Subcontract Management in BEN Buys

Getting ready for creating the Requisition:

- Authorization from Research Services, in the form of a fully executed subcontract/consortium agreement, must be received prior to preparing the requisition.
- Only users with PO Manager responsibility should create and submit a requisition for a subcontract.
- Using Supplier Info on the Self-Service Navigator, verify that the supplier is an approved supplier in BEN Financials and has the appropriate PO Site.
- Requisitions are limited to one subcontract per requisition. Notes should be attached at the header level, not the line level.
- "Non-Catalog Request" will be used for creating subcontract requisitions.
- Review the total amount of the subcontract and determine, if applicable, the amount that will be subjected to F&A.
  - F&A may only be applied to the first $25,000 of the total of each subcontract over the life of the grant or contract.
    - If the initial year of the subcontract exceeds $25,000, then a two (2) line requisition must be created. The first $25,000 will be on line 1 of the requisition (OBJC 5332), and line 2 will be the balance above $25,000 (OBJC 5333).
    - Note: A two (2) line requisition is required to ensure appropriate charging of F&A rate. A one (1) line requisition having two (2) distributions (OBJC 5332 & 5333) will result in F&A not being applied correctly.
    - If the initial year of the subcontract is less than $25,000, then a one (1) line requisition must be created. Until the $25,000 threshold is reached, continue to create one (1) line requisitions (OBJC 5332). Once the $25,000 threshold has been reached, then OBJC 5333 should be used exclusively for that subcontract.

Creating the Requisition:

- Go to the BEN Requisitions home page in BEN Financials
- Click Create Non-Catalog Request link
- Complete "Describe Your Item":
  - Item Type: Services/Maintenance
  - Category: SERVICES.SUBCONTRACTS
  - Item Description: "Allocation set forth in award document issued by SPONSOR NAME for research services related to SPONSOR AWARD NUMBER. Final itemized invoice must be received by the University of Pennsylvania no later than MM-DD-YY."
    - Note: Enter the exact language as written above and where the MM-DD-YY for the itemized invoice should be 45 days before the final financial report due date, or as indicated on the signed agreement.
  - Unit of Measure: Accept default value of "US Dollar"
  - Quantity: Enter the total amount of the subcontract (up to $25,000 if F&A to be applied)
• Rate per Unit: 1
• Supplier Part Number: Leave Blank

- Complete “Describe the Supplier”
  - Supplier Name: As indicated on the signed agreement. Must be entered exactly as found in Supplier Info.
    - Note: Search for the Supplier using the flashlight will populate the “Site” field as well
  - Supplier Site: Populated by Selecting a Supplier from Supplier Search or you may enter exact site information found in Supplier Info.
  - Contact Name: As indicated on Subcontract Agreement
  - Phone: As indicated on Subcontract Agreement
  - Click "Add to Cart" button

- Shopping Cart
  - Review item(s) in cart
    - If a 2nd requisition line is needed for subcontract exceeding $25,000, click on Return to Shopping and again click Create Non-Catalog Request.
  - Click "Proceed to Checkout" button to start “Checkout” process

- Complete “Delivery” segment of “Checkout” Process
  - Change “Need-By Date” to last date of this year of the subcontract
  - Accept default information for “Requestor”
  - Change “Deliver-To Location” to the Principal Investigator’s location.
  - Accept “yes” for applying delivery information to all the items.
    - NOTE: Subcontract invoices must be approved and receipted prior to payment. If the total amount of subcontract is less than $5,000, change the "Does this delivery information apply to all the items on your requisition?" response to NO,
    - Click in the “Receipt Required” checkbox. This activates the receipt required feature making receipts required prior to the supplier receiving payment.
    - Click “Ok” button on receipt required pop-up information window.
  - Click “Continue” button

- Complete “University Contact” section in “Billing” segment of “Checkout Process
  - Enter your University phone number
  - Click “Continue”

- Complete “Review Charge Account” section in “Billing” segment of “Checkout” Process
  - Click ZZZ-account in “Charge Account” column to edit the charge account
    - Complete “Edit Charge Account” information
      - Update all ZZZ segments of the charge account
        - Short cut tip: If this requisition has 2 lines because of the differing OBJC’s, click the 2nd ZZZ-account line.
          - Update the ZZZ segments and change the OBJC to 5333.
          - Click the checkbox for “Apply this account to all requisition lines”. The charge account information, excepting OBJC, will be applied to the 1st line.
        - click “OK” button
    - Review Charge Account information for correctness
Click “Continue” button

Complete “Enter Notes & Attachment” section in “Notes” segment of “Checkout” Process
- Requisition Description: “Subcontract to SUPPLIER related to PI NAME’s SPONSOR NAME award (SPONSOR AWARD NUMBER).”
  - Note: Enter the exact language as written above substituting appropriately for SUPPLIER, PI NAME, SPONSOR NAME, & SPONSOR AWARD NUMBER).
- “Note to Buyer”: Not used unless forwarding the Requisition for review by someone else.
- “Note to Approver”: Not used unless forwarding the Requisition for review by someone else.
- Two (2) “Notes to Supplier” attachments are needed.
  - Click Add Attachments to add the 1st note to Supplier.
  - From the “Attention To” drop down menu, select “To Supplier”
  - Description: “Subcontract Terms”
    - Enter the exact language as written above
  - Attachment Type should be “Text”
  - Text: “Subcontract in accordance with the terms & conditions of the consortium agreement XXXXXX, dated MM-DD-YY, covering the period MM-DD-YY to MM-DD-YY. Subcontract to SPONSOR NAME, SPONSOR AWARD NUMBER for PI NAME.”
    - Note: Enter the exact language as written above. See the signed agreement for the appropriate dates
  - Click “OK” button
  - Click Add Attachments to add 2nd note to Supplier.
  - From the “Attention To” drop down menu, select “To Supplier”
  - Description: “Exemption from PO Terms & Conditions”
    - Enter the exact language as written above
  - Attachment Type should be “Text”
  - Text: “The terms & conditions of the consortium agreement referenced above constitutes the complete agreement between the parties. The University of Pennsylvania Purchase Order Terms & Conditions (T/C 196) are not incorporated by reference.”
    - Note: Enter the exact language as written above.
  - Click “Continue” button

“Review Approver List & Enter Justifications” section in “Approvers” segment of “Checkout” Process
- Add approvers is generally not used by PO Managers. Used only if additional internal approvals are required within your department or school/center.
- Click “Continue” button

“Review and Submit Requisition” section in “Review and Submit” segment of “Checkout Process”
- Perform a final review of the requisition for accuracy and completeness
- Click “Submit” button
- Funds checking is performed
  - If you fail funds checking, click cancel, and check the following information:
- Review account combination for errors, such as transposition of numbers or incorrect CREF values
- If the account combination is correct, insure that the current year budget has been entered, down to the CREF level
  - If requisition passes funds check, click “Continue” button
  - Requisition creation process will complete and will automatically begin Requisition to PO process via PO Workflow Administrator.

- Purchase Order processing: No special approvals are needed for subcontract PO’s. The PO will follow the normal PO Hierarchy based on your approval limit and approval hierarchy.