall be final.

6 SUBAWARD AMENDMENTS

All modifications to existing subawards must be agreed upon between ICAP and the subrecipient and must have a period-of-performance end date consistent with sponsor requirements.

There are several types of modifications, as described subsequently:

- Scope of Work (SOW) Amendments
- Budget Amendments
- Cost Amendments
- No-cost extensions (NCEs)
- Cost Extensions

6.1 SOW, BUDGET, AND COST AMENDMENTS

Scope of Work Amendment: Any substantive change to the subaward SOW may require a subagreement amendment or, in extreme circumstances, issuance of a new subagreement.

Budget Amendment: A budget amendment is required when there are significant changes in the allocation of funds among line items or the creation of new line items, as per the conditions in [Part 5.3](#).

Cost Amendment: In certain circumstances, ICAP may approve increasing the level of funding in a subaward because of increased cost associated with approved increases in levels of activity and/or personnel, inflation of unit costs, extreme exchange rate fluctuation, or the time extension of project activities.

6.2 NO-COST EXTENSION (NCE)

No-cost extensions extend the period of performance on the subaward beyond the period-of-performance end date and do not add funds to the subaward budget. NCEs are rarely

permissible, but where they are permissible and where the original period of performance was less than 12 months, the period of performance may be extended to 12 months maximum. In such cases, NCEs are appropriate if the work has not been completed and funds remain to continue implementation. The period-of-performance end date for an NCE must be on or before the end date of ICAP's prime award.

The process for requesting an NCE is as follows:

1. Thirty days before the end of the project period for each subaward, the ICAP Subaward Representative notifies the subrecipient's authorizing official that the subagreement is expiring.
2. If the subrecipient and ICAP wish to amend the subagreement to extend the period of performance, the subrecipient submits to the ICAP Country Office a signed NCE letter that includes accurate and up-to-date financial information.
3. The ICAP Subaward Representative processes the NCE letter through the ICAP system.
4. The ICAP Subaward Representative delivers the subaward amendment officially extending the subaward end date.
5. An authorized official of the subrecipient signs the amendment and returns it to the ICAP Subaward Representative.
6. Once finalized, ICAP Subaward Representative provides the subrecipient with a fully executed (signed by Columbia University) copy of the amendment.

6.3 COST EXTENSIONS

Cost extensions add funds to the subaward budget and extend the subagreement period of performance beyond the previous end date. The new period-of-performance end date for a cost extension must be on or before the end date of ICAP's prime award.

In the rare case when a cost amendment is warranted, as discussed between the subrecipient and ICAP, the subrecipient submits to ICAP an updated ***Subrecipient Contact Information Form***, revised Scope of Work, revised budget, and revised budget justification. The procedure for executing the cost extension is the same as indicated for a no-cost extension above.

7 SUBAWARD AUDITS

7.1 AUDITS OF SUBRECIPIENTS FOR USG-FUNDED SPONSORED PROJECTS

All subrecipients with expenditures on USG awards totaling US\$750,000 or above (in single or combined awards) during the subrecipient's fiscal year, require an audit to assess the integrity of their financial, organizational, and accounting systems. For certain USG

awards, the terms and conditions may stipulate an audit at the US\$300,000 threshold for foreign subrecipients.

Columbia University/ICAP is responsible for ensuring that the subrecipients in this category obtain independent audits in accordance with 2 CFR 200.500 in the [USG Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards](#) (commonly referred to as the Uniform Guidance – 2 CFR 200). Columbia University/ICAP may also, at its discretion, organize independent audits of subrecipients irrespective of the sponsor's threshold. The ICAP Country Office will ask the subrecipient to complete the ***Subrecipient Audit Status Form*** upon conclusion of the subrecipient's fiscal year.

7.2 PAYMENT FOR SUBRECIPIENT AUDITS

- In the case of routine, required audits for subrecipients whose only source of USG funding is the ICAP subaward, ICAP organizes the audit and pays the audit firm directly.
- Subrecipients with multiple sources of USG funding pay the audit firm directly and charge a proportionate amount of the expense to the ICAP subaward, if an audit line exists.
- Otherwise, the subrecipient obtains reimbursement by submitting a detailed invoice to the ICAP Country Office. The invoice must indicate the total audit cost, the audit cost allocated to each subaward if there are more than one, and the basis for allocating the audit cost to the subaward.

All audit reports, audit findings, and other information pertaining to the audit must be provided to the ICAP Subaward Representative who will, in turn, share the findings with the ICAP Finance and Administration Director and ICAP-NY.

8 CLOSEOUT AND TERMINATION

Consistent with each sponsor's requirement, plans are made to close out each subaward when the subagreement terminates at the period-of-performance end date. Subagreements that have been executed *under single-year awards* and feature one-year budget periods must be closed out at the end of each budget period. No-cost or cost extensions are not permitted in such situations.

8.1 FINAL TECHNICAL AND FINANCIAL REPORTING

Sixty days prior to the period-of-performance end date, the ICAP Subaward Representative will send a closeout letter to the subrecipient. The letter will request:

- The *Final Technical Performance Report*

- The *Final Certified Financial Report* in which the subrecipient accounts for previously advanced funds and declares any remaining balance (marked “FINAL”)
OR
A final invoice not exceeding the subaward approved budget, including the withheld amount (marked “FINAL”)
- The *Subrecipient Annual Time and Effort Certification*
- The signed *Subaward Certification Form* confirming total expenses through the subagreement termination date and including necessary attachments as noted in the form, including a final Property Log
- In the case of renovations, a Certificate of Completion that is certified by the renovation vendor and the facility receiving the renovation, and that will be certified by the appropriate senior person in the ICAP Country Office

The above documents must be submitted to ICAP within 30 days of the period-of-performance end date.

Upon receipt and approval of the documents stipulated in the closeout letter, ICAP will make the final payment, if one is due, to the subrecipient.

ICAP may exercise the right to disallow costs and recover funds on the basis of a post-award audit or review. The subrecipient must return any funds due to ICAP as a result of later refunds, corrections, or other transactions.

8.2 EQUIPMENT DISPOSITION

The disposition of capital equipment that was acquired for the purposes of the subaward and with subaward or prime-award funds must follow sponsor regulations. Upon receipt of the subrecipient’s disposition plan, ICAP will first seek approval from the sponsor if required and then notify the subrecipient of the approved plan for equipment disposition.

Transfer of Equipment to Other Entities: Whenever a subrecipient proposes to transfer equipment procured under an ICAP subaward to another institution, the subrecipient must obtain prior permission from ICAP, which will in turn seek sponsor approval if required for that transfer. The subrecipient must provide the receiving institution with a listing of the equipment, and the receiving institution must send the subrecipient a written statement accepting responsibility for the equipment. Before the physical transfer of the equipment, all ICAP and U.S. government identification must be removed from the item.

The disposition process must always be fully documented. The disposition plan submitted for ICAP and sponsor approval must include the following data points:

- Description of Item
- Supplier
- Manufacturer
- Manufacturer Serial Number

- Date of Purchase
- Quantity
- Condition
- Unit Cost
- Recipient's Disposition Request – transfer out (recipient organization must be named), sale by auction, scrap, use on another USG-sponsored project

Once the plan has been approved, the subrecipient organization may proceed with the approved actions. In the event assets are dispositioned by sale, the proceeds must be reported to ICAP with an explanation of how fair market value was determined.

Sensitive Data and Disposition/Transfer of IT Equipment: When disposing of or transferring computers and other IT equipment, the subrecipient should first take measures to fully remove any patient or study participant information or other sensitive data.

8.3 ACCOUNT RECONCILIATION AND FINAL FINANCIAL REPORTING

Any funds paid to the subrecipient in excess of the amount to which the subrecipient is entitled, as determined by the financial reporting, allowability of expenses, and successful project completion, must be returned to ICAP. If this balance is not refunded within 60 days following the subaward end date, ICAP retains the right to recover the amount owed using the following procedures:

- Deducting the amount owed from any remaining requests for reimbursement from the subrecipient
- Withholding the amount from any advance requests that the subrecipient has pending
- Seeking legal remedy to the extent permissible by local law

8.4 EARLY TERMINATION

ICAP has the right to terminate a subaward at any time during the subaward period if:

- The prime award under which the subaward is funded is terminated by the sponsor.
- The subrecipient is in material breach of the subagreement.
- ICAP believes the subrecipient has not met required performance standards, upon 30 days' prior written notice.
- ICAP would like to terminate the subagreement for convenience, upon 60 days' prior written notice.

In addition, the subrecipient may request early termination by sending the ICAP Country Office written notification setting forth the reasons for such termination, the effective date, and, in the case of partial termination, the portion to be terminated.

The subrecipient is responsible for reimbursing ICAP for all subaward account balances and unspent project commitments through the date of termination.

9 REFERENCES

9.1 GOVERNING DOCUMENTS AND PROVISIONS

The terms and conditions of awards that Columbia University has from its sponsors govern the use of the resources provided, including any use associated with subawards. For U.S. government (USG) funding, ICAP personnel are responsible for the administration of subawards in accordance with the [USG Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards](#) (commonly referred to as the Uniform Guidance – 2 CFR 200). It is the responsibility of the subrecipient to know and adhere to these provisions.

9.2 DEFINITIONS

The following are U.S. government definitions of terms relevant to subrecipients with USG-sourced funding.

Allocable Cost – A cost incurred solely to advance the work under the sponsored agreement; it benefits both the sponsored agreement and other work of the institution, in proportions that can be approximated through use of reasonable methods; or it is necessary to the overall operation of the institution and is deemed to be assignable in part to sponsored projects.

Allowable Cost – A cost incurred by a recipient that is reasonable for the performance of the award; in conformance with any limitations or exclusions set forth by the sponsor, and consistent with recipient policies and procedures.

Debarment – The disqualification of a person to receive invitations for bids or requests for proposals, or the award of a contract by a government body, for a specified time commensurate with the seriousness of the offense, the failure, or the inadequacy of performance. Debarment status is determined using the USG’s “exclusion records,” available on their [USG System for Award Management \(SAM\)](#) through the “Search Records” function.

Direct Costs – Costs that can be specifically identified with a particular project or program, such as salaries and benefits of project personnel, travel, equipment, services, and supplies.

Equipment – An article of tangible personal property that has a useful life of more than one year and an acquisition cost of US\$5,000 or more.

Indirect Costs – Costs that are incurred for a common or joint purpose benefiting more than one cost objective and not readily assignable to the cost objectives specifically benefited. This would only apply to organizations that receive numerous sources of funding for a single purpose.

Subaward Representative – The ICAP staff member in the ICAP Country Office who provides financial, administrative, and other assistance and oversight to subrecipients.

Subaward Manager – The ICAP staff member in the ICAP New York office who executes the subawards and provides support to the ICAP Subaward Representative.

Subagreement – A document such as a subgrant or subcontract written under the authority of and consistent with the terms and conditions of a prime award (cooperative agreement, grant, or contract) that transfers a portion of the resources to another entity.

Subaward – A subgrant or subcontract that transfers a portion of the resources to another entity as documented in the subagreement.

Subrecipient – A legal entity to which a subaward is made and which is accountable to the recipient for the use of the funds provided.

Supplies – All items that are purchased in support of the day-to-day operations of a business and that will be expended in less than one year or will be outdated or obsolete within one year, e.g., office supplies or minor equipment costing US\$100 or less, computer software not expected to be upgraded within a year, and other consumables.

Technical Advisor – The ICAP staff member in the ICAP Country Office who provides technical support and programmatic oversight to subrecipients.