



U. S. DEPARTMENT OF THE TREASURY

Subrecipient Monitoring and Management

Office of Capital Access


Objectives

- **Gain a high-level understanding of:**
- **Subrecipient Monitoring and Management**
- **Flow of 2 CFR Part 200 requirements to subrecipients**
- **Subrecipient and contractor determination**
- **Pass-through entity requirements**
- **Monitoring tools**



Applicability: Flow of 2 CFR Part 200 Requirements

Source: [2 CFR § 200.101\(b\)\(2\) Applicability](#)

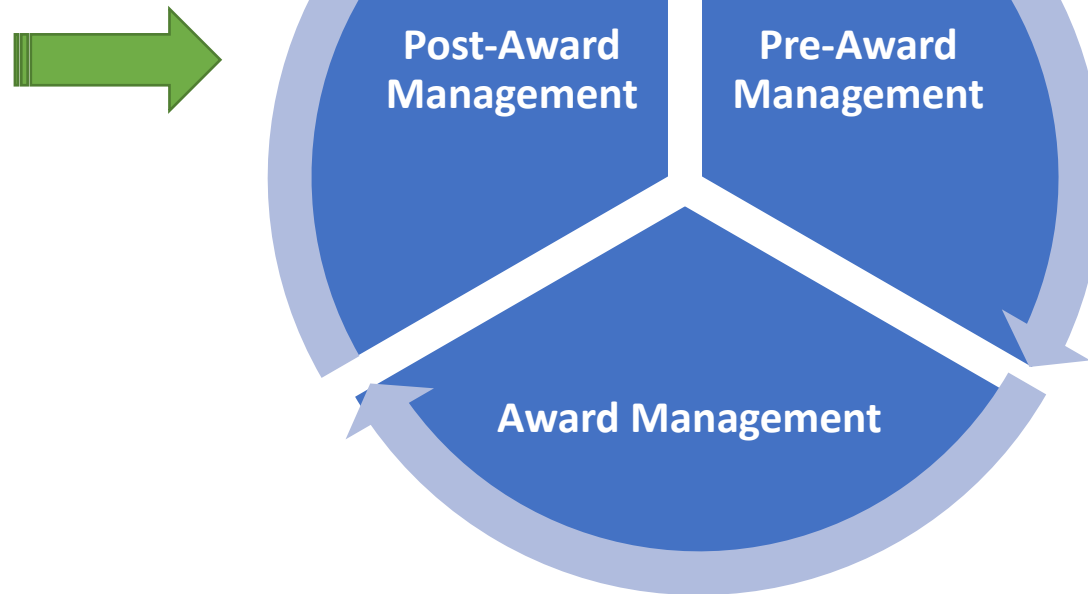
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- Terms and Conditions of Federal awards flow down to subawards to subrecipients unless otherwise indicated
 - Pass-through entities must comply with requirements described in 2 CFR [§§ 200.331](#) through [200.333](#)
 - This means that recipients must comply with terms and conditions of the Award/Grant Agreement when executed by the recipient

Award Management – Federal Business Lifecycle

Program Administration

Program Oversight

Award Recipient Oversight



Source: [Federal Integrated Business Framework for Grants Management](#)

Performance and Financial Monitoring and Reporting

Subpart D – Post Federal Award Requirements

Subpart	Key Concepts / Requirements
Subpart D Post Federal Award Requirements (§200.300 – §200.346)	Federal awarding agency management of financial assistance awards <ul style="list-style-type: none">• Clear performance goals, indicators, targets• Treatment and remedies for recipient noncompliance• Closeout and Termination of awards Recipient management of awards <ul style="list-style-type: none">• Documented, consistent financial management and internal control policies and procedures, and effective financial systems• Property standards and vesting for real property, equipment, supplies, and intangible property purchased with award funds• Procurement standards including competition requirements, procurement methods, contracting with small and minority businesses, and contract provisions• Subrecipient monitoring and management• Award Closeout Both <ul style="list-style-type: none">• Effective internal controls• Payment requirements• Revisions to budgets and program plans• Financial and program performance reporting for the awards• Record Retention and Access requirements



Subpart D – Key Concepts/Requirements In Depth

National Policy Requirements (§200.300)

Recipients must comply with all requirements of the award including federal laws and regulations, including, but not limited to, those related to:

- Civil Rights
- Prohibiting discrimination
- Environmental protections
- Whistleblower protections
- Lobbying

Performance Measurement (§200.301)

- Federal agencies must measure recipient performance to show achievement of program goals and objectives
- Federal agencies should provide clear performance goals, indicators, targets, and baseline data
- Recipients must track and report progress against performance measures

Financial Management (§200.302)

- Recipient financial management systems must identify awards received and expended based on information in the programs' Assistance Listings
- Recipients must have written procedures for financial management requirements such as determining cost allowability and ensuring internal controls

Internal Controls (§200.303)

- Recipients must establish and maintain effective internal controls for managing awards
- Recipients must evaluate and monitor compliance with statutes, regulations, and award agreements
- Recipients must take prompt action when instances of noncompliance are identified



Subpart D – Subrecipient and Contractor Determinations

A pass-through entity has discretion to decide what type of transaction it will enter into with other entities to assist it in carrying out the objectives of its HAF award. In accordance with 2 CFR 200.331, a pass-through entity may determine whether it will be a contract or subaward.

Subrecipients

- (1) Determines who is eligible to receive what Federal assistance;
- (2) Has its performance measured in relation to whether objectives of a Federal program were met;
- (3) Has responsibility for programmatic decision-making;
- (4) Is responsible for adherence to applicable Federal program requirements specified in the Federal award; and
- (5) In accordance with its agreement, uses the Federal funds to carry out a program for a public purpose specified in authorizing statute, as opposed to providing goods or services for the benefit of the pass-through entity.

Contractor

- (1) Provides the goods and services within normal business operations;
- (2) Provides similar goods or services to many different purchasers;
- (3) Normally operates in a competitive environment;
- (4) Provides goods or services that are ancillary to the operation of the Federal program; and
- (5) Is not subject to compliance requirements of the Federal program as a result of the agreement, though similar requirements may apply for other reasons.



Subpart D – Post Federal Award Requirements

Subpart	Key Concepts / Requirements
Requirements for pass-through entities (§200.332)	<p>All pass-through entities must:</p> <ul style="list-style-type: none">• Ensure that every subaward is clearly identified to the subrecipient as a subaward;• All requirements imposed by the pass-through entity onto the subrecipient so that the Federal award is used in accordance with Federal statutes, regulations and the terms and conditions of the Federal award;• Any additional requirements that the pass-through entity imposes on the subrecipient in order for the pass-through entity to meet its own responsibility to the Federal awarding agency including identification of any required financial and performance reports;• A requirement that the subrecipient permit the pass-through entity and auditors to have access to the subrecipient's records and financial statements as necessary• Appropriate terms and conditions concerning closeout of the subaward.



Subpart D – Post Federal Award Requirements

Subpart	Key Concepts / Requirements
Requirements for pass-through entities (§200.332)	<p>All pass-through entities must:</p> <ul style="list-style-type: none">• Evaluate each subrecipient's risk of noncompliance with Federal statutes, regulations, and the terms and conditions of the subaward for purposes of determining the appropriate subrecipient monitoring which may include consideration of such factors as:<ol style="list-style-type: none">(1) The subrecipient's prior experience with the same or similar subawards;(2) The results of previous audits including whether or not the subrecipient receives a Single Audit in accordance with Subpart F, and the extent to which the same or similar subaward has been audited as a major program;(3) Whether the subrecipient has new personnel or new or substantially changed systems; and(4) The extent and results of Federal awarding agency monitoring
	<ul style="list-style-type: none">• Consider imposing specific subaward conditions upon a subrecipient if appropriate



Subpart D – Post Federal Award Requirements

Subpart	Key Concepts / Requirements
Requirements for pass-through entities (§200.332)	<p>All pass-through entities must:</p> <ul style="list-style-type: none">• Monitor the activities of the subrecipient as necessary to ensure that the subaward is used for authorized purposes, in compliance with Federal statutes, regulations, and the terms and conditions of the subaward; and that subaward performance goals are achieved. Pass-through entity monitoring of the subrecipient must include:<ol style="list-style-type: none">(1) Reviewing financial and performance reports required by the pass-through entity.(2) Following-up and ensuring that the subrecipient takes timely and appropriate action on all deficiencies pertaining to the Federal award provided to the subrecipient from the pass-through entity detected through audits, on-site reviews, and written confirmation from the subrecipient(3) Issuing a management decision for applicable audit findings pertaining only to the Federal award provided to the subrecipient from the pass-through entity as required by § 200.521.(4) The pass-through entity is responsible for resolving audit findings specifically related to the subaward and not responsible for resolving crosscutting findings.



Subpart D – Post Federal Award Requirements

Subpart	Key Concepts / Requirements
Risk posed by subrecipients (§200.332)	<ul style="list-style-type: none">• Depending upon the pass-through entity's assessment of risk posed by the subrecipient, monitoring tools may be useful for the pass-through entity to ensure proper accountability and compliance with program requirements and achievement of performance goals:<ol style="list-style-type: none">(1) Providing subrecipients with training and technical assistance on program-related matters; and(2) Performing on-site reviews of the subrecipient's program operations;(3) Arranging for agreed-upon-procedures engagements as described in § 200.425.
	<ul style="list-style-type: none">• Verify that every subrecipient is audited as required by Subpart F when it is expected that the subrecipient's Federal awards expended during the respective fiscal year equaled or exceeded the threshold set forth in § 200.501.
	<ul style="list-style-type: none">• Consider whether the results of the subrecipient's audits, on-site reviews, or other monitoring indicate conditions that necessitate adjustments to the pass-through entity's own records.
	<ul style="list-style-type: none">• Consider taking enforcement action against noncompliant subrecipients as described in § 200.339 of this part and in program regulations.



Subpart D – Key Concepts/Requirements

Subpart	Key Concepts / Requirements
Financial Reporting (§200.328)	Financial reporting information must be collected with the frequency required by the terms and conditions of the Federal award, but no less frequently than annually nor more frequently than quarterly.
Monitoring and Reporting Program Performance (§200.329(a))	The recipient is responsible for oversight of the operations of the Federal award supported activities. The recipient must monitor its activities under Federal awards to assure compliance with applicable Federal requirements and performance expectations are being achieved. Monitoring by the recipient must cover each program, function or activity.
Reporting Program Performance (§200.329(b))	The recipient must relate financial data and accomplishments to performance goals and objectives of the Federal award.
Final Reports for Closeout (§200.344(a))	The final financial and performance reports submitted by the recipient and/or pass-through entity are due no later than 120 calendar days after the period of performance end date. A subrecipient must submit all final financial and performance reports to the pass-through entity, no later than 90 calendar days after the period of performance end date.



Concept Review

Subrecipient monitoring and management

- Monitor the activities of the subrecipient as necessary to ensure that the subaward is used for authorized purposes
- Review financial and performance reports required by the pass-through entity.

Flow of 2 CFR Part 200 requirements subrecipients

- Terms and Conditions of Federal awards flow down to subawards to subrecipients unless otherwise indicated
- Recipients must comply with terms and conditions of the Award/Grant Agreement when executed by the recipient

Subrecipient and contractor determination

- A pass-through entity has discretion to decide what type of transaction it will enter into with other entities to assist it in carrying out the objectives of its HAF award. In accordance with 2 CFR 200.331, a pass-through entity may determine whether it will be a contract or subaward. Ensures stakeholders share an understanding of roles and requirements relative to contractors and subrecipients, as applicable.



