

Policy DAF-11
Administration of Federal Grants –
Sub-Recipient Monitoring and Management
School Board Approved: April 19, 2021



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 “sub-recipient”, as those terms are defined in 2 CFR §200.23 and §200.93, respectively. See also guidance at 2 CFR §200.330 “Sub-recipient and contractor determinations.” Generally, “sub-recipients” 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 policies DAF-3 relative to federal grant funds, and DJE relative to bidding requirements for non-federal money projects. Sub-recipients are subject to the policy.

Under the UGG, the District is considered a “pass-through entity” in relation to its sub-recipients, and as such requires that sub-recipients comply with applicable terms and conditions (flow-down provisions). All sub-recipients 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.

Sub-Award Contents and Communication

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

- Every sub-award will be clearly identified and include the following federal award identification:
 - Sub-recipient name
 - Sub-recipient’s unique ID number (DUNS)
 - Federal Award ID Number (FAIN)
 - Federal award date
 - Period of performance start and end date
 - Amount of federal funds obligated
 - Amount of federal funds obligated to the sub-recipient
 - Total amount of the federal award
 - Total approved cost sharing or match required where applicable
 - Project description responsive to FFATA
 - Name of federal awarding agency, pass through entity and contact information
 - CFDA number and name
 - Identification of the award is R&D
 - Indirect cost rate for the federal award
- Requirements imposed by the District including statutes, regulations, and the terms and conditions of the federal award.
- Any additional requirements the District deems necessary for financial or performance reporting of sub-recipients as necessary.

- An approved indirect cost rate negotiated between sub-recipient and the federal government or between the pass-through entity and sub-recipient.
- Requirements that the District and its auditors have access to the sub-recipient records and financial statements.
- Terms and conditions for closeout of the sub-award.

Sub-Recipient Monitoring Procedures

The superintendent is responsible for having all the District project managers monitor sub-recipients. The District will monitor the activities of the sub-recipient 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 submissions.

Sub-recipient monitoring procedures include:

- At the time of proposal, assess the potential of the sub-recipient for programmatic, financial, and administrative suitability.
- Evaluate each sub-recipient's risk of noncompliance prior to executing a sub-award. In doing so, the District will assess the sub-recipient's:
 - Prior experience with the same or similar sub-awards.
 - Results of previous audits and single audit (if applicable).
 - New personnel or new or substantially changed systems.
 - The extent and results of federal awarding agency monitoring.
- Confirm the statement of work and review any non-standard terms and conditions of the sub-award during the negotiation process.
- Monitor financial and programmatic progress and ability of the sub-recipient to meet objectives of the sub-award. To facilitate this review, sub-recipients are required to submit sufficient invoice detail and a progress report. The District project managers will encourage sub-recipients to submit regular invoices.
- 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.
- In conducting regular oversight and monitoring, the District project managers will:
 - Verify invoices that include progress reports.
 - Review progress reports to ensure project is progressing appropriately and on schedule.
 - Compare invoice to agreement budget to ensure eligibility of costs and that costs do not exceed budget.
 - Review invoice to ensure supporting documentation is included and invoices costs are within the scope of work for the projects being invoiced.

- Obtain report, certification and supporting documentation of local (non-federal)/in-kind match work from the sub-recipient.
- Review sub-recipient match tasks for eligibility.
- Initial the progress report and invoice confirming review and approval prior to payment.
- Raise any concerns to the superintendent.
- The superintendent, upon recommendation from the project's manager, will approve the invoice payment and will initial invoices confirming review and approval prior to payment.
- Payments will be withheld from sub-recipients for the following reasons:
 - Insufficient detail to support the costs billed.
 - Unallowable costs.
 - Ineligible costs.
 - Incomplete work or work not completed in accordance with required specifications.
- Verify every sub-recipient is audited in accordance with 2 CFR §200 Subpart F – Audit Requirements.

Sub-Recipient Project Files

Sub-recipient project files will contain, at a minimum, the following:

- Project proposal.
- Project scope.
- Progress reports.
- Interim and final products.
- Copies of other applicable project documents as required, such as copies of contracts or MOUs.

Audit Requirements

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

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

Methodology for Resolving Findings

The District will work with sub-recipients 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 sub-recipients in accordance with 2 CFR 200.338 when noncompliance cannot be remedied. Enforcement may include taking any of the following actions as appropriate:

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

Legal References:

2 C.F.R. Part 200