

An Overview on Subrecipient Monitoring

Presented by:

Ellen Yin-Wycoff, NSTA Specialist, RSP

Karen Nathan, CPA, KRN Consulting

Cindy Southworth, Executive Vice President, NNEDV

Resource
Sharing
Project



About the Nonprofit Sustainability TA (NSTA) Project

The Nonprofit Sustainability Technical Assistance (NSTA) Project is a program of the National Sexual Assault Coalition Resource Sharing Project (RSP) of IowaCASA in partnership with the National Network to End Domestic Violence (NNEDV).

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NSTA Services

We provide training and technical assistance to all OVW nonprofit grantees on *nonprofit sustainability and management issues* through:

- Webinars
- Small Group Coaching Calls
- Resources and Tools
- Individual Technical Assistance via phone and email

<http://resourcesharingproject.org/nonprofit-sustainability>

NSTA Resources

Recorded Webinars:

- Series on the New Uniform Guidance: <http://resourcesharingproject.org/new-uniform-guidance-series-2015>
- OVW Financial Management Practices: <http://resourcesharingproject.org/ovw-financial-management-practices>
- Empowering Your Board to Lead: Understanding the Roles and Responsibilities of Your Board of Directors: <http://resourcesharingproject.org/empowering-your-board-lead-understanding-roles-and-responsibilities-your-board-directors-series>

Tools:

- Board of Directors Toolkit for Nonprofit SA and DV Organizations: <http://www.resourcesharingproject.org/board-directors-toolkit-nonprofit-sexual-assault-and-domestic-violence-organizations>
- Fact Sheets on the New Uniform Guidance: <http://resourcesharingproject.org/new-uniform-guidance-fact-sheets>
- Resource Summary on Board Diversity Resources/Tools: <http://resourcesharingproject.org/board-diversity-resources-diversifying-your-board-directors>

How to Use the Technology

- You can listen to the audio through the Internet or call-in for audio at [1-866-866-2244](tel:1-866-866-2244), Code: [8529292#](tel:8529292)
- If you are experiencing any technical difficulties, please call iLinc Technical Support at [800-799-4510](tel:800-799-4510)
- If you have any questions for the presenters, please type them in the [Chat Box](#).
- The webinar recording will be emailed to you within the next 2 weeks.
- At the end of this presentation, please complete the [online evaluation](#) that will be sent to you.

Polling Question #1

Which of the following best describes your role/position at your agency?

- A. Executive Director
- B. Board Member
- C. Finance/Administrative Staff
- D. Program Staff

Feel free to submit your questions in the chat box.

Learning Goals

- To provide definitions of a Subrecipient, contractor, and subaward.
- To provide an overview of the contract requirement for subrecipients, including pre-award and risk assessment.
- To identify the contract elements for subrecipients.
- To address the monitoring requirement for subrecipients.

This webinar is designed to specifically address Subrecipient monitoring for most nonprofit grantees, not pass-through funding from coalitions and/or state agencies.

Subrecipient vs. Contractor

Characteristics of a Subrecipient:

- Serves as a project partner versus providing goods or services for the benefit of the prime grantee (i.e., considered a MOU partner).
- Subrecipient's performance is measured against a grant objective
- Responsible for programmatic decision-making
- Required to comply with Federal program requirements and the Uniform Grant Guidance.

Source: 200.330 and 200.93

Subrecipient vs. Contractor

Characteristics of a Contractor:

- Normally operates in a competitive environment
- Provides goods and services within normal business operations and considered ancillary to the federal grant project.

Source: 200.330 and 200.93

Subrecipient vs Contractor

Characteristic	Subrecipient	Contractor
MOU partners are generally considered this	Yes	No
Do procurement standards (including competition and sole source approval) apply?	No	Yes
Funds received count towards meeting the audit threshold	Yes	No
Federal Program requirements and terms and conditions apply	Yes	No
Contract provisions apply (2 CFR 200 Appendix II)	No	Yes
Required to be reported by direct recipient under FFATA	Yes	No
Profit may be earned (including fee for service)	No	Yes
Reimbursed for actual costs incurred	Yes	No

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OVW

Source: OVW - GFMD Presentation on Subrecipients vs. Contractors & FFATA Reporting, All TA Provider Meeting, Nov. 17, 2015

Polling Question #2

Which of the following is a characteristic of a Subrecipient?

- A. Does not need to comply with the Federal program requirements and the Uniform Grant Guidance
- B. Performance is measured against the grant objectives
- C. Is not a MOU partner
- D. Normally operates in a competitive environment

Feel free to submit your questions in the chat box.

Subaward

- A subaward is an award of federal funds from the prime grantee (direct recipient of the federal award) to a Subrecipient, who will carry out some grant deliverables for the federal award to the prime grantee.
- The subaward can be developed in a form of a legal agreement (i.e., contract, MOU, etc.) between the prime grantee and Subrecipient.
- Subawards are not subject to procurement standards or sole source requirements.

Pre-Award Requirements

Prime Grantee should collect and review the following from Subrecipient:

- Financial management policies or manual
- Most recent agency audit including management letter (if agency meets audit threshold of \$750,000 in federal funds)
- Most recent federal tax returns (990's)
- Board meeting minutes addressing their review of the audit and/or tax returns

Suspension/Debarment Check

Prime grantees should check and verify if the potential Subrecipient is on the federal suspension or debarment list. If the Subrecipient is on this list, your agency is prohibited from entering into a subaward with them using federal funds.

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

Suspension/Debarment sites by state:

<https://www.gsaig.gov/node/31>

Risk Assessment

- Purpose is to reduce waste, fraud and abuse
 - Process is needed, so this doesn't occur
- Higher the risk, more likely that waste, fraud, abuse could occur
- Risk must be assessed before making Subaward decisions

Source: 200.205

Risk Assessment

- Examples of Risk
 - Prior performance issues
 - Prior audit findings and/or monitor findings
 - Inexperienced subrecipients
 - Subrecipients with new and/or inexperienced staff
 - Programs having complex compliance requirements

Source: 200.331(b)

Risk Assessment

- After doing the risk assessment, if it appears the proposed Subrecipient needs assistance, it is permissible to provide them with training and technical assistance
- No prescribed procedures/templates for assessing risk
 - A simple checklist such as the one shown on the next slide will suffice

Source: 200.331(e)

Risk Assessment Sample Checklist

Risk	L	M	H	Justification (If Not Low Risk)	Specific Condition (As Appropriate)
General assessment					
• Suspension,debarment					
• Financial stability					
• Follow statutes, regs					
• Management systems					
• Written procedures					
• Authorizations					
• Conflict of interest					
History of performance					
• Timeliness					
• Reporting					
• Terms & conditions					
• Prior approvals					
• Remedies likely					
• New recipient				No prior performance data	

Polling Question #3

As part of the Pre-Award requirements, you should obtain and review the following documents from the potential Subrecipient:

- A. Financial Management Policy Manual
- B. Most recent Financial Audit (if applicable) and their tax returns (990's)
- C. Board meeting minutes addressing the audit and/or tax returns
- D. All of the above.

Feel free to submit your questions in the chat box.

Polling Question #4

If a potential Subrecipient is on the Federal Suspension or Debarment list, your agency can enter into a Subaward contract with them.

A. True

B. False

Feel free to submit your questions in the chat box.

Subrecipient Contracts

Must include:

- Subrecipient' s Name and DUN's Number
- Federal grant award #, award dates and Project Description
- Period of the Subrecipient' s Award
- Amount of the entire federal award and amount to the Subrecipient
- Federal agency issuing the grant award (i.e., OVW, etc.) and contact info
- CFDA #
- Grant deliverables for the Subrecipient
- Invoices and back-up documentation to be maintained and/or submitted for reimbursement

Subrecipient Contracts

Other recommended items to be included:

- Progress reports (What needs to be reported and due dates)
- Changes in key staff
- Subrecipient to maintain a Conflict of Interest policy for their Board of Directors and key staff
- Subrecipient to maintain a Whistleblower Policy to be review and signed by staff
- Termination clause for non-performance or non-compliance with the contract.

Polling Question #5

Which of the following must be included in the Subrecipient's contract?

- A. Subrecipient's Name and DUN's Number
- B. Federal agency issuing the grant award (i.e., OVW, etc.), contact info, and CFDA#
- C. Federal grant award #, award dates and Project Description
- D. All of the above

Feel free to submit your questions in the chat box.

Monitoring Requirements

Monthly/Regular Basis:

- Regular, documented meetings to discuss the program activities/deliverables and performance
- Monthly or quarterly invoicing and supporting documentation
- Notification of any Subrecipient' s key staff changes with contact information
- Progress reports

Monitoring Requirements

Annual Basis:

- Completed annual audit with management letter (if the Subrecipient meets the audit thresholds)
- Updated annual Financial policies & procedures manual
- Completed tax returns (990's)
- Board (or Committee) minutes addressing the review of the annual audit, financial policies updates, and/or tax returns

Monitoring Requirements

Onsite or Desk Monitoring:

- Not required
- Decision is based on risk assessment and progress monitoring
 - Dollar amount of subaward should be taken into account
- Grant funds can be used to pay for this
- Can also arrange for agreed-upon-procedures-200.425(c)

Monitoring Requirements

- Results of monitoring may result in the following:
 - Adjustments to the Prime Grantee's books and records
 - Enforcement action against non-compliant Subrecipients

Sources: 200.331(e) and 200.338

FFATA Reporting

Federal Funding Accountability and Transparency Act (FFATA)

- Prime grantees must report on any subaward of \$25,000 or more on FFATA website: <https://www.fsrs.gov/>
 - If initial subaward is less than \$25,000 but later on, you award more funds to total \$25,000 or more, then a FFATA report is required
- FFATA report is due by the end of the following month when the subaward of \$25,000 or more is made. (e.g., Subaward is issued October 1, then FFATA must be filed by Nov. 30).

FFATA Reporting

Federal Funding Accountability and Transparency Act (FFATA)

- FFATA compliance is mandatory!
- It may be a special condition in your OVW grant award.
- <https://www.fsrs.gov/>

Sample FFATA Report

FFATA Report For Grants

Federal Award Identifier Number (FAIN): 2016XXXXXX

Federal Agency ID: 1550

Is this information correct?: Yes

Federal Agency Name: OFFICE OF JUSTICE PROGRAMS (OR OVW
OR HHS)

Prime Awardee DUNS #: XXXXXXX

Is this information correct?: Yes

DUNS Number +4:

Prime Awardee Name: ORGANIZATION NAME

Prime Awardee Address: ADDRESS
ADDRESS CONTINUED

Principal Place Of Performance(POP):
CITY, STATE
ZIPCODE

CFDA Program Number(s): CFDA NUMBER AND TITLE OF GRANT PROGRAM

Is this information correct?: Yes

Project Description: PROJECT NAME FROM AWARD DOCUMENT

Is this information correct?: Yes

Source: <https://www.fsrs.gov/>

Polling Question #6

When considering whether or not to conduct Onsite Monitoring on a Subrecipient, the size of the Subaward should be a consideration.

- A. True
- B. False

Feel free to submit your questions in the chat box.

Polling Question #7

FFATA Reporting is not required for Subrecipients receiving \$25,000 or more in their Subaward.

- A. True
- B. False

Feel free to submit your questions in the chat box.

Questions?

*Feel free to submit your
questions in the chat box*

Resources

- Fact Sheet on Subrecipient Monitoring:
<http://www.resourcesharingproject.org/new-uniform-guidance-fact-sheets>
- Federal Funding and Accountability Transparency Act (FFATA): <https://www.fsrs.gov/>
- Uniform Grant Guidance (2 CFR 200):
https://www.ecfr.gov/cgi-bin/text-idx?tpl=/ecfrbrowse/Title02/2cfr200_main_02.tpl

For More Info

Ellen Yin-Wycoff

Email: ellen@iowacasa.org

Phone: 515-505-2729

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