

Subrecipient Agreement Guideline

§ 200.332 Requirements for Pass-Through Entities

[Federal funding regulations](#) require specific information for organizations that pass on federal funding (e.g. Older Americans Act Title III funds) to another organization through a subrecipient agreement. This document is meant to serve as a guide for organizations that have contractual agreements with a subrecipient organization to deliver Title III-funded services to the broader target population. These guidelines do not pertain to relationships with contractors for a good or service.

Definitions (§ 200.331):

1. Contractors: 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. See the definition of *contract* in [§ 200.1 of this part](#). Characteristics indicative of a procurement relationship between the non-Federal entity and a contractor are when the contractor:

- (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;
and
- (5) Is not subject to compliance requirements of the Federal program as a result of the agreement, though similar requirements may apply for other reasons.

2. Subrecipients: A subaward is for the purpose of carrying out a portion of a Federal award and creates a Federal assistance relationship with the subrecipient. See definition for *Subaward* in [§ 200.1 of this part](#). Characteristics which support the classification of the non-Federal entity as a subrecipient include when the non-Federal entity:

- (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) Is responsible for adherence to applicable Federal program requirements specified in the Federal award; and
- (5) 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.

Subrecipient Agreement Guidelines (§ 200.332)

- 1. Ensure that the subaward is clearly identified to the subrecipient as a subaward and includes the below information. If any elements of the subaward changes, make sure that those changes are made in amendments to the award. When some of the information is not available at the time of creation of this subaward, include the best information your organization has at the time to describe the Federal award and subaward. Agreements between your organization and your subrecipient must include the following:

A. Basic information

- i. Subrecipient name (must match the name in UEI, see below).
- ii. Subrecipient [unique entity identifier](#)
 - All organizations that receive federal funds must have a UEI number.
 - [Prepare for Entity Registration in SAM.gov](#)
- iii. Federal Award Identification Number (FAIN).
- iv. Federal Award Date
 - The date when the Federal award is signed by the authorized official of the Federal awarding agency: U.S. Department Health and Human Services - Administration for Community Living
Subaward Period of Performance Start and End Date.
- v. Subaward Budget Period Start and End Date.
- vi. Amount of funds the subrecipient will receive from you.
- vii. Total amount of Federal Funds Obligated (the amount of funds per service) to the subrecipient by your organization including the current financial obligation.



- viii. Total amount of the award committed to the subrecipient by your organization.
 - This is the total amount of funds awarded to your subrecipient.
 - ix. Federal award project description, as required to be responsive to the [Federal Funding Accountability and Transparency Act](#) (FFATA)¹.
 - x. Name of Federal awarding agency
 - OAA Title III Funding: U.S. Department Health and Human Services - Administration for Community Living
 - Pass-through entity (Trellis), and contact information for awarding official of the Pass-through entity (your organization).
 - xi. Assistance Listings number and Title
 - Title III-B 93.044,
 - Title III-C 93.045,
 - Title III-D 93.043
 - Title III-E 93.052;
 - Your organization must identify the dollar amount made available under each Federal award and the Assistance Listings Number at the time of disbursement.
 - xii. Identification of whether the award is Research and Development (all research activities, both basic and applied, and all development activities that are performed by non-Federal entities).
 - xiii. Indirect cost rate for the Federal award (including if the de minimis rate is charged) per [§ 200.414](#).
- B. All requirements imposed by your organization 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.

¹ A. Name of entity receiving award; B. Amount of award; C. Funding agency; D. NAICS code for contracts / CFDA program number for grants; E. Program source; F. Award title descriptive of the purpose of the funding action; G. Location of the entity (including congressional district); H. Place of performance (including congressional district); I. Unique identifier of the entity and its parent; and J. Total compensation and names of top five executives (same thresholds as for primes)

- i. For example, for OAA Title III funding, the subrecipient should have documentation ofL
 - Assurances of Compliance and Certifications,
 - Insurance Certification (with your organization listed as the Insured)
 - Cost Share and Contribution Policies, Service Agreements, and/or sliding fee scales
 - Client Complaint Policy and Procedures
 - Targeting Policy
 - Board of Directors with Terms
 - PeerPlace Memorandum of Understanding (if applicable).
- C. Any additional requirements your organization has of the subrecipient for your organization to meet your own responsibility to the Federal awarding agency including any identification of any required financial and performance reports.
- D. Requirements of the Indirect Cost Rate (ICR):
 - i. An approved federally recognized ICR negotiated between your organization and the Federal Government if applicable. If no approved rate exists, your organization must determine the appropriate rate in collaboration with the subrecipient, which is either:
 - The negotiated ICR between your organization and the subrecipient. This rate can include a previously negotiated rate. Your organization does not have to collect information justifying this rate but can do so if you choose; or
 - The de minimis indirect cost rate (10%).
 - ii. Your organization must not require use of de minimis indirect cost rate if the subrecipient has a Federally approved rate. Subrecipients can elect to use the cost allocation method to account for indirect cost².

² [Direct Cost Allocation principles](#): If a cost benefits two or more projects or activities in proportions that can be determined without undue effort or cost, the cost must be allocated to the projects based on the proportional benefit. If a cost benefits two or more projects or activities in proportions that cannot be determined because of the interrelationship of the work involved, then, notwithstanding [paragraph \(c\)](#) of this section, the costs may be

- E. A requirement that the subrecipient permit your organization and auditors to have access to the subrecipient's records and financial statements as necessary for your organization to meet the requirements of this part; and
 - F. Appropriate terms and conditions concerning closeout of the subaward.
 - i. The due date for Title III financial closeout information is March 10 following the award year.
 - ii. Subrecipients should send your organization financial statements within 5 business days in advance of your due date.
2. 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 paragraphs (4) and (5) below, which may include consideration of such factors as:
- A. The subrecipient's prior experience with the same or similar subawards.
 - B. The results of previous audits include whether the subrecipient received a Single Audit in accordance with [Subpart F of this part](#), and the extent to which the same or similar subaward has been audited as a major program.
 - C. Whether the subrecipient has new personnel or new or substantially changed systems.
 - D. The extent and results of the Federal awarding agency monitoring (e.g., if the subrecipient also receives Federal awards directly from the Federal awarding agency).
3. Consider imposing specific subaward conditions upon a subrecipient if appropriate as described in [§ 200.208](#). Examples include:
- A. Requiring payments as reimbursements rather than advance payments.
 - B. Withholding authority to proceed to the next phase until receipt of evidence of acceptable performance within a given performance period.
 - C. Requiring additional, more detailed financial reports.

allocated or transferred to benefitted projects on any reasonable documented basis. Where the purchase of equipment or other capital asset is specifically authorized under a Federal award, the costs are assignable to the Federal award regardless of the use that may be made of the equipment or other capital asset involved when no longer needed for the purpose for which it was originally required. See also [§§ 200.310](#) through [200.316](#) and [200.439](#).



- D. Requiring additional project monitoring.
 - E. Requiring the non-Federal entity to obtain technical or management assistance;
or
 - F. Establishing additional prior approvals.
4. Monitor the activities of the subrecipient annually 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. Your organization's monitoring of the subrecipient must include:
- A. Reviewing financial and performance reports required by your organization.
 - B. 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 your organization detected through audits, on-site reviews, and written confirmation from the subrecipient, highlighting the status of actions planned or taken to address Single Audit findings related to the particular subaward.
 - C. Issuing a management decision for applicable audit findings pertaining only to the Federal award provided to the subrecipient from your organization as required by [§ 200.521](#).³
 - D. Your organization is responsible for resolving audit findings specifically related to the subaward and not responsible for resolving cross-cutting findings. If a subrecipient has a current Single Audit report posted in the Federal Audit Clearinghouse and has not otherwise been excluded from receipt of Federal funding (e.g., has been debarred or suspended), your organization may rely on the subrecipient's cognizant audit agency or cognizant oversight agency to perform audit follow-up and make management decisions related to cross-cutting

³ The management decision must clearly state whether or not the audit finding is sustained, the reasons for the decision, and the expected auditee action to repay disallowed costs, make financial adjustments, or take other action. If the auditee has not completed corrective action, a timetable for follow-up should be given. Prior to issuing the management decision, the Federal agency or your organization may request additional information or documentation from the auditee, including a request for auditor assurance related to the documentation, as a way of mitigating disallowed costs. The management decision should describe any appeal process available to the auditee. While not required, the Federal agency or your organization may also issue a management decision on findings relating to the financial statements which are required to be reported in accordance with GAGAS.

findings in accordance with section [§ 200.513\(a\)\(3\)\(vii\)](#)⁴. Such reliance does not eliminate the responsibility of your organization to issue subawards that conform to agency and award-specific requirements, to manage risk through ongoing subaward monitoring, and to monitor the status of the findings that are specifically related to the subaward.

5. Depending upon your organization's assessment of risk posed by the subrecipient (as described in paragraph (2) of this section), the following monitoring tools may be useful for your organization to ensure proper accountability and compliance with program requirements and achievement of performance goals:
 - A. Providing subrecipients with training and technical assistance on program-related matters;
 - B. Performing on-site reviews of the subrecipient's program operations; and
 - C. Arranging for agreed-upon-procedure engagements as described in [§ 200.425](#).
6. Verify that every subrecipient is audited as required by [Subpart F 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](#).
7. Consider whether the results of the subrecipient's audits, on-site reviews, or other monitoring indicate conditions that necessitate adjustments to your organization's own records.
8. Consider taking enforcement action against noncompliant subrecipients as described in [§ 200.339 of this part](#) and in program regulations. Examples include:
 - A. Temporarily withholding cash payments pending correction of the deficiency.
 - B. Disallowing all of part of the cost of the activity or action not in compliance.
 - C. Wholly or partly suspending or terminating Federal award.
 - D. Initiating suspension or debarment proceedings and Federal awarding agency regulations.
 - E. Withholding further Federal awards for the project or program.
 - F. Taking other remedies that may be legally available.

⁴ Coordinate a management decision for cross-cutting audit findings (see in [§ 200.1 of this part](#)) that affect the Federal programs of more than one agency when requested by any Federal awarding agency whose awards are included in the audit finding of the auditee.

