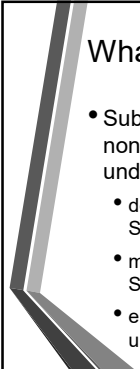


Subrecipient Monitoring Essential Requirements Under the Uniform Guidance

David Mayo
Director, Office of Sponsored Research
California Institute of Technology

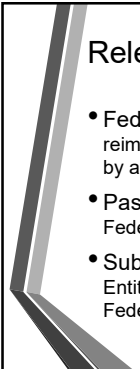
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What is Subrecipient Monitoring?

- Subrecipient Monitoring is the process by which a non-federal entity identifies a potential collaborator under a Federal Award and
 - determines the suitability of the collaborator to receive a Subaward
 - monitors the collaborator's progress during the Subaward, and
 - ensures that the collaborator has fulfilled its obligations under the Subaward

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Relevant UG Terminology

- **Federal Award:** financial assistance award or cost-reimbursement contract issued to a non-federal entity, either by a federal agency or by a Pass-through Entity
- **Pass-through Entity:** non-federal entity that issues a Federal Award to another non-federal entity
- **Subaward:** Federal Award provided by a Pass-through Entity to a Subrecipient to carry out a part of the SOW of a Federal Award

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Relevant UG Terminology

- **Contract:** legal instrument by which a non-federal entity purchases property or services needed to carry out a Federal Award; excludes Federal Awards
- **Contractor:** a non-federal entity that receives a Contract
- **Fixed Amount Award:** grant agreement that provides a specific level of support without regard to actual costs; payment is based on performance

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Where are the Federal Requirements on Subrecipient Monitoring?

- The Uniform Guidance (2 CFR 200) establishes the minimum federal requirements for subrecipient monitoring:
 - 2 CFR 200.330 "Subrecipient and contractor determinations"
 - 2 CFR 200.331 "Requirements for pass-through entities"
 - 2 CFR 200.414(f) "Indirect (F&A) costs"
 - 2 CFR 200.207 "Specific conditions"
 - 2 CFR 200.521 "Management decisions"

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Where are the Federal Requirements on Subrecipient Monitoring?

- 2 CFR 200.425 "Audit services"
- 2 CFR 200.501 "Audit requirements"
- 2 CFR 200.338 "Remedies for noncompliance"
- 2 CFR 200.332 "Fixed amount subawards"
 - 2 CFR 200.201(b) "Fixed Amount Awards"

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Subrecipient and contractor determinations (2 CFR 200.330)

- Describes the characteristics of a Subaward and of a Contract
- Establishes a requirement for the non-federal entity to make a determination for each Subaward or Contract it issues that the transaction is properly categorized.

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Requirements for Pass-through Entities (2 CFR 200.331)

- Every Subaward must be clearly identified as a Subaward and include specified data elements
- Must flow down terms and conditions of the higher-tier Federal Award
- May add additional terms and conditions, as appropriate
- Must perform a risk assessment of the Subrecipient's ability to carry out the Subaward

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Requirements for Pass-through Entities (2 CFR 200.331)

- May impose specific conditions for higher-risk Subrecipients
- Must monitor performance to ensure the Subaward is used for authorized purposes
- 200.331 suggests possible management approaches the Pass-through Entity can use for higher-risk Subrecipients

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**Requirements for Pass-through Entities
(2 CFR 200.331)**

- Must verify that every Subrecipient is audited as required by the UG
- Must evaluate the results of the Subrecipient's audits to determine whether adjustments are necessary
- Consider taking enforcement action against non-compliant Subrecipients

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**Fixed-Amount Subawards
(2 CFR 200.332)**

- Requires prior approval from the federal agency
- A Fixed Amount Subaward may not exceed the Simplified Acquisition Threshold (currently \$250,000)
- Minimum requirements (2 CFR 200.207)
 - Amount negotiated must be reasonable and based upon applicable cost principles
 - Payments must be based on meeting specific requirements of the Federal Award

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**Fixed-Amount Subawards
(2 CFR 200.332)**

- Accountability is based upon performance/results; costs incurred are not a factor in amount paid
- Subrecipient must certify at end of Subaward that required level of effort/activity was completed
- Subaward amount must be adjusted if less than full completion

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Federal Demonstration Partnership Resources

- Subaward Templates – based on UG requirements, with attachments customized for particular federal agencies
- FDP Risk Assessment Questionnaire – assist in conducting risk assessments
- FDP Expanded Clearinghouse - online entity profiles, certified annually by each participating entity for completeness; assists Pass-through Entities in issuing Subawards

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Questions?

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