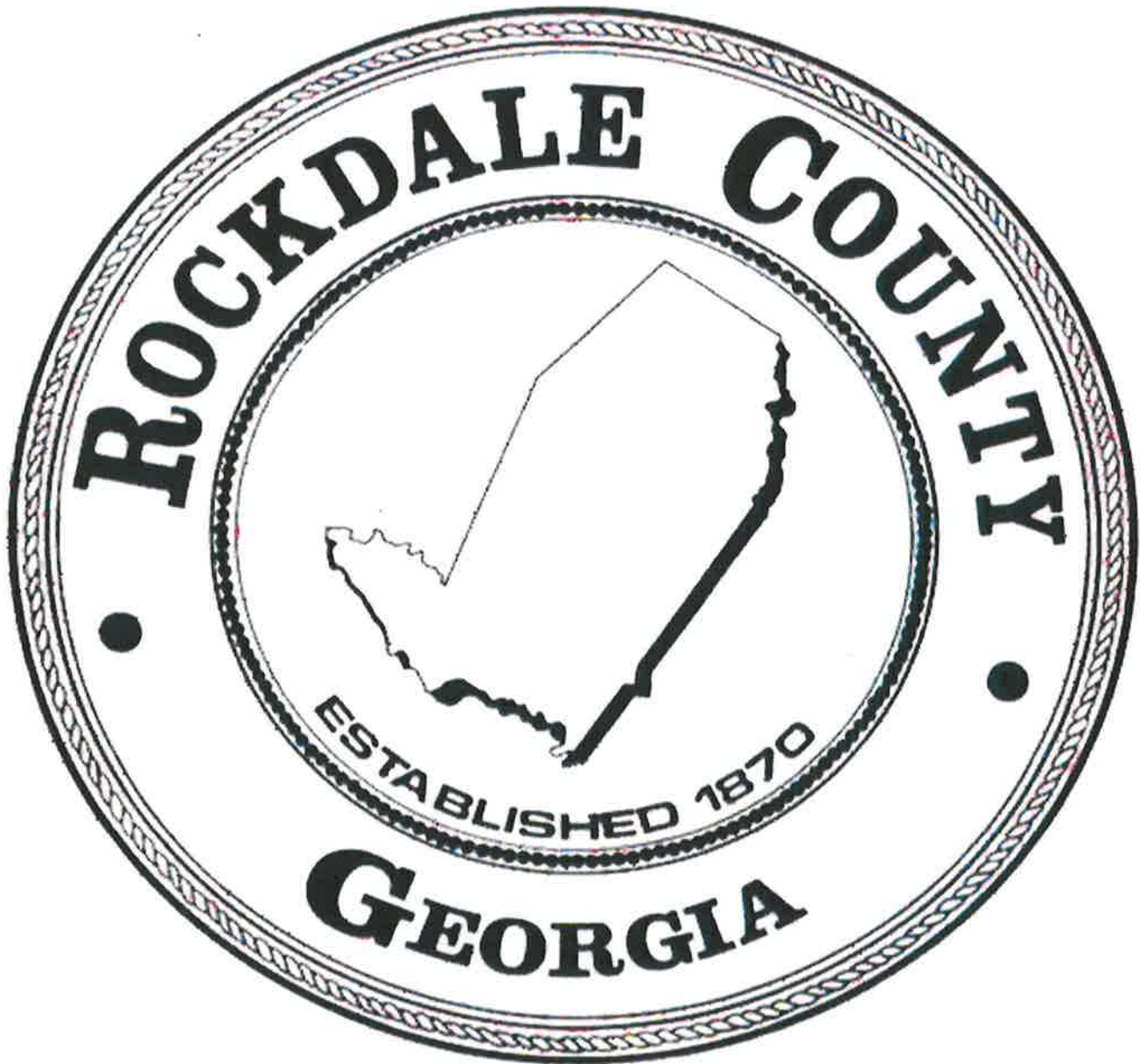


*ROCKDALE COUNTY, GEORGIA*

Subrecipient Monitoring Policy



## ***Introduction***

As the prime award recipient, Rockdale County Board of Commissioners (the County) and the principal investigators (PI) have the responsibility to ensure the success of subawards. This means regular monitoring of subrecipient's programmatic and financial activities. The subrecipient monitoring starts at the prime award proposal stage and ends when a subaward is fully closed.

## ***Definitions***

***Award:*** An award is a binding agreement between an external sponsor and the County to support research, training, service, or other activities with set terms and conditions.

***Principal Investigator (PI):*** The individual(s) judged by the County to have the appropriate level of authority and responsibility to direct the project or program supported by the grant. Each PI is responsible and accountable to the County and the grantor for the proper conduct of the project or program including the submission of all required reports.

***Subaward (2 CFR 200.92):*** A subaward of financial or other support from a prime awardee to a qualified organization for the performance of a substantive portion of the programmatic effort under the prime award.

***Subrecipient (2 CFR 200.93):*** A non-Federal entity that expends Federal awards from a pass-through entity to carry out a Federal program.

Characteristics of a subrecipient:

- Receiving entity determines who is eligible to receive financial assistance;
- Has its performance measured against whether the objectives of the program are met;
- Has responsibility for programmatic decision making;
- Has responsibility for adherence to applicable program compliance requirements; and
- Uses the funds to carry out a program of the organization as compared to providing goods or services for a program of the pass-through entity.

**Contract (2 CFR 200.22):** A contract is a legal instrument by which a non-Federal entity purchases property or services needed to carry out the project or program under a Federal award.

**Contractor (2 CFR 200.23):** A dealer, distributor, merchant, or other seller providing goods or services that are required for the conduct of the sponsored program. These goods or services may be for an organization's own use or for the use of beneficiaries of the project. **Note:** Consultants are considered vendors because they are normally not receiving funds "to carry out" a part of the sponsored program.

**Characteristics of a contractor:**

- Provides the goods and services within normal business operations;
- Provides similar goods or services to many different purchasers;
- Operates in a competitive environment;
- Provides goods or services that are ancillary to the operation of the program; and
- Is not subject to the compliance requirements of the program, though similar requirements may apply for other reasons.

**Subrecipient Monitoring (2 CFR 200.330):** Activities undertaken to review the financial status and management controls of a subrecipient(s) to mitigate the risk of contracting with a subrecipient(s).

**Roles and Responsibilities**

The following Roles and Responsibilities Chart serves as a reference for County principal investigators and designated department personnel on managing the life of a subaward. Some of the following roles/responsibilities may be completed by the principal investigator and/or the Finance Department, and/or Purchasing.

*Roles and Responsibilities Chart*

	Principal Investigator	Finance Dept.	Purchasing Office
<b>Proposal Stage</b>			
Determination if applicant is a subrecipient or contractor (Appendix A)	X		
Select a Subrecipient: Sole Source v. Competitive Bid	X		X
Obtain detailed scope of work, including deliverables, and a detailed budget with budget justification	X		
Negotiate budget	X		X
<b>Award Stage</b>			
Draft new subaward			X
Review and approval of draft subaward	X	X	
Forward subaward to subrecipient for review and signature			X
Negotiate subaward terms and conditions with subrecipient			X
Obtain signature from subrecipient			X

Prepare subaward for Board approval and Chairman's signature			X
Process fully-executed subaward			X
Submit Requisition to Purchasing	X		
Create Purchase Order			X
<b>Managing Stage</b>			
Fulfill responsibilities based on Subrecipient risk analysis (Low, Medium, High)	X		
Approval of Payment Request and Processing	X	X	
Process Subaward Modification, if needed. Drafting, department approval, obtain subrecipient signature, etc. (Responsibilities same as noted for New Subaward)	X		X
Enter PO Amendment			X
Process fully-executed modification			X
<b>Closeout Stage</b>			
Provide Subaward Closeout Checklist to subrecipient (Appendix B)	X		
Prepare closeout letter and forward to subrecipient		X	
Purchasing to close PO	X		X

### ***Subrecipient Monitoring Risk Assessment (Appendix C)***

Depending on the risk level assigned to the subrecipient, the principal investigator and/or the Finance Department should engage in, at minimum, the following monitoring activities:

#### **Low Risk**

- Regular communication with subrecipient regarding progress of project, as well as maintaining records of performance/progress reports.
- Review and approval of expenditures under the terms and conditions of the prime award and subaward.
- Ensure deliverables are in accordance with the scope of work.
- Periodic sampling of questioned costs during invoice review.

#### **Medium Risk**

- Communication with subrecipient on a quarterly basis regarding progress of project, as well as maintaining records of performance/progress reports.

- Review and approval of expenditures under the terms and conditions of the prime award and subaward.
- Ensure deliverables are in accordance with the scope of work.
  - Consider site visit to subrecipient's physical location.
- Periodic sampling of invoiced costs and desk audit of subawards.

#### High Risk

- Communication with subrecipient on a monthly basis regarding progress of project, as well as maintaining records of performance/progress reports.
- Review and approval of expenditures under the terms and conditions of the prime award and subaward.
- Ensure deliverables are in accordance with the scope of work.
  - Consider regular site visits to subrecipient's physical location.
- Scrutinize invoiced costs on a regular basis and perform periodic desk audit of subawards.

Note: See Appendix D for site visit checklist.

### **FFATA (Federal Funding Accountability & Transparency Act)**

As of October 1, 2010, all Federal grants of \$25,000 and over are subject to the FFATA subaward reporting requirements. Prime awardees are required to upload the subrecipient information in the FFATA Sub-Award Reporting System (<https://www.fsrs.gov/>). Subrecipients must maintain an active registration in the [System for Award Management \(SAM.gov\)](https://www.sam.gov/) in order to receive Federal funding.

When the subaward amount is \$25,000 or larger, the Finance Department collects the following information from the subrecipient to meet the FFATA requirements:

- Name of entity receiving award;
- Amount of award;
- Funding agency;
- NAICS code for contracts/CFDA program number for grants;
- Program source;
- Award title descriptive of the purpose of the funding action;
- Location of the entity (including congressional district);
- Place of performance (including congressional district);
- Sam.gov registration;
- Unique identifier of the entity and its parent (DUNS); and
- Total compensation and names of top five executives (same threshold for prime) if:
- More than 80% of annual gross revenues from the Federal government, and those revenues are greater than \$25M annually; and
- Compensation information is not already available through reporting to the Security and Exchange Commission.

Subawards will not be fully executed until the FFATA information is obtained. It is the duty of the Finance Department to submit and update the required FFATA information in the FSRS website.

## ***Debarment and Suspension***

Rockdale County Government and its subrecipients shall not award grant assistance to applicants that are debarred or suspended, or otherwise excluded from or ineligible for participation in Federal assistance programs. County departments and subrecipients are to ensure to the best of their knowledge and belief that prior to extending a subaward, the potential subaward agency or its principals are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded by any federal department or agency.

## ***Contracting Process***

After the awarding agency has approved the selection of a subrecipient, whether by issuing an award that contains provisions for the subrecipient or by approving the selection of a subrecipient after the award has been made, the Finance Department will review the subrecipient information provided in the proposal for appropriate financial information. If the information is not included in the proposal, the Finance Department will work with the subcontractor and PI to obtain the required information needed. After all the required information is obtained, Purchasing completes the correct subaward agreement.

The subaward template will provide:

1. Subrecipient name (which must match registered name in DUNS);
2. Subrecipient's DUNS number;
3. Federal Award Identification Number (FAIN);
4. Federal award date;
5. Subaward period of performance start and end date;
6. Amount of Federal funds obligated by this action;
7. Total amount of Federal funds obligated to the Subrecipient;
8. Federal award project description as required to be responsive to the Federal Funding Accountability and Transparency Act (FFATA);
9. Name of Federal awarding agency, pass-through entity, and contact information for awarding official;
10. CFDA number; the pass-through entity must identify the dollar amount made available under each Federal award and the CFDA number at time of disbursement;
11. 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;
12. 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;
13. 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;
14. 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 section; and
15. Appropriate terms and conditions concerning closeout of the subaward.

Once the subaward is finalized, Purchasing will send originals of the subaward to the subrecipient or one PDF of the document as required for signature by an authorized institutional official. After the subaward has been signed by the subrecipient, Purchasing will present the subaward to the Board of Commissioners for approval and signing by the Chairman.

### ***Amendments***

If a subrecipient requests an amendment to their subaward (no-cost extension, change in SOW, budget revision), the PI is required to review the request and make a determination on whether to allow it or not. Purchasing prepares the subaward amendment using the amendment template. The same procedure for the original subaward document is then followed (see **Contracting Process**).

### ***Subaward Termination (2 CFR 200.339)***

The Federal award may be terminated in whole or in part as follows:

- By the Federal awarding agency or pass-through entity, if a non-Federal entity fails to comply with the terms and conditions of a Federal award;
- By the Federal awarding agency or pass-through entity, for cause;
- Federal awarding agency or pass-through entity with the consent of the non-Federal entity, in which case the two parties must agree upon the termination conditions; or
- By the Federal awarding agency or pass-through entity upon sending to the Federal awarding agency or pass-through entity written notification setting forth the reasons for such termination.

If a PI decides that the subaward will not be renewed, the PI will contact Purchasing so that a letter of termination can be sent to the subrecipient. The PI will make sure the final invoice and appropriate final reports are received.

### ***Subaward Invoicing and Payment***

The subrecipient shall submit invoices to the PI for review and approval showing the dates worked, a brief description of the services provided, the total number of hours worked, the hourly rate of payment and the total amount due. The PI is responsible for the technical review to ensure that the work has been completed, reports have been submitted, and to verify the validity of the expenses related to his/her project. Finance will determine if there is either sufficient information to recommend reimbursement or determine that there are unallowable charges that should not be reimbursed; and therefore, require a revised invoice from the subrecipient. It will be communicated that the invoice will not be processed until the concern is addressed and resolved. Invoices should not be approved for payment until all issues or concerns have been resolved.

If the PI determines (during his/her review of the invoice) that there is a concern with an invoice, the PI should contact the subrecipient and notify the Finance Department of the concern. Finance can offer a variety of solutions depending on the nature of the problem and the type of funding involved. The PI should make every effort to work with subrecipients to resolve any issues. However, a PI has certain rights that he/she can exercise if the collaboration is no longer determined to be productive and appropriate for the project.


The rate of payment for any services shall not exceed the rate prescribed in the Subrecipient Agreement for provision of services between the County and subrecipient. Payments will be made according to the accounts payable schedule maintained by the Finance Department.

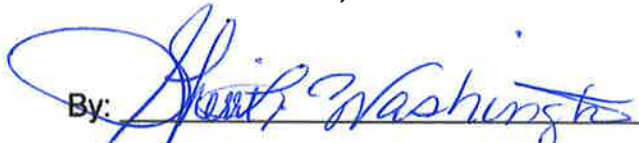
The County reserves the right to suspend payments should the subrecipient fail to provide required reports in a timely and adequate fashion or if subrecipient fails to meet other terms and conditions of the Subrecipient Agreement.


**BOARD OF COMMISSIONERS APPROVAL**


Approved this 12 day of June 2018.

ROCKDALE COUNTY, GEORGIA  
BOARD OF COMMISSIONERS

By:   
Osborn Nesbitt, Sr. Chairman

By:   
Sherri L. Washington, Commissioner

By:   
Dr. Doreen Williams, Commissioner

Attest:  
By:   
Jennifer Rutledge, Director of Legislative Affairs/County Clerk



## APPENDIX A

Principal Investigator: \_\_\_\_\_

### Checklist to Determine Subrecipient or Contractor Classification

**OBJECTIVE:** Generally, the determination of the relationship with an entity is verified through the institutional review of the proposal narrative, budget justification, and other related proposal documents, as well as through discussions with key personnel prior to proposal submission. When the relationship remains unclear, this form may provide assistance in making an accurate determination.

#### DEFINITIONS FROM UNIFORM GUIDANCE (2 CFR, PART 200):

**Subrecipient:**

§200.93 Subrecipient means a non-Federal entity that receives a subaward from a pass-through entity to carry out part of a Federal program; but does not include an individual that is a beneficiary of such program. A subrecipient may also be a recipient of other Federal awards directly from a Federal awarding

**Contractor:**

§200.23 Contractor means an entity that receives a contract as defined in §200.22 Contract.

§200.22 Contract means a legal instrument by which a non-Federal entity purchases property or services needed to carry out the project or program under a Federal award.

**INSTRUCTIONS:** Complete sections one and two of the checklist by marking all characteristics that apply to the outside entity. The section with the greatest number of marked characteristics indicates the likely type of relationship the entity will have with the University. On occasion there may be exceptions to the type of relationship indicated by the completed checklist. In these situations, the substance of the relationship should be given greater consideration than the form of agreement between the University and the outside entity. Section 3 should be used to provide documentation on the use of judgment in determining the proper relationship classification.

**NAME OF OUTSIDE ENTITY:** \_\_\_\_\_

#### SECTION 1 - SUBRECIPIENT

**Description:** A subaward is for the purpose of carrying out a portion of a Federal award and creates a Federal assistance relationship with the subrecipient. Characteristics which support the classification of the non-Federal entity as a subrecipient include when the contractor:

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. 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.

Entities that include these characteristics are responsible for adherence to applicable Federal program requirements specified in the Federal award.

**SECTION 2 - CONTRACTOR**

Description: A contract is for the purpose of obtaining goods and services for the non-Federal entity's own use and creates a procurement relationship with the contractor. Characteristics indicative of a procurement relationship between the non-Federal entity and a contractor are when the non-Federal entity receiving the Federal funds:

- 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.

Entities that include these characteristics are not subject to compliance requirements of the Federal program as a result of the agreement, though similar requirements may apply for other reasons

**FINAL DETERMINATION:**

**SUBRECIPIENT**

**CONTRACTOR**

**OPTIONAL - SECTION 3 - USE OF JUDGMENT** (use only when the determination cannot clearly be made using the above criteria)

Description: In determining whether an agreement between a pass-through entity and another non-Federal entity casts the latter as a subrecipient or a contractor, the substance of the relationship is more important than the form of the agreement. All of the characteristics listed above may not be present in all cases, and the pass-through entity must use judgment in classifying each agreement as a subaward or a procurement contract.

Explanation of Use of Judgment Determination:

Prepared By: \_\_\_\_\_

Date: \_\_\_\_\_

**Note: The checklist must be submitted to the Purchasing Office upon completion for contract development and execution.**

**APPENDIX B**  
***Subaward Closeout Checklist***

Subrecipient reports and deliverables vary depending upon the terms and conditions of the subrecipient agreement. The following are typically required. Please review subrecipient agreement to determine if any or all of the following apply.

Rockdale County Principal Investigator: \_\_\_\_\_

Prime Award Number: \_\_\_\_\_

Subrecipient Contract Number: \_\_\_\_\_

Subrecipient Name: \_\_\_\_\_

Subrecipient Principal Investigator: \_\_\_\_\_

Start Date: \_\_\_\_\_

End Date: \_\_\_\_\_

- Final Technical Report
- Final Financial Report
- Final Invoice or Final Statement of Costs (for advance payments)
- Final Property Report
- Other Reports/Deliverables specified in Subrecipient Agreement. Please list below.

Final payment invoices will not be processed until all terms and conditions of the subrecipient agreement have been met. Note: Please keep this form with your project records for audit purposes.

By: \_\_\_\_\_  
Signature

Title: \_\_\_\_\_

Date: \_\_\_\_\_

## **APPENDIX C**

### ***Rockdale County Subrecipient Risk Assessment Form***

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Please answer all questions:

1. Have you ever received Grant money from the U.S. Government? If so, please indicate the year and amount.
  
2. Do you have written accounting procedures?
  
3. Do you have an accounting system that can separately track all drawdowns and grant expenditures?
  
4. Do you have an inventory system in place?
  
5. What is your records retention policy?
  
6. Are there liens against your organization?
  
7. Do you run background checks on your employees before hiring them?

(continued on next page)

8. What kind of liability insurance does your organization have?
9. When was your last external audit? Can you supply a copy if needed?
10. Has your organization ever declared bankruptcy or gone through re- organization?

**Signature:** \_\_\_\_\_ **Title:** \_\_\_\_\_

**Name of Organization:** \_\_\_\_\_

**Telephone #:** \_\_\_\_\_ **Email:** \_\_\_\_\_

**Program Title:** \_\_\_\_\_

**Grant Amount Requested:** \_\_\_\_\_

**Date:** \_\_\_\_\_

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For Internal Use:

Over-all risk assessed:

- HIGH RISK
- MEDIUM RISK
- LOW RISK

**Monitoring plan must take into account risk assessment.**

## **APPENDIX D**

### ***Rockdale County Grant Monitoring Site Visit Checklist***

During the site visit, Rockdale County staff will meet with key leaders and stakeholders from the subrecipient organization and key personnel assigned to the project, as appropriate. Evidence of project performance and supplemental documentation will be reviewed and discussed during the visit. Key areas of review include administrative, financial and programmatic. The subrecipient will be required to supply some or all of the items listed below prior to and/or during the site visit.

#### **ADMINISTRATIVE REVIEW**

- Grant file with following documents:
  1. Signed subrecipient agreement
  2. Special Conditions
  3. Progress Reports
  4. Financial Reports
  5. Correspondence with Rockdale Principal Investigator
- Inventory records, purchase orders, invoices, serial numbers, and proof of purchase (this can be a sample depending on the size of the grant). Photos can be taken and submitted, if warranted.
- A list of all grant-funded personnel, consultants, and contractors (including name, title, assigned projects, date of hire, current salary, and fringe benefit costs).
- Written explanation if your agency is allocating payroll costs to the grant.
- At a minimum, a timesheet from the most recent available pay period for an employee who is fully funded by the award and a timesheet for an employee who is partially funded by the award.
- Overtime approval documentation, if applicable.
- Organizational chart.
- Purchasing policies and procedures manual.

## **FINANCIAL REVIEW**

- Accounting policies and procedures manual.
- Provide a financial system report or general ledger and budget to actual spreadsheet including all approved budget cost categories and match expenditures (tracking award spending and remaining balance against award budget) reflecting cumulative award expenditures through the end of the previous quarter.
- Supporting documentation for financial reports and financial system reports. This could include purchase invoice, vendor receipt, payroll register, timecards and dates of training or description of training.

## **PROGRAMMATIC REVIEW**

- Documentation to support activities reported in recent progress reports, provide evidence that supports the information reported. Evidence could be logs of services provided with date, location, and recipients noted, sign in sheets for training or focus groups, list of taskforce or steering committee members, or evidence of equipment purchases made.
- Below are examples of documents that show activities conducted and tools and/or processes used.
  1. To validate participation, provide participant sign in sheets, participant tracking spreadsheet or database printout, or training completion certificates.
  2. To validate that research and program evaluation reports have been completed, provide copies of draft in-progress or final evaluations and reports.
  3. To validate that approved meetings have occurred provide copies of minutes, agendas, and attendee list.
  4. To assess data collection activities and validate that data have been collected as reported, provide copies of or access to datasets and files.
  5. Provide examples of tools and procedures to validate and cross check data and activities reported on progress reports.
  6. To assess that reported purchases have been made, provide copies of inventory invoices and photos of equipment purchased.

At the conclusion of the site visit, Rockdale County staff will develop a Site Visit Report that documents the findings and conclusions from the visit. The Site Visit Report will be submitted to the Finance Department for compliance review and approval. After final approval by the Finance Department a summary of the final Site Visit Report will be sent to the subrecipient indicating the results of the visit. Where site visits identify or confirm significant performance problems, the County may specify corrective actions to be taken by the subrecipient based on observations and conclusions drawn from the site visit. These corrective actions may take the form of a Performance Improvement Plan, Technical Assistance Plan, Corrective Action Plan, or other action, depending on the specific observations. The County may also adjust monitoring levels based on a site visit.