



Subrecipient Monitoring





DISCLAIMER

This presentation is for informational purposes only and is intended solely to assist recipients in better understanding the Federal procurement regulations required by National Telecommunication and Information Administration (NTIA). The guidance does not and is not intended to supersede, modify, or otherwise alter applicable statutory or regulatory requirements, or the specific application requirements set forth in the program's Notice of Funding Opportunity (NOFO).

In all cases, statutory and regulatory mandates, and the requirements set forth in the program's NOFO, shall prevail over any inconsistencies contained in the information presented.



Table of Contents

- 1** Definitions
- 2** Subrecipient vs. Contractor
- 3** Requirements
- 4** Compliance
- 5** Risk Assessment
- 6** Monitoring
- 7** Audit Requirements



DEFINITIONS

Definitions



Recipients may work with subrecipients and contractors (vendors) for assistance throughout the course of the awarded projects.



PASS-THROUGH ENTITY

- A non-Federal entity that provides a subaward to a subrecipient to carry out part of a Federal program.



SUBRECIPIENT

- A non-federal entity that receives a subaward from a pass-through entity to carry out part of a Federal program.
- Does not include an individual that is a beneficiary of such program.
- May also be a recipient of other federal awards directly from a federal awarding agency.



SUBAWARD

- An award provided by a pass-through entity to a subrecipient for the subrecipient to carry out part of a Federal award.
- 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.



CONTRACTOR

- An entity that receives a contract. A contract is a legal instrument by which a non-Federal entity purchases property or services needed to carry out the project or program under a Federal award.





SUBRECIPIENT VS. CONTRACTOR

Subrecipient vs. Contractor



Recipients may work with subrecipients and contractors (vendors) for assistance throughout the course of the awarded projects (2 CFR 200.331)

SUBRECIPIENT

- Determines who is eligible to receive Federal financial assistance.
- Has its performance measured against whether the objectives of the Federal program are met.
- Has responsibility for programmatic decision-making.
- Has responsibility for adherence to applicable Federal program compliance requirements.
- Uses the Federal funds to carry out a program of the organization as compared to providing goods or services for a program of the recipient.

VS

CONTRACTOR

- Provides the goods and services within normal business operations.
- Provides similar goods or services to many different purchasers.
- Operates in a competitive environment, subject to procurement requirements.
- Provides goods or services that are ancillary to the operation of the Federal program.
- Is not subject to compliance requirements of the Federal program.





SUBRECIPIENT REQUIREMENTS

Subaward Requirements



The following provides a comprehensive list of all Federal award identification information that should be included in the subrecipient agreement (2 CFR 200.332).

- Subrecipient name (which must match the name associated with its unique entity identifier) and unique entity identifier.

- Federal Award Identification Number (FAIN) and Federal Award Date.

- Subaward Period of Performance Start and End Date.

- Subaward Budget Period Start and End Date.

- Amount of Federal funds obligated by this action by the recipient to the subrecipient.

- Total amount of Federal fund obligated to the subrecipient by the recipient including the current financial obligation.

- Total amount of the Federal award committed to the subrecipient by the recipient.

- Federal award project description, as required by the Federal Funding Accountability and Transparency Act (FFATA).

- Name of Federal awarding agency, recipient, and contact information for awarding official of the recipient.

- Assistance Listings number and Title: The recipient must identify the dollar amount made available under each Federal award and the Assistance Listings Number at time of disbursement.

- Identification of whether the award is R&D.

- Indirect cost rate for the Federal award (including if the de minimis rate is charged).

- All requirements imposed by the pass-through entity on the subrecipient so that the Federal award is used in accordance with Federal statutes, regulations and the terms and conditions of the Federal award.

- Any additional requirements that the pass-through entity imposes on the subrecipient in order for the pass-through entity to meet its own responsibility to the Federal awarding agency, including any required financial and performance reports.





COMPLIANCE

Key Compliance Requirements



AUTHORIZATION

Gain specific federal authorization from the Grants Officer prior to entering into new subawards during the award period.



2 CFR 200 COMPLIANCE

Require subrecipients' compliance with 2 C.F.R. Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards.



REQUIRING PROGRESS AND FINANCIAL REPORTING.

Report subawards (over \$30,000) as required by the Federal Funding Accountability and Transparency Act (FFATA).



COLLECTION OF PERFORMANCE DATA FROM THE SUBAWARDEE

Monitor subrecipient performance and take appropriate action to get subrecipients back on track if issues are identified.





RISK ASSESSMENT

Subrecipient Risk Assessment



All pass-through entities must evaluate each subrecipient's risk of noncompliance with Federal statutes, regulations, and the terms and conditions of the subaward for purposes of determining the appropriate subrecipient monitoring (2 CFR 200.332(b)).





MONITORING

Subrecipient Monitoring – Pass-through Entities



The Uniform Guidance specifically outlines the requirements for pass-through entities (2 CFR 200.332)

The pass-through entity must:

- Include specific information in the subaward agreement, including indirect cost rate
- Conduct a risk assessment to determine appropriate subrecipient monitoring AND must monitor subrecipients
- Consider if specific subaward conditions are needed based on analysis of the factors in 2 CFR 200.208
- Verify subrecipients have audits in accordance with Subpart F
- Make any necessary adjustment to the pass-through entity's records based on reviews and audits of subrecipients
- Consider actions to address subrecipient noncompliance

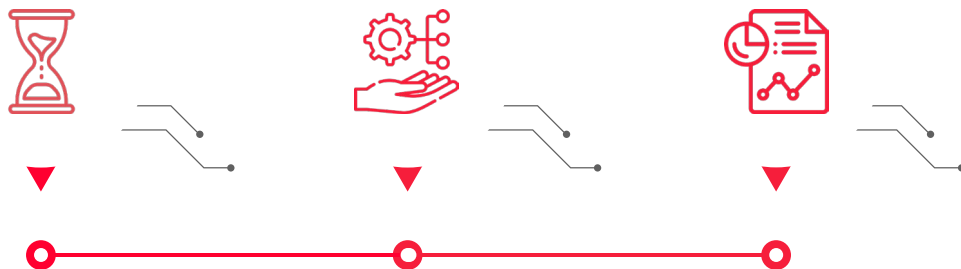


Subrecipient Monitoring-Elements of Monitoring



The Recipient is responsible for monitoring the activities of the subrecipient as necessary to ensure the subrecipient is used for authorized purposes and in compliance (2 CFR 200.332)

Monitoring Requirements:



Follow up and ensure that the subrecipient takes timely and appropriate action on all deficiencies pertaining to the Federal award.

Issue a management decision for applicable audit findings.

Review financial and performance reports required by the recipient.

Recommended Monitoring Tools:



Provide subrecipients with training and technical assistance on program-related matters.

Perform on-site reviews of the subrecipient's program operations.

Arrange for agreed-upon procedures engagements as described in 2 CFR 200.425.





AUDIT REQUIREMENTS

Subrecipient Audit Requirements

The Recipient is responsible for verifying that every subrecipient is audited as required by Subpart F of 2 CFR 200 if the subrecipient expends \$750,000 or more in federal funds in one fiscal year. The subrecipient must submit their audit to the Federal Audit Clearinghouse.





THANK YOU

