

Subawards For Indirect Costs Calculation
User's Guide

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Defining a Sub-award for Indirect Cost

Subawards:

Defined by the OMB Uniform Guidance as:

“An award provided by a pass-through entity to a subrecipient for the subrecipient to carry out part of a program for which the recipient received Federal support. It does not include payments to a contractor or payments to an individual that is a beneficiary of a Federal program. A subaward may be provided through any form of legal agreement, including an agreement that the pass-through entity considers a contract.”

Subawards are classified by the following five characteristics:

1. The subrecipient determines who is eligible to receive what Federal assistance;
2. The subrecipient has its performance measured in relation to whether objectives of a Federal program were met;
3. The subrecipient has responsibility for programmatic decision making;
4. The subrecipient is responsible for adherence to applicable Federal program requirements specified in the Federal award;
5. The subrecipient, in accordance with its agreement, uses the Federal funds to carry out a program for a public purpose specified in authorizing statute, as opposed to providing goods or services for the benefit of the pass-through entity.

Subawards (*Subgrants/Subcontracts*) amounts exceeding \$25,000 are to be “excluded” when calculating indirect cost rate. Also, this rate should only be applied to the first \$25,000 of each subaward.

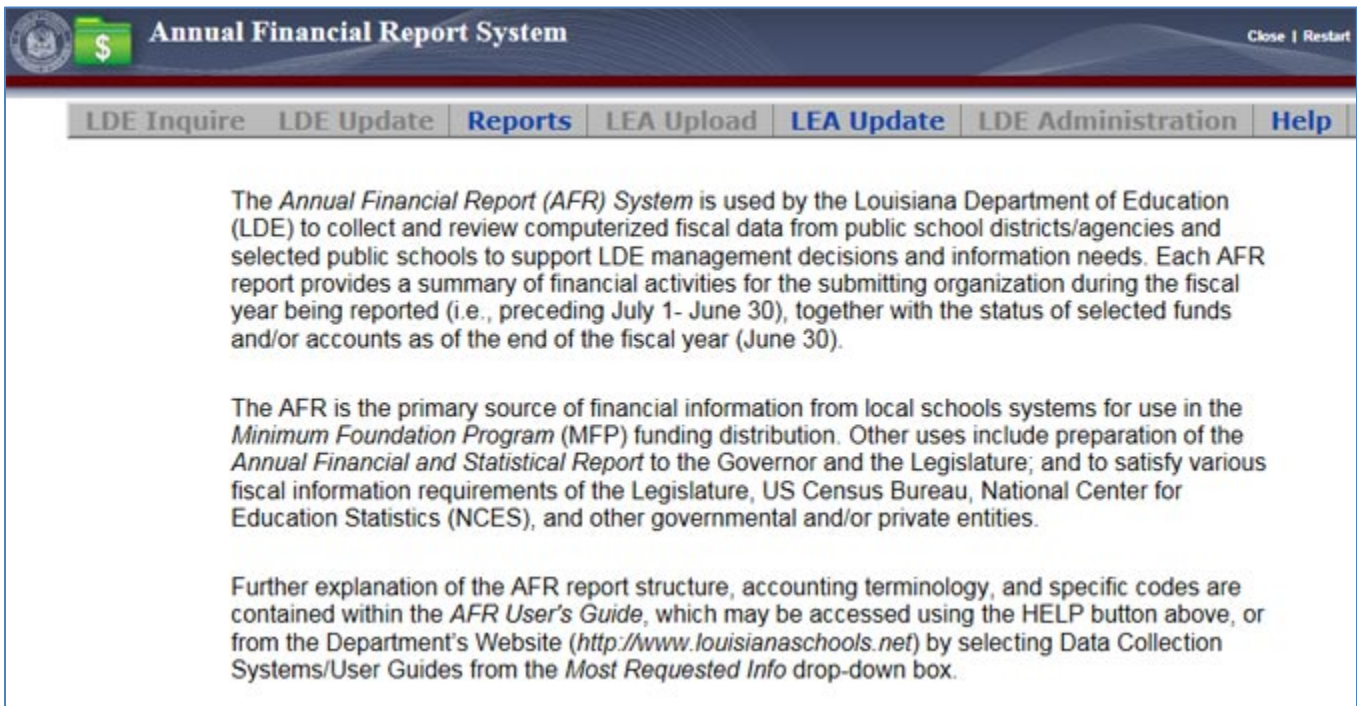
Subcontract: An award that establishes a vendor relationship to BUY specific deliverables that assist the primary recipient in carrying out its activities under the grant.

Subgrant: An award given to another entity that is an extension of the prime grant award, which assists the subrecipients’ activities and objectives.

Example of a subaward:

- District #1 pays \$500,000 to a neighboring LEA for an evaluation of District #1’s summer reading program for the students. This is a contract.
- District #1 sub-awards the same amount to a neighboring LEA to conduct a summer reading program for the neighbor’s students. This is a grant.

Accessing the Subawards Page



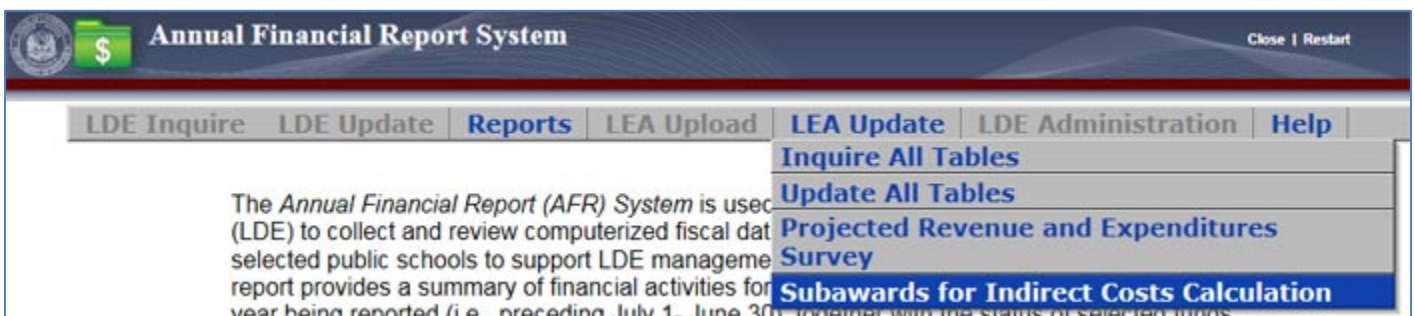
The screenshot shows the 'Annual Financial Report System' interface. At the top, there is a navigation bar with the following options: LDE Inquire, LDE Update, Reports, LEA Upload, LEA Update, LDE Administration, and Help. The 'Reports' option is highlighted. Below the navigation bar, there is a text area containing the following information:

The *Annual Financial Report (AFR) System* is used by the Louisiana Department of Education (LDE) to collect and review computerized fiscal data from public school districts/agencies and selected public schools to support LDE management decisions and information needs. Each AFR report provides a summary of financial activities for the submitting organization during the fiscal year being reported (i.e., preceding July 1- June 30), together with the status of selected funds and/or accounts as of the end of the fiscal year (June 30).

The AFR is the primary source of financial information from local schools systems for use in the *Minimum Foundation Program (MFP)* funding distribution. Other uses include preparation of the *Annual Financial and Statistical Report* to the Governor and the Legislature; and to satisfy various fiscal information requirements of the Legislature, US Census Bureau, National Center for Education Statistics (NCES), and other governmental and/or private entities.

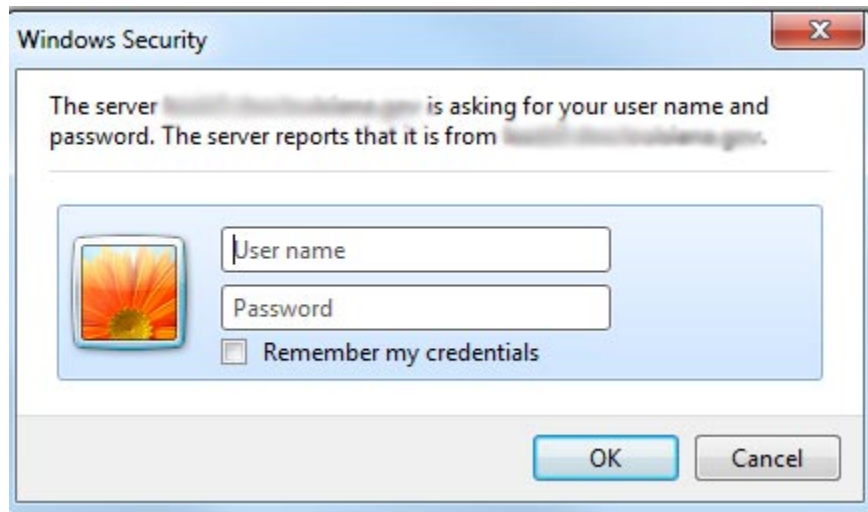
Further explanation of the AFR report structure, accounting terminology, and specific codes are contained within the *AFR User's Guide*, which may be accessed using the HELP button above, or from the Department's Website (<http://www.louisianaschools.net>) by selecting Data Collection Systems/User Guides from the *Most Requested Info* drop-down box.

1. Login to LEADS as usual and click the AFR - Annual Financial Report link.
2. A page similar to the one above will display. Available options will be made active based on your access level.

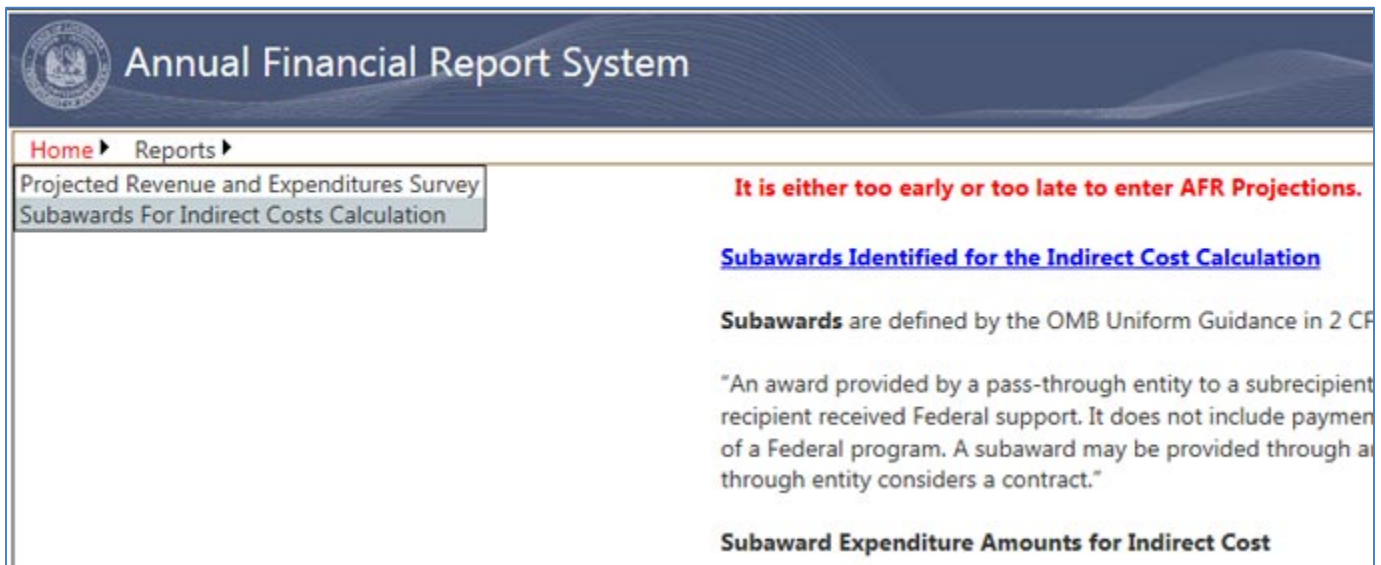


The screenshot shows the 'Annual Financial Report System' interface with the 'LEA Update' menu open. The menu options are: Inquire All Tables, Update All Tables, Projected Revenue and Expenditures Survey, and Subawards for Indirect Costs Calculation. The 'Subawards for Indirect Costs Calculation' option is highlighted. The background text from the previous screenshot is partially visible.

3. Select **LEA Update**, then, select the **Subawards for Indirect Costs Calculation** option.



4. You will be prompted to login again. Enter your LEADS username and password.
5. Once logged in, read the Subawards messages displayed on the page. Important information and updates regarding Subawards is listed there. Other messages concerning AFR are also displayed.



6. Click the Home link, then move your mouse over the **Subawards For Indirect Costs Calculation** option and click on the link.
7. The Subawards For Indirect Costs Calculation page will display on the screen.

Entering Subawards

Annual Financial Report System

Home ▶ Reports ▶

School Year: 2014
Lea / Site: 019 - East Feliciana Parish

There are currently no subawards entered for your LEA or School. Click the Add New Subaward button to enter new subawards.

Add New Subaward

1. If there are no subawards for your LEA entered for the current collection period, the above page will be displayed. If there are subawards entered for the current collection period, a list of the entered subawards is displayed.
2. Click the **Add New Subaward** button to enter a subaward, or, if existing subawards are listed the **Add New** link on any line to create a blank row to enter a new subaward.

Annual Financial Report System

Home ▶ Reports ▶

School Year: 2014
Lea / Site: 019 - East Feliciana Parish

Action	Subaward Vendor Name	Description of Service Provided	Amount of Expenditure	Reported in Key punch Code	Reported in which column
Add Subaward Cancel	A Company	Description example	75,000	0015630 - c. Textbooks/Workbooks	4-General Fund

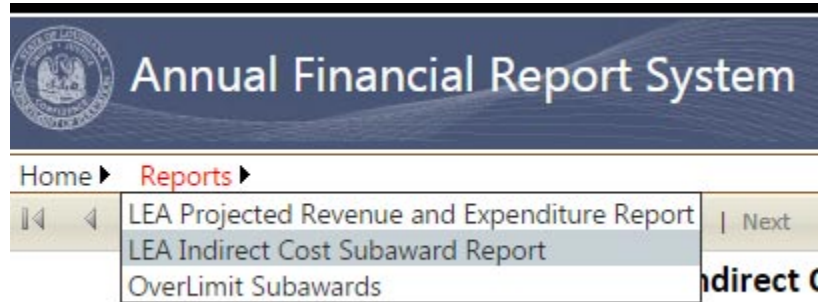
3. Complete all fields on the line. If all fields are not filled in, you will get an error message indicating which fields are missing.

4. Field definitions:
 - a. **Subaward Vendor Name:** Enter the name of the company that will carry out the purpose of the subaward.
 - b. **Description of Service Provided:** Enter a brief description of the services provided by the subaward vendor.
 - c. **Amount of the Expenditure:** Enter the amount of the subaward. Enter only whole numbers – no decimals. This amount cannot exceed the total of the AFR amount entered for a keypunch code and AFR column combination. Additionally, all subawards for a keypunch code / AFR column combination are added to verify that the sum does not exceed the AFR amount. If the sum total exceeds the AFR amount, an error message stating: **The total subawards entered for this Item Code and Fund Column exceeds the amount entered in the Revenue Expenditure Balances.**
 - d. **Reported in Keypunch Code:** Select the appropriate keypunch code from the drop down list.
 - e. **Reported in which column on the AFR?:** Select the AFR column that the subaward will come from.
5. When all fields have been completed, click the Add Subaward link to save the entry. Upon a successful save, a message stating: **A new Subaward has been saved.**

Action	Subaward Vendor Name	Description of Service Provided	Amount
Edit Add New Delete	Company A	Sample description	75,000
Add Subaward Cancel	<input type="text"/>	<input type="text"/>	<input type="text"/>

6. Available functions for maintaining subawards are shown above in the Action column. The Action options change according the current function being performed.
 - a. **Edit:** Click the Edit link to make changes to an existing subaward entry. Then click the Save link to save the updates to the database.
 - b. **Add New:** Click the Add New link to create a blank row to enter a new subaward.
 - c. **Delete:** Click the Delete link to permanently remove a previous entered subaward from the database.
 - d. **Add Subaward:** Use this link to save a new subaward when the line has been filled out.
 - e. **Cancel:** Click this link to abandon an entry before it has been saved. This applies to a new entry or when editing an existing entry.
 - f. **Save:** When in Edit mode, click the Save link to save updates to the database.

Subaward Reports



There are two subaward reports available. To access these reports, click on the Reports menu link, then click on the name of the desired report. Descriptions of the reports follow.

1. **LEA Indirect Cost Subaward Report:** This report lists all entered subawards for your LEA
2. **OverLimit Subawards:** This report lists any subawards that are greater than the amount reported on the AFR.