



The New Uniform Guidance Fact Sheet on Subrecipient Requirements and Monitoring

Under Section 2 CFR §200.92 (see also §200.93 for definition of a subaward) in the new Uniform Guidance, a subrecipient is defined as a recipient of a subaward from a pass-through entity to carry out a portion of the federal award. An example of a subrecipient is a project partner who has a Memorandum of Understanding (MOU) with the pass-through entity and has its performance measured in relationship to the Federal award's objectives. Subawards are not subject to procurement standards or sole source requirements.

Information to assist you in determining if an organization is a subrecipient or contractor under a Federal award is provided in section 2 CFR § 200.330. Subrecipients differ from contractors as contractors are considered vendors who provide goods or services to many different clients, normally operate in a competitive environment, and their goods or services are ancillary to the operation of the federal award. Contracts are subject to the procurement standards and sole source requirements as noted in §200.317 through §200.326 in the new Uniform Guidance.

Generally, subrecipients provide substantive program effort and may be responsible for programmatic decision-making. Subrecipients must also comply with the pass-through entities' program requirements and conditions noted in the federal award and are subject to monitoring by the pass-through entity. Additionally, subrecipients cannot earn a profit from the subaward but rather should be reimbursed for actual costs and expenses, such as staff time, supplies, travel costs, etc. Funds expended under a subaward are counted towards the subrecipient meeting the audit threshold for the fiscal year (increased from \$500,000 to \$750,000 in the new Uniform Guidance).

Pass-through entities are required to provide the following information to subrecipients within subaward agreement when issued:

- Federal award identification number;
- Subrecipient's name (which must match the name associated with its unique entity identifier) and the subrecipient's unique entity identifier (currently DUNS number);
- Federal award date;
- Subaward period of performance including start and end dates;
- Amount of the entire federal award/grant and amount to the Subrecipient;
- Federal award project description;
- Name of Federal Agency issuing the federal award (e.g., OVW), pass-through entity and contact information of the awarding official;
- CFDA Number and Name for the federal award at the time of disbursement.

The full list of information to be included on subawards is provided at 2 CFR § 200.331 (a). As noted in 2 CFR § 200.331, the pass-through entity is also responsible for monitoring the subrecipient's activities to ensure the subaward is used for authorized purposes, that performance goals are met and to ensure compliance with statutes, regulations and terms and conditions of the subaward. Pass-

through entities are required to evaluate each subrecipient's risk of non-compliance in order to determine the appropriate level of monitoring necessary. (See Pages 3 and 4 for the Sample Subrecipient Monitoring Checklist). Pass-through entities are also required to report the subaward under the Federal Funding Accountability and Transparency Act (FFATA), if applicable.

Resources:

The New Uniform Grant Guidance:

http://www.ecfr.gov/cgi-bin/text-idx?tpl=/ecfrbrowse/Title02/2cfr200_main_02.tpl

<https://cfo.gov/cofar/>

NSTA Project's Webinar Series and Resources on the New Uniform Guidance:

<http://resourcesharingproject.org/new-uniform-guidance-webinar-series-feb-2015>

Federal Funding Accountability and Transparency Act (FFATA) and Subrecipient Reporting:

<https://www.fsr.gov/>

Federal Suspension and Debarment – System for Award Management:

<https://www.sam.gov/portal/SAM/#1>

Suspension and Debarment Listed by State (also includes links to federal sites to search for excluded parties):

<https://www.gsaig.gov/index.cfm/suspension-and-debarment-listed-by-state/>

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Subrecipient Monitoring Checklist SAMPLE

Pass-through entities are required to monitor all subrecipients to ensure compliance with the federal award. Below are recommendations to assist with monitoring and evaluating a subrecipient:

1. Monthly/Regular Basis: In addition to other deliverables and items noted in the subaward, the pass-through entity should consider the following to ensure compliance:
 - Regular meetings to discuss program activities and performance
 - Monthly or quarterly invoicing to include supporting documentation for costs (e.g., receipts, timesheets, etc.)
 - Notification of any key staff changes along with their contact information
 - Progress reports (along with supporting documentation for statistics, etc.)

2. Annual or Yearly Basis: The pass-through entity should request and review the following documents from the subrecipient:
 - Completed Annual Audit (including management letter and management decision regarding any findings for proper resolution)
 - Updated Fiscal/Financial Policies & Procedures Manual
 - Completed Tax Returns or 990's
 - Board minutes addressing the review of Annual Audit or Financial Statements

3. Onsite Monitoring Review: As a best practice, it is recommended that pass-through entities conduct an onsite monitoring review of subgrantees on an annual basis. When an onsite review is being performed, the following items should be reviewed:
 - Subaward Agreement and amendments
 - Invoices with supporting documents
 - Financial recordkeeping procedures and processes (are they consistent with the Financial Policies and Procedures Manual and compliant with federal guidelines?)
 - Conflict of Interest Policies and Procedures
 - Monthly or Regular Financial Statements
 - Completed Tax Returns or 990's
 - Board Meeting Minutes (specifically addressing their review of Financial statements on a regular basis)
 - Annual Audit or Financial Statement (including management letter and management decision regarding any findings for proper resolution)
 - Client Confidentiality Policies and Procedures (if applicable)
 - Recordkeeping policies and procedures