

2331-11 Sub-Recipient Monitoring and Management 2331-11

When entering agreements involving the expenditure or disbursements of federal grant funds, the District shall determine whether the recipient of such federal funds is a “contractor” or “subrecipient”, as those terms are defined in 2 CFR §200.23 and §200.93, respectively. See also guidance at 2 CFR §200.330 “Subrecipient and contractor determinations”. Generally, “subrecipients” are instrumental in implementing the applicable work program whereas a “contractor” provides goods and services for the District’s own use. Contractors will be subject to the District’s procurement and purchasing (????-3) for Federal Funds and Policy 2330 for non-federal purchases). Subrecipients are subject to this Policy.

Under the Uniform Grant Guidance, the District is considered a "pass-through entity" in relation to its subrecipients, and as such requires that subrecipients comply with applicable terms and conditions (flow-down provisions). All subrecipients of Federal or State funds received through the District are subject to the same Federal and State statutes, regulations, and award terms and conditions as the District.

A. Sub-award Contents and Communication.

In the execution of every sub-award, the District will communicate the following information to the subrecipient and include the same information in the sub-award agreement.

1. Every sub-award will be clearly identified and include the following Federal award identification:

- a) Subrecipient name
- b) Subrecipient’s unique ID number (DUNS)
- c) Federal Award ID Number (FAIN)
- d) Federal award date
- e) Period of performance start and end date
- f) Amount of federal funds obligated
- g) Amount of federal funds obligated to the subrecipient
- h) Total amount of the Federal award
- i) Total approved cost sharing or match required where applicable
- j) Project description responsive to FFATA
- k) Name of Federal awarding agency, pass through entity and contact information
- l) CFDA number and name
- m) Identification of the award is R&D
- n) Indirect cost rate for the Federal award

2. Requirements imposed by the District including statutes, regulations, and the terms and conditions of the Federal award.

3. Any additional requirements the District deems necessary for financial or performance reporting of subrecipients as necessary.
4. An approved indirect cost rate negotiated between subrecipient and the Federal government or between the pass-through entity and subrecipient.
5. Requirements that the District and its auditors have access to the subrecipient records and financial statements.
6. Terms and conditions for closeout of the sub-award.

B. Subrecipient Monitoring Procedures.

The Superintendent is responsible for having all the District project managers monitor subrecipients. The District will monitor the activities of the subrecipient to ensure the sub-award is used for authorized purposes. The frequency of monitoring review will be specified in the sub-award and conducted concurrently with all invoice submission. Subrecipient monitoring procedures include:

1. At the time of proposal, assess the potential of the subrecipient for programmatic, financial, and administrative suitability.
2. Evaluate each subrecipient's risk of noncompliance prior to executing a sub-award. In doing so, the District will assess the subrecipient's:
 - a) Prior experience with the same or similar sub-awards.
 - b) Results of previous audits and single audit (if applicable).
 - c) New personnel or new or substantially changed systems.
 - d) The extent and results of Federal awarding agency monitoring.
3. Confirm the statement of work and review any non-standard terms and conditions of the sub-award during the negotiation process.
4. Monitor financial and programmatic progress and ability of the subrecipient to meet objectives of the sub-award. To facilitate this review, subrecipients are required to submit sufficient invoice detail and a progress report. The District project managers will encourage subrecipients to submit regular invoices.
5. Invoices and progress reports will be date stamped upon receipt if received in hard copy. A record of the date of receipt will be maintained for those invoices sent electronically.
6. In conducting regular oversight and monitoring, the District project managers will:
 - a) Verify invoices that include progress reports.

- b) Review progress reports to ensure project is progressing appropriately and on schedule.
- c) Compare invoice to agreement budget to ensure eligibility of costs and that costs do not exceed budget.
- d) Review invoice to ensure supporting documentation is included and invoices costs are within the scope of work for the projects being invoiced.
- e) Obtain report, certification and supporting documentation of local (non-federal)/in-kind match work from the subrecipient.
- f) Review subrecipient match tasks for eligibility.
- g) Initial the progress report and invoice confirming review and approval prior to payment.
- h) Raise any concerns to the Superintendent

7. The Superintendent or his/her designee upon recommendation from the project's manager, will approve the invoice payment and will initial invoices confirming review and approval prior to payment.

8. Payments will be withheld from subrecipients for the following reasons:

- a) Insufficient detail to support the costs billed;
- b) Unallowable costs;
- c) Ineligible costs; and/or
- d) Incomplete work or work not completed in accordance with required specifications.

9. Verify every subrecipient is audited in accordance with 2 CFR §200 Subpart F – Audit Requirements.

C. Subrecipient Project Files. Subrecipient project files will contain, at a minimum, the following:

- a) Project proposal
- b) Project scope
- c) Progress reports

d) Interim and final products

e) Copies of other applicable project documents as required, such as copies of contracts or MOUs

D. Audit Requirements.

All subrecipients are required to annually submit their audit and Single Audit report to the District for review to ensure the subrecipient has complied with good accounting practices and federal regulations. If a deficiency is identified, the District will:

1. Issue a management decision on audit findings pertaining to the Federal award.
2. Consider whether the results of audits or reviews indicate conditions that necessitate adjustments to pass through entity's own records.

E. Methodology for Resolving Findings.

The District will work with subrecipients to resolve any findings and deficiencies. To do so, the District may follow up on deficiencies identified through on-site reviews, provision of basic technical assistance, and other means of assistance as appropriate.

The District will only consider taking enforcement action against non-compliant subrecipients in accordance with 2 CFR 200.338 when noncompliance cannot be remedied. Enforcement may include taking any of the following actions as appropriate:

- a) Temporarily withhold cash payments pending correction of the deficiency
- b) Disallow all or part of the cost of the activity or action not in compliance.
- c) Wholly or partly suspend or terminate the sub-award.
- d) Initiate suspension or debarment proceedings.
- e) Withhold further Federal awards for the project or program.
- f) Take other remedies that may be legally available.

Adopted: 2/2020