

Which Subcontract Expenditure Type should I use?

Subcontract expenditure types are used when a sub-award is made to another legal entity that will be accountable to the recipient (the University) for the use of the funds provided. It is important to pick the correct subcontract expenditure type to ensure the correct burdening, since some subcontract expenditure types do not allow burdening and some allow burdening for the first \$25,000 of the expenses. It is important to note the \$25,000 limit is per award/sub-recipient. For award with more than one sub-recipient, different subcontract expenditure type should be used for each sub-recipient.

Natural Accounts for subcontract expenditure types

- 55401 – SUBRECIPIENTS – NO IDC CALC
- 55403 – SUBRECIPIENTS
- 55404 – SUBRECIPIENTS – NON US
- 55405 – SUBRECIPIENTS – NO IDC CALC – NON-US

For each subcontract natural account, there are multiple subcontract expenditure types in Grants. For example, for natural account 55403, Grants has expenditure type SUBCONTRACT1, SUBCONTRACT2, all the way to SUBCONTRACT80.

The multiple expenditure types in Grants are needed to accommodate multiple subcontracts for the award. Since the burdening limit of \$25,000 is per award and per sub-recipient, for award with multiple subcontracts, multiple expenditure type for the same account is needed.

Examples:

1. Award has a sub-recipient A and burdening is allowed
 - a. Use one of the subcontract expenditure types (for example, SUBCONTRACT1) for account 55403.
2. If a new award is set up in Oracle in the new year for the same sponsor award from above with the same sub-recipient
 - a. If \$25,000 has been reached in prior year, then use subcontract expenditure type for 55401 (for example, SUBCONTRACT1 – NO IDC CALC)
 - b. If only part of the \$25,000 has been reached, then use subcontract expenditure type for 55403 (SUBCONTRACT1) for the remainder of the \$25,000 and use subcontract expenditure type for 55401 (SUBCONTRACT1 – NO IDC CALC) for everything else
3. If a sponsor award has two sub-recipients A and B and both allow burdening

- a. Use one of the subcontract expenditure types for account 55403 for sub-recipient A (for example, SUBCONTRACT1) and use another subcontract expenditure types for account 55403 (SUBCONTRACT2) for sub-recipient B. The key is to have different expenditure type for each sub-recipient.