



# Office of Research and Sponsored Programs

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## Institutional Approval

Approval from the receiving institution generally consists of a short letter agreeing to the terms and conditions and any required cost share. It should come from an institution contact with signature authority. For example, at UW-Madison, this would be RSP.

## Scope of Work (SOW)

NOTE: The Scope of Work describes the work to be performed and includes a timeframe necessary for the completion of the work. The goal is to allow the other party to understand what is expected of them and what should be included in the finished product. The SOW is not the budget justification. *Most importantly, a well written SOW will help protect the PI, the department, RSP, and the UW as a whole, in the event the subawardee fails to perform their obligations to the agreement.*

A good Statement of Work should include the following elements:

- A detailed description of the work to be performed
  - Clearly state what you want the subrecipient to achieve and deliver.
  - Will travel be required to complete the work?
  - Is there a specific number of times something needs to be done (i.e. interview 10 subjects)
- Deliverables (if needed)
  - Include a timeline of major deliverable due dates
    - Fixed dates
    - Flexible dates (i.e. Two weeks after some event occurs)
  - Include milestones as necessary so that the work can be monitored to ensure that you are getting what you need and the quality of the work is as expected.
- Special requirements
  - Travel
  - Special skills or knowledge
  - Resources
  - Special tools/equipment/supplies

Remember to include:

- Specific language
  - **Don't leave room for interpretation**
  - Use language everyone can understand
- A definition of completion
  - If a final product is submitted, what constitutes acceptance?

## Budget

For outgoing subawards we require a detailed budget of the funds to be awarded. It is imperative that the budget be detailed, in order to ensure the subawardee spends the funds in accordance with the objectives of the agreement. The subaward budget should include everything that the institution receiving the subaward will need to complete their subaward.

- **Budget Justification**
  - The budget justification should explain the budget items' relationship to the project.
- **Indirect (F&A) Costs**
  - Federally-funded subawards
    - If a Federal program has a published F&A cap, the capped rate will be used by both UW-Madison and its subrecipient(s).
    - If a subrecipient has a current negotiated indirect cost rate with a U.S. Federal agency, then the negotiated rate will be used in the subaward budget.
    - If the subrecipient has never received a Federally-negotiated indirect cost rate, the UW-Madison will have the subrecipient apply the 10% [MTDC](#)\* de minimis rate as allowed by 2 CFR 200.414(f).
    - The UW-Madison will not negotiate indirect rates with subrecipients who do not have a current negotiated indirect cost rate agreement with a U.S. Federal agency.
  - Non-Federally-funded subawards
    - If the sponsor is a for-profit entity, UW-Madison (and any subrecipients) will use its current Federally-negotiated F&A rate. If a subrecipient has never received a Federally-negotiated indirect cost rate, then the UW-Madison will have the subrecipient apply a 10% [MTDC](#)\* de minimis rate.
    - If the sponsor is a non-profit entity, UW-Madison (and any subrecipients) will use its current Federally-negotiated F&A rate. If a subrecipient has never received a Federally-negotiated indirect cost rate, then the UW-Madison will have the subrecipient apply a 10% [MTDC](#)\* de minimis rate.
    - If the sponsor is a non-profit entity with a published policy limiting indirect costs, the indirect cost rate will be limited to the sponsor's rate. Example: If we are awarded 15% TDC, we will limit the indirect costs to the subrecipient to 15% TDC.
    - The UW-Madison will not negotiate indirect rates with subrecipients who do not have a current negotiated indirect cost rate agreement with a U.S. Federal agency.
- Contact RSP with any questions regarding F&A on subawards.

\**MTDC* means all direct salaries and wages, applicable fringe benefits, materials and supplies, services, travel, and up to the first \$25,000 of each subaward (regardless of the period of performance of the subawards under the award). *MTDC* excludes equipment, capital expenditures, charges for patient care, rental costs, tuition remission, scholarships and fellowships, participant support costs and the portion of each subaward in excess of \$25,000. Other items may only be excluded when necessary to avoid a serious inequity in the distribution of indirect costs, and with the approval of the cognizant agency for indirect costs.