Source of Governing Requirements – The requirements for subrecipient monitoring for the subaward are contained in 31 USC 7502(f)(2) (Single Audit Act Amendments of 1996 (Pub. L. No. 104-156)), 2 CFR sections 200.330, .331, and .501(h); Federal awarding agency regulations; and the terms and conditions of the award.

Policy Statement - The CMH is responsible for monitoring the programmatic and financial activities of its subrecipients to ensure proper stewardship of grant funds. The following policy applies to all subawards issued under grants made to the CMH, without regard to the primary source of funding. Additionally, this policy addresses institutional responsibilities and assists program managers and administrators to ensure that, in addition to achieving performance goals, subrecipients comply with applicable federal laws and regulations and with the provisions of each subaward agreement.

Procedures – The following procedures outline the process for monitoring subrecipients. Per 2 CFR §200.331, the CMH is required to review each subrecipient organization and monitor each individual subaward.

Reviewing and Assessing Subrecipient Organizations:

Pre-subaward Procedures:

1. All new subrecipient organizations will be reviewed for eligibility in conjunction with the specific federal program being subawarded, including consideration of the requirements outlined in 2 CFR §200.205:
   a. Network180 must determine that the potential subrecipient is not suspended or debarred. This process is completed by the Contracts Specialist during the contract initiation phase, and again by the Accounting Supervisor when setting up the vendor in Network180’s accounting software.
   b. Once it has been verified that the potential subrecipient is not suspended or debarred by the Federal government, a Subrecipient Risk Assessment Documentation Form must be completed to determine the level of risk involved with the subaward and any monitoring procedures that will need to occur throughout the subaward’s Period of Performance. A documentation checklist has been included as Attachment A to this document.

2. All new subrecipient organizations will provide a Data Universal Numbering System (DUNS) number as part of its subaward application.

3. For any federal awards issued under the American Recovery and Reinvestment Act (ARRA), all new subrecipient organizations will be required to provide documentation of its registration in the System for Award Management (SAM). Existing subrecipients of ARRA subawards will be required to provide documentation of its ongoing current registration in SAM.
Subaward Procedures:

1. All subawards will use a standard subaward agreement that will contain the following information:
   a. Federal Award Identification information:
      i. The name of the subrecipient organization and associated DUNS number;
      ii. The name of the Federal awarding agency, pass-through entity, and contact information for the awarding official of the pass-through entity;
      iii. The Catalog of Domestic Federal Awards (CFDA) number and title. If multiple CFDA numbers are being passed-through, then the dollar amounts from d. below must be identified for each CFDA number;
      iv. The Federal Award Identification Number (FAIN);
      v. The Federal Award Date of award to the recipient by the Federal Agency;
      vi. Subaward Period of Performance Start and End Date;
      vii. Amount of federal funds:
          ▪ Obligated by this action by the pass-through entity to the subrecipient;
          ▪ Obligated to the subrecipient by the pass-through entity, including the current obligation;
          ▪ Total amount of the federal award committed to the subrecipient by the pass-through entity;
      viii. The federal award project description as required to be responsive to the Federal Funding Accountability and Transparency Act (FFATA);
      ix. Identification of whether the award is for research and development (R&D);
      x. Indirect cost rate for the Federal award (including if the de minimis rate is charged per §200.414).
   b. All requirements imposed by the pass-through entity on the subrecipient so that the Federal award is used in accordance with Federal statutes, regulations and the terms and conditions of the Federal award;
   c. 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, including, but not limited to, any of the following, if determined necessary based on the initial risk assessment.
      i. Requiring payments as reimbursements rather than advance payments;
      ii. Withholding authority to proceed to the next phase until receipt of evidence of acceptable performance within a given period of performance;
      iii. Requiring additional, more detailed financial reports;
      iv. Requiring additional project monitoring;
      v. Requiring the non-Federal entity to obtain technical or management assistance; or
      vi. Establishing additional prior approvals.
   d. For any items included under item “1c.” above, Network180 must notify the subrecipient of the following:
      i. The nature of the additional requirements;
      ii. The reason why the additional requirements are being imposed;
      iii. The nature of the action needed to remove the additional requirement, if applicable;
      iv. The time allowed for completing the actions if applicable, and
      v. The method for requesting reconsideration of the additional requirements imposed.
e. An approved federally recognized indirect cost rate negotiated between the subrecipient and the Federal Government or, if no such rate exists, either a rate negotiated between the pass-through entity and the subrecipient, or a de minimis indirect cost rate as defined in §200.414 Indirect (F&A) costs, paragraph (f);

f. 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 for the pass-through entity to meet the requirements of this part; and

g. Appropriate terms and conditions concerning closeout of the subaward.

2. The Subrecipient Risk Assessment Documentation Form completed during the subaward initiation phase, will be reviewed for accuracy and appropriateness on an annual basis for continuing subrecipients.

During-the-Award Monitoring:

1. If, on the standard risk assessment form, no high or moderate risk factors were identified, the following standard monitoring procedures will be applied:
   a. Reviewing all required regular financial and performance reports (such as monthly cost reimbursement reports);
   b. Review any monitoring reports received by the subrecipient, and follow-up on any identified deficiencies to determine that timely corrective action was taken.
   c. Reviewing any required annual financial report(s)/statement(s), audit(s), and Single Audit(s), as applicable, as outline in the Subrecipient Organization Audits section below.
   d. At least quarterly, program staff will make contact with the subrecipient organization staff to respond to any questions or concerns that may arise in relation to the subaward and to make general inquiries as to the status of the program. If the subrecipient organization is making eligibility determinations, even if not determined to be complex, program staff should determine that the subrecipient organization has the latest eligibility criteria available and is making appropriate calculations in determining consumer eligibility.

2. If, on the standard risk assessment form, high or moderate risk factors were identified, additional monitoring steps should be performed to address the specific risk identified. Such procedures could include, but are not limited to, the following:
   a. Providing subrecipients with training and technical assistance on program-related matters; and
   b. Performing on-site reviews of the subrecipient's program operations; and
   c. Arranging for agreed-upon-procedures.

Subrecipient Organization Audits:

1. All active subrecipients will submit a “Subrecipient Audit Certification Form” within 90 days of each fiscal year end.

2. Any new or existing active subrecipient organization that has expend more than $750,000 in federal awards in a fiscal year must submit a copy of their single audit reporting package to Network 180 within 30 days of submission to the Federal Audit Clearinghouse. For each single audit submission, program staff will complete a “Checklist for Reviewing Subrecipient Single Audit Reports”.

3. Program staff will consider whether the results of the subrecipient’s audits, on-site reviews, or other monitoring indicate conditions that necessitate adjustments to Network180’s records.
4. The completed checklist, along with the copy of the subrecipient audit will be submitted to the Finance and Accounting Director. The Finance and Accounting Director will be responsible for communicating the results of the review to the subrecipient organization by send them a copy of the “Letter to Subrecipients re Review of Single Audit”. Submission of this letter will constitute a “management decision” as discussed in item 5 below.

5. For any audit findings related to Network 180 passed-through Federal awards:
   a. All compliance findings, whether identified by Network180 monitors or independent auditors will be considered when updating the “Subrecipient Risk Assessment Documentation Form” for continuing subrecipient organizations. When updating the risk assessment form, program staff should also consider and document any impact that the findings might have on Network 180’s compliance.
   b. A management decision will be issued within 6 months of the receipt of the subrecipient organization’s single audit.
   c. Follow up communication will be made with the subrecipient organization to ensure that timely and appropriate corrective action is taken on all audit findings noted.
   d. If appropriate corrective action has not been taken, either due to inability or unwillingness on the part of the subrecipient organization, within 6 months of the management decision, appropriate actions, up to and including withholding cash payments, disallowing all or part of the cost of the activity that is in noncompliance, and/or termination of the subaward agreement, will be taken with respect to the subrecipient organization.
Attachments

Attachment A – Subrecipient Risk Assessment Documentation: Used to document Network180’s annual evaluation of a subrecipients risk

Attachment B – Subrecipient vs Contractor Determination Checklist: Tool used to determine if an entity receiving federal dollars from Network180 is a subrecipient or a contractor

Attachment C i–Audit Certification Form: Form to be completed annually by the subrecipient to verify whether they were required to obtain a Single Audit

Attachment C ii – Checklist for Reviewing Single Audits: If the subrecipient certified they received a Single Audit under D i above, this checklist must be completed.

Attachment C iii – Letter to Subrecipients re Review of Single Audit: If the checklist under C ii is completed, this letter should be modified to fit the subrecipient and sent as evidence of Network180’s review of the Single Audit report. If there were matters requiring correction, make sure follow-up is completed and documentation is retained.