

Subaward Guidance

Financial Risk Management System (FRMS)

Summary of Federal requirements for pass-through entities that subaward funding to a subrecipient or grantee. [2 C.F.R. § 200 Uniform Administrative Requirements](#). This guidance should be used in addition to adhering to the pass-through entity's procurement and contract management standards.

Subaward Agreement

Uniform Guidance- 2 CFR § 200.332

The subrecipient receiving funding from CDPHE must include the following in every subaward agreement:

- Subrecipient name that matches registered DUNS number
- DUNS number
- Federal Award Identification Number
- Federal Award Date
- Subaward Period of Performance start and end date
- Total of federal funds obligated to subrecipient
- Total amount of federal award

Federal award project description, as required by FFATA:

- Name of Federal awarding agency, pass-through entity, and contact information for awarding official,
- CFDA Number and Name
- Pass-through entity must identify the dollar amount made available under each Federal award and the CFDA number at time of disbursement;
- Identification of whether the award is Research and Development;
- Indirect cost rate for the Federal award

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- Conduct a subrecipient vs. contractor determination - see 2 CFR § 200.331
- Conduct a risk assessment - Does the subrecipient have prior experience? Has the subrecipient been audited recently and were there findings? Does the

subrecipient have new personnel or new systems? What does their financial oversight include?

- Look up entity on SAM.gov to verify eligibility to receive federal funds
- Prepare award documents: finalize SOW and include performance indicators; determine deliverables such as budgets and frequency of reporting/communication; determine payment method
- Pass-through entity (the LPHA) ensures the subrecipient meets the SOW and the funding requirements.
- Sign the agreement

Pass-through Requirements

Uniform Guidance- 2 CFR § 200.332

- Federal funding requirements apply to the pass-through agency and subrecipient of the subaward. The pass-through agency may impose additional requirements to meet the Federal awarding agency requirements. Appropriate terms and conditions concerning closeout of the subaward should be included in the agreement.
- An approved federally recognized **indirect cost rate** or CDPHE negotiated rate. If a rate isn't negotiated the de minimis indirect cost rate is allowed.
- CDPHE has **access to the subrecipient's records and financial statements** for audit purposes and as requested.
- **Evaluate each subrecipient's risk of noncompliance** with Federal statutes, regulations, and the terms and conditions of the subaward.

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- An attestation is required if the subrecipient and/or subaward chooses to claim less or no indirect rate. Negotiated or de minimis.
- The indirect rate chosen must remain consistent through the period of the agreement.
- Evaluate subrecipient's risk of noncompliance with Federal statutes, regulations, and the terms and conditions of the subaward by identifying potential risk factors and assessing the likelihood that each might occur. Ensure there is a risk-based monitoring plan to mitigate each potential risk factor.
- Consider including additional conditions in the subaward agreement based upon the results of the subrecipient's risk evaluation.

Subrecipient Monitoring Requirements

Uniform Guidance- 2 CFR § 200.332

Ensure the subaward is in compliance with federal and state requirements, the terms and conditions of the agreement; and the statement of work. Monitoring of the subrecipient must include:

- Review invoices with source documentation, progress reports and deliverables.
- Address noncompliance through audits, on-site reviews, and other means. Other activities may include regular check-in meetings to discuss progress and project strengths and barriers, targeted technical assistance, sending email reminders when deliverables and invoices are due, and immediate communication when deliverables or invoices are late, are unacceptable, or require revision.
- Issue a management decision for audit findings pertaining to the Federal award provided to the subrecipient from the pass-through entity as required by § 200.521 Management decision.

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- Regular review of subaward budget and allowable costs are expected in addition to regular reviews of invoices and deliverables.
- Maintain documentation of noncompliance and resolution

Subrecipient Monitoring Tools

Uniform Guidance- 2 CFR § 200.332

- Financial and Program Risk assessment to establish monitoring activities to ensure contract compliance.
- Ongoing program and fiscal training and technical assistance.
- Reviews and evaluates subaward's program operations.
- Arrange for agreed upon procedures engagements as described in [§ 200.425](#).
- Adjust monitoring based on risk.
- Address noncompliance with subaward. Communicate with CDPHE if subaward noncompliance impacts the project.

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- Ensure subrecipient staff are in regular communication.
- Ensure ongoing project communication (email updates, meetings, calls, etc.) between LPHA and subrecipient .

- Communications, meeting notes, invoices, deliverables, site visits, reviews, evaluations, associated trackers, and any other contract monitoring documents must be maintained in a contract file.

Definitions

Pass-Through Entity (PTE): a non-Federal entity that provides a subaward to a subrecipient to carry out part of a Federal program.

Award: funds by a State Agency or a federal awarding agency or by a recipient of an award of State or federal funds Subawards.

Recipient: an entity, usually but not limited to non-Federal entities that receives a Federal award directly from a Federal awarding agency. The term recipient does not include subrecipients or individuals that are beneficiaries of the award.

Subaward: an award provided by a pass-through entity to a subrecipient for the subrecipient to carry out part of a Federal award received by the pass-through entity. It does not include payments to a contractor or payments to an individual that is a beneficiary of a Federal program. A subaward may be provided through any form of legal agreement, including an agreement that the pass-through entity considers a contract.

Subrecipient: an entity, usually but not limited to non-Federal entities, that receives a subaward from a pass-through entity to carry out part of a Federal award; but does not include an individual that is a beneficiary of such award. A subrecipient may also be a recipient of other Federal awards directly from a Federal awarding agency.

Contact the Contract Performance Monitoring Unit Team, for more questions.
cdphe_contractmonitoring@state.co.us