**Sub-recipient Monitoring**

**Policy and Procedures**

[Date]**Sub-recipient Monitoring Policy & Procedures**

**Policy Statement**

[Agency Name] is responsible for monitoring the programmatic and financial activities of award sub-recipients to ensure proper stewardship of federal and state funds. The following policy, roles, and procedures address responsibilities and assists administrators to ensure that, in addition to achieving performance goals, sub-recipients comply with applicable federal laws and regulations, and with the provisions of grant award special conditions.

**Sub-recipient Monitoring Policy**

OMB Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (2 CFR 200) Uniform Guidance, specifically 200.331, requires pass-through entities to evaluate each sub-recipient’s risk of noncompliance in order to determine the appropriate monitoring level, monitor the activities of sub-recipient organizations to ensure that the sub award is in compliance with applicable Federal statutes and regulations and terms of the sub award, and verify that sub-recipients are audited as required by Subpart F of the Uniform Guidance. The direct recipient of the federal award is required to provide evidence of due diligence in reviewing the ability of a sub-recipient to properly meet the objectives of the sub award and account for the use of the grantor’s funds.

**Roles and Responsibilities**

**[Agency Name]**

1. **Pre-award** - When applying for a federal or state grant where a sub-recipient is identified:

* Collaborate with the sub-recipient regarding the sub-recipient’s application narrative, goals of the sub award, and the sub-recipient’s grant budget.
* Collaborate to establish a draft scope of work.
* Notify the sub-recipient of the grant award approval or denial.

1. **Post award** – after the Grantor has approved and awarded the grant:

* Monitor and approve quarterly programmatic progress and ability of the sub-recipient to meet objectives of the sub award.
* Participate in sub-recipient monitoring training, when available, in coordination with Financial Management and sub-recipient, if necessary.
* Participate in annual sub-recipient monitoring site visits, if requested.
* Complete *Attachment 3: Sub-award Monitoring Form*. Which clearly identifies the federal award information for the sub-recipient that includes the following:
  + - Federal award number and name of federal grant
    - Sub-recipient name & DUNS number
    - Federal award date
    - Sub award period of performance start and end date
    - Amount of federal funds obligated to the sub-recipient
    - Total amount of federal award to the prime grantee
    - Federal award project description
    - Name of federal awarding agency, prime grant recipient, contact information of the awarding official
    - CFDA number
    - All requirements imposed by the prime grantee on the sub-recipient so that the federal award is used in accordance with federal statutes, regulations, and the terms and conditions of the grant award.
    - Indirect cost rate, if applicable
    - Access to the sub-recipient’s financial records to meet the requirements of 2 CFR 200.
    - Appropriate terms and conditions concerning closeout of the sub award
* Complete the sub-recipient risk assessment, assign a risk rating *(Attachment 1)*
* Review and approval of sub-recipient invoices.
* Coordinate programmatic progress reporting of sub-recipients.

**Sub-recipient Monitoring Procedures**

Annual risk assessment at award stage

* Perform a search on SAM.gov to determine if the organization has been debarred or excluded from doing business with the federal government. Print the screen shot of the SAM.gov search for the grant/sub-recipient file.
* Review sub-recipient’s single audit report (CAFR), if applicable.
* Ensure applicable federal special conditions of grant award are passed down to the sub-recipient by requesting sub-recipient sign a document acknowledging receipt of, and agreement to comply with, the grant award special conditions *(see Attachment 2).*
* Complete *Attachment 1: Award Stage Assessment of Sub-recipient Checklist*, keep in Grant/Sub-recipient file
* Provide to the sub-recipient *Attachment 2: Requirements of Sub-award Documentation* to be submitted by sub-recipient to the Prime Grantee before any expenditures are made.
* Complete *Attachment 3: Subrecipient Monitoring Form*.

**Continuous analysis during grant award period**

[Agency Name] will continuously analyze the administrative and programmatic performance of the sub-recipient through the following methods:

* Internal Controls (2CFR 200.303) – Ensure the sub-recipient provides reasonable assurance of sub-recipient compliance with federal statutes, regulations, and the terms and conditions of the federal award:
  + Sub-recipient must return signed acknowledgement of the terms and conditions of the sub award to the prime grantee, if applicable.
  + Sub-recipient must agree to evaluation and monitoring of their compliance with statutes, regulations, and terms and conditions of the sub award by allowing access to sub-recipient records and financial statements, and the performance of on-site reviews of the sub-recipient’ s program operations.
  + Sub-recipient must take prompt action when instances of noncompliance are identified
  + Sub-recipient must take reasonable measures to safeguard sensitive information consistent with applicable federal state, and local laws.
  + Sub-recipient must participate in programmatic reporting training, when available
* Regular communication with sub-recipient stakeholders.
* Invoice review – ensure invoices are timely, accurate, and contain the appropriate backup documentation to support the expense. For any questionable expense(s), request additional backup from the sub-recipient specific to the charge(s) prior to payment.
* Request financial reports from the sub-recipient that shows: sub award amount, invoice(s) submitted for reimbursement by sub award budget category, and remaining sub award amount after expenses. Ensure cumulative expenses do not exceed the total approved sub award amount and ensure the rate of spend is consistent with the timeline of the project.
* Review of any other financial or non-financial reports required by the sub award such as sub-recipient list of supplies and equipment purchased with grant funds. *(see Attachment 5 for an example)*
* Coordination of sub-recipient budget revision requests, process, submission, and grantor approval..
* Follow up with sub-recipient regarding findings during annual sub-recipient site visit and request sub-recipient’s resolution of site visit findings.
* For high risk sub awards, the following additional steps are required:
  + Request additional supporting detail for all financial invoices and expenses in accordance with the sub award terms and conditions
  + Document and retain communications regarding project performance
  + Further action could include: withholding payments, performing additional site visits, termination of the sub award

Process for closing out subawards

* At 120 days prior to the grant end date, the sub-recipient will be told they have 90 days after the grant end date to liquidate their encumbrance(s). At 120 days prior to the grant end date, the sub-recipient will be requested to provide confirmation via email that sub-recipient will spend the entire subaward and liquidate all encumbrance(s) within the 90 day period after the grant end date.
* All final invoices must be submitted to the Project Director along with a final financial report that shows subaward amount, all invoices reimbursed by the grant, and the amount remaining in subaward.
* The final programmatic report is due during the last quarter of the grant period. T
* The following documents are typically required from the sub-recipient for close out by the date specified by the prime grantee:

1. Final invoice(s)
2. Final Financial Report
3. Final Programmatic responses
4. Final Supplies and Equipment report

* [Agency Name} will perform a final audit of final invoices, final Financial Reports, and final Programmatic responses and, if necessary, may request additional supporting documentation.

**Attachment 1**

**Award Stage Risk Assessment for Sub-recipient - Checklist**

\_\_\_\_\_\_\_\_\_\_\_ Performed search of SAM.gov for debarment/exclusion

\_\_\_\_\_\_\_\_\_\_\_ Reviewed single audit (CAFR) of sub-recipient organization

\_\_\_\_\_\_\_\_\_\_\_ Reviewed sub-recipient single audit (CAFR) recommendations and findings to determine timely and effective resolutions and corrections by sub-recipient organization

\_\_\_\_\_\_\_\_\_\_\_ Issued grant award special conditions to sub-recipient and received acknowledgement from the sub-recipient of receipt and agreement for compliance to grant special conditions

Based on my review and sub-recipient’s past performance, this sub-recipient is determined to be

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Low Risk Medium Risk High Risk

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_

Project Director Date

**Attachment 2: Sub-Recipient Requirements**

Requirements of sub-award documentation to be submitted by sub-recipient:

1. Copy of signed Sub-award Agreement.
2. Signed acknowledgement of receipt of grant award special conditions and agreement to comply with grant award special conditions, if applicable*.*
3. Financial and progress reports as outlined in the Sub-award Agreement.
4. At grant closeout, within the time frame defined by the prime grantee:

a. Final invoice(s)

b. Final Financial Report

c. Final Programmatic responses

d. Final Supplies and Equipment report see *Attachment 5 for example)*

By signing below, I agree to provide all documents listed above, and additional documentation if needed, to the prime grantee by the date requested by the prime grantee.

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_

Sub-awardee Representative Date

Attachment 3: SUBRECIPIENT MONITORING FORM

This form will be considered valid for three (3) years from the date of signature by your organization’s Authorized Official.

|  |  |  |
| --- | --- | --- |
| **SECTION A: SUBRECIPIENT INFORMATION** | | |
| **Legal Name:** | | **DUNS # (Dun & Bradstreet):** |
| **Organization’s Address (Include ZIP Code + 4 or other postal code):** | | **Congressional District (if in U.S.):** |
| **Performance Site Address (if different from above): Include ZIP Code +4 or other postal code:** | | **Congressional District (if in U.S.):** |
| **What is the subrecipient’s classification? (Check only if applicable)**  Large Business Veteran-Owned Small Business Government Entity Historically Black College I University Small Disadvantaged Business Tribal Historically Underutilized Business Zone Woman-Owned  Volunteer Organization Minority Institution/Owned | | |
| **Domestic Organizations:** |  | **International Organizations:** |
| Federal Employer Identification Number |  | NAIS Code: |
| Registered in CCR? Yes No | Expiration Date: | (North American Industry Classification |
| CAGE Code: |  | System) |
| (Commercial and Government Entity) |  | (NCAGE) Code: |

## Executive Compensation (complete when collaborating on a U.S. federal project only):

Yes

During the previous fiscal year my organization received eighty percent (80%) or more of its annual gross revenues

No in federal awards AND twenty-five million dollars ($25M) or more in annual gross revenues from federal awards.

Yes No

My organization regularly reports information on the compensation of its senior executives in response to section 13(a) or 15 (d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m(a), 78(d) or section 6104 of the Internal Revenue Code of 1986?

## Name of Subrecipient Project Director/PI (Required): Phone:

**Amount of Funding Requested by Subrecipient: $**

## Email:

**Cost Sharing Provided by Subrecipient (if applicable): $**

# SECTION B: SUBRECIPIENT ELIGIBILITY AND CERTIFICATIONS

## Please answer the following questions BEFORE completing the rest of the form.

|  |  |  |
| --- | --- | --- |
| Yes | No | Is your organization presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from participation in any Federal department or Agency? |
| Yes | No | Is your organization delinquent on repayment of any Federal debt including direct and guaranteed loans and other debt as defined in 0MB Circular A-129, “Managing Federal Credit Programs”? |

1. **Lobbying (for U.S. federal projects only):**

Yes No My organization certifies that no payments have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this proposed project. (If “No,” attach explanation.)

# SECTION B: SUBRECIPIENT ELIGIBILITY AND CERTIFICATIONS

## Additional Debarment and Suspension Information (check as applicable):

Yes No

Yes No

Yes No

Is the project director (or any other employee planning to participate in this project) debarred, suspended or otherwise excluded from or ineligible for participation in federal assistance programs or activities? (If“Yes,” attach explanation.)

Is the organization presently indicted for, or otherwise criminally or civilly charged by a government entity? (If “Yes,” attach explanation.)

Has the organization within three (3) years preceding this offer had one or more contracts terminated for default by any federal agency? (If “Yes,” attach explanation.)

## Audit Status / Fiscal Responsibility:

Yes No Does your organization receive an annual audit in accordance with 0MB Circular A-133?

If “Yes”, please provide a link:

If “No,” please indicate why your organization is not subject to A-133 audit requirements:

My organization is a non-profit that expended less than $500,000 in U.S. federal funds during our previous fiscal year. My organization is a foreign entity.

My organization is a for-profit entity.

My organization is a U.S. government entity.

If “Yes”, respond to the following:

|  |  |  |
| --- | --- | --- |
| Yes | No | Has your organization’s A-133 audit been completed for the most recent fiscal year? |
| Yes | No | Were there any findings or exceptions noted? If “Yes” attach an explanation. |

***Please note: Your most recent A-133 audit report will be requested prior to the establishment of a subaward.***

1. **Does the Subrecipient have a formal, written personnel policy that addressed the following:**

|  |  |  |
| --- | --- | --- |
| Pay Rates and Benefits | Yes | No |
| Time and Attendance | Yes | No |
| Leave | Yes | No |
| Discrimination | Yes | No |
| Federally Approved Travel Policy | Yes | No |
| Federally Approved Purchasing System | Yes | No |

# SECTION C: AUTHORIZED REPRESENTATIVE APPROVAL

## APPROVED FOR SUBRECIPIENT

The information, certifications and representations above have been read, signed and made by an authorized official of the Subrecipient named herein. The appropriate programmatic and administrative personnel involved in this application are aware of agency policy in regard to subawards and are prepared to establish the necessary inter-institutional agreements consistent with those policies. Any work begun and/or expenses incurred prior to execution of a subaward agreement are at the Subrecipient’s own risk.

Signature of Subrecipient’s Authorized Official Date:

Name and Title of Authorized Official Email:

Phone: Fax:

If Subrecipient is owned or controlled by a parent entity, please provide the following information:

Parent Entity Legal Name:

Parent Entity Address, City, State, ZIP+4:

**Attachment 4: Sub-award Monitoring Checklist**

Below is a sub-award monitoring checklist that satisfies administrative, financial, and programmatic elements of a site Visit

\_\_\_\_\_\_\_\_\_ Is prime Grantee in receipt of signed Memorandum of Understanding (MOU), signed acknowledgement of grant special conditions, and signed ‘Requirements of sub award documents to be submitted by sub-recipient’?

\_\_\_\_\_\_\_\_\_\_\_ List of invoices paid under each federal grant and corresponding list of equipment/supplies to be reviewed during the annual site visit provided to sub-recipient?

\_\_\_\_\_\_\_\_\_\_ Are invoices from sub-recipient delayed, inconsistent, failure to provide backup, improperly documented?

\_\_\_\_\_\_\_\_\_\_ Do the sub-recipient’s invoices support the goals and objectives of the grant?

\_\_\_\_\_\_\_\_\_\_\_ Does sub-recipient submit a financial report each quarter that lists invoices paid by the sub award and sub award remaining balance?

\_\_\_\_\_\_\_\_\_\_\_ Does sub-recipient submit information required for quarterly programmatic progress reports?

\_\_\_\_\_\_\_\_\_\_\_ Is the sub-recipient’s rate of spending appropriate for their progress?

\_\_\_\_\_\_\_\_\_\_\_ Has the sub-recipient provided a list (inventory) of supplies and equipment purchased with grant funds *(see Attachment 5 for an example)*

\_\_\_\_\_\_\_\_\_\_ Is programmatic performance progressing in an expected manner to support the goals and objectives of the grant?

\_\_\_\_\_\_\_\_\_\_ Are there severe programmatic or administrative issues which will lead to the sub award being terminated?

\_\_\_\_\_\_\_\_\_\_ Does the sub-recipient respond timely to requests for financial, programmatic, budget/scope revision information?

**Attachment 5: Grant Supplies Equipment Inventory**

