

Sub-recipients Monitoring Policy

The purpose of Sub-recipients Monitoring Policy for is to:

- Ensure compliance with 2 C.F.R. § 200.303 and 200.331 (attached)
- Ensure sub recipients use grant funds in accordance with all federal and program guidelines.
- Oversee the day-to-day operations of sub recipients to ensure they achieve performance objectives on schedule and within budget.
- Ensure sub recipients' timely submission of all documents necessary to meet all reporting requirements of the awarding agency (financial and performance reports).
- Take the appropriate actions to get the sub recipient back on track, if problems arise.

Pre-Award

If applicable, there will be an announcement of the specific funding opportunities, eligibility requirements and the allotted timeframe to apply. Applications will be reviewed and assessed for each sub-recipient's eligibility for federal funding. This will include:

- Review will include: Applicant's eligibility or the quality of its application; Financial stability and quality of management system; History of performance; and Audit findings (if available).
- Ensuring the proposed sub recipient or contractor is not suspended or debarred by the federal government
- Ensuring the sub recipient or contractor agrees to the required data elements as listed in 2 C.F.R. § 200.331 (attached)
- Ensuring the sub recipient or contractor agrees to applicable federal special conditions of the grant award

Post-Award

Once selected, the sub-recipient or contractor will enter into a contract with the City of Joliet. This contract will include elements laid out in 2 C.F.R. §200.331. The contract will include that the sub-recipient:

- Carry out program activities as stipulated in the subaward;
- Have adequate internal controls to protect federal funds;
- Claim reimbursement for costs that are allowable, reasonable, allocable, and necessary under program guidelines;
- Identify any conflicts of interest that exist; and
- Maintain required supporting documentation/records.

The City of Joliet will perform a risk assessment of each sub recipient for noncompliance with federal statutes, regulations, and the terms and conditions of the subaward to determine the appropriate level of monitoring needed. Assessment will include:

General Assessment	Legal Assessment	Financial Assessment
• Award amount • Matching funds • New subrecipient • Budget modification requests	• Past suspension or debarment (must be considered) • Federal debt owed	• Delinquent reports • Recent audit opinion • Received financial reviews from other agencies

The sub-recipient will be monitored based on the risk level determined from assessment.

Monitoring Plan for Sub Recipients	
ALL	Monthly contact with sub-recipient on progress and barriers
LOW	Site Visit once per year
MED	Site Visit twice per year
HIGH	Site visit quarterly

In preparation for site visits, the City of Joliet will:

- Review Subrecipient's application for funding;
- Review written agreement with the subrecipient;
- Review Financial and progress reports;
- Review payments made to the subrecipient
- Copies of recent audit reports (if applicable)

On site monitoring (site visits) will include:

1. Organizational structure
2. Fiscal Review (Chart of Accounts, Audits, etc)
3. Fiscal and Programmatic Policy and Procedure
4. Programmatic Review of funded activities including observation if applicable
5. Review of supporting documentation/records

Following any site visits, an exit interview will be held as well as a follow-up memo used to create a permanent record of those findings. This will include sub-recipient's success, if performing well, deficiencies and recommendations, if the sub-recipient is experiencing problems or failing to comply with federal requirements or program guidelines, and deadlines informing sub-recipients when a written response describing their proposed resolutions to any findings is due. This will be provided to the sub-recipient within 2 weeks of the site visit. A copy will be placed in the sub-recipient's file.

If a sub-recipient does not comply with federal statutes, regulations or the terms and conditions of the subaward, the pass-through entity may impose additional conditions such as:

- Requiring payments as reimbursements rather than advance payments;
- Withholding authority to proceed to the next phase until receipt of evidence of acceptable performance within a given period of performance;
- Requiring additional, more detailed financial reports;
- Requiring additional project monitoring;
- Requiring the non-Federal entity to obtain technical or management assistance; or
- Establishing additional prior approvals.
- The Federal awarding agency or pass-through entity must notify the applicant or non-Federal entity as to:
 - The nature of the additional requirements;
 - The reason why the additional requirements are being imposed;
 - The nature of the action needed to remove the additional requirement, if applicable;
 - The time allowed for completing the actions if applicable, and

- o The method for requesting reconsideration of the additional requirements imposed.
- Any specific conditions must be promptly removed once the conditions that prompted them have been corrected.

If noncompliance cannot be remedied by imposing additional conditions one or more of the following actions may be taken:

- Temporarily withhold funds pending correction of the deficiency;
- Disallow all or part of the activity not in compliance;
- Wholly or partly suspend or terminate the subaward;
- Initiate suspension or debarment;
- Withhold future subawards; or
- Other legal remedies that may be available

Post Award Closeout Process

The City of Joliet will close out the subaward when all applicable administrative actions and all grant related work have been completed. The subrecipient will be required to submit all financial, performance, and other reports to the pass-through entity within a specified time after the end date of the subaward's period of performance. The City of Joliet will make prompt payments to subrecipients for allowable and authorized reimbursable costs charged to the federal award.

(iv) Federal Award Date (see § 200.39 Federal award date);

(v) Subaward Period of Performance Start and End Date;

(vi) Amount of Federal Funds Obligated by this action;

(vii) Total Amount of Federal Funds Obligated to the subrecipient;

(viii) Total Amount of the Federal Award;

(ix) Federal award project description, as required to be responsive to the Federal Funding Accountability and Transparency Act (FFATA);

(x) Name of Federal awarding agency, pass-through entity, and contact information for awarding official,

(xi) CFDA Number and Name; the pass-through entity must identify the dollar amount made available under each Federal award and the CFDA number at time of disbursement;

(xii) Identification of whether the award is R&D; and

(xiii) Indirect cost rate for the Federal award (including if the de minimis rate is charged per § 200.414 Indirect (F&A) costs).

(2) 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.

(3) 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;

(4) 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 (in compliance with this part), or a de minimis indirect cost rate as defined in § 200.414 Indirect (F&A) costs, paragraph (b) of this part.

(5) 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, §§ 200.300 Statutory and national policy requirements

through 200.309 Period of performance, and Subpart F—Audit Requirements of this part; and

(6) Appropriate terms and conditions concerning closeout of the subaward.

(b) 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 described in paragraph (e) of this section, which may include consideration of such factors as:

(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—Audit Requirements of this part, 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 (e.g., if the subrecipient also receives Federal awards directly from a Federal awarding agency).

(c) Consider imposing specific subaward conditions upon a subrecipient if appropriate as described in § 200.207 Specific conditions.

(d) 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:

(1) Reviewing financial and programmatic 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 other means.

(3) Issuing 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.

(e) Depending upon the pass-through entity's assessment of risk posed by the subrecipient (as described in paragraph (b) of this section), the following monitoring tools may be useful for the pass-through entity to ensure proper accountability and compliance with program requirements and achievement of performance goals:

(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 Audit services.

(f) Verify that every subrecipient is audited as required by Subpart F—Audit Requirements of this part 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 Audit requirements.

(g) 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.

(h) Consider taking enforcement action against noncompliant subrecipients as described in § 200.338 Remedies for noncompliance of this part and in program regulations.

§ 200.332 Fixed amount subawards.

With prior written approval from the Federal awarding agency, a pass-through entity may provide subawards based on fixed amounts up to the Simplified Acquisition Threshold, provided that the subawards meet the requirements for fixed amount awards in § 200.201 Use of grant agreements (including fixed amount awards), cooperative agreements, and contracts.

RECORD RETENTION AND ACCESS

§ 200.333 Retention requirements for records.

Financial records, supporting documents, statistical records, and all other non-Federal entity records pertain-

ent to a Federal award must be retained for a period of three years from the date of submission of the final expenditure report or, for Federal awards that are renewed quarterly or annually, from the date of the submission of the quarterly or annual financial report, respectively, as reported to the Federal awarding agency or pass-through entity in the case of a subrecipient. Federal awarding agencies and pass-through entities must not impose any other record retention requirements upon non-Federal entities. The only exceptions are the following:

(a) If any litigation, claim, or audit is started before the expiration of the 3-year period, the records must be retained until all litigation, claims, or audit findings involving the records have been resolved and final action taken.

(b) When the non-Federal entity is notified in writing by the Federal awarding agency, cognizant agency for audit, oversight agency for audit, cognizant agency for indirect costs, or pass-through entity to extend the retention period.

(c) Records for real property and equipment acquired with Federal funds must be retained for 3 years after final disposition.

(d) When records are transferred to or maintained by the Federal awarding agency or pass-through entity, the 3-year retention requirement is not applicable to the non-Federal entity.

(e) Records for program income transactions after the period of performance. In some cases recipients must report program income after the period of performance. Where there is such a requirement, the retention period for the records pertaining to the earning of the program income starts from the end of the non-Federal entity's fiscal year in which the program income is earned.

(f) Indirect cost rate proposals and cost allocations plans. This paragraph applies to the following types of documents and their supporting records: indirect cost rate computations or proposals, cost allocation plans, and any similar accounting computations of the rate at which a particular group of costs is chargeable (such as computer